

FDI in CESEE



THE DOWNWARD TREND CONTINUES

by Olga Pindyuk, wiiw Economist

In 2025, FDI inflows fell in most CESEE countries, both in absolute numbers and as a share of GDP. Romania emerged as one of the region's prime investment destinations, while in Kazakhstan FDI inflows turned sharply negative. The latest data on greenfield project announcements indicate that investor sentiment is continuing to deteriorate, suggesting a further weakening of investment flows into the region in the near future. Important exceptions to this are metals and renewable energy.

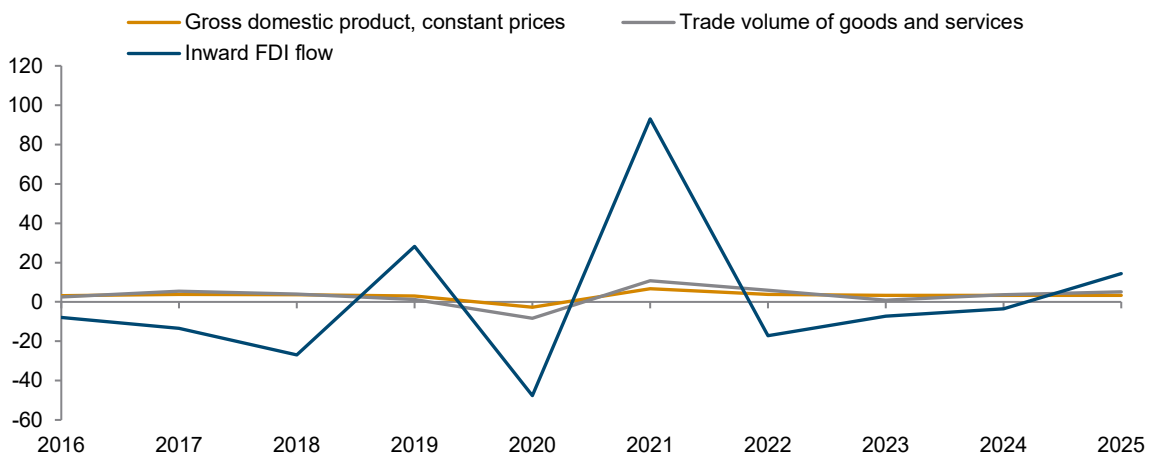
This is the first of two releases of FDI data this year, allowing members to receive data and accompanying analyses shortly after the figures are released by the national statistical data providers. Preliminary data on total inflows, outflows, inward stock and outward stock (Tables 1-4 in the Appendix), and as a breakdown by instrument (Table 5 in the Appendix) up until 2025 are currently available in the database. This spring update includes FDI breakdown by partner and by economic activity for only a few CESEE countries; in our next release of FDI data in November, we expect the final data for 2025 to be available for most of the remaining countries (including backward revisions and the breakdown by partner and economic activity).

The FDI data in Tables 1-5 in the Appendix and the database follow the *OECD Benchmark Definition of Foreign Direct Investment* (4th edition) and the International Monetary Fund's (IMF) *Balance of Payments and International Investment Position Manual* (BPM6). The data are recorded in current euros and are presented in accordance with the international standard of the directional principle. Any deviation from this international standard is marked and explained in the notes to the tables. The sources of the data are the respective countries' central banks. More information on the countries covered, the content, time series, methodology and sources can be found in the detailed description of the database online <https://data.wiiw.ac.at/fdi-database.html>.

In 2025, FDI inflows continued to decline in most of cesee

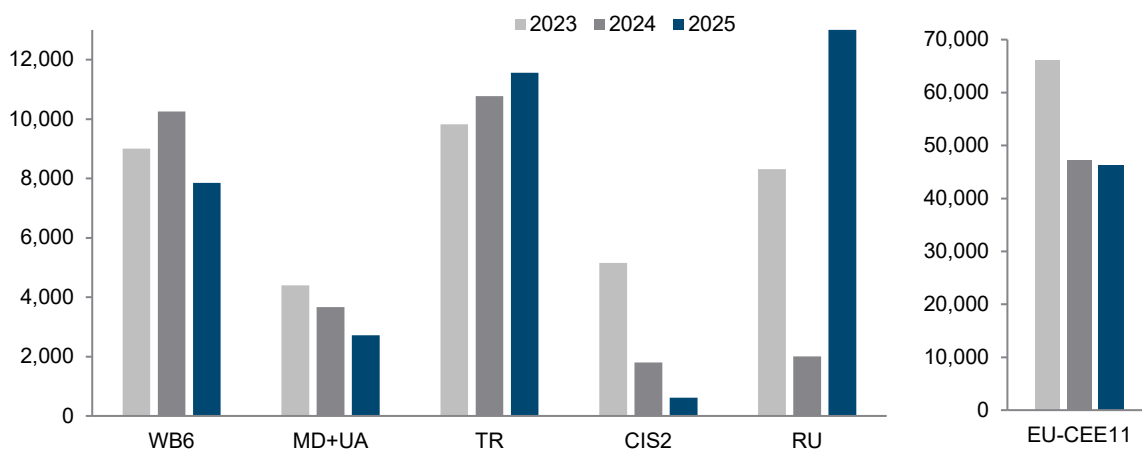
After three years of contraction, global foreign direct investment (FDI) flows finally rose in 2025 – by 14.5% year on year (Figure 1). FDI inflows grew significantly faster than global trade and overall economic activity, which recorded annual growth rates of 5.1% and 3.4%, respectively. However, the growth in FDI was concentrated in high-income countries, which benefited from 98% of the increase. Data centres, semi-conductors and telecommunications accounted for the biggest part of the growth in investment, while renewable energy, the automotive sector, machinery and equipment and the extractive industry experienced declining interest from investors (UNCTAD, 2026).

Figure 1 / Global trade, FDI inflows and GDP, annual change in %, 2016-2025



Sources: IMF World Economic Outlook, UNCTAD.

Figure 2 / FDI inflows in the main sub-regions of CESEE in 2023-2025, EUR million



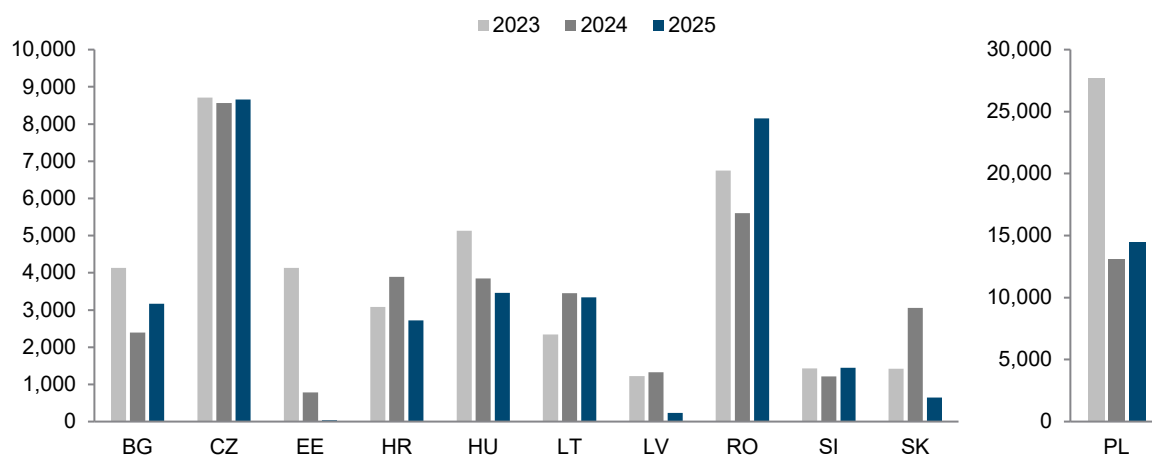
Note: CIS2 comprises Belarus and Kazakhstan; 2025 value for Russia is EUR 22.4bn.

Source: wiiw FDI Database based on direct investment statistics of the respective central banks, wiiw calculations and partly wiiw estimates for 2025.

The CESEE region experienced a decline in inward FDI flows in 2025 in all its sub-regions, except for Turkey and Russia (Figure 2). In the case of Russia, one reason for this is the restructuring of residents' foreign assets in offshore destinations – a move that is probably forced, as it does not appear to be driven by any changes in the economic fundamentals. All the other sub-regions experienced a drop in FDI inflows – most dramatically in CIS2 (Belarus and Kazakhstan), where the decline was 66% year on year. In the Western Balkans, the inflow of foreign direct investment ceased to grow altogether and fell by 23% year on year. A similar rate of contraction (26% year on year) was recorded in MD+UA. The EU member states in the region experienced the mildest drop – just 2% year on year. However, this was the third year in a row that there had been a decline, so that the value of inward FDI flows in 2025 stood at less than 60% of the 2022 level.

Zooming in on individual countries reveals a very mixed picture. In EU-CEE11, Romania, Bulgaria, Slovenia and Poland all recorded positive (double-digit) growth in inward FDI flows in 2025 – of 45%, 32%, 19% and 10% year on year, respectively (Figure 3). Notwithstanding its troubling macroeconomic situation, Romania has almost caught up with Czechia in terms of the value of FDI inflows, cementing its position as one of the key investment destinations in CESEE. At the same time, in Estonia, Latvia and Slovakia FDI inflows almost came to a standstill, having contracted by 95%, 83% and 79% year on year, respectively.

Figure 3 / FDI inflows in EU-CEE countries in 2023-2025, EUR million

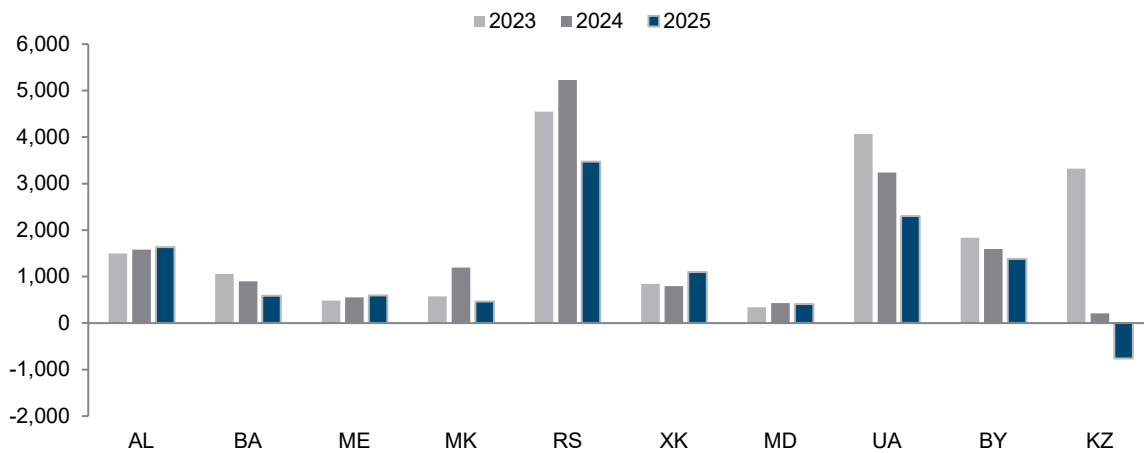


Source: wiiw FDI Database based on direct investment statistics of the respective central banks, wiiw calculations and partly wiiw estimates for 2025.

In the Western Balkans, the dynamics of FDI inflows also varied greatly from country to country. In 2025, North Macedonia, Bosnia and Herzegovina, and Serbia attracted far smaller inward FDI flows than the previous year, with the decline the steepest in North Macedonia – 61% year on year (Figure 4). At the same time, Kosovo, Montenegro and Albania managed to boost their FDI inflows last year: Kosovo recorded a 38% year-on-year increase to rank third in the region in terms of the value of the inflows (after Serbia and Albania).

Elsewhere, Kazakhstan stood out as the worst performer in terms of FDI attraction, with negative reinvested earnings and the net repayment of intercompany loans more than offsetting positive equity inflows (see the article Macro Snapshot for further details). Ukraine suffered a double-digit contraction in FDI inflows for the second year in a row, as investor sentiment continued to be dampened by Russia’s protracted war on the country. Belarus (which, like Russia, has been isolated and sanctioned) and Moldova (which is among the CESEE countries most exposed to the security risks and overall negative spillover effects of Russia’s war in Ukraine) also recorded a decline in inward FDI flows in 2025.

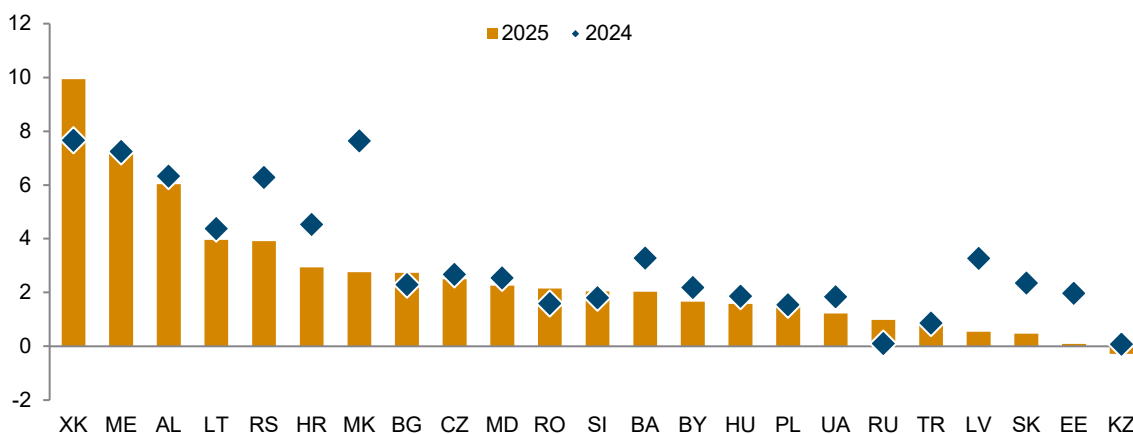
Figure 4 / FDI inflows in non-EU CESEE countries in 2023-2025, EUR million



Note: excluding Turkey and Russia (see Figure 2).

Source: wiiw FDI Database based on direct investment statistics (balance of payments for Kosovo) of the respective central banks.

Figure 5 / FDI inflow as a percentage of GDP



Note: Data are based on direct investment statistics (directional principle), excluding Special Purpose Entities (SPEs).

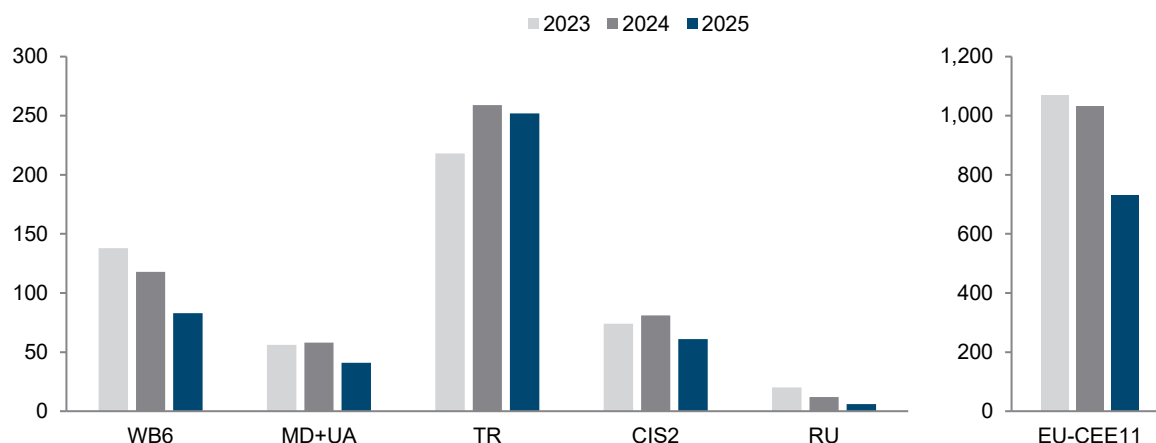
Source: wiiw FDI Database based on direct investment statistics of the respective central banks, wiiw calculations.

In 2025, FDI inflows shrank as a share of GDP compared to the previous year in most of CESEE – exceptions being Kosovo, Romania, Bulgaria and Slovenia (Figure 5). In Russia, the share of FDI inflows in GDP also increased in 2025. In EU-CEE11, the average share of FDI inflows in GDP was only 1.7% in 2025, further pointing to the change in the underlying economic model of the sub-region, which used to be centred on FDI attraction. In the Western Balkans FDI inflows are still much higher: in 2025 they accounted for 5.3% of GDP on average.

Recent greenfield project announcements paint a bleak picture

The data on greenfield investment projects announced, which can be interpreted as an indicator of investor sentiment, point to a further growth in pessimism, in line with the global trends. The number of greenfield investment projects announced fell substantially in all the individual sub-regions of CESEE in 2025; only in Turkey was the decline in single digits – 3% year on year (Figure 6). Russia saw the biggest fall in the number of greenfield projects last year – 50% year on year. However, the rest of the region performed only marginally better, with the number of greenfield investment projects announced declining by 25-30% year on year.

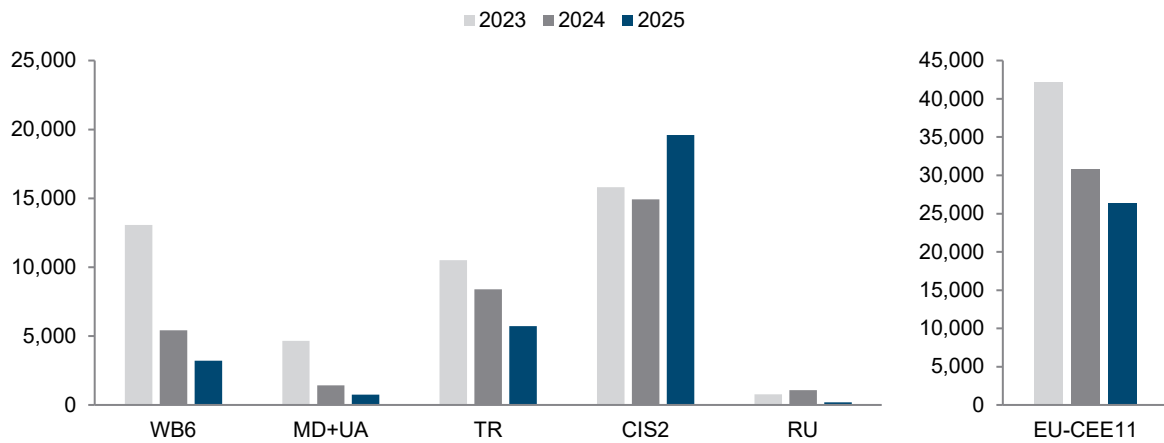
Figure 6 / Number of greenfield projects announced, by country group



Source: fDi Markets.

A similar picture emerges when we look at how much capital greenfield investors pledged in their announcements, with all the sub-regions (apart from CIS2) experiencing a sharp decline in the value of capital pledged in 2025 (Figure 7). The positive dynamics of CIS2 were entirely thanks to Kazakhstan, where investors pledged 34% more capital in 2025 than the year before. In Belarus, by contrast, greenfield investment activity appears to have ceased almost completely: capital pledged to greenfield investment projects decreased in 2025 by 95% year on year to stand at a mere EUR 17m. Russia also had a poor result, with greenfield capital pledged shrinking in 2025 by 81% year on year. Of the sub-regions, EU-CEE11 recorded the mildest decline in greenfield capital pledged – 15% year on year, suggesting that greenfield investors consider the sub-region relatively attractive, compared to the other options.

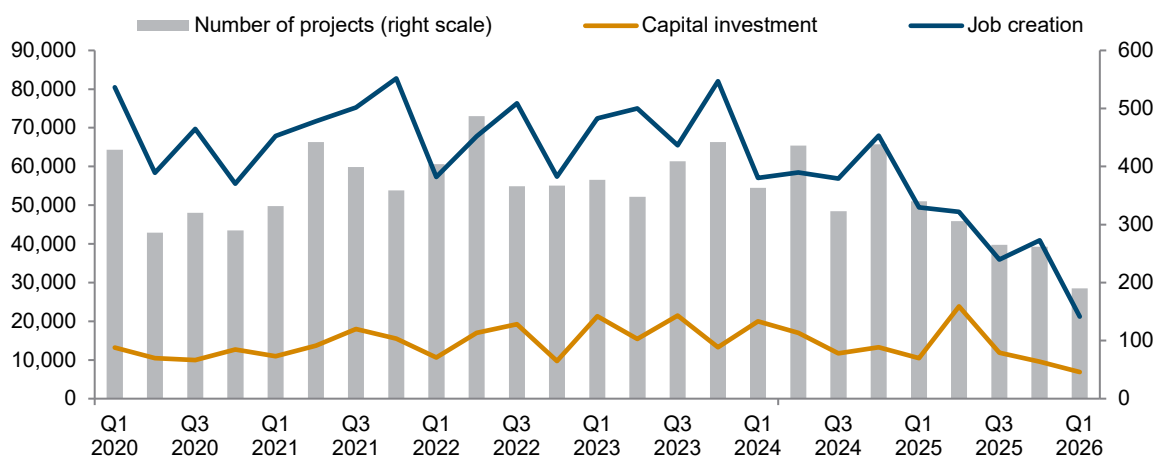
Figure 7 / Capital investment pledged in announced greenfield projects in EUR million, by country group



Source: fDi Markets.

The most recent data show that in Q1 2026, the number of greenfield projects announced in CESEE fell by 44% year on year, and pledged capital by 35% year on year (Figure 8). These are the lowest first-quarter levels recorded in the past six years – a period marked by the pandemic and the onset of Russia’s full-scale invasion of Ukraine. As the region’s economies face ever-increasing uncertainty (Jovanovikj and Pindyuk, 2026), investors are becoming more and more cautious and are continuing to roll back their greenfield investment activity in the region.

Figure 8 / Greenfield FDI projects announced in CESEE: number of projects, capital investment in EUR million and number of jobs to be created

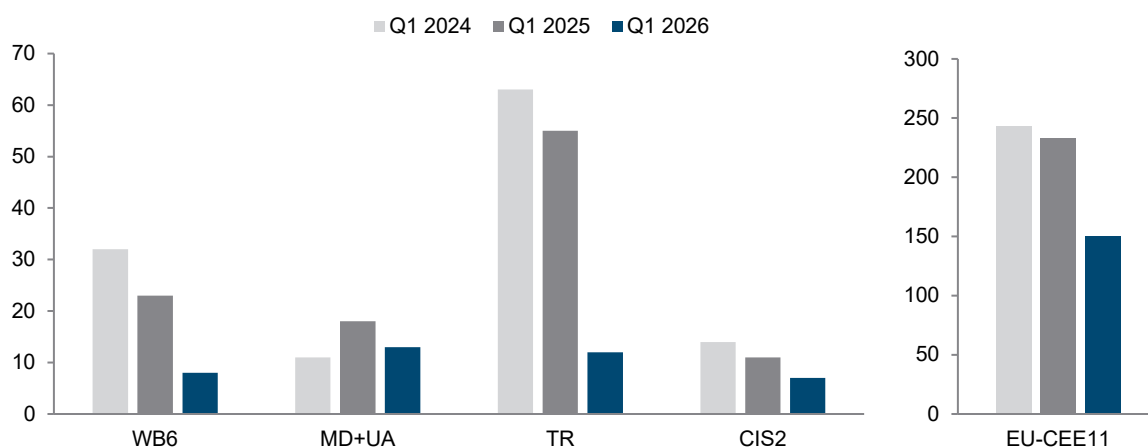


Source: fDi Markets.

A rapid slowdown in greenfield investment activity continued in Q1 2026 across all the sub-regions, with Turkey and the Western Balkans experiencing the biggest decrease in the number of projects – of 78% and 65% year on year, respectively (Figure 9). It is likely that the numbers already reflect the initial

impact on overall investor sentiment of the Middle East war, which started on 28 February, and the subsequent blockade of the Strait of Hormuz, but the full effect of the war is yet to be felt.

Figure 9 / Number of greenfield projects announced, by country group, in Q1 2024, Q1 2025 and Q1 2026

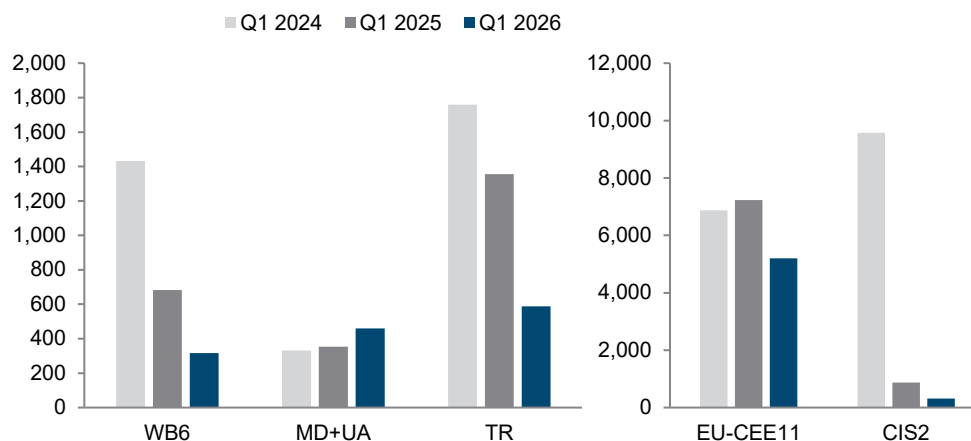


Note: Russia had zero projects in Q1 2024, Q1 2025 and Q1 2026.

Source: fDi Markets.

The capital pledged in those greenfield investment projects that have been announced also contracted significantly in Q1 2026 in all sub-regions – with the somewhat surprising exception of MD+UA. Although the number of greenfield projects announced in Moldova and Ukraine fell in Q1 2026, the average value of each project rose by 80% compared to Q1 2025, and therefore pledged capital recorded 30% growth. EU-CEE11 recorded a smaller decline (of 28% year on year) in pledged capital compared to other sub-regions, where the capital pledged by investors was at least 50% down on the level seen in Q1 2025.

Figure 10 / Capital investment pledged in announced greenfield projects in EUR million, by country group, in Q1 2024, Q1 2025 and Q1 2026

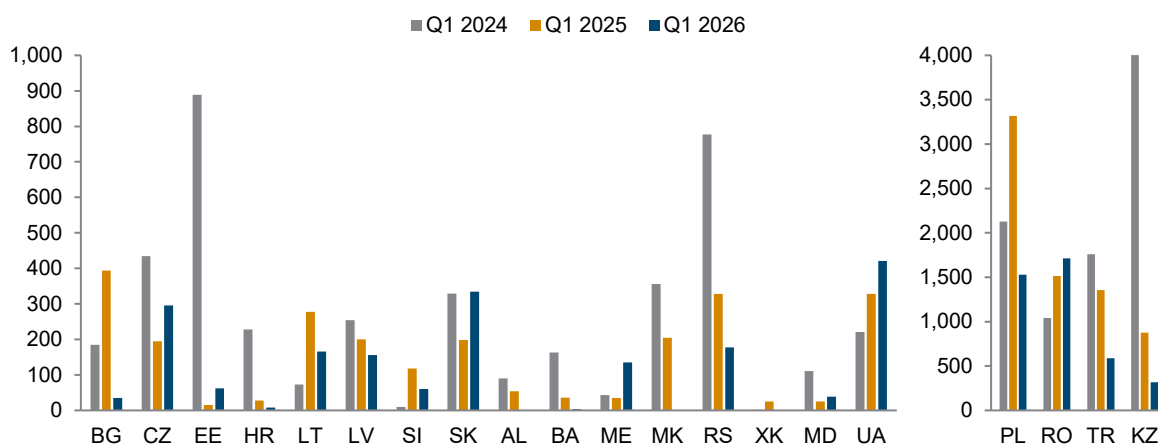


Note: Russia had zero projects in Q1 2024, Q1 2025 and Q1 2026.

Source: fDi Markets.

A glance at the performance of individual countries reveals that in only seven CESEE countries was there an increase in the capital pledged in greenfield projects announced in Q1 2026 – Czechia, Montenegro, Estonia, Slovakia, Moldova, Ukraine and Romania (Figure 11). Other countries saw a dramatic deterioration, especially the three Western Balkan countries of Albania, North Macedonia and Kosovo: in those countries – as well as in Belarus and Russia – no greenfield investment projects at all were announced. Bulgaria and Bosnia and Herzegovina performed marginally better, with the value of pledged capital investment decreasing in Q1 2026 by about 90% year on year.

Figure 11 / Capital investment pledged in announced greenfield projects in EUR million, by country, in Q1 2024, Q1 2025 and Q1 2026



Note: There were no projects announced for Belarus and Russia in any of the quarters; Q1 2024 value for Kazakhstan is EUR 9.568bn.

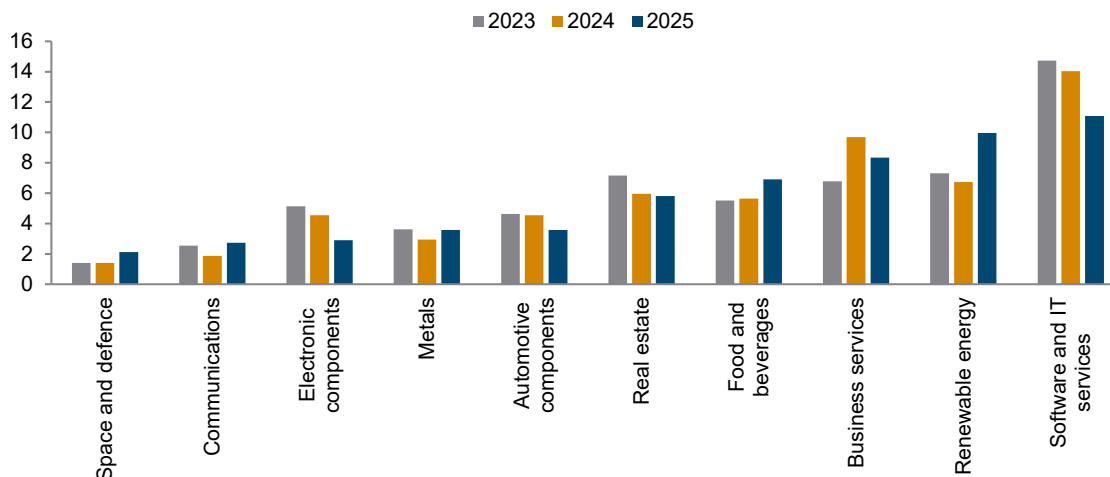
Source: fDi Markets.

Investors' interest in renewables and metals on the rise

Although globally, the renewable energy sector saw a decline in investment in 2025, in CESEE greenfield investment project announcements by companies in the renewable energy sector rose. The number of projects announced increased by 11% year on year, mostly owing to the higher number of projects in EU-CEE11; as a result, the sector accounted for 10% of all greenfield investment projects in the region – up 3 percentage points (pp) on the previous year (Figure 12).

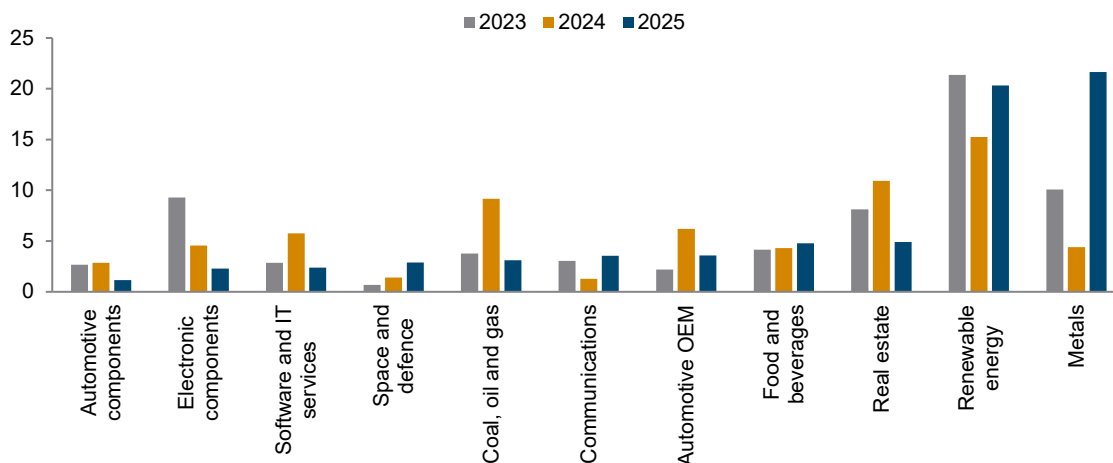
By contrast, the number of greenfield investment projects announced by companies in software and IT services fell in 2025 by 41% year on year. Nevertheless, that sector retained the highest share in the total number of projects (though it decreased by 3pp to 11%). The share of business services companies – the third-biggest sector – also decreased in 2025 as the number of greenfield investment projects announced in the sector fell by 35% year on year.

Figure 12 / Share of main sectors of investing companies in the number of greenfield projects announced in CESEE, in %



Source: fDi Markets.

Figure 13 / Share of main sectors of investing companies in the pledged capital of greenfield projects announced in CESEE, in %



Source: fDi Markets.

In terms of pledged capital, the sector structure of investing companies varied markedly from the structure of the number of greenfield projects announced, with companies from the metal sector accounting for the highest share of pledged capital in 2025 – 22% (Figure 13). This result was driven by a single USD 12.6bn greenfield investment project in Kazakhstan's green aluminium sector, announced by China's East Hope Group (EHG), one of the world's leading non-ferrous metals conglomerates.¹ This project alone accounted for 80% of the capital pledged by companies from the metals sector in the CESEE region. Investors from the renewable energy sector pledged 20% more capital in 2025 than in the previous year and accounted for the second-highest share in the structure of pledged capital – 20%.

¹ <https://www.alcicle.com/news/chinas-east-hope-group-investment-to-fuel-green-aluminium-boom-in-kazakhstan-114346>

A significant increase in pledged capital was recorded in the communications and space and the defence sectors: investors from those sectors pledged 147% and 83% more capital, respectively, in 2025 than in the previous year.

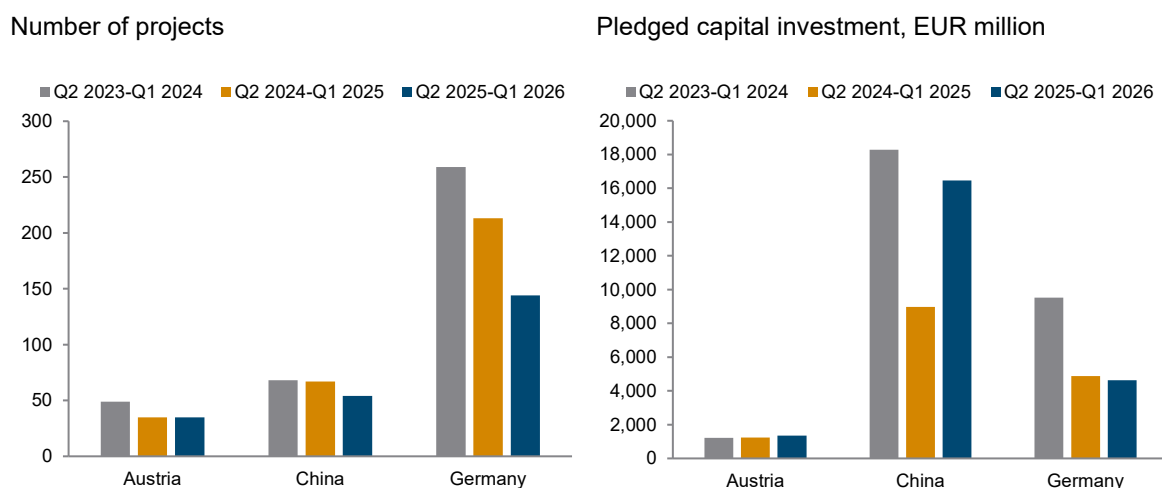
It is worth noting that greenfield investment projects announced by software and IT and business services companies, though the most numerous, accounted for only 2% and 0.5%, respectively, of the capital pledged in 2025; this reflects the smaller project sizes and lower capital intensity of projects in those sectors.

China pledges more capital in greenfield investment projects than Austria and Germany

In the last four quarters (Q2 2025 to Q1 2026), Germany continued to roll back its investment activity in CESEE, as both the number of greenfield investment projects announced and the capital pledged fell – by 32% and 5% year on year, respectively. China also announced fewer greenfield investment projects during that period (down 19%, year on year); however, it pledged 84% more capital to these projects than in the previous four quarters – although the result was driven by the above-mentioned single project in the green aluminium industry in Kazakhstan. However, even without that project in Kazakhstan, the capital pledged by Chinese investors significantly exceeded the level pledged by German investors during the same period, which highlights China’s growing economic influence in the region.

Austrian investors appear to have settled for a relatively modest level of greenfield activity, announcing 35 greenfield investment projects in the period Q2 2025 to Q1 2026 – the same level as in the previous four quarters, but noticeably down on the levels recorded prior to 2024.

Figure 14 / Greenfield investment commitments of Austria, Germany and China in CESEE



Source: fDi Markets.

References

Biljana Jovanovikj and Olga Pindyuk (2026). Global assumptions, in: Growth model adapting under pressure. wiiw Forecast Report, Spring 2026, April, wiiw, Vienna, pp. 1-6.

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