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FDI in Central, East and Southeast Europe

The new trade policies in the US have so far not brought much investment into the country

Mostly gloomy outlook with a few bright spots

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The Vienna Institute for International Economic Studies
Wiener Institut für Internationale Wirtschaftsvergleiche

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CONTENTS

Chart of the month: The new trade policies in the US have so far not brought much investment into the country

BY OLGA PINDYUK

One of the stated goals of the new – much more protectionist – trade policies implemented by US President Trump is to attract more investment into the US.[1] However, in contrast to the tax incentives introduced by Biden's administration to promote the green transition (Inflation Reduction Act),[2] the hikes in import tariffs made by Trump have so far not led to an increase in greenfield investment in the US.

As Figure 1 shows, both the number of announced greenfield projects and the capital pledged from Austria, Germany and the EU as a whole for investment in the US decreased in January-September 2025 against the same period of the previous year – probably an effect of increased uncertainty having an adverse impact on investor sentiment. The number of announced greenfield projects from the EU fell during that period by about a quarter year on year, and Germany recorded an even sharper decline – of 29%.

Capital pledged from the EU contracted during January-September 2025 by 21% year on year. Notably, capital pledged by investors in Germany underwent a much sharper contraction – of 51% year on year, in all likelihood pointing to the weakness of the country's economy, on top of the effects of rising uncertainty.

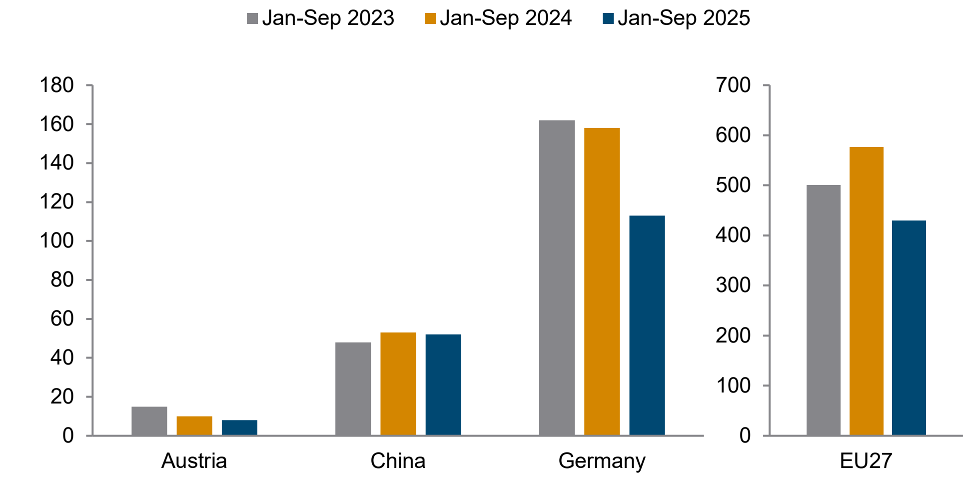
The recent dynamics of greenfield investment from China in the US reflects the growing rift in economic relations between the two countries. Although the number of announced greenfield projects from China fell only marginally during January-September 2025, that number was very small relative to the size of the Chinese economy – 52 projects, or less than half the number of projects from Germany during the same period. Pledged capital from China contracted during January-September 2025 by 61% year on year, which means that the average value of an announced project fell by more than a half – to about EUR 43m.

1 https://www.bbc.com/news/articles/cn93e12rypgo

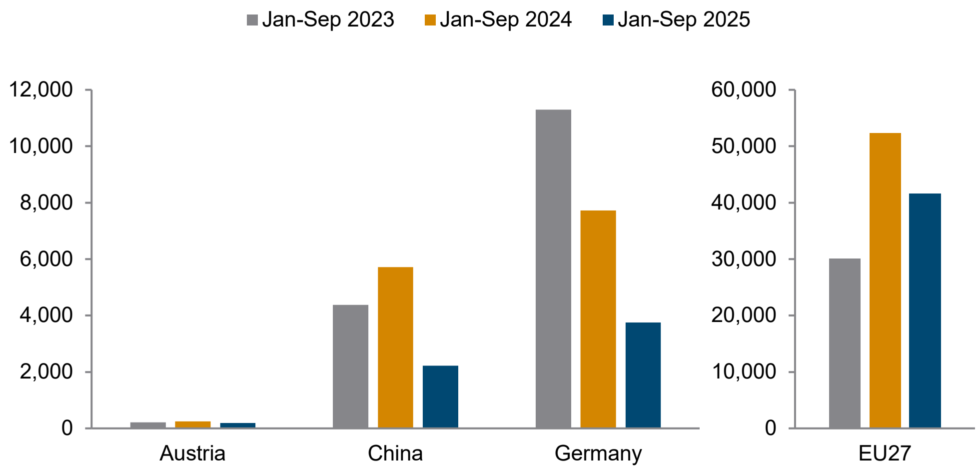
2 https://www.irs.gov/inflation-reduction-act-of-2022

Figure 1 / Announced greenfield investment projects of Austria, Germany, China and the EU in the US

Number of projects



Pledged capital investment, EUR million



Source: fDi Markets.

Mostly gloomy outlook with a few bright spots

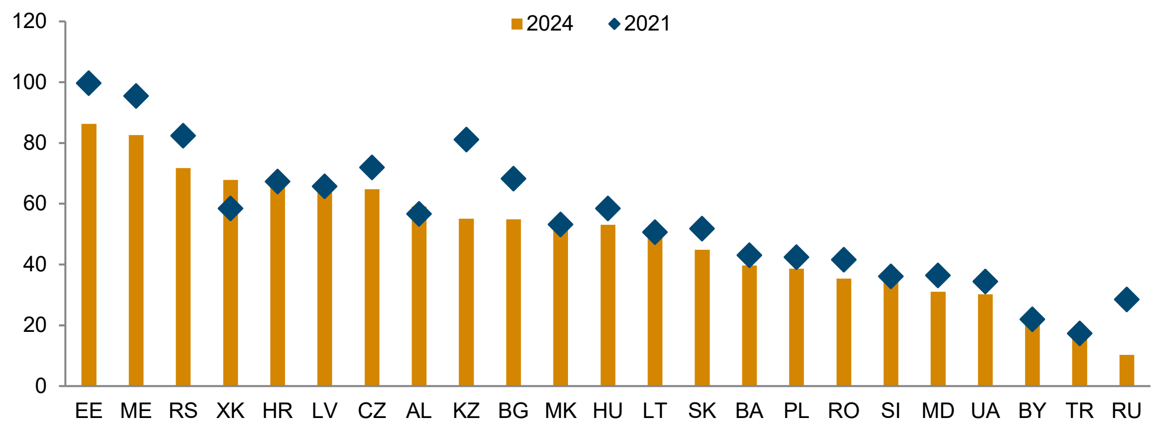
BY OLGA PINDYUK AND DORIS HANZL-WEISS

Most countries in CESEE finished 2024 with foreign direct investment stocks (as a share of GDP) lower than in 2021, the year before the start of Russia's full-scale invasion of Ukraine. Also more recently, CESEE countries have been struggling to maintain their attractiveness to foreign investors, with the number of greenfield projects announced in the region in January-September 2025 reaching its lowest level for six years. China has further strengthened its role as one of the main investors in CESEE, having significantly increased the capital pledged for greenfield projects this year. Kazakhstan has become the main destination for greenfield capital, accounting for 40% of capital pledged to the entire CESEE region, mostly owing to the influx of Chinese investment.

TAKING STOCK OF THE LAST THREE YEARS: WESTERN BALKANS THE ONLY BRIGHT SPOT

Most countries in CESEE finished 2024 with inward foreign direct investment (FDI) stocks as a share of GDP lower than in 2021, the year before the start of Russia's full-scale invasion of Russia (Figure 1). Only in Kosovo, Albania, North Macedonia and Belarus was there an increase in the value of this indicator (of 9 percentage points (pp), 2pp, 1pp and 1pp, respectively). The sharpest contraction was recorded in Kazakhstan (mostly linked to the decline of investment in the oil sector), Russia, Estonia and Bulgaria – down 26pp, 18pp, 13pp and 13pp, respectively.

Figure 1 / FDI inward stock as a percentage of GDP

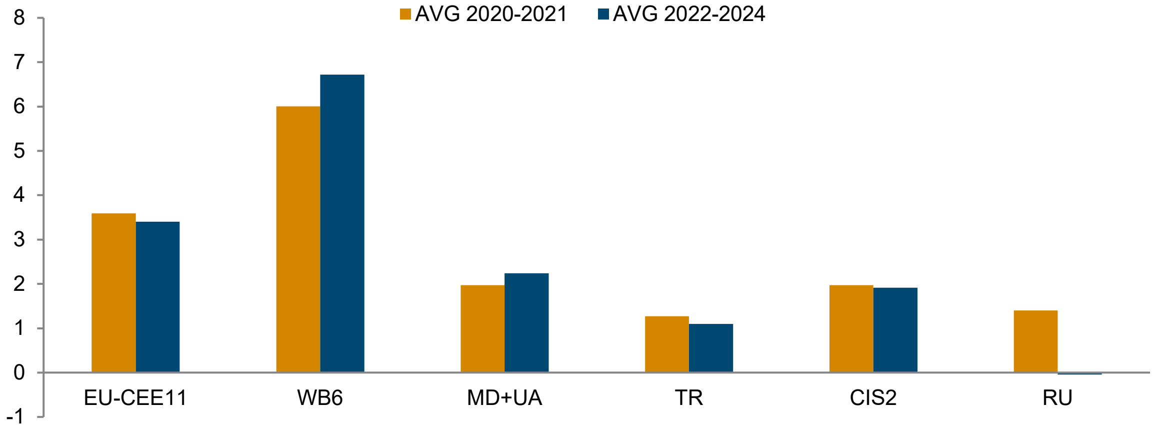


Note: Data are based on direct investment statistics (directional principle; except for TR and XK), excluding special purpose entities (SPEs).
Sources: wiiw FDI Database based on direct investment statistics of the respective central banks, wiiw calculations.

Estonia and Montenegro remained the top two countries in terms of the value of inward FDI stock relative to the size of their economies – in excess of 80% of GDP in 2024. Overall, Western Balkans continues to have the most FDI-intensive economies, with inward FDI stock accounting for almost two thirds of the sub-region's GDP in 2024. Turkey and Russia are at the other end of the spectrum, with inward FDI stock below 20% of GDP.

In the years 2022-2024, the countries of the Western Balkans were far and away the best performers in terms of attracting FDI inflows, relative to the size of their economies (Figure 2). In that period, FDI inflows into that sub-region reached on average 6.7% of annual GDP – 0.7pp higher than in 2020-2021, when the COVID-19 pandemic wreaked havoc on the global economy. As a share of GDP, average annual FDI inflows into EU-CEE countries during 2022-2024 were almost half those into the Western Balkans; the share even fell slightly compared to the pandemic period, as the sub-region's economy appears to have been facing stronger headwinds recently due to the rising geo-economic tensions and ripple effects of Germany's economic woes (see Box 1). Turkey, where average annual FDI inflows accounted for only around 1% of GDP in the period 2022-2024, was close to being the worst performer in terms of FDI attraction – second only to Russia, the world's most sanctioned country, which witnessed a substantial withdrawal of Western capital.

Figure 2 / FDI inflow as a percentage of GDP, by country group, annual average for the period

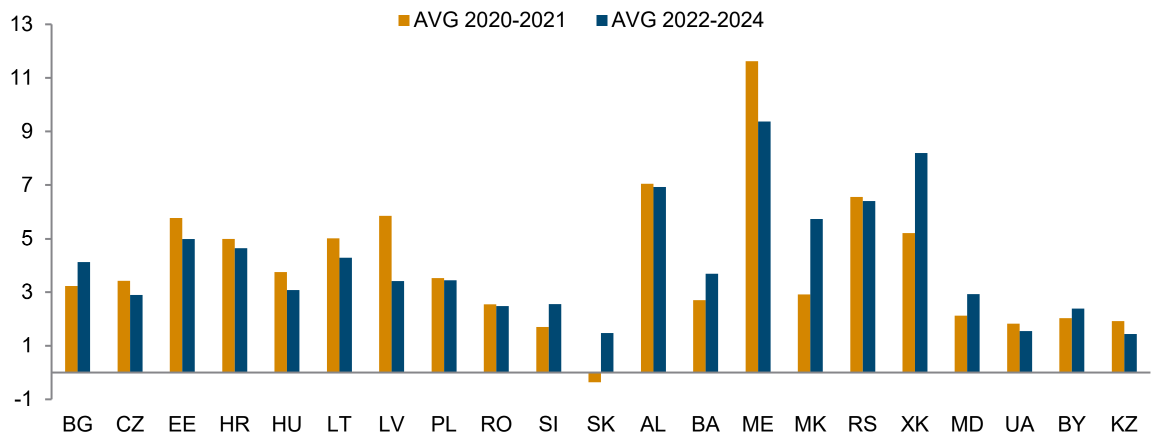


Note: Data are based on direct investment statistics (directional principle; except for TR and XK), excluding special purpose entities (SPEs).
Source: wiiw FDI Database based on direct investment statistics of the respective central banks, wiiw calculations.

A closer look at the individual countries reveals that there was some variation in trends within country groups (Figure 3). Of the EU-CEE countries, Bulgaria, Slovakia and Slovenia managed to increase the average share of FDI inflows in GDP during 2022-2024, while in Western Balkans there was a decline in that share in Albania, Montenegro and Serbia. North Macedonia and Kosovo experienced the biggest increase in the average share of FDI inflows in GDP per annum during 2022-2024 compared to 2021-2022 – of about 3pp apiece. On the other side, Latvia experienced a reduction in this share of more than 2pp.

Rather surprisingly, Belarus managed to expand its FDI inflows relative to the size of the economy: in 2022-2024, the average annual share of FDI inflows in GDP was 0.4pp higher than in 2020-2021. This was mostly thanks to inflows of capital from Russia, which accounted for about two thirds of total FDI inflows in 2023 (Cyprus was the second-biggest country of investment origin, likely pointing to round-tripping of capital).[1] A similar uptick was recorded in Moldova as well. By contrast, Kazakhstan and Ukraine experienced a decline in the share of FDI inflows in GDP – for rather different reasons. Whereas in Kazakhstan it was mostly due to delays in the implementation of oil-sector projects, in Ukraine investment activity was mainly suppressed by war-related factors.

Figure 3 / FDI inflow as a percentage of GDP, annual average for the period



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.

BOX 1 / THE GERMAN-CENTRAL EUROPEAN SUPPLY CHAIN IN THE AUTOMOTIVE SECTOR

The German-Central European supply chain (GCESC) – encompassing the trade integration of Czechia, Poland, Hungary, Slovakia and Austria with Germany – remains a key component of the region's automotive sector. Strong export ties to Germany and the central role of the automotive industry define these connections, which include both final goods and intermediate products (see Hanzl-Weiss and Reiter, 2025). In 2024, about 20% of passenger car exports and more than 40% of car parts exports from the Visegrád countries were destined for Germany. Consequently, when German automotive exports decline (for example, due to the higher US tariffs), the region is indirectly affected.

Examination of the foreign value-added content of Germany's exports in NACE 29 activities[2] shows that Czechia is the largest supplier, followed by Poland, although their shares remain small (e.g. 0.35% in the case of Czechia). A model estimating the effects of recent US tariff increases suggests that exports from Austria, Germany and the Visegrád countries to the US would collectively – i.e. via both the direct and the indirect channel – decrease by around a quarter (see Hanzl-Weiss and Reiter, 2025).

Strong production and supply-chain linkages between Germany and the region have traditionally been driven by FDI, with German original equipment manufacturers (OEMs) and automotive suppliers

1 https://www.lloydsbanktrade.com/en/market-potential/belarus/investment

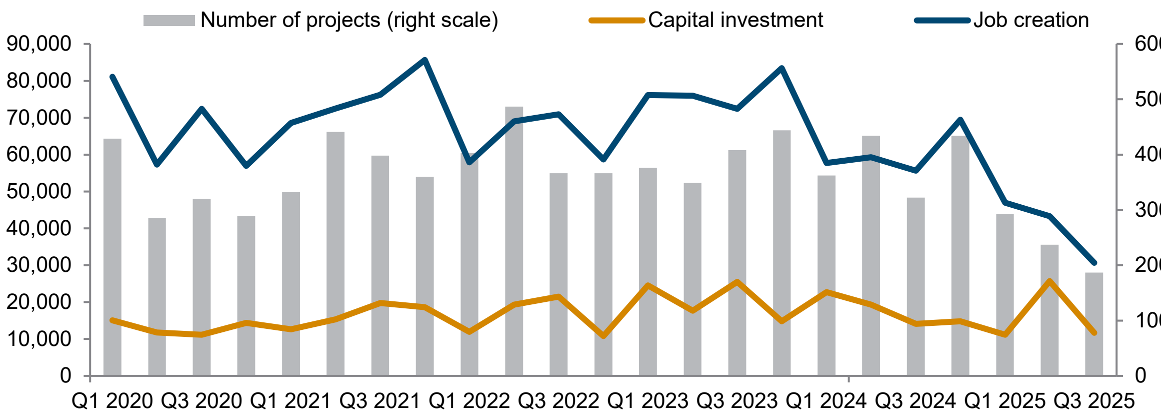
2 Manufacture of motor vehicles, trailers and semi-trailers.

maintaining extensive subsidiaries across Central Europe. The most recent step was the inauguration of BMW's new plant in Hungary at the end of September 2025. Dedicated exclusively to electric vehicles, the plant has an annual production capacity of 150,000 cars, creates around 2,000 jobs and represents an investment of about EUR 2bn. Additional major investments are currently under way or nearing completion in the region, including BYD's new facility in Szeged, Hungary – originally planned to open in late 2025, but recently delayed in favour of expanding production in Turkey – and a Volvo plant in Slovakia, scheduled to commence operations in late 2026/2027. Battery production capacity is also expanding, particularly in Hungary, Poland and Slovakia. Overall, the Visegrád countries have managed to fully restore production levels following the COVID-19 pandemic – which has not been the case in Germany.

RECENT DATA SUGGEST A BLEAK OUTLOOK FOR FDI IN MOST OF CESEE

Recent data on announced greenfield investment projects, which can be interpreted as a forward-looking indicator of investment trends, again point to a continued weakening of investment performance in the region. The region has been struggling to maintain its attractiveness to foreign investors, as global geopolitical volatility and policy uncertainty – coupled with Germany's economic travails and the significant security risks to the region due to Russia's war in Ukraine – appear to outweigh the traditional FDI drivers. In January-September 2025, the number of greenfield projects announced in CESEE fell by 36% year on year to their lowest level for six years (Figure 4). Estimated new jobs being created fell during the same period by only slightly less – 30% year on year. The contraction in pledged capital was less drastic – 14% year on year; the value of pledged capital was at roughly the same level as in January-September 2021, when the global economy was navigating the major disruptions brought about by the COVID-19 pandemic.

Figure 4 / Announced greenfield FDI projects in CESEE: number of projects, pledged capital in EUR million and number of jobs to be created

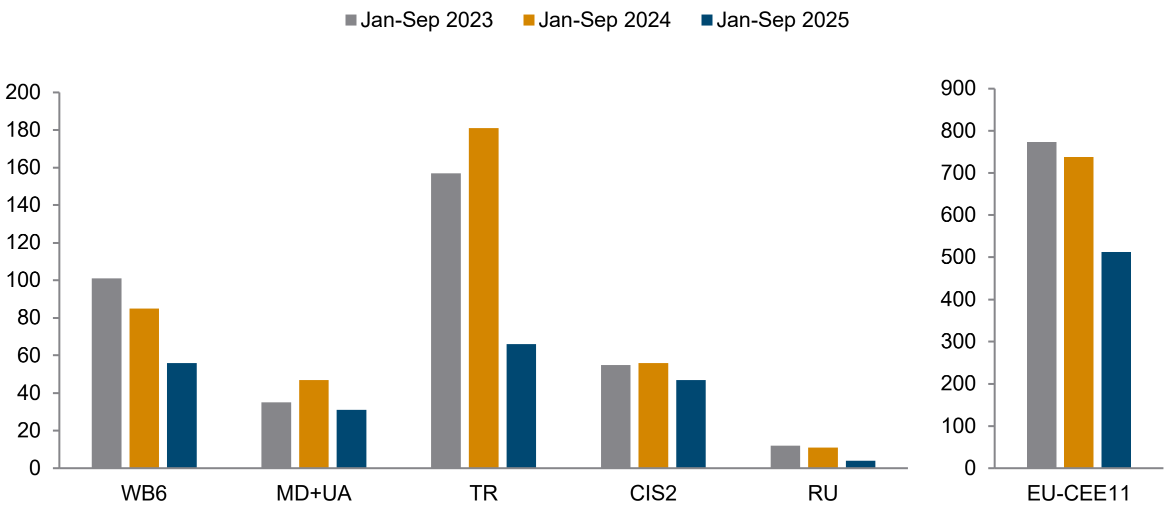


Source: fDi Markets.

A closer look reveals that the number of greenfield projects announced fell in January-September 2025 in all CESEE sub-regions (Figure 5), with the sharpest decline recorded in Turkey and Russia – down about 64% year on year in both cases. In terms of the announcement of greenfield projects, at 34% year on year

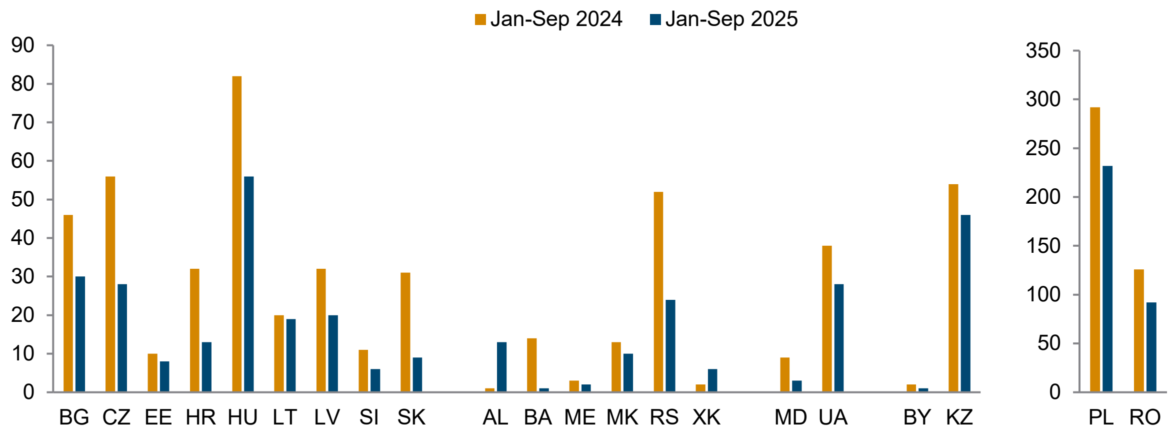
Western Balkans experienced an even more significant contraction than EU-CEE (30% year on year). The mildest decline was recorded in CIS2, owing to a more resilient investment dynamic in Kazakhstan.

Figure 5 / Number of greenfield projects announced, by country group



Source: fDi Markets.

Figure 6 / Number of greenfield projects announced, by country

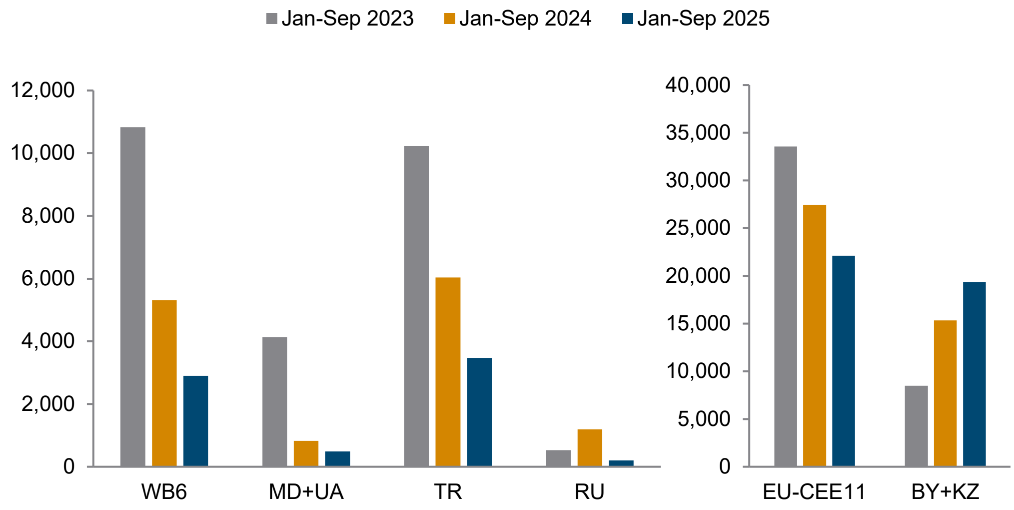


Source: fDi Markets.

A glance at the performance of individual countries reveals a uniformly rather bleak picture, with the number of greenfield investment projects announced falling in January-September 2025 in all CESEE countries, apart from Albania and Kosovo (Figure 6). Of the EU-CEE countries, Slovakia, Croatia and Czechia stand out as those with the sharpest decline – of 71%, 59% and 51% year on year, respectively. In the Western Balkans, Bosnia and Herzegovina experienced an almost complete standstill in greenfield investment activity, with only one new project announced (93% decline in annual terms). In Serbia, the number of greenfield investment projects announced more than halved during the period January-September 2025 compared to the same period of 2024. Perhaps somewhat surprisingly, Ukraine's performance was better than Moldova's: in the former there was a 26% decline in the number of announced greenfield investment projects in annual terms, compared to a drop of 67% in the latter. Investment in the defence sector in Ukraine and a severe energy crisis in Moldova were among the main reasons for the divergent trends.

Interestingly, the data on capital pledged show a more mixed picture, with CIS2 as a sub-region recording a 26% year-on-year increase in pledged capital in the period January-September 2025 (Figure 7). In all other country groups, pledged capital decreased during this period in annual terms. However, the fall was much smaller in EU-CEE (19% year on year) compared to other sub-regions. In Western Balkans, Moldova and Ukraine, as well as in Russia, the value of pledged capital dropped during the period January-September 2025 more significantly than the number of announced greenfield projects, pointing to a decline in the average value of the projects.

Figure 7 / Pledged capital in greenfield projects announced by country group, EUR million



Source: fDi Markets.

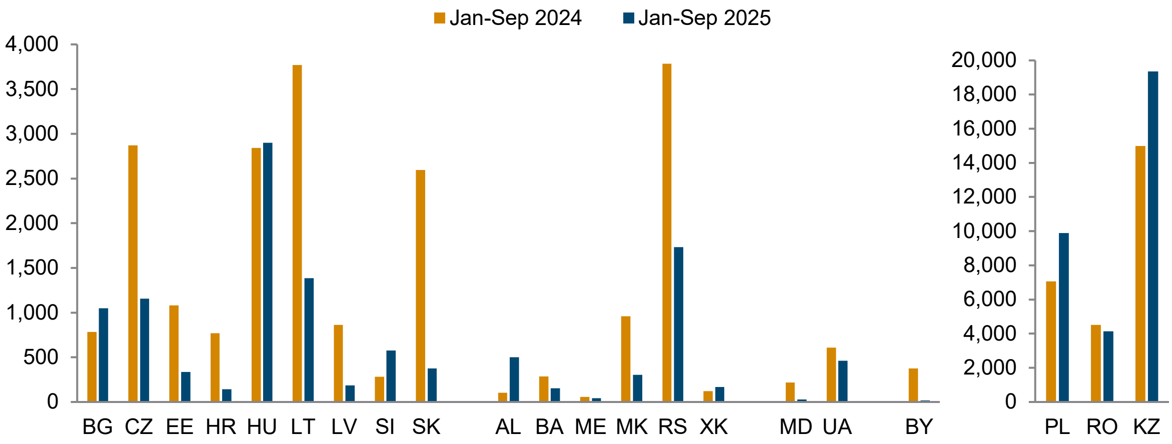
An exploration of the dynamics of pledged capital at the country level reveals sharp variation within country groups (Figure 8). Kazakhstan appears to have become the main destination for greenfield capital in the region. During the period January-September 2025, capital pledged to greenfield investment projects in the country increased by 29% year on year to reach EUR 19.4bn. Accordingly, the country accounted for 40% of total capital pledged to the entire CESEE region during this period. During the same period, Poland, the second-biggest destination for greenfield capital, attracted only a little more than half as much capital: EUR 9.9bn.

In EU-CEE, four countries (Slovenia, Poland, Bulgaria and Hungary) saw a year-on-year rise in the value of pledged capital during January-September 2025 – as much as 104% more in the case of Slovenia. During the same period, pledged capital fell in Slovakia, Croatia and Latvia by 86%, 82% and 79% year on year, respectively.

In the Western Balkans, Albania saw an almost fourfold increase in pledged capital during the period January-September 2025, compared to the same period of 2024, as investors consider the country’s tourism and renewable energy sectors to have good potential (Mara, 2025); and in Kosovo, there was an increase of 37% year on year. At the same time, in North Macedonia and Serbia pledged capital plunged by more than 50%.

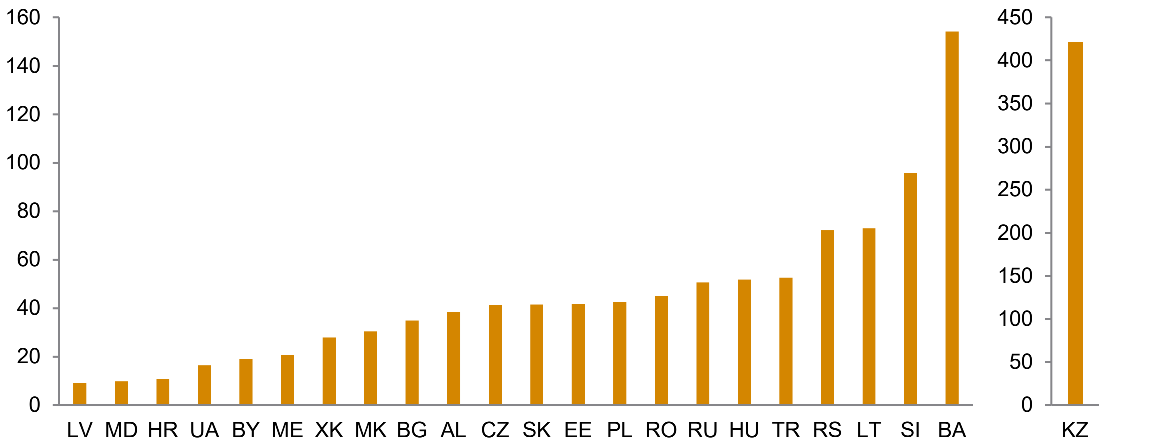
The sharpest contraction in pledged capital in CESEE was recorded in Belarus and Moldova – 95% and 86% year on year, respectively. In Ukraine, even though the country is in the fourth year of its war with Russia, the decrease in pledged capital was much more moderate – 24% year on year.

Figure 8 / Pledged capital in greenfield projects announced, by country, EUR million



Source: fDi Markets.

Figure 9 / Capital pledged to the average greenfield project announced, by country, during January-September 2025, EUR million



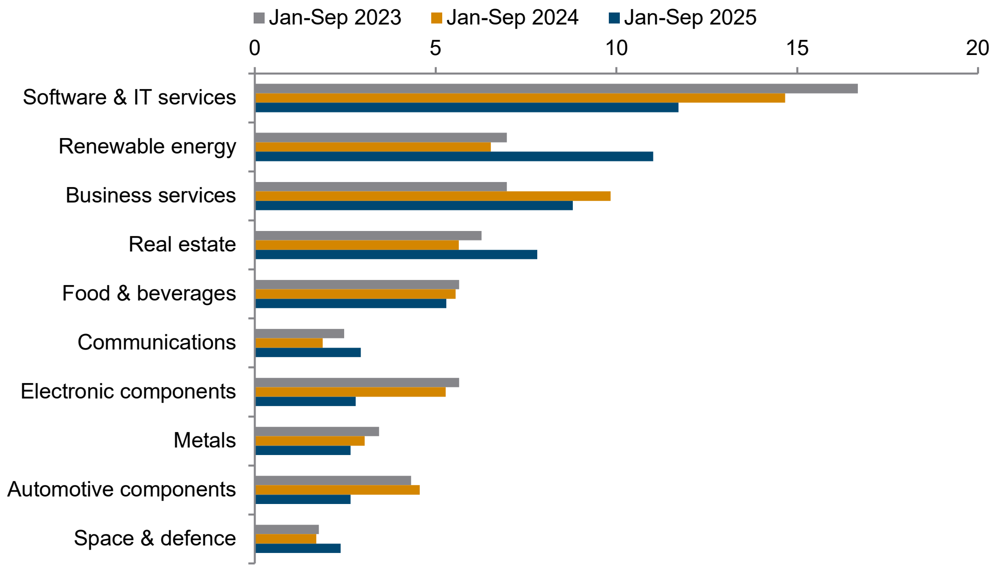
Source: fDi Markets.

There has been quite a noticeable variation in the value of the average greenfield investment project in the region (Figure 9). The biggest projects announced have been in Kazakhstan – the capital pledged to the average project in the period January-September 2025 topped EUR 400m. The main reason for this is the sector structure of the projects, the bulk of which were in the metals and oil sectors. Bosnia and Herzegovina had the second-highest average capital pledged, thanks to the solitary greenfield investment project that was announced there; even so, the value of that project was only a little over a third of the average value of projects in Kazakhstan. Latvia, Moldova and Croatia had the smallest capital pledged per greenfield investment project announced in January-September 2025 – only around EUR 9-11m on average per project.

SECTOR STRUCTURE OF GREENFIELD PROJECTS: RENEWABLE ENERGY AND DEFENCE GAINING MOMENTUM

As Figure 10 shows, software & IT services, renewable energy and business services continued to be the main sectors for companies that announced greenfield investment projects in CESEE. The share of renewable energy in total projects increased quite significantly during the period January-September 2025 compared to the same period last year – by 4.5pp; that increase was due to the growing share of such projects in EU-CEE, Turkey and Kazakhstan. At the same time, the software & IT services sector saw its share in the total number of greenfield projects decline by 3pp, while the share of business services contracted by 1pp as the share of such projects fell in EU-CEE, Western Balkans and Kazakhstan. Notably, there was an uptick in the share of the space & defence sector. Unsurprisingly, Ukraine continues to lead the region in terms of the share of such projects (19% of the total number of greenfield projects in January-September 2025), but practically all other sub-regions (apart from CIS2 and Russia) recorded an increase in the share of this sector in the number of greenfield projects in January-September 2025, compared to the same period of 2024.

Figure 10 / Share of main sectors of investing companies in the number of greenfield projects in CESEE, in %



Source: fDi Markets.

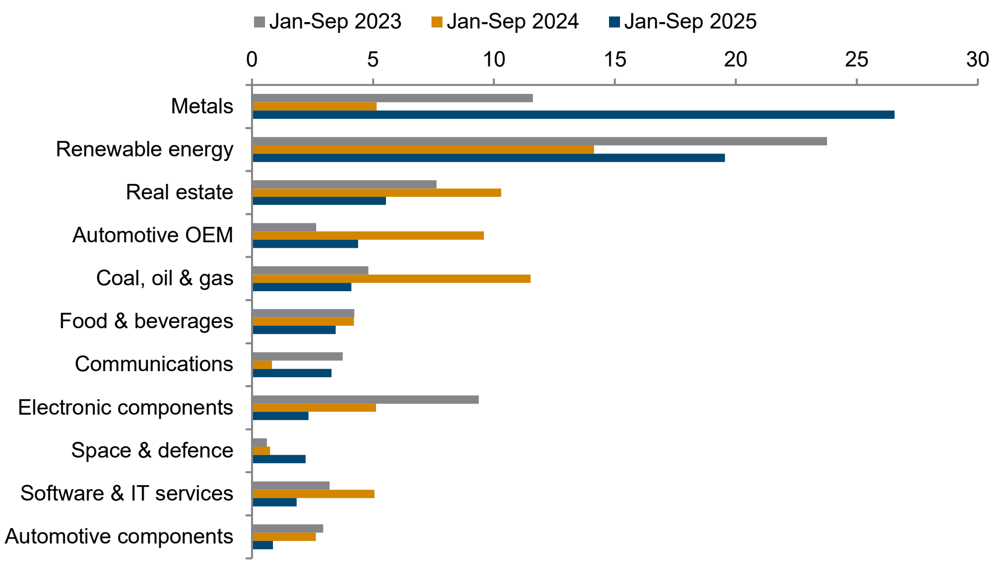
Pledged capital distribution across sectors showed quite significant differences (Figure 11). Here metals became the dominant sector in January-September 2025, with a share of 27%, following the announcement by the Chinese East Hope Group of a greenfield project in Kazakhstan worth around

EUR 11bn.[3] The company intends to build a vertically integrated 'green' aluminium complex with a full production cycle. The project will feature an industrial park, a mining and processing plant, an electrolysis plant and a power plant, and is expected to generate nearly 10,000 jobs.

In the period January-September 2025, the second-biggest increase in a sector's share in pledged capital was in renewable energy, mostly owing to EU-CEE and Turkey.

By contrast, the share of traditional energy (coal, oil and gas) underwent the sharpest decline – primarily due to Kazakhstan shifting its focus to attracting FDI in other sectors. During January-September 2025, the share of the traditional energy sector in total pledged capital in CESEE fell by about 7pp compared to the same period last year.

Figure 11 / Share of main sectors of investing companies in the pledged capital of greenfield projects in CESEE, in %



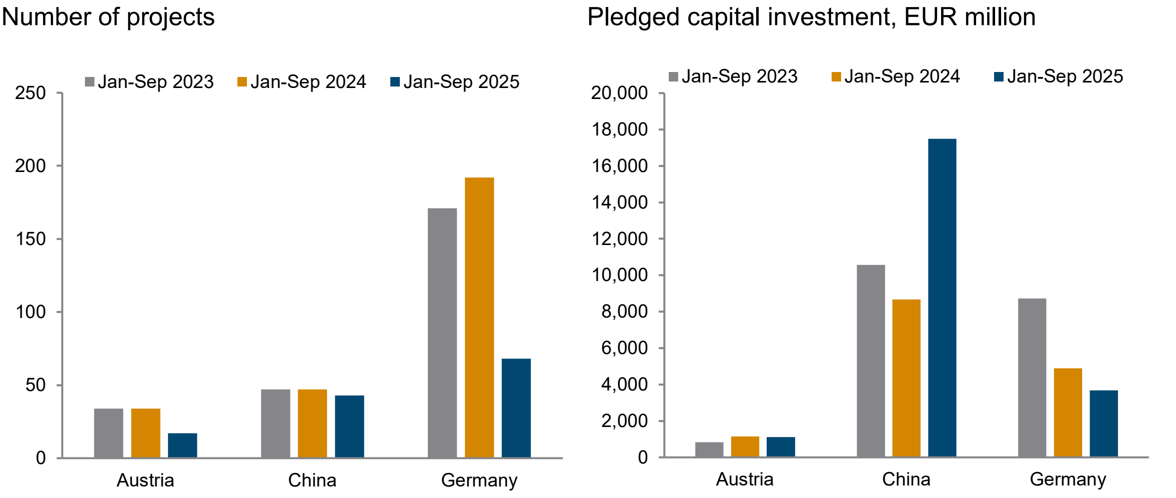
Source: fDi Markets.

CHINA CONTINUES TO EXPAND ITS PRESENCE IN CESEE

In the period January-September 2025, China further bolstered its role as one of the major investors in CESEE. Although the number of greenfield projects announced by Chinese investors in the region dipped slightly compared to the same period last year (43 vs 47), the decline was far less pronounced than among German and Austrian investors, who announced 65% and 50% fewer projects, respectively, in CESEE (Figure 12). Moreover, China more than doubled the capital pledged to greenfield projects compared to January-September 2024, while capital pledged by Germany and Austria dropped by 25% and 2% year on year, respectively. As a result, compared to January-September 2024, China's share in capital pledged to greenfield projects in CESEE over the same period this year rose by about 21pp, to 36%.

3 https://astanatimes.com/2025/02/chinese-company-to-implement-nearly-12-billion-project-in-kazakhstan/

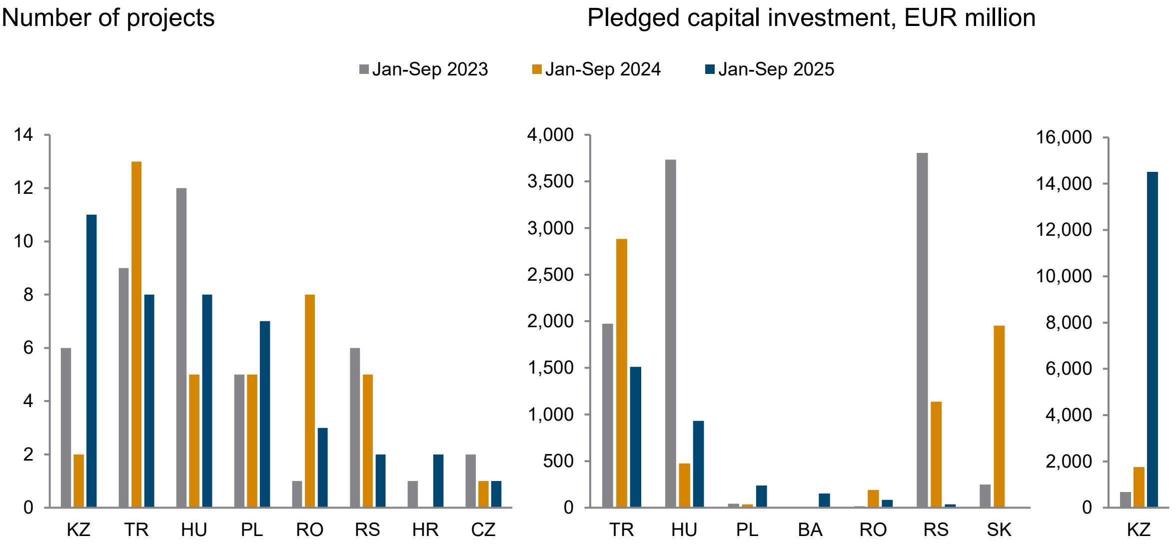
Figure 12 / Greenfield investment commitments by Austria, Germany and China in CESEE



Source: fDi Markets.

Kazakhstan became the top destination for China's greenfield investment in CESEE: in January-September 2025, the country accounted for 26% of all the greenfield investment projects announced by China in the region, and for 83% of the capital pledged by China (Figure 13). Turkey, Hungary and Poland were the other three most important investment destinations, together accounting for more than half of the announced greenfield projects and for about 15% of pledged capital.

Figure 13 / Greenfield investment commitments by China in selected CESEE countries

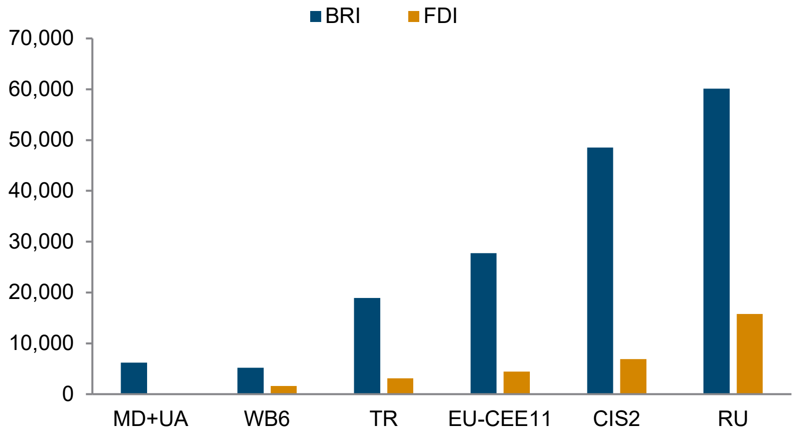


Source: fDi Markets.

Of course, greenfield investment data reveal only part of the story of China's economic involvement in the region, as a large proportion of the capital from the country comes in the form of loans, mostly within the framework of the Belt and Road Initiative (BRI). Comparison of the stocks of China's outward FDI in

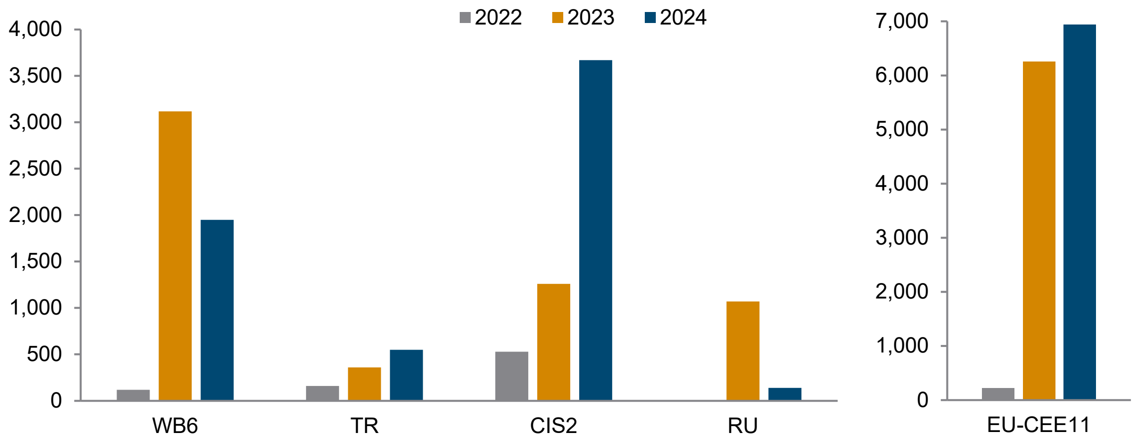
CESEE against the value of the country's investment under BRI reveals that the country has a much greater economic presence in the region (Figure 14). It has been investing far more in the region under BRI than via FDI, with the total value of construction and investment projects during the period 2005-2024 exceeding the country's FDI stock in CESEE in 2024 by more than five times.

Figure 14 / China's outward FDI stock in 2024 and value of China's overseas investment and construction projects under BRI during 2005-2024, USD million



Source: China Global Investment Tracker by the American Enterprise Institute, UNCTAD FDI/MNE database; own calculations.

Figure 15 / Value of China's overseas investment and construction projects under BRI in 2022-2024, USD million



Source: China Global Investment Tracker by the American Enterprise Institute.

Although the countries of EU-CEE have attracted the most funds from China under BRI over the past two years, CIS2 (primarily Kazakhstan) and Western Balkans have clearly increased their importance as destinations for Chinese investment (Figure 15). In 2024, CIS2 and Western Balkans together accounted for 42% of the value of China's BRI projects in the CESEE region – 8pp higher than in 2023. Russia – which, prior to 2022, used to account for a very significant part of the BRI investment in the region – saw such investment projects come to a virtual standstill over the three years 2022-2024.

AUSTRIA'S INVESTMENT IN CESEE HAS SLOWED DOWN

In 2024, the trends for Austrian FDI in the CESEE countries were positive and Austria increased its FDI stock in the region by 4% – and in the Western Balkans by as much as 7%. Austrian FDI stock grew in all countries except Lithuania and Kazakhstan, while the strongest stock growth was recorded in Romania, Croatia and Bulgaria (see Table 1). Overall, Austria's outward FDI stock in CESEE remained heavily concentrated in the EU-CEE region, with Czechia, Romania, Hungary and Poland accounting for the largest shares.[4]

Table 1 / Austrian FDI stock in CESEE

		2023	2024	2023	2024	2023	2024
		EUR million		as % of FDI stock of the host country		Austria's ranking in host country	
BG	Bulgaria	4,753	5,306	8.6	9.2	2	2
CZ	Czechia 1)	19,761	19,761	9.8	9.8	4	4
EE	Estonia	445	499	1.2	1.4	16	15
HR	Croatia	8,041	8,726	16.6	15.2	1	2
HU	Hungary	14,517	14,699	13.6	13.4	3	3
LT	Lithuania	236	229	0.7	0.6	21	21
LV	Latvia	325	360	1.3	1.4	12	12
PL	Poland	11,451	11,643	3.6	3.6	7	7
RO	Romania	14,714	16,461	12.4	13.2	3	3
SI	Slovenia	4,792	4,895	21.5	21.2	1	1
SK	Slovakia 1)	7,529	7,529	13.4	13.4	3	3
	EU-CEE11	**86,564**	**90,107**	**8.5**	**8.5**	.	.
AL	Albania	760	875	5.7	5.7	7	6
BA	Bosnia and Herzegovina	1,374	1,483	13.6	13.7	2	2
ME	Montenegro	259	295	4.5	4.7	8	6
MK	North Macedonia	1,199	1,365	15.9	16.1	1	1
RS	Serbia 2)	5,046	5,191	10.5	9.8	3	3
XK	Kosovo	394	443	6.3	6.3	5	6
	WB6	**9,032**	**9,652**	**10.0**	**9.5**	.	.
TR	Turkey	5,490	5,647	3.0	2.8	10	11
MD	Moldova	178	228	4.0	5.0	9	8
UA	Ukraine	1,698	1,841	3.4	3.5	7	8
	MD+UA	**1,876**	**2,069**	**3.5**	**3.6**	.	.
BY	Belarus	811	936	5.8	5.9	3	4
KZ	Kazakhstan	198	190	0.1	0.1	25	27
RU	Russia 3)	5,925	5,925	1.3	1.3	.	.
	CIS3	**6,934**	**7,050**	**1.2**	**1.2**	.	.
	CESEE23	**109,897**	**114,525**	**5.6**	**5.7**	.	.

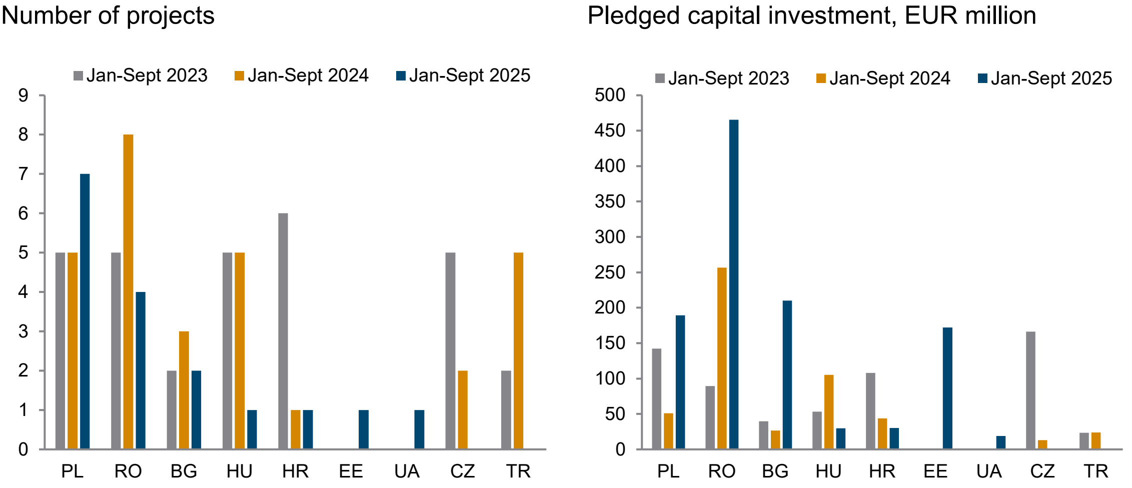
Notes: 1) Data refer to 2023. 2) Cumulated inflows. 3) Data for Russia for 2021.
Source: wiiw FDI Database incorporating central bank statistics.

4 For Russia, national statistics are only available up until 2021. Data from the OeNB suggest that the Austrian FDI stock in Russia declined significantly between 2021 and 2024 (although it remained quite stable between 2023 and 2024, as exit of Western capital from Russia became increasingly difficult).

Looking at Austria's investment from the perspective of the CESEE countries, its important role as an investor in the region, particularly in the Western Balkan and Visegrád countries, remained broadly unchanged in 2024 (see the last two columns of Table 1). Austria maintained its ranking as the biggest investor in Slovenia and North Macedonia, although it fell to second place in Croatia. Austria's position among the three biggest investing countries remained unchanged in Bulgaria, Hungary, Romania, Slovakia, Bosnia and Herzegovina, and Serbia, but it fell to fourth place in Belarus. Small changes in the rankings were observed in Estonia, Albania, Montenegro and Moldova (where Austria improved its ranking by one or two places); in Kosovo, Turkey and Ukraine (where its ranking fell by one); and in Kazakhstan (where it dropped two places).

Recent greenfield announcements suggest that Austrian investment activity in CESEE may be softening, as the figures indicate a significant weakening in Austrian investment intentions. The number of newly announced projects between January and September 2025 fell by half compared to the same period the previous year (see Figure 16). During the first nine months of 2025, most Austrian greenfield investment projects were announced in Poland (7 out of 17), followed by Romania (4), Bulgaria (2), and one each in Hungary, Croatia, Estonia and Ukraine. Notably, Czechia and Turkey – both important destinations in previous years – have attracted no new projects in 2025. In terms of pledged capital, the total investment volume has declined only slightly, by about 2%, suggesting a smaller reduction compared to the number of projects. Romania accounts for the largest share of capital pledged by Austrian investors, followed by Bulgaria, Poland and Estonia. This implies that the average project size is particularly small in Poland, indicating a diversified sectoral composition of investments. Renewable energy projects have dominated in Romania, Bulgaria and Estonia and have attracted the largest planned investment amounts.

Figure 16 / Greenfield investment commitments from Austria in selected CESEE countries (ranked by the number of projects in January-September 2025)



Source: fDi Markets.

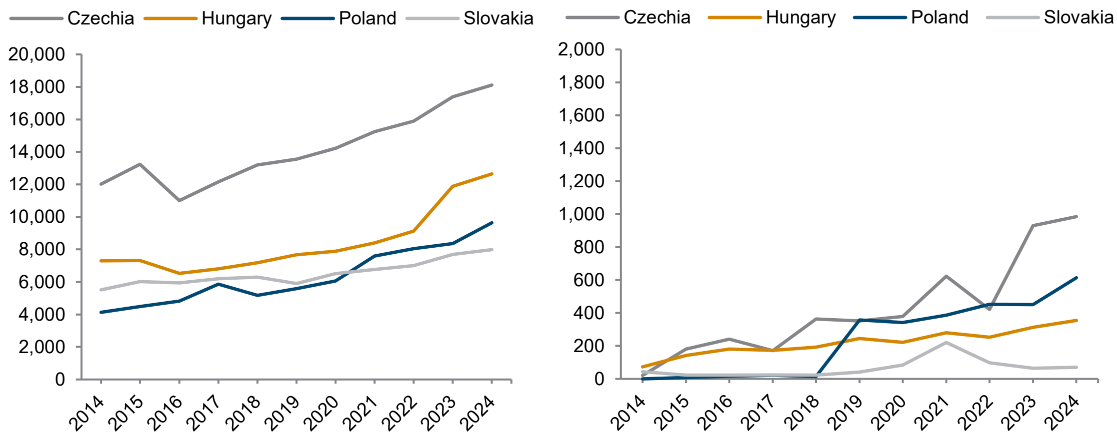
VISEGRÁD INVESTMENT IN AUSTRIA GAINING MOMENTUM

While Austrian investment in the Visegrád countries – Czechia, Hungary, Poland and Slovakia – has a long-standing tradition and has continued to expand over time (see Figure 17, left panel), investment from those countries in Austria has begun to rise only in recent years. Consequently, the overall stock of inward FDI from the Visegrád region remains comparatively low. Czech FDI stock in Austria stood at around EUR 1bn in 2024, compared to Austria's EUR 18bn stock in Czechia. Polish FDI in Austria began to increase notably in 2019, while Czech investment showed a marked rise from 2021 and again from 2023 (see Figure 17, right panel).

Figure 17 / Austrian FDI stock in the Visegrád countries (left) and Visegrád FDI stock in Austria (right), in EUR million

Austrian FDI stock in the Visegrád countries

Visegrád FDI stock in Austria



Note: Please note that data from Table 1 and Figure 17 rely on different methodologies.
Source: OeNB.

Table 2 / Austrian FDI stock in the Visegrád countries in 2022, by sector, in %

	Production (A–F)	Trade (G)	Financial intermediation (K)	Other services (H–U)	Total
Czechia	23.5	8.2	57.5	10.7	100.0
Hungary	38.7	13.0	24.8	23.5	100.0
Poland	47.9	11.3	12.4	28.4	100.0
Slovakia	24.7	7.9	57.2	10.3	100.0

Source: OeNB.

The sectoral structure of Austrian FDI in the Visegrád countries varies by country (see Table 2). In Czechia and Slovakia, it is heavily concentrated in financial intermediation, accounting for about 60% of the total, while approximately 25% is invested in production. In Poland, Austrian FDI focuses on production (48%) and 'other services' (28%). In Hungary, production accounts for a significant proportion of the Austrian FDI stock (39%), as do financial intermediation and 'other services' (both about 25%).

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Forecasts of main economic indicators for Central, East and Southeast Europe for 2025-2027

Table 1 / Real GDP growth and revisions since October 2025

Region		2025	2026	2027
EU-CEE				
BG	Bulgaria	2.9	3.0	3.1
CZ	Czechia	2.2	2.4	2.7
EE	Estonia	1.4	2.3	2.7
HR	Croatia	3.0	2.8	2.7
HU	Hungary	0.5	2.5	1.5
LT	Lithuania	2.6	3.2	2.4
LV	Latvia	1.0	2.4	2.3
PL	Poland	3.5	3.5	3.0
RO	Romania	0.8	1.2	2.0
SI	Slovenia	0.5	1.8	2.2
SK	Slovakia	0.7	1.1	2.4
Western Balkans				
AL	Albania	3.5	3.9	4.0
BA	Bosnia and Herzegovina	2.2	2.7	3.0
ME	Montenegro	3.4	3.4	3.2
MK	North Macedonia	3.0	3.0	3.0
RS	Serbia	2.0	3.5	4.0
XK	Kosovo	3.9	3.8	4.1
New EU accession 2				
MD	Moldova	0.8	2.5	3.0
UA	Ukraine	2.0	3.0	3.5
Turkey				
TR	Turkey	3.4	3.9	4.4
CIS3				
BY	Belarus	1.8 ▼	1.5 ▼	1.4
KZ	Kazakhstan	6.0	4.5	4.5
RU	Russia	0.9 ▼	1.4	1.5

Note: Cut-off date: 15 November 2025. Colour scale variation from the minimum (grey) to the maximum (gold). Arrow signifies direction of revisions since October 2025.
Source: wiiw.

Table 2 / CPI growth and revisions since October 2025

Region		2025	2026	2027
EU-CEE				
BG	Bulgaria	3.3	2.7	2.6
CZ	Czechia	2.4	2.2	1.8
EE	Estonia	5.5	3.8	3.0
HR	Croatia	3.7	2.9	2.8
HU	Hungary	4.8	4.5	3.5
LT	Lithuania	3.2	2.5	2.5
LV	Latvia	3.0	2.7	2.5
PL	Poland	3.8	3.0	2.5
RO	Romania	7.2	6.5	5.0
SI	Slovenia	2.8	2.0	2.0
SK	Slovakia	4.2	3.2	2.9
Western Balkans				
AL	Albania	2.7	2.5	2.4
BA	Bosnia and Herzegovina	3.3	2.4	1.8
ME	Montenegro	4.0	3.6	3.0
MK	North Macedonia	4.0	3.5	3.0
RS	Serbia	4.5	4.0	3.5
XK	Kosovo	3.5	2.5	2.0
New EU accession 2				
MD	Moldova	7.7	5.8	5.0
UA	Ukraine	13.0	8.0	7.0
Turkey				
TR	Turkey	35.0	24.0	14.0
CIS3				
BY	Belarus	6.7	7.1	6.2
KZ	Kazakhstan	11.7	9.5	7.5
RU	Russia	8.7	4.7	4.4

Note: Cut-off date: 15 November 2025. Colour scale variation from the minimum (gold) to the maximum (grey). Arrow signifies direction of revisions since October 2025.
Source: wiiw.

Table 3 / Unemployment rate in % (LFS) and revisions since October 2025

Region		2025	2026	2027
EU-CEE				
BG	Bulgaria	3.9	3.7	3.7
CZ	Czechia	2.7	2.8	2.7
EE	Estonia	7.6	7.1	6.8
HR	Croatia	4.9	4.9	5.0
HU	Hungary	4.3	4.1	4.3
LT	Lithuania	6.8	6.5	6.3
LV	Latvia	7.0	6.8	6.5
PL	Poland	3.1	3.0	2.9
RO	Romania	6.2	6.4	6.0
SI	Slovenia	3.7	3.6	3.5
SK	Slovakia	5.4	5.5	5.5
Western Balkans				
AL	Albania	8.4	8.3	8.2
BA	Bosnia and Herzegovina	13.1	12.7	12.2
ME	Montenegro	9.5	9.0	9.0
MK	North Macedonia	11.5	11.0	10.5
RS	Serbia	8.5	8.3	8.0
XK	Kosovo	10.7	10.6	10.5
New EU accession 2				
MD	Moldova	4.4	4.3	4.2
UA	Ukraine	12.0	10.0	9.0
Turkey				
TR	Turkey	8.5	8.5	8.3
CIS3				
BY	Belarus	2.7	2.8	3.0
KZ	Kazakhstan	4.6	4.5	4.5
RU	Russia	2.3	2.3	2.4

Note: Cut-off date: 15 November 2025. Colour scale variation from the minimum (gold) to the maximum (grey). Arrow signifies direction of revisions since October 2025.
Source: wiiw.

Table 4 / Current account as % of GDP and revisions since October 2025

Region		2025	2026	2027
EU-CEE				
BG	Bulgaria	-2.5	-0.6	0.1
CZ	Czechia	1.8	1.6	1.5
EE	Estonia	-1.2	-1.7	-1.2
HR	Croatia	-1.3	-1.1	-1.0
HU	Hungary	1.0	0.5	0.7
LT	Lithuania	2.8	1.1	0.6
LV	Latvia	-1.9	-3.4	-4.3
PL	Poland	-0.8	-0.4	0.0
RO	Romania	-8.1	-6.9	-6.4
SI	Slovenia	3.1	3.1	3.7
SK	Slovakia	-4.3	-4.5	-2.8
Western Balkans				
AL	Albania	-3.0	-3.1	-3.2
BA	Bosnia and Herzegovina	-4.4	-4.3	-4.2
ME	Montenegro	-16.2	-15.8	-15.5
MK	North Macedonia	-3.2	-3.2	-3.5
RS	Serbia	-4.5	-4.3	-4.2
XK	Kosovo	-9.3	-8.9	-8.4
New EU accession 2				
MD	Moldova	-23.1	-20.3	-19.4
UA	Ukraine	-13.1	-13.8	-14.0
Turkey				
TR	Turkey	-2.5	-3.1	-3.8
CIS3				
BY	Belarus	-3.4	▼ -4.3	-3.4
KZ	Kazakhstan	-3.9	-3.9	-3.5
RU	Russia	1.4	1.1	1.1

Note: Cut-off date: 15 November 2025. Colour scale variation from the minimum (grey) to the maximum (gold). Arrow signifies direction of revisions since October 2025.
Source: wiiw.

Table 5 / Fiscal balance as % of GDP and revisions since October 2025

Region		2025	2026	2027
EU-CEE				
BG	Bulgaria	-3.0	-3.0	-3.0
CZ	Czechia	-1.9	-2.3	-2.3
EE	Estonia	-3.0	-2.7	-2.5
HR	Croatia	-2.4	-2.2	-1.9
HU	Hungary	-4.9	-5.0	-4.0
LT	Lithuania	-3.0	-2.8	-2.7
LV	Latvia	-2.8	-2.9	-2.6
PL	Poland	-6.9	-6.4	-6.4
RO	Romania	-8.3	-6.3	-5.8
SI	Slovenia	-2.3	-1.9	-1.5
SK	Slovakia	-4.9	-4.2	-4.0
Western Balkans				
AL	Albania	-1.0	-1.0	-1.0
BA	Bosnia and Herzegovina	-2.0	-1.3	-1.0
ME	Montenegro	-3.0	-3.0	-3.0
MK	North Macedonia	-4.0	-4.0	-3.0
RS	Serbia	-2.5	-3.0	-3.5
XK	Kosovo	-0.5	-0.5	-0.5
New EU accession 2				
MD	Moldova	-4.2	-4.0	-3.5
UA	Ukraine	-20.0	-19.0	-18.0
Turkey				
TR	Turkey	-3.8	-3.5	-3.1
CIS3				
BY	Belarus	0.0	-0.5	-0.5
KZ	Kazakhstan	-2.5	-2.3	-2.0
RU	Russia	-2.7	▼ -1.5	-1.2

Note: Cut-off date: 15 November 2025. Colour scale variation from the minimum (grey) to the maximum (gold). Arrow signifies direction of revisions since October 2025.
Source: wiiw

Index of subjects – November 2024 to November 2025

(continued on the next page)

multi-country articles and statistical overviews

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