



# FDI in Central, East and Southeast Europe

**Are the Balkans Poised for FDI-driven Growth and Modernisation?**

**Data Availability and Preliminary Results for 2020**

**Little Sign of Recovery from the COVID-related Collapse yet, but Some Potential for Near-shoring**

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This issue of the wiiw Monthly Report replaces our earlier series of the wiiw FDI Report.



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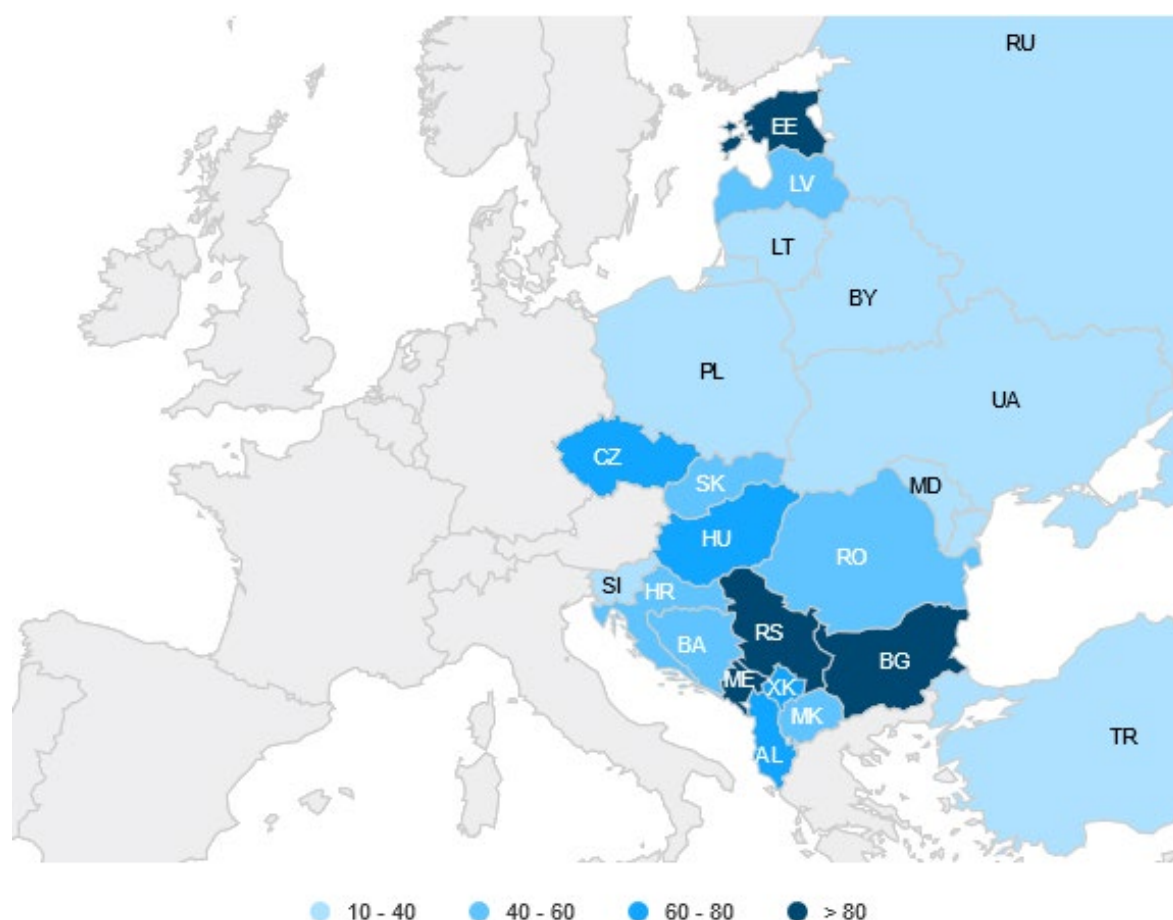
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## Chart of the month: Are the Balkans poised for FDI-driven growth and modernisation?

BY VASILY ASTROV

### Inward FDI stocks as % of GDP, end of 2020



Note: Data are based on Direct Investment Statistics (directional principle), excluding Special Purpose Entities (SPEs). For Kosovo and Turkey, the data are based on International Investment Position (IIP) statistics (asset/liability principle).  
Sources: wiiw FDI Database incorporating central bank statistics, wiiw estimates for Estonia, Montenegro and Poland.

Despite their relative economic and institutional backwardness, the Balkan countries are showing some of the highest levels of FDI penetration in the CESEE region. Of the five CESEE countries with the highest FDI stocks in relation to GDP, three are to be found in the Balkans: Montenegro (119%), Serbia (91%) and Bulgaria (80%).<sup>1</sup> Another two Balkan countries – Albania and Kosovo – have FDI stocks in

<sup>1</sup> The other two are Estonia (101% of GDP) – the long-standing front-runner in attracting FDI (a large part of it coming from the Scandinavian countries) – and Kazakhstan (82% of GDP, not on the map), thanks to its openness to foreign capital in the development of hydrocarbon deposits.

excess of 60% of GDP – roughly on a par with Hungary; meanwhile, North Macedonia (55%) is closing on Slovakia (57%) in this respect.

Does this mean that the Balkan countries are poised to replicate the success of Central Europe's FDI-driven growth? Not necessarily. For the simple reason that the sectoral structure of FDI in the Balkans is generally quite different. Historically, a large part of FDI in Central Europe has focused on manufacturing (especially the automotive industry). But this is less the case in the Balkans: only Serbia and North Macedonia have attracted substantial investment in the automotive industry in recent years, and that was tied up with their progressive integration into European value chains. Elsewhere, FDI has largely flowed into other sectors: real estate (Kosovo), energy (Albania) and infrastructure (Montenegro). These are sectors where the productivity-enhancing effects of FDI are generally less evident than in manufacturing; thus, FDI in those sectors may not be as effective at boosting export capacities – the long-standing structural weakness of many Balkan countries.

# Data availability and preliminary results for 2020

BY ALEXANDRA BYKOVA

*Last year, the inflow of FDI into CESEE was the weakest in a decade, and its profitability fell by 2 percentage points, to 7% on average. Slovakia and Ukraine both recorded negative FDI inflows, while Estonia maintained its leading position in per capita terms. Preliminary FDI data for 2020 are available from the most recent update of the wiiw FDI Database; this is the first of two FDI data releases planned for this year.*

In 2020, Central, East and Southeast Europe (CESEE) as a whole attracted EUR 49.3bn in foreign direct investment (FDI) – the lowest amount for a decade, according to the recent spring update of the wiiw FDI Database.<sup>1</sup> This is the first of two releases of FDI data this year. The updates will allow members and data subscribers to receive data and accompanying analyses soon after their release by national statistical data providers. For most of the countries, FDI statistics are now available in the database up until 2020 as preliminary data for total inflows, outflows, inward stock and outward stock (Tables 1-4) and as a breakdown by instrument (Table 5). Only data for Poland, Estonia (total) and Montenegro (inward stocks) have been estimated by wiiw. The spring update includes structural data for 2020 by partner and by activity for only a few countries; more countries will release data in May and June. However, the final FDI data for 2020 for all countries (including backward revisions) is only expected in the autumn update, in line with the schedule of the respective central banks. Therefore, our next release of FDI data this year will be in November.

The FDI data in Tables 1-5 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). Data are recorded in current euros and are presented following the international standard of the directional principle. Deviations from the international standards are marked and explained in footnotes to the tables. The sources of data are the respective countries' central banks. More information on the countries covered, content, time series, methodology and sources can be found in the detailed description to the online wiiw FDI Database and earlier editions of the wiiw FDI Report.

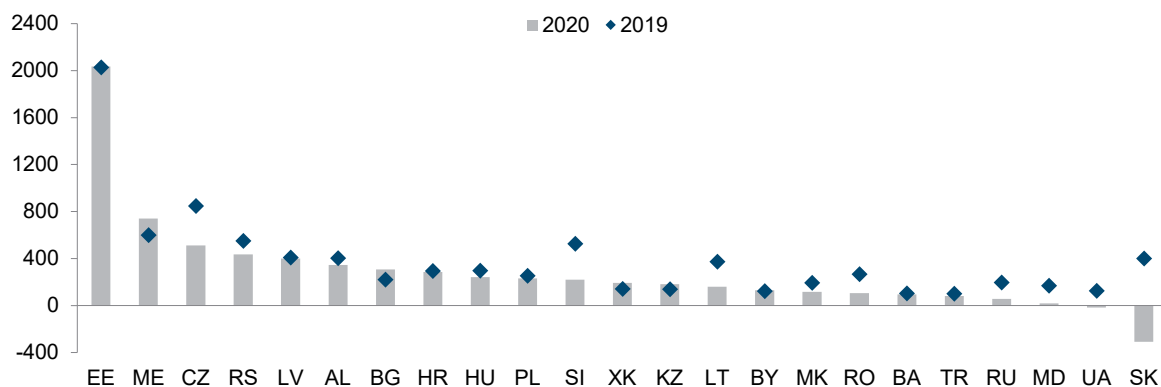
Here, we give an overview of selected indicators of FDI in the CESEE countries in 2020. Figure 1 shows FDI inflows in per capita terms. As can be seen, Estonia remained the clear leader in this respect last year (EUR 2,026), attracting more than double the amount of any other country in the region. More than 70% of FDI to Estonia went on professional, scientific and technical activities. Belarus, Bulgaria, Estonia, Montenegro, Kosovo and Kazakhstan represent the only six countries in the region with higher FDI per capita inflows than the previous year, with the largest increases in Bulgaria (39%), on account of debt instruments, and Kosovo (35%), due to higher reinvestment of earnings. The negative inflows into Ukraine are explained by the withdrawal of earnings; and into Slovakia by the outflow of debt instruments representing credit repayments to parent companies (Table 5). Ukraine's largest negative FDI inflows were observed in the chemical industry (EUR 700m) and basic metals (EUR 800m). Of the

<sup>1</sup> <https://data.wiiw.ac.at/fdi-database.html>



countries with positive FDI inflows in 2020, Russia and Moldova posted the lowest per capita values of EUR 58 and EUR 18 (representing annual declines of 70% and 89%, respectively) on account of negative debt instruments, as well as a large drop in new equity in Russia and substantially lower reinvested earnings in Moldova (Table 5).

**Figure 1 / FDI inflow per capita, 2019 and 2020, EUR**



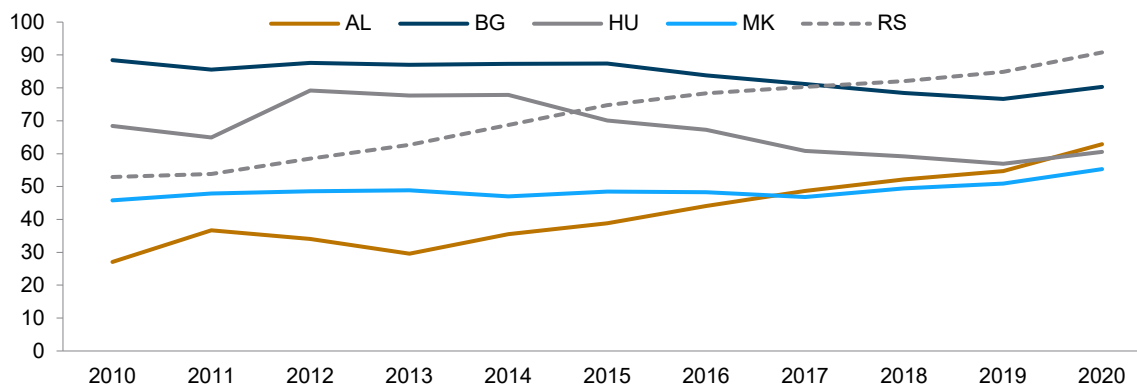
Note: Data are based on Direct Investment Statistics (directional principle), excluding Special Purpose Entities (SPEs). For Kosovo and Turkey, they are based on Balance of Payments (BOP) statistics (asset/liability principle).

Sources: wiiw FDI Database incorporating central bank statistics, wiiw estimates for Estonia and Poland in 2020.

Despite the fact that the CESEE region has traditionally been considered a recipient of FDI, several countries also invest large amounts abroad. Of the five CESEE countries with FDI outflows of more than EUR 1.5bn in 2020, only the outflows from Russia dropped by more than the global average decline of 42% – by 72%, to EUR 5.5bn. Outflows of cross-border investment by Czech firms diminished by 26% to EUR 2.7bn last year. By contrast, the other three countries actually expanded their investments abroad: outflows from Turkey in euro terms grew only slightly (by 3%), but Hungary and Poland posted increases of 18% and 39%, respectively. FDI outflows from Turkey amounted to EUR 2.7bn; from Hungary – to EUR 2.4bn; and from Poland – to EUR 1.6bn (Table 2).

Over the past decade, there has been a tendency in several EU-CEE countries for domestic firms to crowd out foreign investors; this is reflected in diminishing or stagnating FDI inward stock as a percentage of GDP. Another possible reason for a decline in stock values is the valuation of assets. Among the EU-CEE countries, the downward trend for FDI inward stock as a percentage of GDP has been most pronounced in Hungary and Bulgaria, however picking up slightly last year. The previous trend of a rapid growth of the FDI share in GDP continued in such Western Balkan countries as Albania, North Macedonia and Serbia (Figure 2).

In almost all CESEE countries, more than half of FDI inward stocks has traditionally been generated by investors from EU countries. Of the 10 CESEE countries for which 2020 FDI inward stocks data on the breakdown by partner are already available, only in Kosovo was the figure below 50% (35.7%). The EU's relative importance as a foreign investor dipped slightly in Croatia, Serbia and Kazakhstan (by less than 1 percentage point (pp)), Ukraine (1.6 pp) and Bulgaria (2 pp). By contrast, the EU's share expanded in Albania, Lithuania and Latvia (by less than 1 pp), Estonia (1.3 pp) and Kosovo (1.6 pp).

**Figure 2 / Inward FDI stocks as % of GDP, in selected CESEE countries in 2010-2020**

Note: Data are based on Direct Investment Statistics (directional principle), excluding Special Purpose Entities (SPEs).  
Source: wiiw FDI Database incorporating central bank statistics.

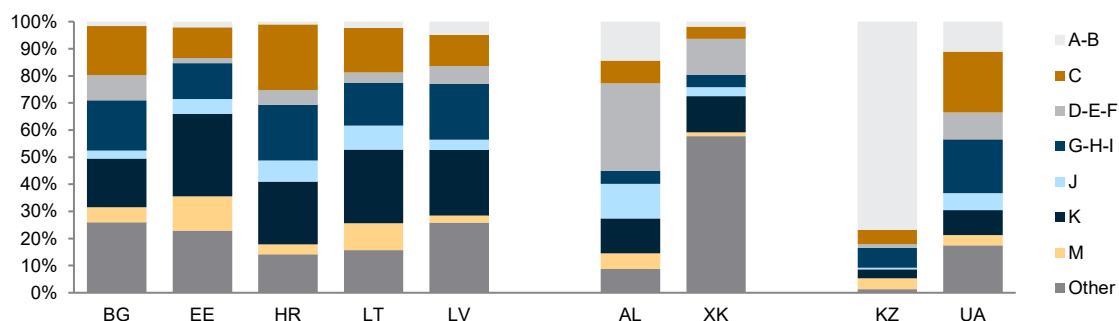
Not only did the pandemic have a negative impact on the inflow of FDI, but the profits of investors also suffered. Profitability declined for the whole of CESEE by 2 pp, to 7% in 2020, following the previous years' stable profitability of 9%, above the global average (Adarov et al., 2019).<sup>2</sup> Except for Kosovo and Belarus, profitability declined in all CESEE countries in 2020. Foreign investors repatriated more profits in 2020 than in 2019 in Albania, Belarus, Estonia and Ukraine.<sup>3</sup>

A breakdown of FDI by instrument of financing reveals that reinvestment of earnings was lower in many countries, due to lower profitability amid the negative economic consequences of the pandemic. Only Albania, Belarus, Czechia, Romania and Slovenia posted higher reinvested earnings in 2020 than in the previous year. Moreover, inflows of new equity were larger than a year earlier in only two countries: Estonia and Poland (Table 5).

Data on inward FDI stock are available in the 2020 breakdown by economic activity for nine CESEE countries; of those, services accounted for more than half of inward FDI stock in seven (all except Albania and Kazakhstan). FDI to Kazakhstan was mostly concentrated in the oil sector, while in Albania the energy sector accounted for over 30% of FDI. The manufacturing sector was of importance only in Croatia and Ukraine (with shares of over 20% in total stock). In Kosovo, real estate was of most importance to foreign investors. The share of the ICT sector remained at below 10% in eight countries: the large share of this sector in Albania (12.8%) is explained by major telecoms projects. In Estonia, professional and scientific activities represented over 10% of total FDI stocks (Figure 3).

<sup>2</sup> Profitability is calculated as debit for direct investment income (Balance of Payments – BOP) as a percentage of FDI liabilities (International Investment Position – IIP) in euro terms.

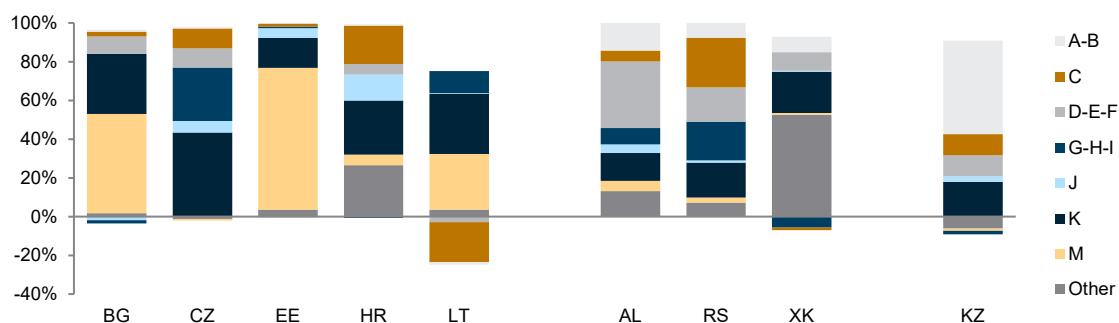
<sup>3</sup> Data mentioned in this paragraph that are based on the asset/liability principle do not form part of the wiiw FDI Database.

**Figure 3 / Inward FDI stock by economic activity in 2020, as % of total**

Note: Data are based on Direct Investment Statistics (directional principle); for Kosovo, they are based on International Investment Position (IIP) statistics (asset/liability principle). NACE Rev. 2: A-B Agriculture + Mining, C Manufacturing, D-E-F Electricity + Water + Construction, G-H-I Trade + Transport + Accommodation, J Info-communication, K Finance, M Professional, scientific and technical activities.

Source: wiiw FDI Database incorporating central bank statistics.

Figure 4 depicts the breakdown by economic activity of FDI inflows into most of the CESEE countries for which data for 2020 are already available (Ukraine, with its negative FDI inflows, is not included). Whereas in Albania, Kosovo, Serbia and Kazakhstan cross-border investment went to those economic sectors that are traditionally relatively important for FDI – energy in Albania (35%), real estate in Kosovo (61%), manufacturing in Serbia (26%) and the oil sector in Kazakhstan (60%), in Bulgaria, Estonia and Lithuania more than 50% of FDI inflows in 2020 were attracted to professional, scientific and technical activities. The banking sector was also important for foreign investors last year in all the countries.

**Figure 4 / FDI inflows by economic activities in 2020, as % of total**

Note: Data are based on Direct Investment Statistics (directional principle); for Kosovo, they are based on Balance of Payments (BOP) statistics (asset/liability principle). NACE Rev. 2: A-B Agriculture + Mining, C Manufacturing, D-E-F Electricity + Water + Construction, G-H-I Trade + Transport + Accommodation, J Info-communication, K Finance, M Professional, scientific and technical activities.

Source: wiiw FDI Database incorporating central bank statistics.

## REFERENCES

Adarov, Amat et al. (2019), Foreign investments mostly robust despite global downturn: Shift into services. wiiw FDI Report 2019/06, wiiw, Vienna.

**Table 1 / FDI inflow**

EUR million

	2013	2014	2015	2016	2017	2018	2019	2020
BG Bulgaria	1,384	347	1,998	940	1,606	968	1,534	2,124
CZ Czechia	2,769	4,141	419	8,873	8,454	9,330	9,030	5,478
EE Estonia <sup>1)</sup>	581	395	100	916	1,107	1,191	2,688	2,700
HR Croatia	690	2,183	76	247	478	992	1,193	1,142
HU Hungary <sup>2)</sup>	2,062	5,150	2,298	3,880	5,136	5,524	2,899	2,348
LT Lithuania	432	-100	951	273	904	827	1,045	445
LV Latvia	680	676	666	230	627	819	781	764
PL Poland <sup>1)</sup>	2,730	10,755	13,758	14,181	8,147	13,555	9,695	8,900
RO Romania	2,713	2,421	3,461	4,517	4,797	5,266	5,173	2,033
SI Slovenia	-114	791	1,510	1,126	795	1,172	1,096	463
SK Slovakia	-455	-386	96	728	3,556	1,418	2,187	-1,689
<b>EU-CEE11</b>	<b>13,471</b>	<b>26,372</b>	<b>25,334</b>	<b>35,911</b>	<b>35,606</b>	<b>41,062</b>	<b>37,320</b>	<b>24,707</b>
AL Albania	953	837	852	994	1,017	1,092	1,150	969
BA Bosnia and Herzegovina	208	415	326	316	436	487	357	326
ME Montenegro	337	375	630	205	494	415	373	463
MK North Macedonia	252	205	217	338	182	614	399	240
RS Serbia	1,546	1,505	2,116	2,125	2,548	3,464	3,814	3,012
XK Kosovo	280	151	309	220	255	272	255	342
<b>WB6</b>	<b>3,577</b>	<b>3,487</b>	<b>4,450</b>	<b>4,198</b>	<b>4,933</b>	<b>6,343</b>	<b>6,348</b>	<b>5,350</b>
TR Turkey	10,212	10,039	17,362	12,499	9,774	10,857	8,277	6,858
BY Belarus	1,690	1,418	1,521	1,125	1,132	1,208	1,157	1,222
KZ Kazakhstan	7,769	6,389	3,659	7,692	4,133	3,075	2,567	3,396
MD Moldova	176	257	213	76	135	247	449	48
UA Ukraine <sup>3)</sup>	3,389	310	-413	3,441	3,273	3,770	5,231	-760
<b>CIS3+UA</b>	<b>13,024</b>	<b>8,374</b>	<b>4,980</b>	<b>12,333</b>	<b>8,672</b>	<b>8,300</b>	<b>9,405</b>	<b>3,906</b>
RU Russia	40,196	22,037	10,664	33,568	22,990	11,222	28,638	8,468
<b>CESEE23</b>	<b>80,480</b>	<b>70,309</b>	<b>62,789</b>	<b>98,510</b>	<b>81,975</b>	<b>77,784</b>	<b>89,987</b>	<b>49,289</b>

Note: Data refer to BPM6 directional principle unless otherwise stated; data exclude Special Purpose Entities (SPEs).

Grey background: data are based on asset/liability principle (balance of payments - BOP).

1) wiiw estimate in 2020. -2) Excluding capital in transit and restructuring of asset portfolios. - 3) From 2014 excluding the occupied territories of Crimea and Sevastopol.

Source: wiiw FDI Database based on Direct Investment statistics (BOP statistics for Kosovo and Turkey) of the respective central banks.

**Table 2 / FDI outflow**

EUR million

	2013	2014	2015	2016	2017	2018	2019	2020
BG Bulgaria	141	201	124	366	293	211	375	178
CZ Czechia	3,055	1,221	2,243	1,973	6,712	7,341	3,688	2,735
EE Estonia <sup>1)</sup>	389	-72	250	382	213	-40	1,695	100
HR Croatia	-59	1,491	-126	-1,751	-641	170	150	206
HU Hungary <sup>2)</sup>	830	2,071	860	1,318	3,021	2,666	2,026	2,382
LT Lithuania	99	44	340	39	71	596	128	-256
LV Latvia	310	408	63	144	118	174	-94	235
PL Poland <sup>1)</sup>	-340	2,184	4,501	10,484	2,450	755	1,153	1,600
RO Romania	-211	-282	507	4	-86	321	324	177
SI Slovenia	-161	207	241	262	300	238	348	486
SK Slovakia	-236	32	5	86	1,173	272	137	204
<b>EU-CEE11</b>	<b>3,817</b>	<b>7,508</b>	<b>9,007</b>	<b>13,306</b>	<b>13,623</b>	<b>12,704</b>	<b>9,928</b>	<b>8,049</b>
AL Albania	30	25	34	58	23	70	114	78
BA Bosnia and Herzegovina	33	14	66	35	70	-20	3	-4
ME Montenegro	13	21	11	-167	10	92	67	-5
MK North Macedonia	23	8	14	22	2	10	35	34
RS Serbia	248	268	312	226	130	307	263	109
XK Kosovo	30	27	37	43	43	46	66	59
<b>WB6</b>	<b>377</b>	<b>363</b>	<b>474</b>	<b>216</b>	<b>278</b>	<b>506</b>	<b>549</b>	<b>272</b>
TR Turkey	2,738	5,307	4,593	2,835	2,393	3,037	2,629	2,716
BY Belarus	186	30	111	103	62	42	14	69
KZ Kazakhstan	1,721	2,871	717	-4,731	808	-928	-2,344	-1,776
MD Moldova	17	28	17	8	11	32	37	-10
UA Ukraine <sup>3)</sup>	316	84	-46	14	7	-4	578	72
<b>CIS3+UA</b>	<b>2,241</b>	<b>3,013</b>	<b>800</b>	<b>-4,605</b>	<b>889</b>	<b>-858</b>	<b>-1,714</b>	<b>-1,645</b>
RU Russia	53,210	48,534	24,362	24,336	30,253	30,389	19,664	5,524
<b>CESEE23</b>	<b>62,382</b>	<b>64,724</b>	<b>39,236</b>	<b>36,088</b>	<b>47,435</b>	<b>45,778</b>	<b>31,056</b>	<b>14,914</b>

Note: Data refer to BPM6 directional principle unless otherwise stated; data exclude SPEs.

Grey background: data are based on asset/liability principle (BOP).

1) wiiw estimate in 2020. - 2) Excluding capital in transit and restructuring of asset portfolios. - 3) From 2014 excluding the occupied territories of Crimea and Sevastopol.

Source: wiiw FDI Database based on Direct Investment statistics (BOP for Kosovo and Turkey) of the respective central banks.

**Table 3 / Inward FDI stock**

EUR million

	2013	2014	2015	2016	2017	2018	2019	2020
BG Bulgaria	36,475	37,445	39,930	40,742	42,462	44,045	46,933	48,671
CZ Czechia	97,311	100,076	107,129	115,627	130,042	143,420	152,528	153,847
EE Estonia <sup>1)</sup>	15,840	16,841	16,944	18,114	19,379	21,275	24,224	27,300
HR Croatia	22,047	24,286	22,381	23,386	23,921	24,384	26,187	26,132
HU Hungary	79,285	82,630	78,957	78,093	77,240	80,392	83,163	82,248
LT Lithuania	14,158	13,911	14,739	15,342	16,361	16,959	18,564	19,321
LV Latvia	11,570	12,456	13,531	13,591	14,691	15,261	15,925	16,670
PL Poland <sup>1)</sup>	166,441	174,018	170,257	178,294	199,053	200,687	209,505	205,000
RO Romania	60,640	61,999	64,663	70,742	75,851	81,124	88,304	87,626
SI Slovenia	8,897	10,202	11,612	12,971	13,957	15,254	16,008	16,641
SK Slovakia	42,072	40,969	42,265	45,150	49,620	52,279	54,259	52,149
<b>EU-CEE11</b>	<b>554,734</b>	<b>574,832</b>	<b>582,410</b>	<b>612,051</b>	<b>662,576</b>	<b>695,080</b>	<b>735,599</b>	<b>735,605</b>
AL Albania	2,850	3,538	3,983	4,729	5,622	6,693	7,462	8,169
BA Bosnia and Herzegovina	6,166	6,183	6,577	6,773	7,132	7,430	7,681	7,677
ME Montenegro <sup>1)</sup>	3,765	4,034	4,483	4,337	4,493	4,676	4,845	5,000
MK North Macedonia	3,980	4,024	4,400	4,657	4,698	5,307	5,704	5,954
RS Serbia	22,834	24,355	26,704	28,811	31,509	35,192	39,012	42,183
XK Kosovo	2,816	2,961	3,254	3,405	3,519	3,692	3,969	4,245
<b>WB6</b>	<b>42,411</b>	<b>45,095</b>	<b>49,402</b>	<b>52,713</b>	<b>56,972</b>	<b>62,990</b>	<b>68,672</b>	<b>73,227</b>
TR Turkey	110,718	151,565	146,292	142,650	165,240	128,421	145,656	173,757
BY Belarus	12,120	14,617	16,440	17,835	10,747	11,378	12,892	11,839
KZ Kazakhstan	91,087	108,544	121,901	136,434	122,781	131,255	135,527	123,406
MD Moldova	2,402	2,636	2,609	2,772	2,991	3,536	4,183	3,904
UA Ukraine <sup>2)</sup>	48,524	40,859	40,070	43,236	37,857	35,431	46,066	39,827
<b>CIS3+UA</b>	<b>154,133</b>	<b>166,654</b>	<b>181,018</b>	<b>200,278</b>	<b>174,376</b>	<b>181,601</b>	<b>198,668</b>	<b>178,977</b>
RU Russia	343,148	238,771	240,264	374,465	368,937	356,790	440,278	363,875
<b>CESEE23</b>	<b>1,205,144</b>	<b>1,176,917</b>	<b>1,199,387</b>	<b>1,382,157</b>	<b>1,428,102</b>	<b>1,424,882</b>	<b>1,588,874</b>	<b>1,525,441</b>

Note: Data refer to BPM6 directional principle unless otherwise stated; data exclude SPEs.

Grey background: data are based on asset/liability principle (international investment position - IIP).

1) wiiw estimate in 2020. - 2) From 2014 excluding the occupied territories of Crimea and Sevastopol.

Source: wiiw FDI Database based on Direct Investment statistics (IIP for Kosovo and Turkey) of the respective central banks.

**Table 4 / Outward FDI stock**

EUR million

	2013	2014	2015	2016	2017	2018	2019	2020
BG Bulgaria	2,549	1,531	1,648	2,057	2,217	2,309	2,706	2,796
CZ Czechia	15,009	15,019	17,077	18,433	26,980	30,356	40,181	45,813
EE Estonia <sup>1)</sup>	4,998	4,785	5,150	5,480	5,958	6,417	8,305	8,400
HR Croatia	3,732	5,082	3,608	1,845	617	713	879	1,016
HU Hungary	29,004	33,356	32,530	23,625	24,445	24,948	28,070	30,027
LT Lithuania	2,946	3,014	3,371	3,523	3,610	4,223	4,269	4,157
LV Latvia	1,160	1,486	1,688	1,836	1,869	2,042	1,944	2,053
PL Poland <sup>1)</sup>	20,140	22,839	25,167	26,332	24,951	21,525	22,670	21,900
RO Romania	616	264	745	727	632	1,190	2,157	2,220
SI Slovenia	5,179	5,335	5,508	5,741	5,969	6,107	6,637	7,065
SK Slovakia	3,502	2,323	2,262	2,496	3,827	4,005	4,208	4,355
<b>EU-CEE11</b>	<b>88,834</b>	<b>95,034</b>	<b>98,754</b>	<b>92,096</b>	<b>101,076</b>	<b>103,837</b>	<b>122,025</b>	<b>129,802</b>
AL Albania	174	204	336	386	393	492	607	635
BA Bosnia and Herzegovina	267	281	348	408	481	466	468	464
ME Montenegro <sup>2)</sup>	327	347	358	191	202	294	361	357
MK North Macedonia	112	121	104	77	67	62	61	93
RS Serbia	2,061	2,329	2,643	2,869	2,999	3,323	3,624	3,705
XK Kosovo	147	175	212	261	305	348	415	474
<b>WB6</b>	<b>3,088</b>	<b>3,457</b>	<b>4,000</b>	<b>4,193</b>	<b>4,446</b>	<b>4,986</b>	<b>5,536</b>	<b>5,727</b>
TR Turkey	24,407	32,891	33,295	37,437	39,189	40,339	45,347	44,042
BY Belarus	527	522	643	739	1,328	1,234	1,288	1,234
KZ Kazakhstan	16,999	20,990	24,458	22,382	17,145	14,821	14,023	11,536
MD Moldova	88	134	165	182	168	206	250	220
UA Ukraine <sup>3)</sup>	5,665	6,218	2,673	2,667	2,309	2,196	3,174	2,346
<b>CIS3+UA</b>	<b>23,278</b>	<b>27,863</b>	<b>27,939</b>	<b>25,970</b>	<b>20,949</b>	<b>18,458</b>	<b>18,735</b>	<b>15,335</b>
RU Russia	280,444	274,105	265,269	325,924	325,087	303,018	363,644	309,276
<b>CESEE23</b>	<b>420,053</b>	<b>433,350</b>	<b>429,257</b>	<b>485,620</b>	<b>490,746</b>	<b>470,637</b>	<b>555,288</b>	<b>504,183</b>

Note: Data refer to BPM6 directional principle unless otherwise stated; data exclude SPEs.

Grey background: data are based on asset/liability principle (IIP).

1) wiiw estimate in 2020. - 2) Cumulated outflows. - 3) From 2014 excluding occupied territories of Crimea and Sevastopol.

Source: wiiw FDI Database based on Direct Investment statistics (IIP for Kosovo and Turkey) of the respective central banks.

**Table 5 / FDI inflow by components**

EUR million

	2013	2014	2015	2016	2017	2018	2019	2020
<b>Bulgaria</b>								
FDI inflow, total	1,384	347	1,998	940	1,606	968	1,534	2,124
Equity other than reinvestment of earnings	1,229	1,035	1,586	255	-25	390	-327	267
Reinvestment of earnings	125	-1,036	939	1,091	861	1,214	1,155	828
Debt instruments	30	349	-526	-407	769	-637	706	1,029
<b>Czech Republic</b>								
FDI inflow, total	2,769	4,141	419	8,873	8,454	9,330	9,030	5,478
Equity other than reinvestment of earnings	1,314	-198	484	3,219	1,840	159	3,241	-1,513
Reinvestment of earnings	3,332	2,748	2,783	3,159	6,708	4,316	4,600	4,718
Debt instruments	-1,877	1,591	-2,848	2,495	-94	4,854	1,188	2,273
<b>Estonia <sup>1)</sup></b>								
FDI inflow, total	581	515	32	957	1,719	1,268	2,761	2,763
Equity other than reinvestment of earnings	-59	105	-1,068	26	412	-170	1,601	2,139
Reinvestment of earnings	801	893	547	800	909	700	792	418
Debt instruments	-162	-482	553	131	398	739	368	207
<b>Croatia</b>								
FDI inflow, total	690	2,183	76	247	478	992	1,193	1,142
Equity other than reinvestment of earnings	666	2,234	1,963	691	601	726	615	537
Reinvestment of earnings	-297	-188	-982	-290	-633	942	860	665
Debt instruments	321	137	-905	-154	510	-676	-281	-61
<b>Hungary <sup>2)</sup></b>								
FDI inflow, total	2,062	5,150	2,298	3,880	5,136	5,524	2,899	2,348
Equity other than reinvestment of earnings	2,282	473	-272	363	46	84	-791	-2,048
Reinvestment of earnings	1,578	3,816	4,002	4,073	6,088	5,635	4,586	2,298
Debt instruments	-1,799	860	-1,431	-556	-998	-196	-895	2,099
<b>Lithuania</b>								
FDI inflow, total	432	-100	951	273	904	827	1,045	445
Equity other than reinvestment of earnings	331	879	262	452	113	177	-202	-375
Reinvestment of earnings	204	-138	647	460	823	971	1,279	682
Debt instruments	-103	-841	42	-639	-33	-321	-33	138
<b>Latvia</b>								
FDI inflow, total	680	676	666	230	627	819	781	764
Equity other than reinvestment of earnings	550	515	303	-589	1,034	-283	460	444
Reinvestment of earnings	232	231	432	482	186	345	388	366
Debt instruments	-101	-70	-69	337	-593	757	-67	-46
<b>Poland <sup>3)</sup></b>								
FDI inflow, total	2,059	10,755	13,758	14,181	8,147	13,555	9,695	8,900
Equity other than reinvestment of earnings	-5,482	3,177	5,229	1,776	-365	4,197	952	2,400
Reinvestment of earnings	3,510	6,198	6,966	8,549	8,948	8,250	10,097	7,600
Debt instruments	4,031	1,380	1,563	3,855	-435	1,108	-1,354	-1,100
<b>Romania</b>								
FDI inflow, total	2,713	2,421	3,461	4,517	4,797	5,266	5,173	2,033
Equity other than reinvestment of earnings	2,765	4,222	3,085	3,203	2,235	2,973	2,238	935
Reinvestment of earnings	-337	-1,376	510	1,138	1,733	2,573	2,783	3,057
Debt instruments	285	-425	-133	176	829	-280	152	-1,959
<b>Slovenia</b>								
FDI inflow, total	-114	791	1,510	1,126	795	1,172	1,096	463
Equity other than reinvestment of earnings	442	1,436	1,344	956	581	555	1,181	240
Reinvestment of earnings	-499	-646	441	547	351	533	488	600
Debt instruments	-57	1	-275	-377	-138	84	-574	-376
<b>Slovakia</b>								
FDI inflow, total	-455	-386	96	728	3,556	1,418	2,187	-1,689
Equity other than reinvestment of earnings	653	139	-404	840	567	504	398	45
Reinvestment of earnings	-199	-297	709	843	660	-238	1,853	1,240
Debt instruments	-909	-228	-210	-955	2,328	1,153	-63	-2,974

(Table 5 contd.)



Table 5 / contd.

	2013	2014	2015	2016	2017	2018	2019	2020
<b>Albania</b>								
FDI inflow, total	953	837	852	994	1,017	1,092	1,150	969
Equity other than reinvestment of earnings	668	669	730	904	808	852	721	590
Reinvestment of earnings	-62	37	59	42	137	224	397	407
Debt instruments	347	131	63	49	72	16	33	-28
<b>Bosnia and Herzegovina</b>								
FDI inflow, total	208	415	326	316	436	487	357	326
Equity other than reinvestment of earnings	218	134	159	151	170	276	109	109
Reinvestment of earnings	-54	53	79	105	241	249	196	154
Debt instruments	44	227	87	61	25	-38	52	62
<b>Montenegro</b>								
FDI inflow, total	337	375	630	205	494	415	373	463
Equity other than reinvestment of earnings	248	208	419	82	340	291	206	192
Reinvestment of earnings	.	.	.	.	.	.	.	.
Debt instruments	89	167	212	122	154	124	166	271
<b>North Macedonia</b>								
FDI inflow, total	252	205	217	338	182	614	399	240
Equity other than reinvestment of earnings	46	62	-82	118	75	183	221	97
Reinvestment of earnings	101	-169	160	175	143	218	176	15
Debt instruments	104	313	139	45	-36	212	2	128
<b>Serbia</b>								
FDI inflow, total	1,546	1,505	2,116	2,125	2,548	3,464	3,814	3,012
Equity other than reinvestment of earnings	642	986	1,064	457	275	1,840	1,906	1,247
Reinvestment of earnings	465	453	835	913	1,194	1,148	1,177	351
Debt instruments	440	66	216	755	1,079	476	731	1,414
<b>Kosovo</b>								
FDI inflow, total	280	151	309	220	255	272	255	342
Equity other than reinvestment of earnings	96	47	139	88	174	169	277	255
Reinvestment of earnings	80	70	89	95	59	95	-39	66
Debt instruments	104	35	81	37	23	9	16	21
<b>Turkey</b>								
FDI inflow, total	10,212	10,039	17,362	12,499	9,774	10,857	8,277	6,858
Equity other than reinvestment of earnings	9,578	9,373	14,072	9,377	8,752	9,988	8,843	7,193
Reinvestment of earnings	199	181	324	423	255	295	525	410
Debt instruments	435	486	2,965	2,699	767	574	-1,092	-745

(Table 5 contd.)

**Table 5 / contd.**

	2013	2014	2015	2016	2017	2018	2019	2020
<b>Belarus</b>								
FDI inflow, total	1,690	1,418	1,521	1,125	1,132	1,208	1,157	1,222
Equity other than reinvestment of earnings	437	504	263	345	353	497	393	255
Reinvestment of earnings	907	696	1,044	642	593	685	585	891
Debt instruments	347	219	214	138	186	26	179	76
<b>Kazakhstan</b>								
FDI inflow, total	7,769	6,389	3,659	7,692	4,133	3,075	2,567	3,396
Equity other than reinvestment of earnings	1,434	-226	1,854	3,311	1,763	-3,424	-2,074	623
Reinvestment of earnings	2,077	3,820	-69	4,860	3,325	5,669	8,045	4,365
Debt instruments	4,258	2,795	1,874	-479	-955	830	-3,404	-1,592
<b>Moldova</b>								
FDI inflow, total	176	257	213	76	135	247	449	48
Equity other than reinvestment of earnings	70	96	40	40	30	82	343	54
Reinvestment of earnings	0	33	111	82	29	58	46	27
Debt instruments	106	128	63	-46	76	107	61	-33
<b>Ukraine <sup>4)</sup></b>								
FDI inflow, total	3,389	310	-413	3,441	3,273	3,770	5,231	-760
Equity other than reinvestment of earnings	2,763	539	3,609	3,206	1,361	1,246	1,481	665
Reinvestment of earnings	.	.	-3,083	475	1,321	2,198	2,901	-1,157
Debt instruments	626	-228	-939	-240	591	327	849	-269
<b>Russia</b>								
FDI inflow, total	40,196	22,037	10,664	33,568	22,990	11,222	28,638	8,468
Equity other than reinvestment of earnings	15,283	822	-389	16,990	7,998	-5,494	9,746	8,055
Reinvestment of earnings	16,327	16,387	10,061	15,565	14,802	14,056	17,429	4,083
Debt instruments	8,587	4,828	992	1,012	191	2,661	1,463	-3,670

Note: Data refer to BPM6 directional principle unless otherwise stated; data exclude SPEs.

Grey background: data are based on asset/liability principle (BOP).

1) From 2014 including SPEs. - 2) Excluding capital in transit and restructuring of asset portfolios. - 3) In 2013 including SPEs and wiiw estimate in 2020. - 4) From 2014 excluding occupied territories of Crimea and Sevastopol.

Source: wiiw FDI Database based on Direct Investment statistics (BOP for Kosovo and Turkey) of the respective central banks.

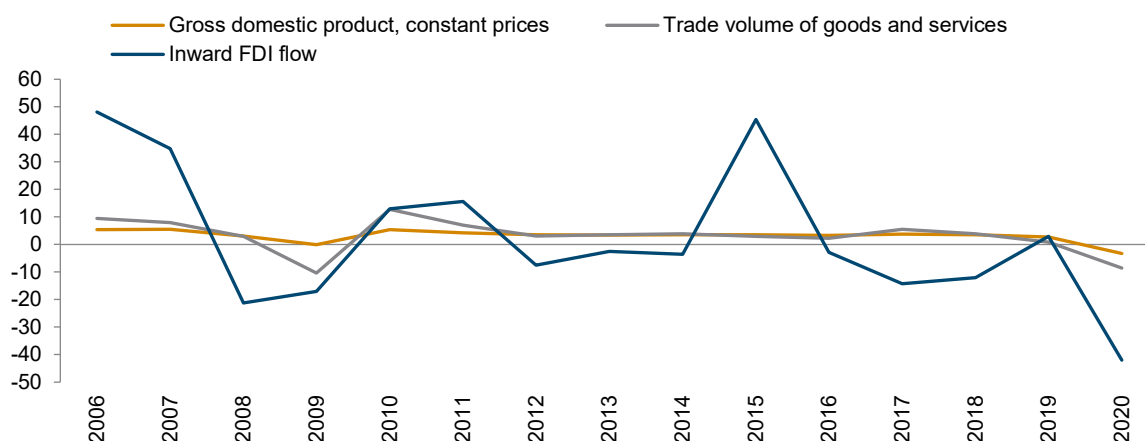
## Little sign of recovery from the COVID-related collapse yet, but some potential for near-shoring

BY OLGA PINDYUK

*After a sharp decline last year, the prospects for recovery of FDI inflows to CESEE in 2021 are poor in most sectors, apart from ICT and energy. This is signalled by the decline in the number of greenfield projects announced in the last quarter of 2020. So far, the COVID-19 pandemic has had little effect on re-shoring and near-shoring.*

Global foreign direct investment (FDI) collapsed in 2020 by 42% – significantly more than the 21% decline seen in 2008, the year the global financial crisis hit (Figure 1). The United Nations Conference on Trade and Development (UNCTAD) puts the value of total FDI inflows in 2020 at about USD 859bn, which is more than 30% below the 2009 level.<sup>1</sup> The decline in FDI was more profound than in global trade in goods and services, as it reflected the unprecedentedly high uncertainty faced by investors against the backdrop of the world's worst economic crisis since the Great Depression. The fall in FDI inflows was very unevenly distributed, with developed economies experiencing the sharpest decline (69% year on year), while developing and emerging economies fared better, with a 12% decline. Asia performed the best, recording only a 4% drop (indeed, India and China saw FDI inflows increase in 2020 by 13% and 4%, respectively).

**Figure 1 / Global trade, FDI inflows and economic growth, annual change in %, 2006-2020**



Note: 2020: estimate by UNCTAD as of January 2021.

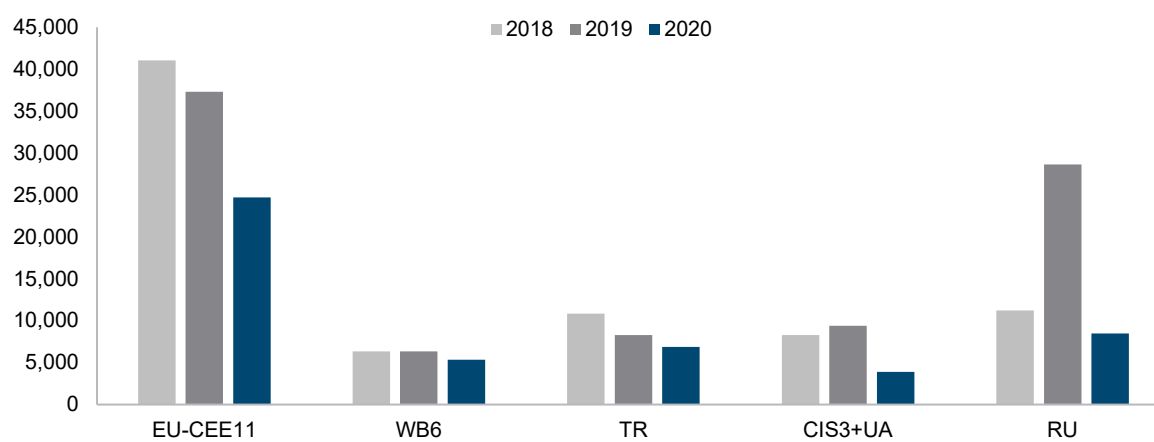
Sources: IMF World Economic Outlook, UNCTAD.

Central, East and Southeast Europe (CESEE) was no exception to the global trends, with total FDI inflows to the region falling in 2020 by 45% (in euro terms). Within CESEE, Russia and the region comprising the other three CIS countries and Ukraine (CIS3+UA in Figure 2) recorded the strongest

<sup>1</sup> <https://unctad.org/news/global-foreign-direct-investment-fell-42-2020-outlook-remains-weak>

declines in FDI inflows (70% and 59%, respectively). Setting Russia aside (as there FDI inflows and outflows are mostly shaped by the capital restructuring of Russian-owned companies registered mainly in Cyprus), the steep decline in the CIS3+Ukraine was driven by Moldova and Ukraine (with the latter having its largest net outflow of FDI for 20 years, due to negative reinvested earnings). Kazakhstan and Belarus, by contrast, managed to register an increase in FDI inflows in 2020. In Kazakhstan, the bulk of the FDI inflows went toward the ongoing oil field development projects, while in Belarus the increase was driven by reinvested profits from existing investment projects.

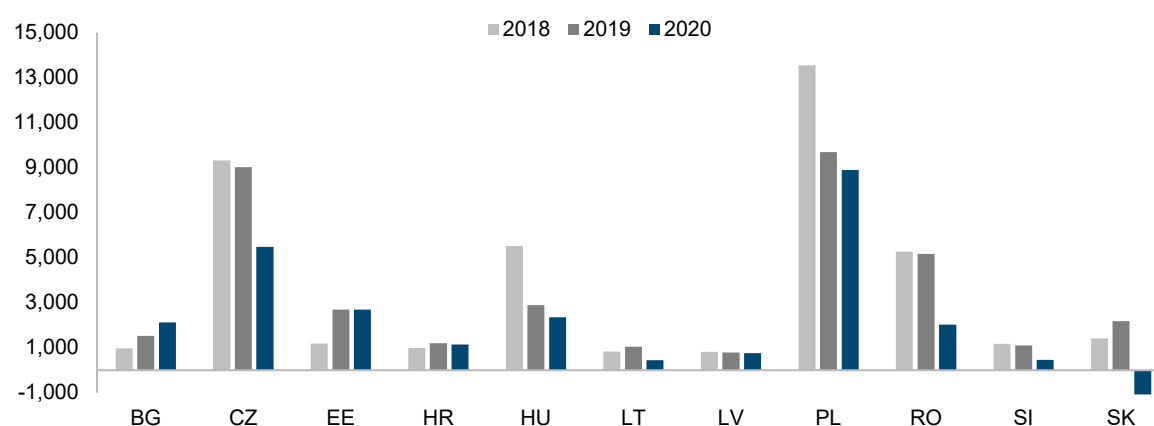
**Figure 2 / FDI inflows in the main regions of CESEE in 2018, 2019 and 2020, EUR million**



Note: CIS3 includes Belarus, Kazakhstan and Moldova.

Source: wiiw FDI Database based on Direct Investment statistics of the respective central banks, wiiw calculations and partly wiiw estimates for 2020.

**Figure 3 / FDI inflows into EU-CEE countries in 2018, 2019 and 2020, EUR million**



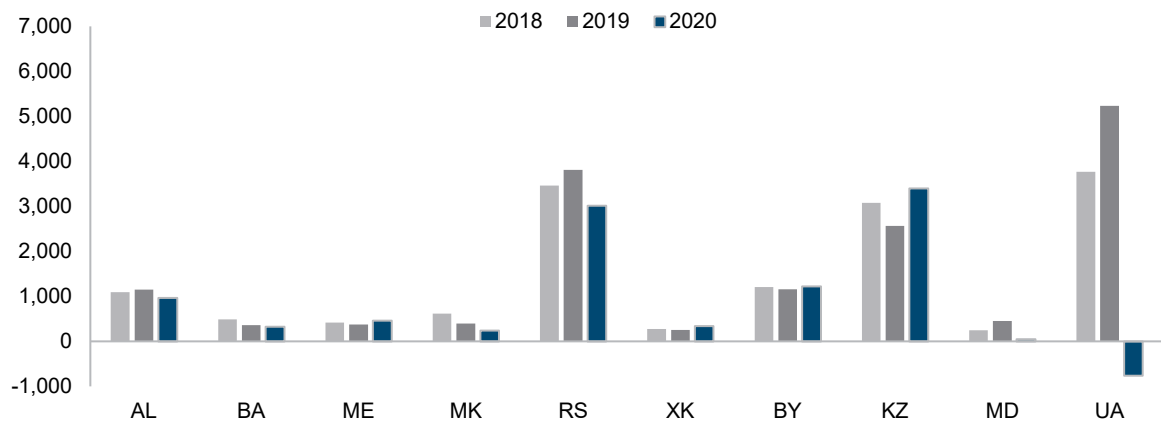
Source: wiiw FDI Database based on Direct Investment statistics of the respective central banks, wiiw calculations and partly wiiw estimates for 2020.

In the EU-CEE countries, FDI inflows fell by 34% – less than in the CIS and Ukraine. The decline was also much milder than the 2009 figure of -55%. Performance inside EU-CEE varied considerably: whereas Bulgaria recorded a 39% increase in FDI inflows, Slovakia saw a negative inflow; meanwhile,

FDI inflows into Romania and Slovenia decreased by 61% and 58%, respectively (Figure 3). For the countries of the Visegrád group (Czechia, Hungary, Poland and Slovakia), as well as Slovenia, the COVID-19 pandemic has served to intensify trends that were already in evidence in 2019, reflecting the limitations of the growth models of those countries (Pindyuk, 2020).

Western Balkans and Turkey turned out to be more resilient than other parts of the CESEE region, in terms of FDI inflow dynamics – the drop witnessed in 2020 was only 16% and 17%, respectively, year on year. Performance among the Western Balkan countries varied widely, with Montenegro and Kosovo recording an increase in FDI inflows, while North Macedonia registered a 40% decline (Figure 4).

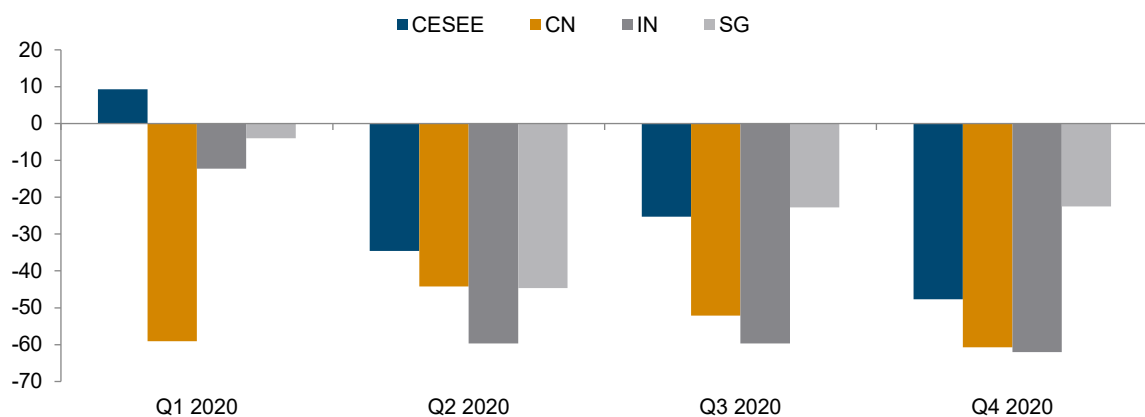
**Figure 4 / FDI inflows to non-EU-CEE countries in 2018, 2019 and 2020, EUR million**



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

Source: wiiw FDI Database based on Direct Investment statistics (BOP for Kosovo) of the respective central banks, wiiw calculations and partly wiiw estimates for 2020.

**Figure 5 / Number of greenfield FDI projects announced, percentage change year on year**



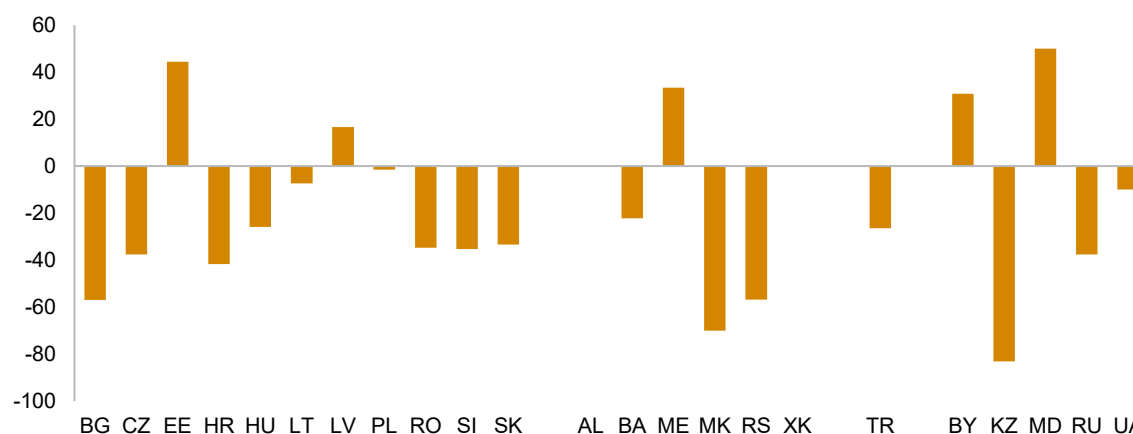
Source: fDi Markets.

A sharp decline in the number of greenfield FDI projects announced signals poor prospects for FDI recovery in 2021 (Figure 5). Especially worrisome is an acceleration in the decline in the fourth quarter

of 2020. Similar trends were also seen in the major destinations for FDI in Asia: China, India and Singapore. Only Singapore saw a slowdown in the decline in the number of greenfield FDI projects announced in the second half of the year: China and India both experienced a stronger decline in the final quarter (bigger even than in CESEE). These trends can probably be explained by the unprecedented level of uncertainty faced by investors, who postponed their investment decisions both in their home countries and abroad.

The number of greenfield projects announced fell in most CESEE countries, with the steepest declines in Kazakhstan, North Macedonia, Serbia and Bulgaria (Figure 6). Only in Estonia, Latvia, Montenegro, Belarus and Moldova did the number of projects go up. It is too early to say whether these increases could be interpreted as a sign of 'near-shoring' – Western European firms moving their outsourced production closer to home (Adarov and Hunya, 2020; Box 1 below), but it would be useful to keep an eye on developments in those countries over the medium term.

**Figure 6 / Number of greenfield projects announced in CESEE in 2020, percentage change year on year**



Source: fDi Markets.

Manufacturing experienced the steepest decline in the number of greenfield projects announced, while certain service sectors (in particular, information and communication technology (ICT)) recorded an increase in activity. The sector structure of the greenfield projects announced in CESEE changed significantly as a result (Figure 7). This was in line with world trends – the global ICT industry saw an 18% increase in the value of its greenfield investments in 2020, and the value of ICT mergers and acquisitions grew by 216%, to reach USD 79bn.<sup>2</sup> In EU-CEE in 2020, there was a significant increase in the number of greenfield projects announced in ICT (24 projects vs 6 projects in 2019) and electricity (47 projects vs 33 in 2019), potentially pointing to progress in digitalisation and the green transition. An increase in the number of projects in business services in 2020 was recorded in Western Balkans (11 projects vs 6 projects in 2019), as well as in the CIS and Ukraine (13 projects vs 11 projects in 2019).

<sup>2</sup> <https://investmentmonitor.ai/analysis/covid-decimated-fdi-in-developed-countries>

**BOX 1 / CAN SUPPLY-CHAIN DISRUPTIONS RELATED TO COVID-19 PROMOTE RE-SHORING/NEAR-SHORING?**

Disruption to global supply chains is becoming an increasing drag on business optimism about economic recovery from the coronavirus crisis. A survey of euro area purchasing managers by IHS Markit in April 2021 found evidence of widespread supply-chain disruption, including the greatest lengthening of supplier delivery times in the survey's 23-year history and an acceleration in factory input cost inflation to the highest level in a decade. According to a survey of German manufacturing companies done by the ifo Institute (2021), 45% of German manufacturers reported bottlenecks in the supply of parts or materials in April 2021 – the highest level for 30 years.

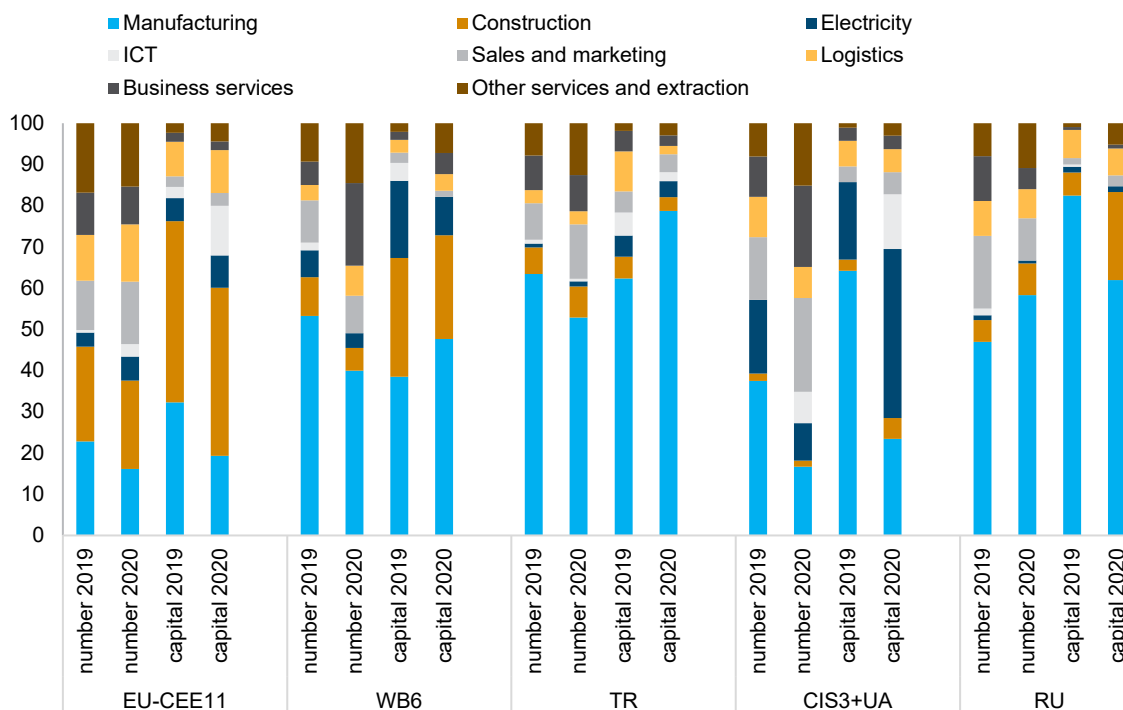
The recent chip shortage in the automotive sector has intensified efforts in the US and EU to boost domestic capacity and cut reliance on Asian producers. A European initiative on processors and semiconductor technologies, signed in December 2020, aims at bolstering Europe's electronics and embedded systems value chain by establishing advanced European chip-design capabilities and production facilities. However, the higher costs of relocating production could prove a significant impediment to this initiative. According to estimates by Varas et al. (2020) from the Boston Consulting Group, a new facility to fabricate semiconductors could cost about 30% more to build and operate in the US over 10 years than would a similar facility in Taiwan, South Korea or Singapore – and 50% more than in China.

Overall, the existing empirical data point to a small effect of the COVID-19 pandemic on re-shoring and near-shoring so far. This could partly be due to a low correlation between the level of fragmentation of production and the severity of the economic impact of COVID-19 (Mirodout, 2020). The prevailing view of industry and experts is that value chains can be strengthened through increased diversification and by improving the resilience of supply chains, rather than re-shoring/on-shoring (De Vet et al., 2021). Increasing resilience means reconfiguring the supply chain and the supply base to minimise disruption and other impacts arising from economic and political uncertainties (McKinsey & Company, 2021), while relocation of production domestically could actually make countries *more* exposed to such shocks. A recognised need to support strategically important value chains (such as microelectronics, autonomous driving, batteries and artificial intelligence), in order to ensure access to materials, investment and skills, should not lead to relocation becoming a policy goal, as that could be at odds with the need to keep EU industry internationally competitive.

Certain aspects of digitalisation – such as Industry 4.0 applications, automation and additive manufacturing – are likely to trigger some re-shoring; however, overall ICT technologies are expected to increase the capacity of firms to manage off-shored and outsourced production networks (Raza et al, 2021). The growing importance of emerging economies as consumer markets could also partially offset the aggregate impact of digital technologies on re-shoring.

New EU initiatives could provide a boost to innovation and near-shoring in the ICT and energy sectors. The Recovery and Resilience Facility (RRF), approved by the European Parliament on 10 February 2021, is a key instrument of the Next Generation EU agreement, the EU's plan to facilitate recovery from the economic and social impact of the COVID-19 pandemic and to make the EU's economies more sustainable via the green and digital transitions. The RRF envisages allocating EUR 672.5bn (in 2018 prices) to EU member states in the form of grants and loans, which must be spent on public investments and reforms to strengthen the country's economy. Grants will amount to EUR 312.5bn, and loans will be provided at the request of member states by the end of 2023; the level of loans for each country will be capped at 6.8% of that country's GDP. To access the money, member states need to prepare national recovery plans, showing that they will allocate at least 37% of the funds to the transition to a greener economy, and at least 20% to digitalisation of their economies.

**Figure 7 / Share of main activities in the number and in the pledged capital investments of greenfield projects in 2019 and 2020, in %**



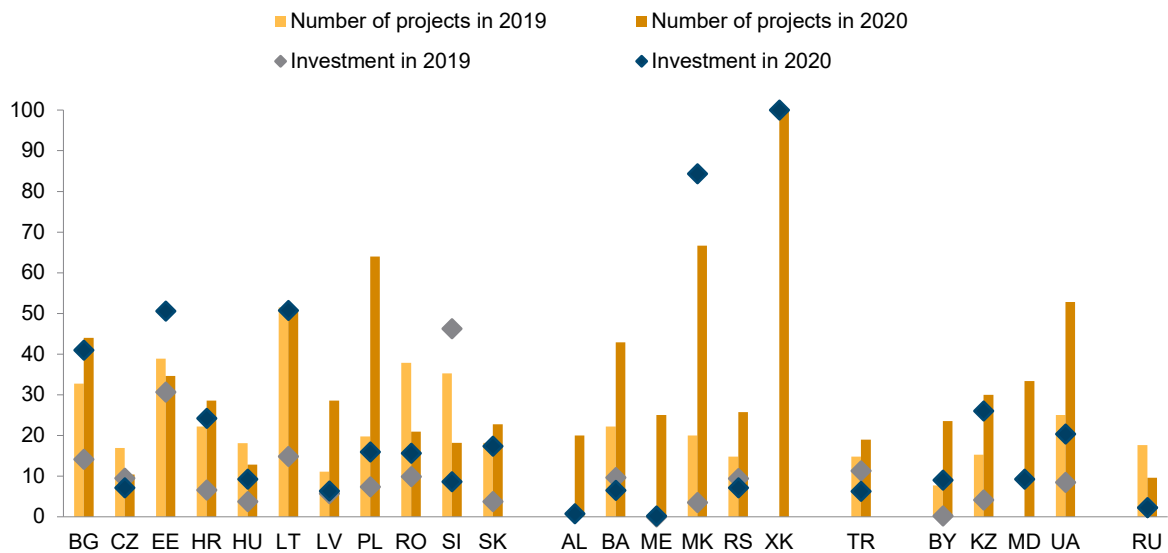
Source: fDi Markets.

The pandemic has intensified the overall ongoing shift to services in the sector structure of FDI. The share of projects in producer-related services increased in 2020 in most CESEE countries,<sup>3</sup> most prominently in Poland and North Macedonia (Figure 8). More than 50% of the greenfield projects announced in Poland, North Macedonia, Lithuania and Ukraine were in producer-related service sectors. By contrast, the decreasing shares of producer-related services in Czechia, Estonia, Hungary, Romania and Slovenia came on the back of a higher number of projects in construction and electricity, which could indicate that EU policies are having an effect in facilitating infrastructure expansion and the green transition. Another observation to be made is that in 2020, in many countries of the region, greenfield projects in producer-related business services grew in terms of pledged investment, compared to 2019; and in Estonia and North Macedonia they were even more capital intensive than projects in the economy generally.

<sup>3</sup> The following business activities are identified as producer-related services: business services, customer contact centres, education and training, ICT and internet infrastructure, research and development, shared services centres, and technical support services.



**Figure 8 / Share of producer-related business services in the number and capital investment of greenfield projects announced in 2019 and 2020, in %**



Source: fDi Markets.

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# Monthly and quarterly statistics for Central, East and Southeast Europe

The monthly and quarterly statistics cover **22 countries** of the CESEE region. The graphical form of presenting statistical data is intended to facilitate the **analysis of short-term macroeconomic developments**. The set of indicators captures trends in the real and monetary sectors of the economy, in the labour market, as well as in the financial and external sectors.

Baseline data and a variety of other monthly and quarterly statistics, **country-specific** definitions of indicators and **methodological information** on particular time series are **available in the wiiw Monthly Database** under: <https://data.wiiw.ac.at/monthly-database.html>. Users regularly interested in a certain set of indicators may create a personalised query which can then be quickly downloaded for updates each month.

## Conventional signs and abbreviations used

%	per cent
ER	exchange rate
GDP	Gross Domestic Product
HICP	Harmonised Index of Consumer Prices (for new EU member states)
LFS	Labour Force Survey
NPISHs	Non-profit institutions serving households
p.a.	per annum
PPI	Producer Price Index
reg.	registered
y-o-y	year on year

The following national currencies are used:

ALL	Albanian lek	HRK	Croatian kuna	RON	Romanian leu
BAM	Bosnian convertible mark	HUF	Hungarian forint	RSD	Serbian dinar
BGN	Bulgarian lev	KZT	Kazakh tenge	RUB	Russian rouble
BYN	Belarusian rouble	MKD	Macedonian denar	TRY	Turkish lira
CZK	Czech koruna	PLN	Polish zloty	UAH	Ukrainian hryvnia

EUR euro – national currency for Montenegro, Kosovo and for the euro-area countries Estonia (from January 2011, euro-fixed before), Latvia (from January 2014, euro-fixed before), Lithuania (from January 2015, euro-fixed before), Slovakia (from January 2009, euro-fixed before) and Slovenia (from January 2007, euro-fixed before).

Sources of statistical data: Eurostat, National Statistical Offices, Central Banks and Public Employment Services; wiiw estimates.

### Online database access



**wiiw Annual Database**



**wiiw Monthly Database**



**wiiw FDI Database**

The wiiw databases are accessible via a simple web interface, with only one password needed to access all databases (and all wiiw publications).

You may access the databases here: <https://data.wiiw.ac.at>.

If you have not yet registered, you can do so here: <https://wiiw.ac.at/register.html>.

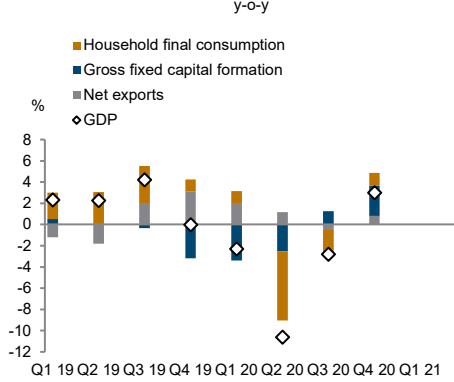
### Service package available

We offer an additional service package that allows you to access all databases – a Premium Membership, at a price of € 2,300 (instead of € 2,000 as for the Basic Membership). Your usual package will, of course, remain available as well.

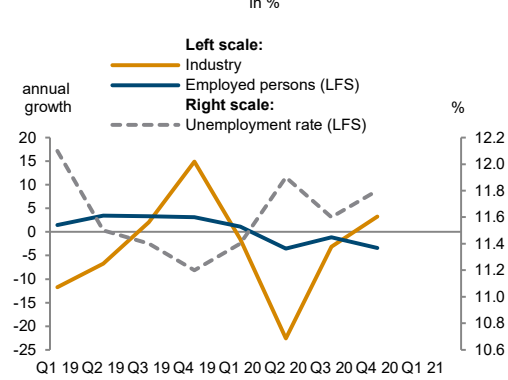
For more information on database access for Members and on Membership conditions, please contact Ms. Barbara Pill ([pill@wiiw.ac.at](mailto:pill@wiiw.ac.at)), phone: (+43-1) 533 66 10.

# Albania

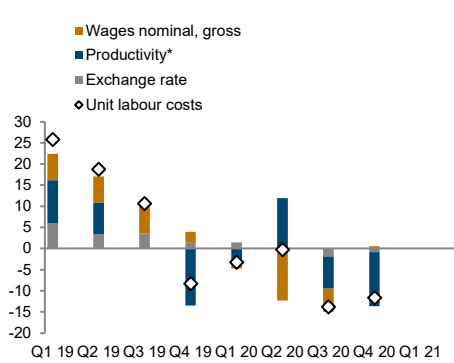
**Real GDP growth and contributions**



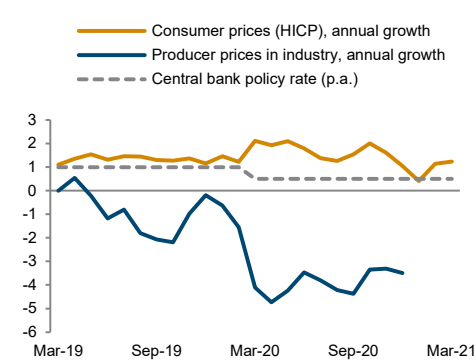
**Real sector development**



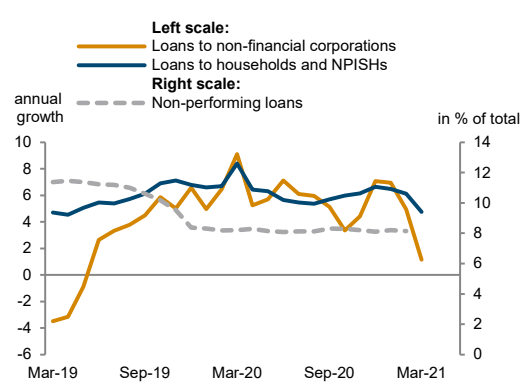
**Unit labour costs in industry**



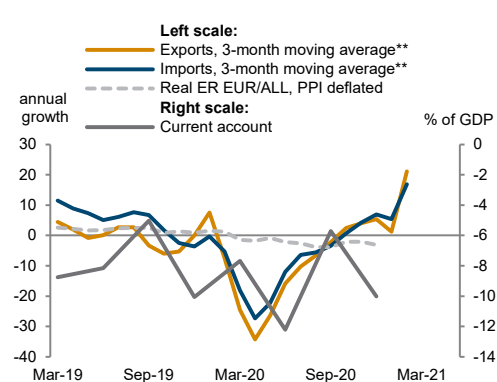
**Inflation and policy rate**



**Financial indicators**



**External sector development**

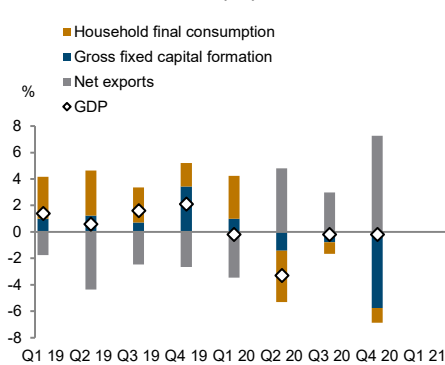


\*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.  
\*\*EUR based.

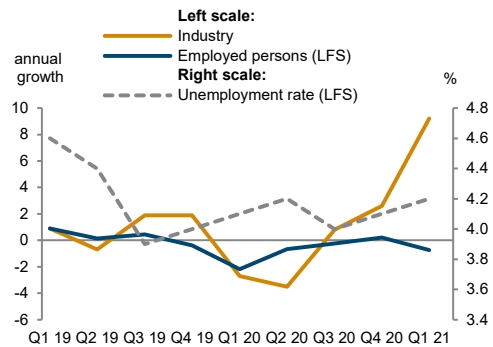
Source: wiiw Monthly Database incorporating Eurostat and national statistics.  
Baseline data, country-specific definitions and methodological breaks in time series are available under:  
<https://data.wiiw.ac.at/monthly-database.html>

# Belarus

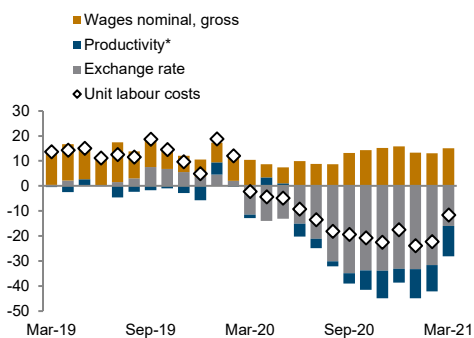
### Real GDP growth and contributions



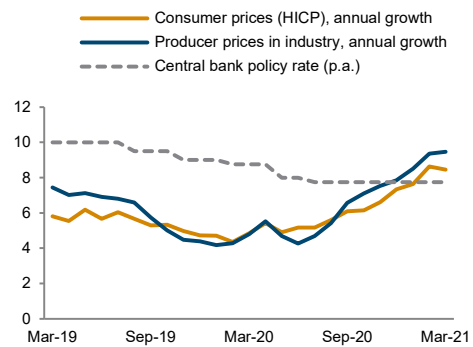
### Real sector development



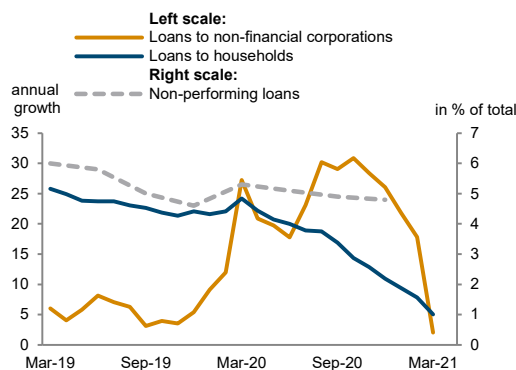
### Unit labour costs in industry



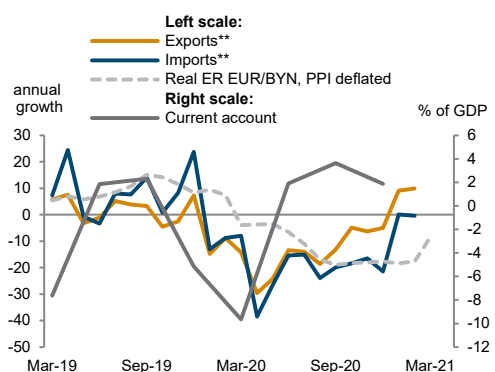
### Inflation and policy rate



### Financial indicators



### External sector development



\*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

\*\*EUR based.

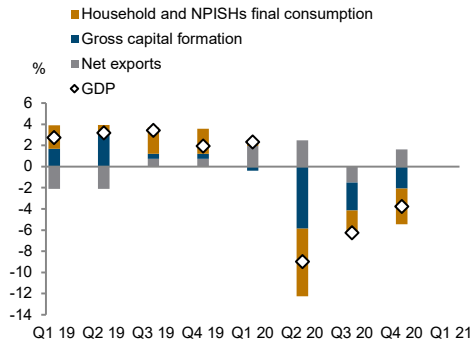
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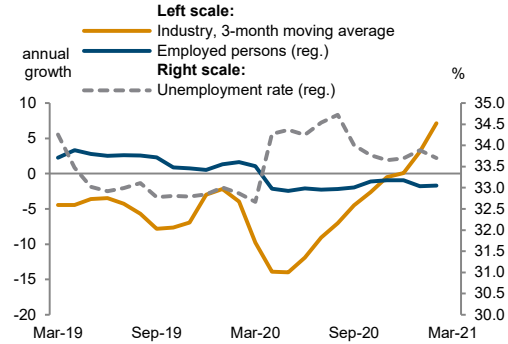
<https://data.wiiw.ac.at/monthly-database.html>

# Bosnia and Herzegovina

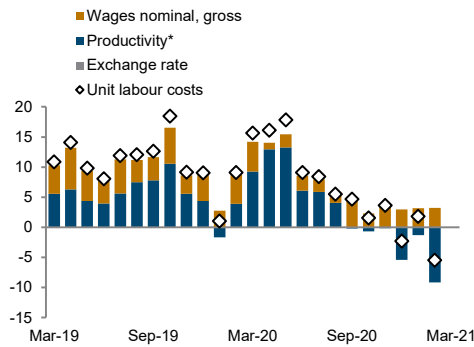
**Real GDP growth and contributions**  
y-o-y



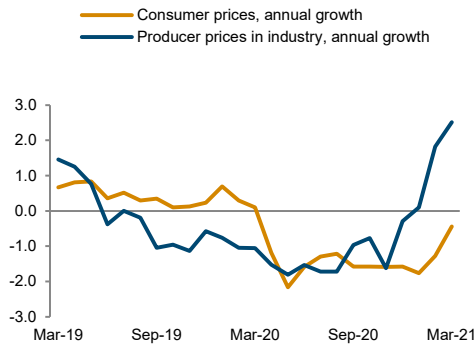
**Real sector development**  
in %



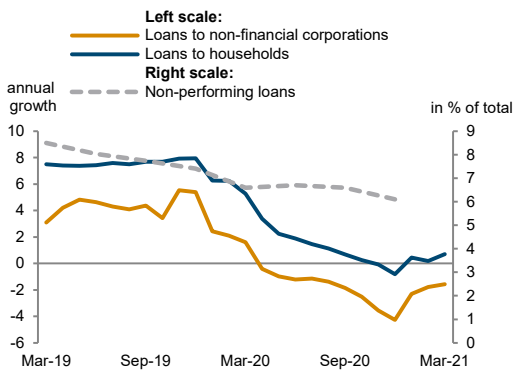
**Unit labour costs in industry**  
annual growth rate in %



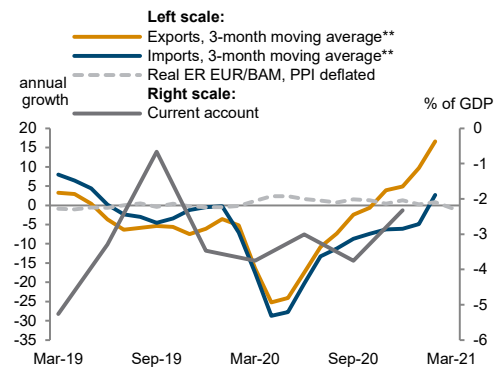
**Inflation**  
in %



**Financial indicators**  
in %



**External sector development**  
in %



\*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.  
\*\*EUR based.

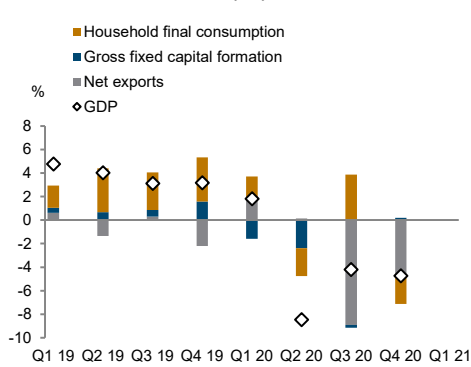
Source: wiiw Monthly Database incorporating Eurostat and national statistics.

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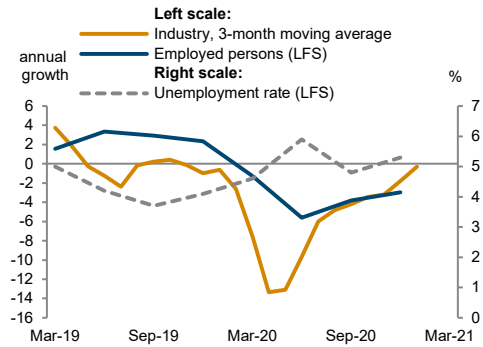
<https://data.wiiw.ac.at/monthly-database.html>

# Bulgaria

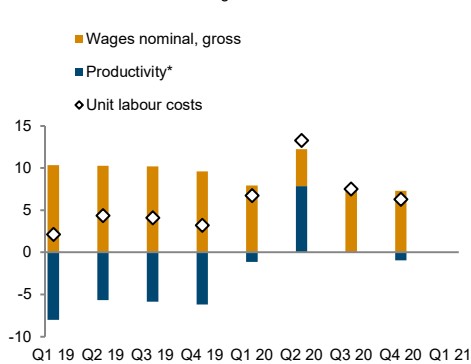
### Real GDP growth and contributions



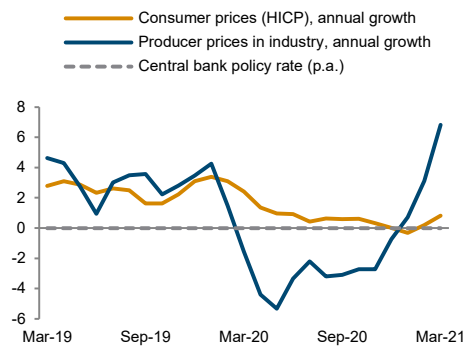
### Real sector development



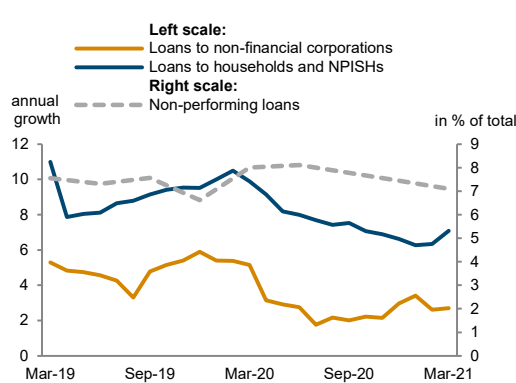
### Unit labour costs in industry



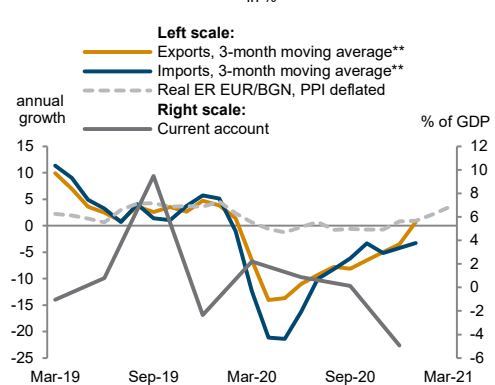
### Inflation and policy rate



### Financial indicators



### External sector development



\*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

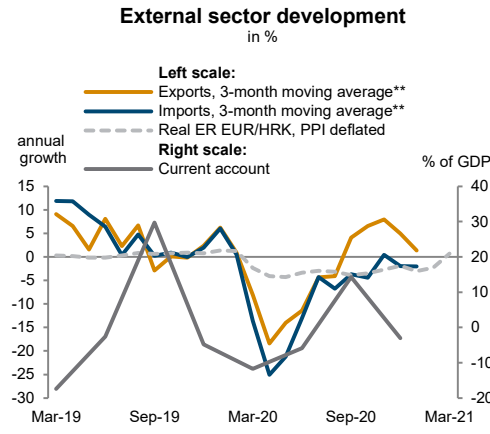
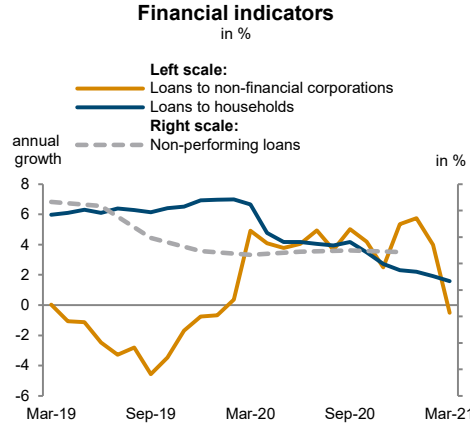
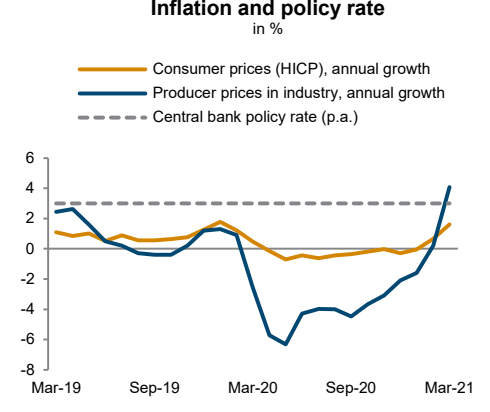
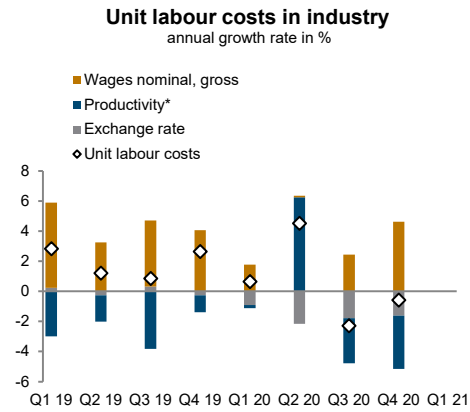
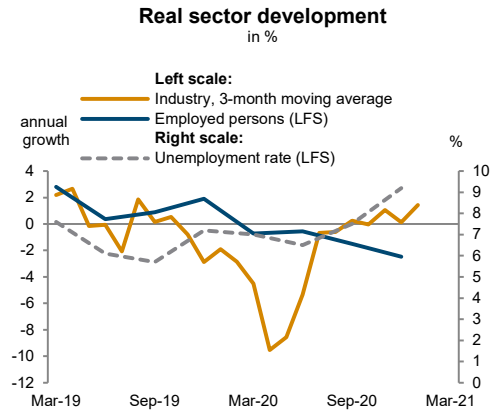
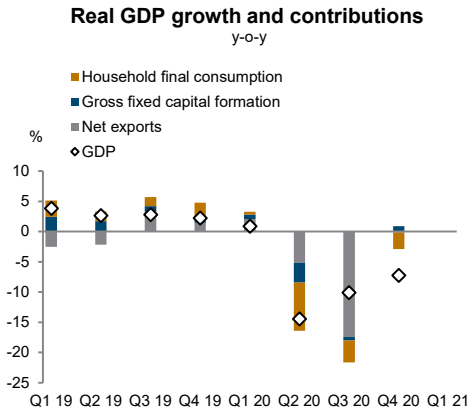
\*\*EUR based.

Source: wiw Monthly Database incorporating Eurostat and national statistics.

Baseline data, country-specific definitions and methodological breaks in time series are available under:

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# Croatia



\*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.  
\*\*EUR based.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

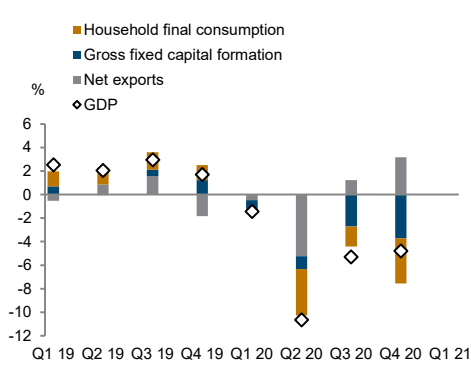
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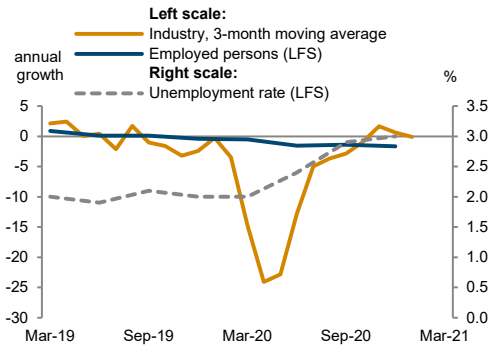


# Czechia

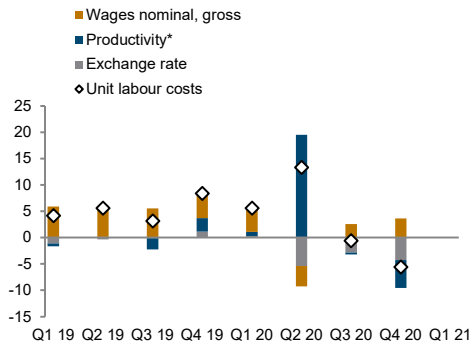
### Real GDP growth and contributions



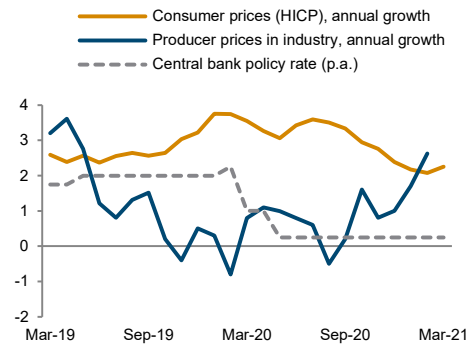
### Real sector development



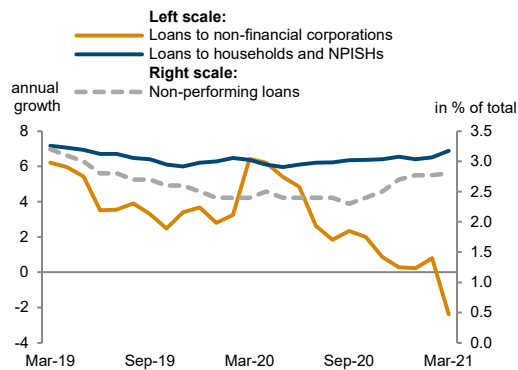
### Unit labour costs in industry



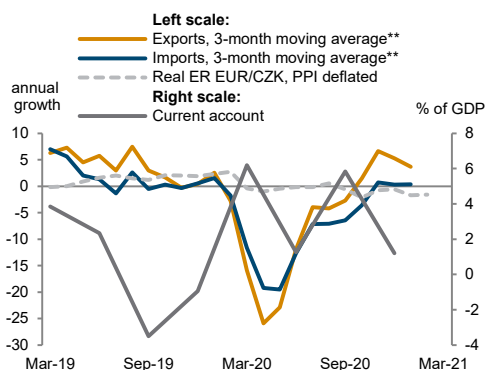
### Inflation and policy rate



### Financial indicators



### External sector development



\*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

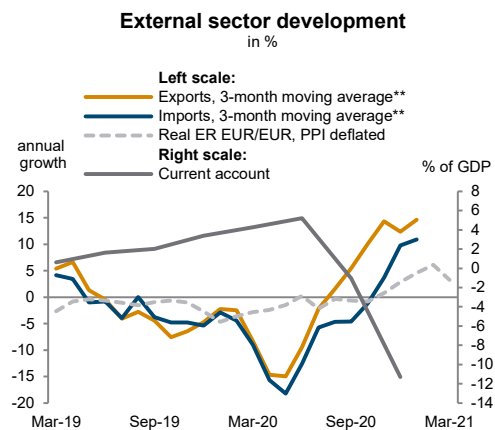
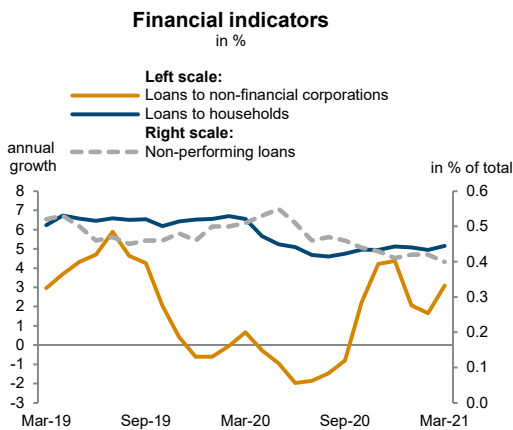
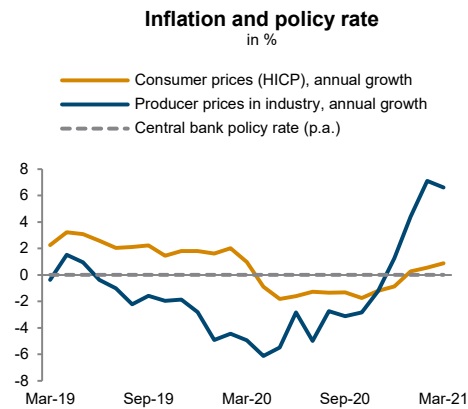
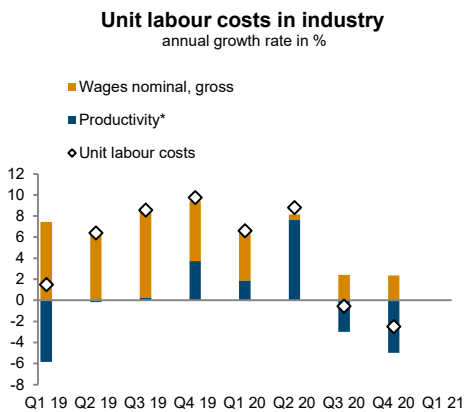
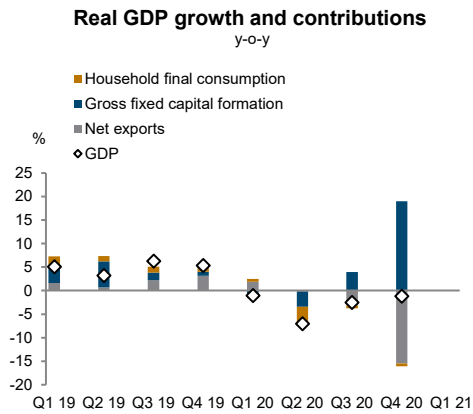
\*\*EUR based.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

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# Estonia



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\*\*EUR based.

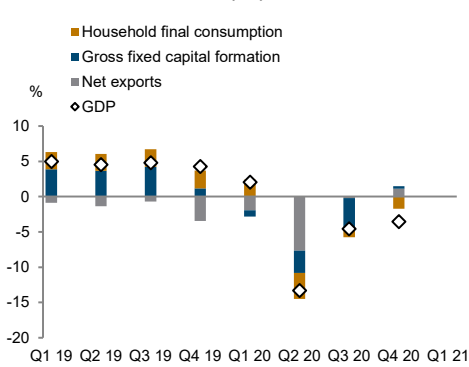
Source: wiiw Monthly Database incorporating Eurostat and national statistics.

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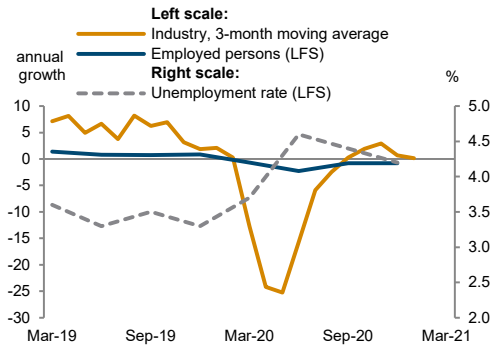
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# Hungary

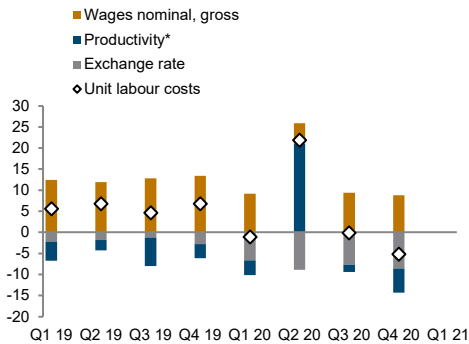
### Real GDP growth and contributions



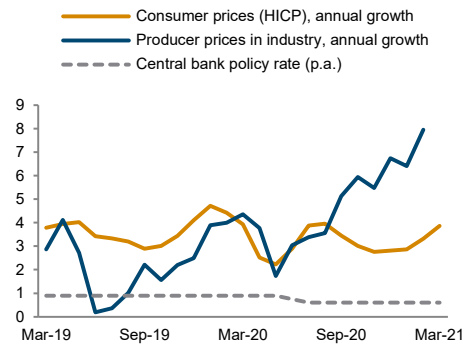
### Real sector development



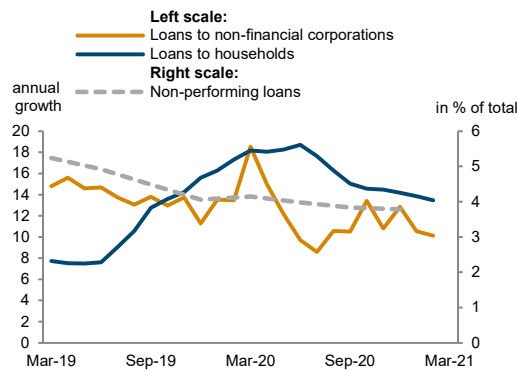
### Unit labour costs in industry



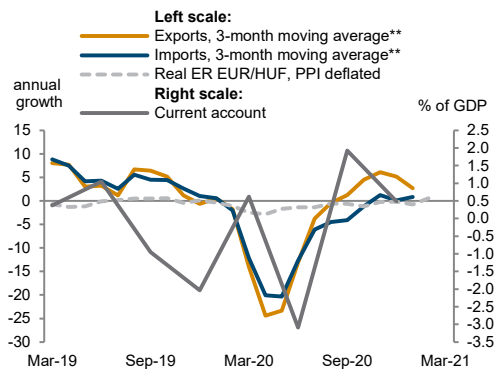
### Inflation and policy rate



### Financial indicators



### External sector development



\*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

\*\*EUR based.

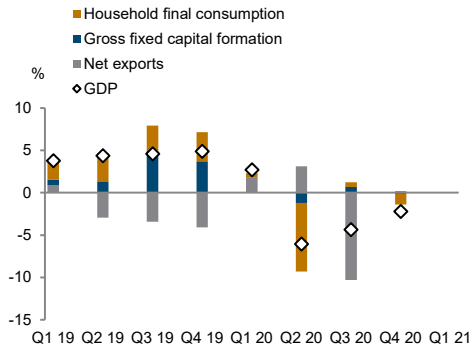
Source: wiw Monthly Database incorporating Eurostat and national statistics.

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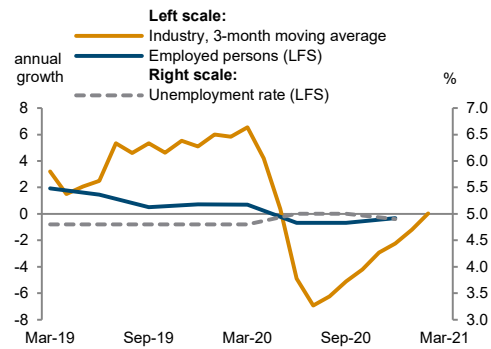
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# Kazakhstan

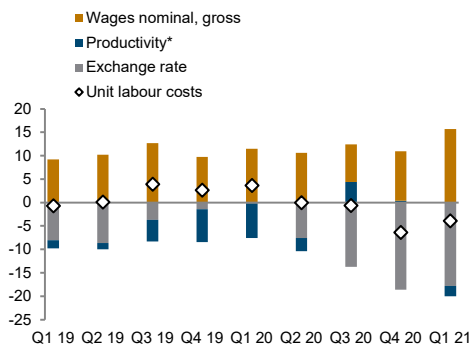
**Real GDP growth and contributions**  
y-o-y



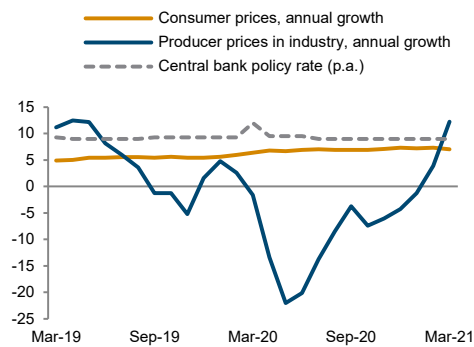
**Real sector development**  
in %



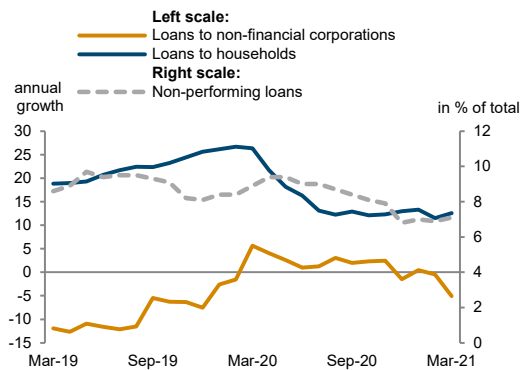
**Unit labour costs in industry**  
annual growth rate in %



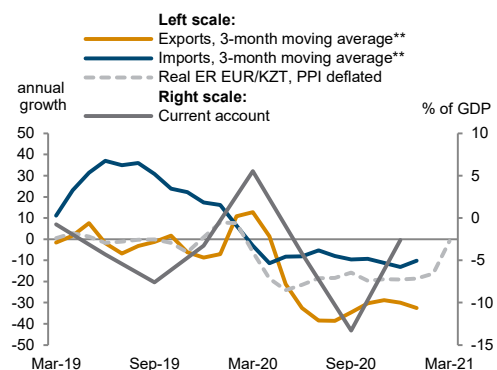
**Inflation and policy rate**  
in %



**Financial indicators**  
in %



**External sector development**  
in %



\*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

\*\*EUR based.

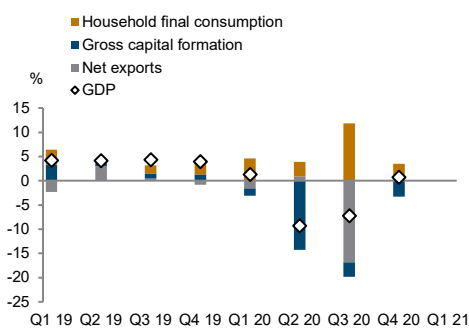
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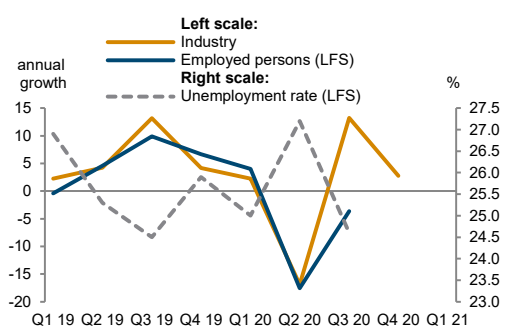
<https://data.wiiw.ac.at/monthly-database.html>

# Kosovo

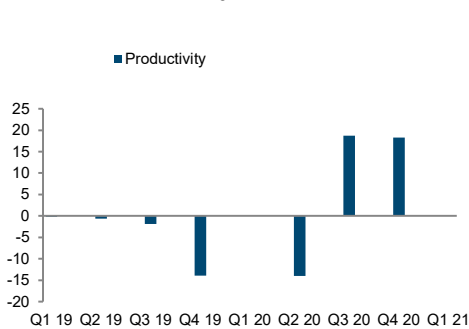
### Real GDP growth and contributions



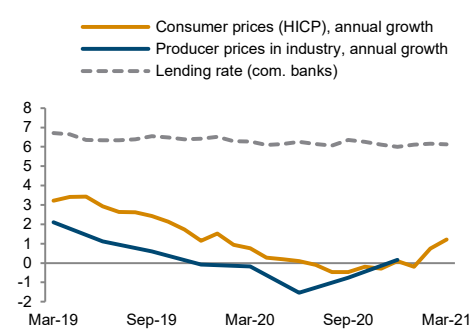
### Real sector development



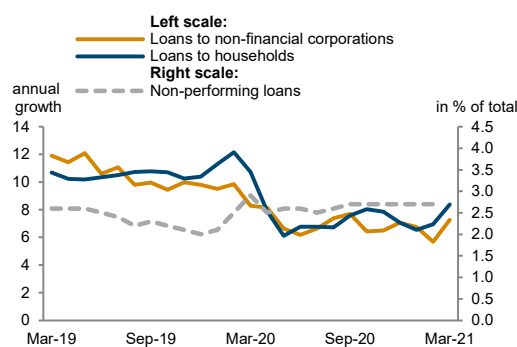
### Productivity in industry



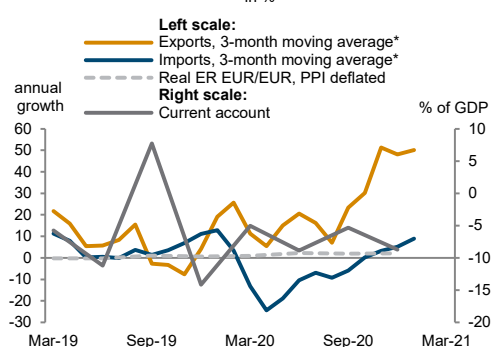
### Inflation and lending rate



### Financial indicators



### External sector development



\*EUR based.

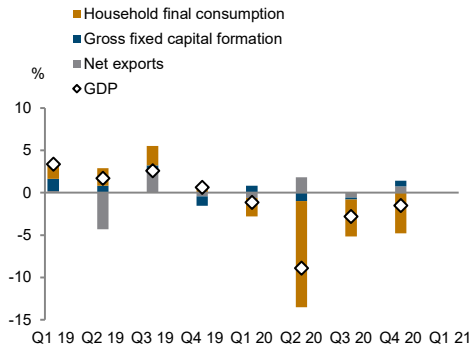
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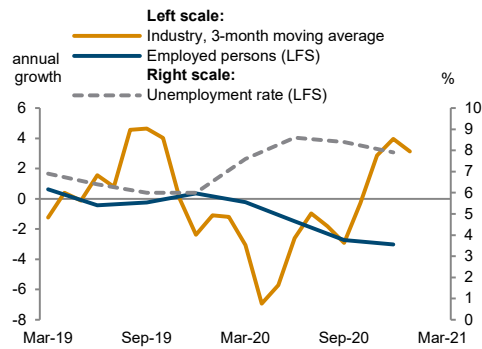
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# Latvia

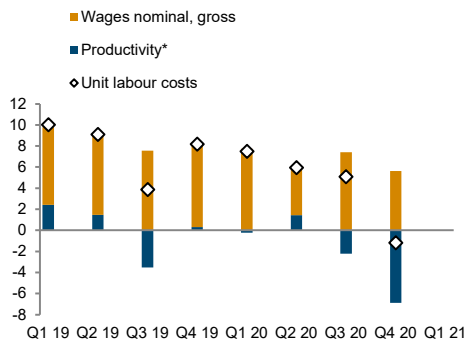
**Real GDP growth and contributions**  
y-o-y



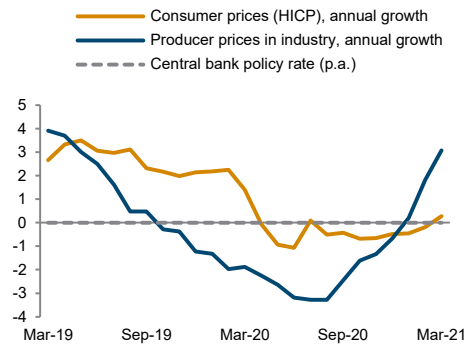
**Real sector development**  
in %



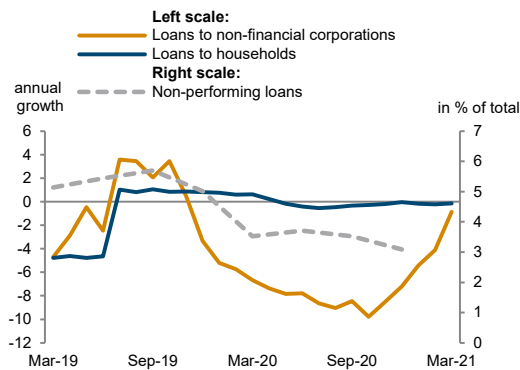
**Unit labour costs in industry**  
annual growth rate in %



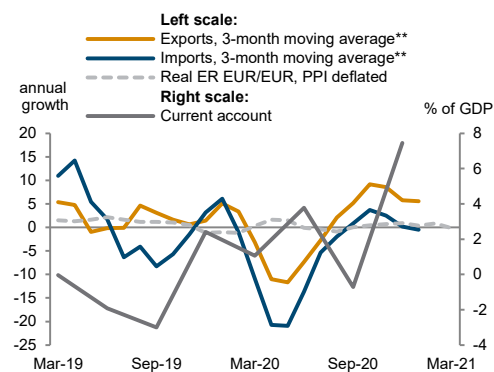
**Inflation and policy rate**  
in %



**Financial indicators**  
in %



**External sector development**  
in %



\*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

\*\*EUR based.

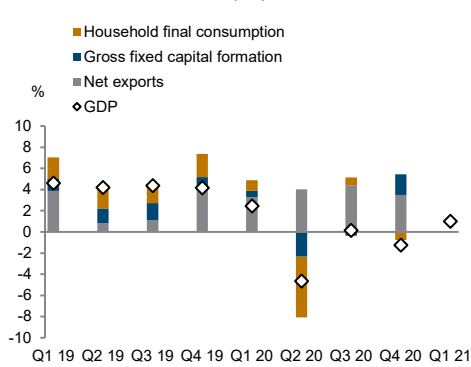
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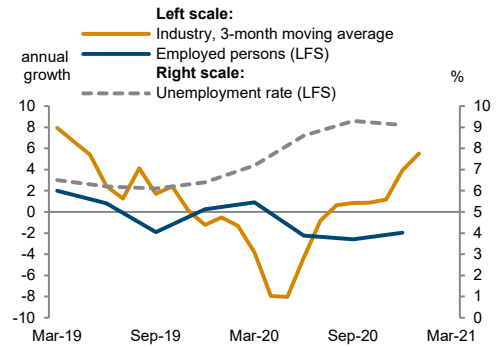
<https://data.wiiw.ac.at/monthly-database.html>

# Lithuania

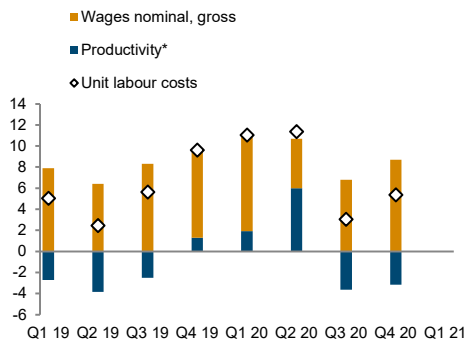
### Real GDP growth and contributions



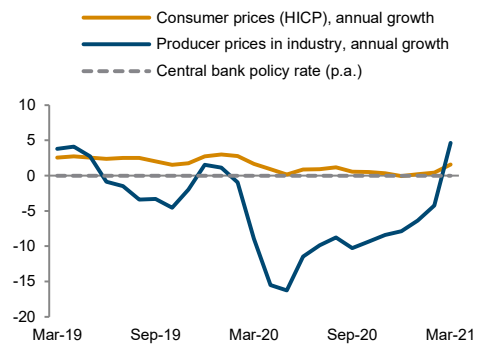
### Real sector development



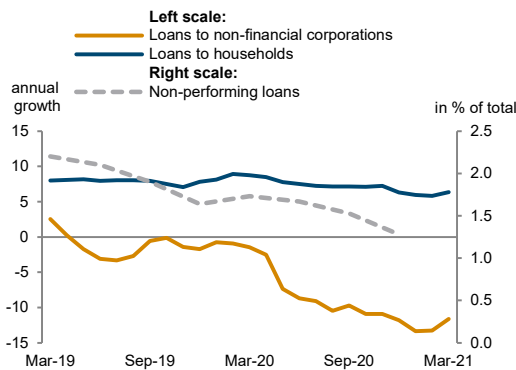
### Unit labour costs in industry



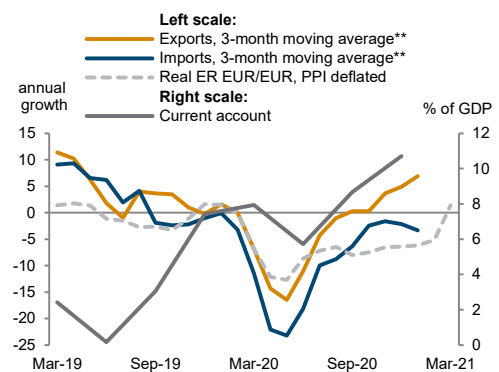
### Inflation and policy rate



### Financial indicators



### External sector development



\*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.

\*\*EUR based.

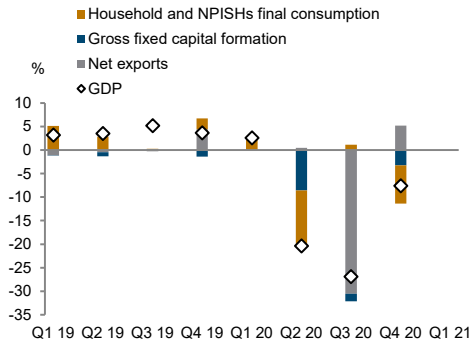
Source: wiiw Monthly Database incorporating Eurostat and national statistics.

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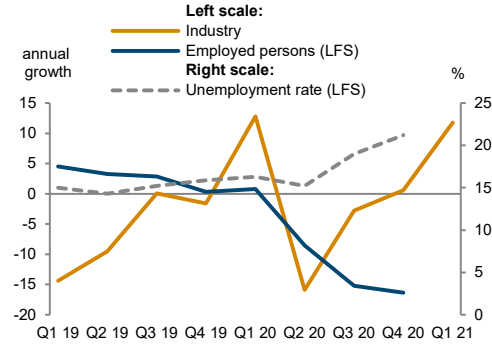
<https://data.wiiw.ac.at/monthly-database.html>

# Montenegro

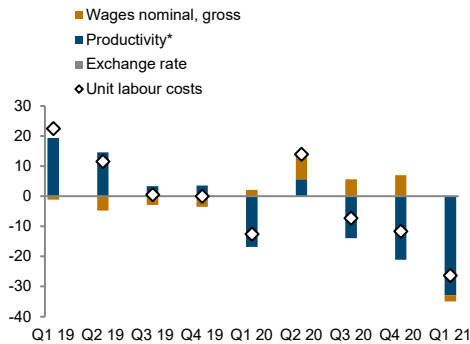
**Real GDP growth and contributions**  
y-o-y



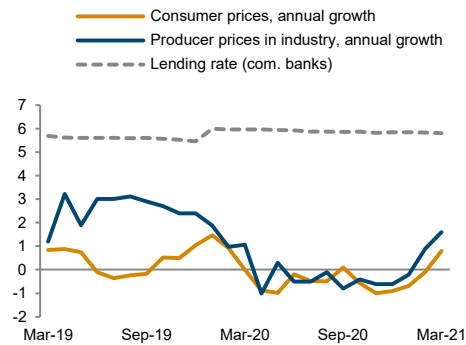
**Real sector development**  
in %



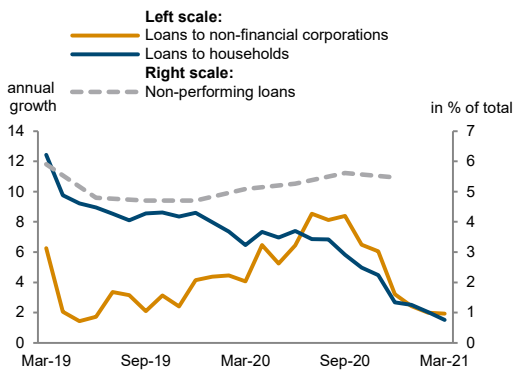
**Unit labour costs in industry**  
annual growth rate in %



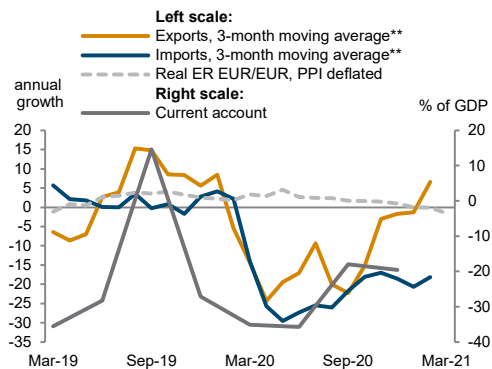
**Inflation and lending rate**  
in %



**Financial indicators**  
in %



**External sector development**  
in %



\*Positive values of the productivity component on the graph reflect decline in productivity and vice versa.  
\*\*EUR based.

Source: wiiw Monthly Database incorporating Eurostat and national statistics.

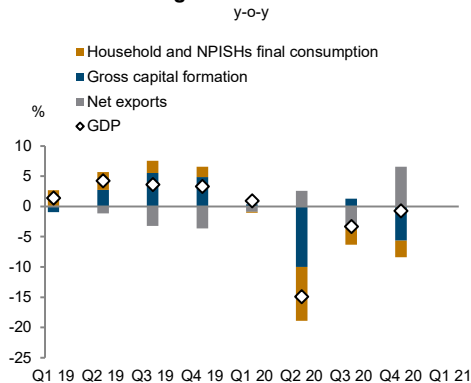
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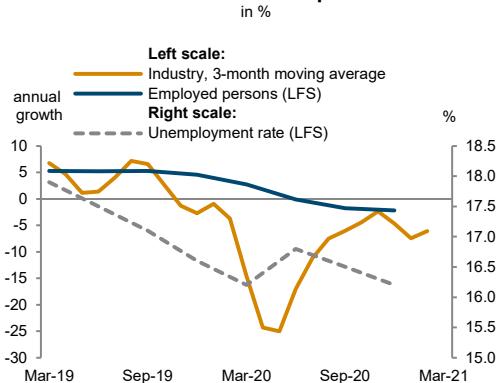


# North Macedonia

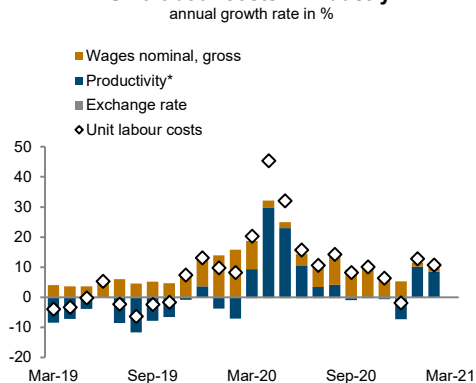
### Real GDP growth and contributions



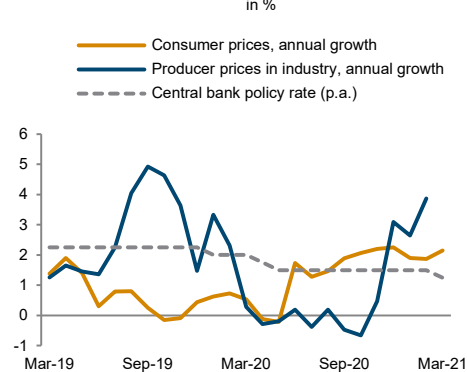
### Real sector development



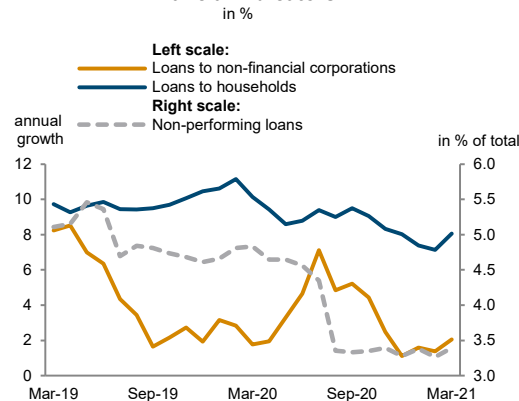
### Unit labour costs in industry



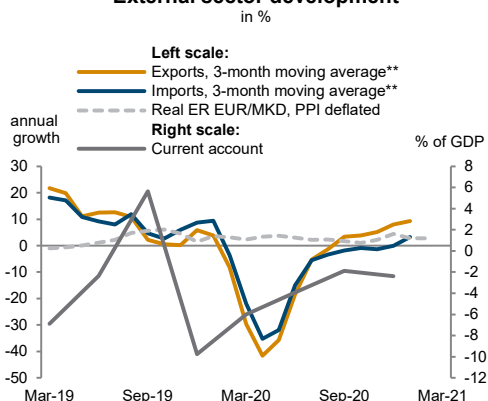
### Inflation and policy rate



### Financial indicators



### External sector development



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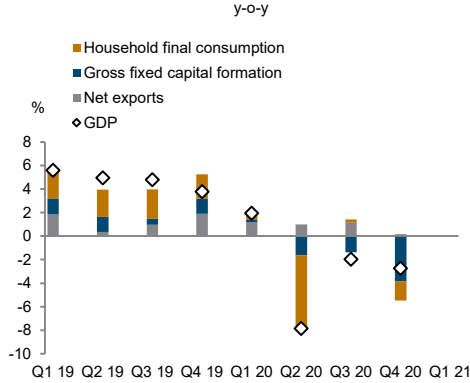
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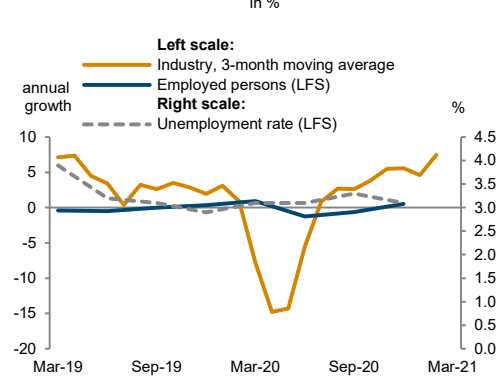
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# Poland

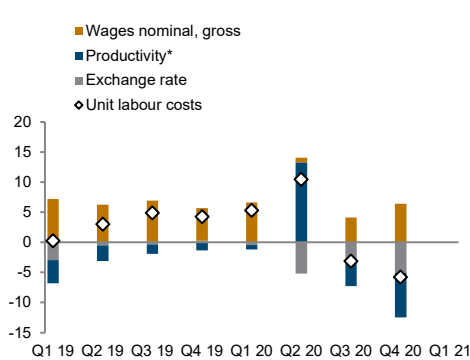
**Real GDP growth and contributions**



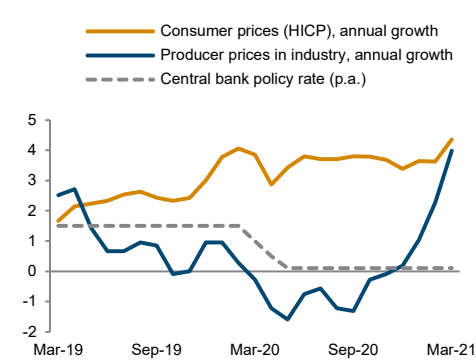
**Real sector development**



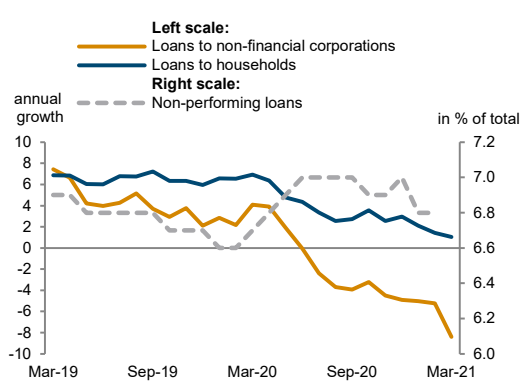
**Unit labour costs in industry**



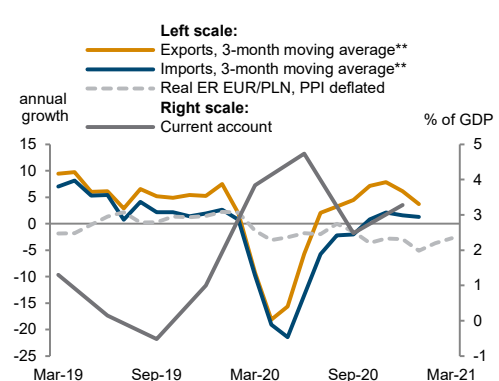
**Inflation and policy rate**



**Financial indicators**



**External sector development**



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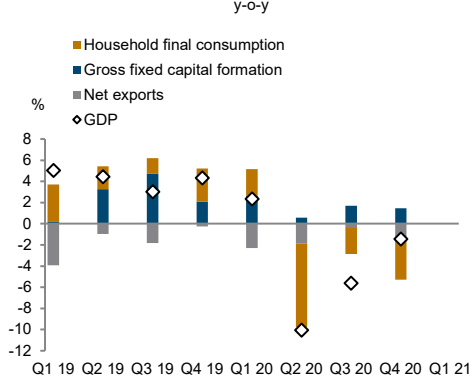
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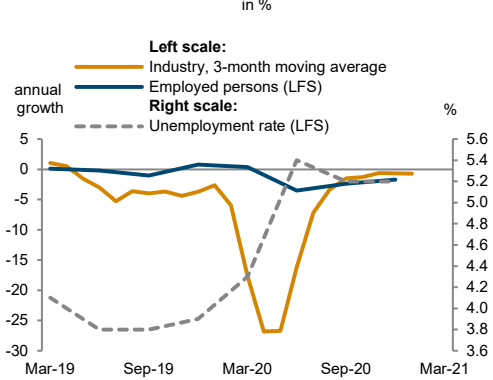
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# Romania

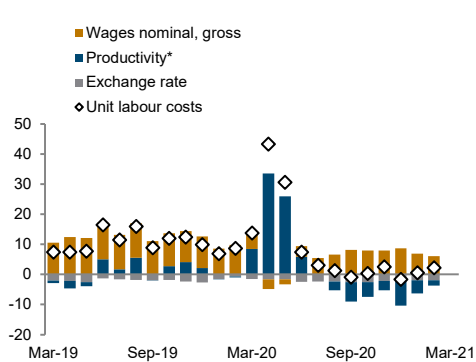
### Real GDP growth and contributions



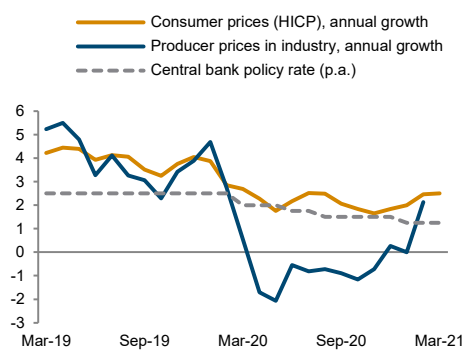
### Real sector development



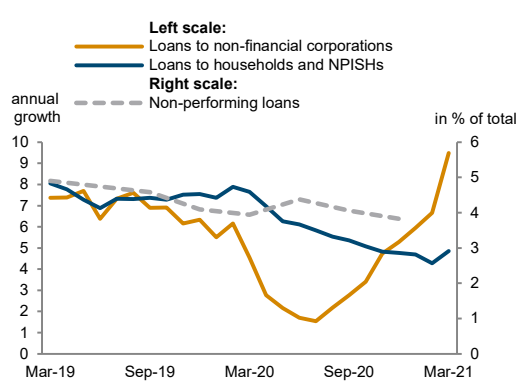
### Unit labour costs in industry



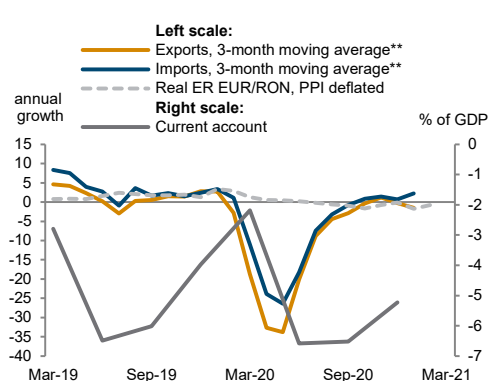
### Inflation and policy rate



### Financial indicators



### External sector development



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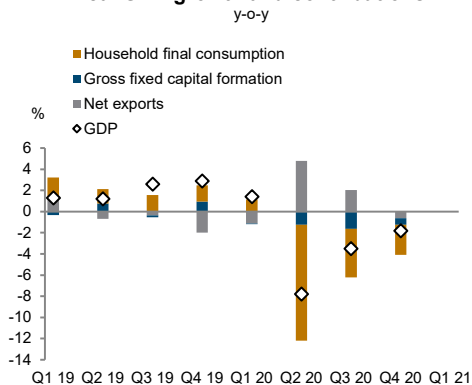
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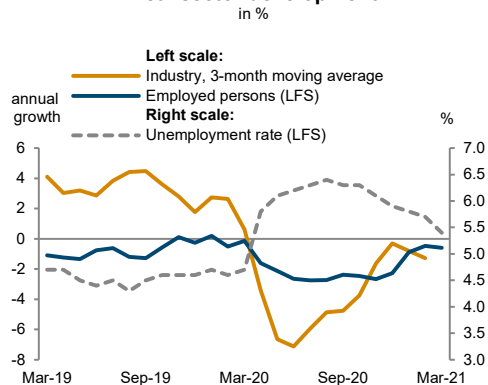
<https://data.wiiw.ac.at/monthly-database.html>

# Russia

**Real GDP growth and contributions**



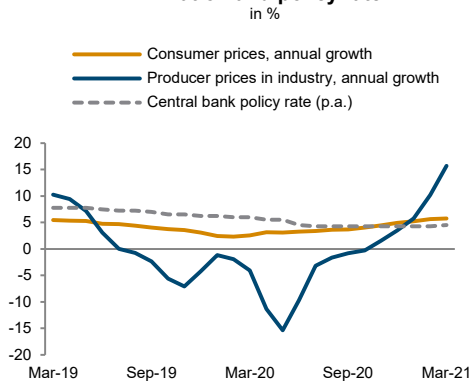
**Real sector development**



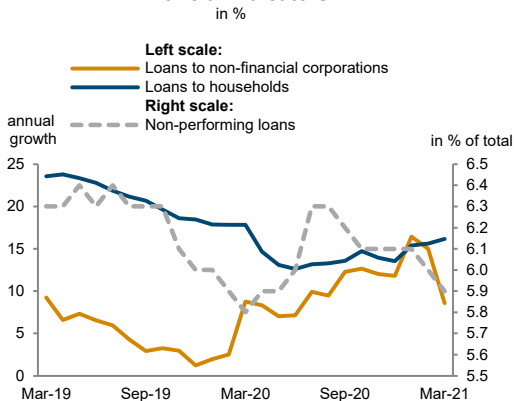
**Unit labour costs in industry**



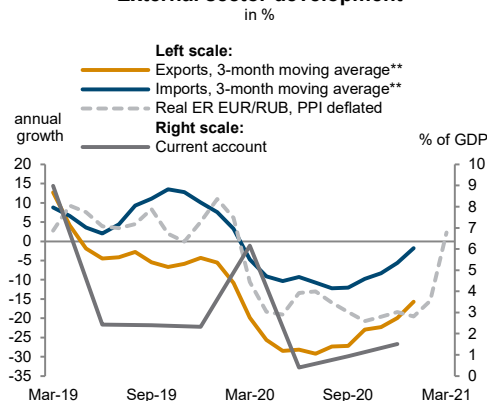
**Inflation and policy rate**



**Financial indicators**



**External sector development**



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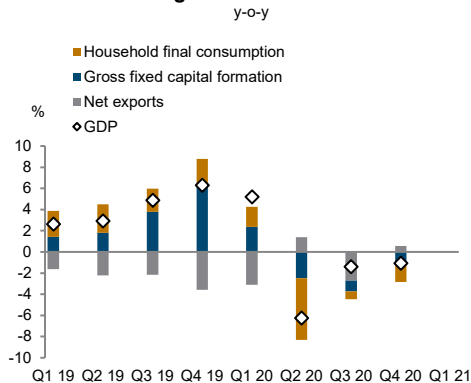
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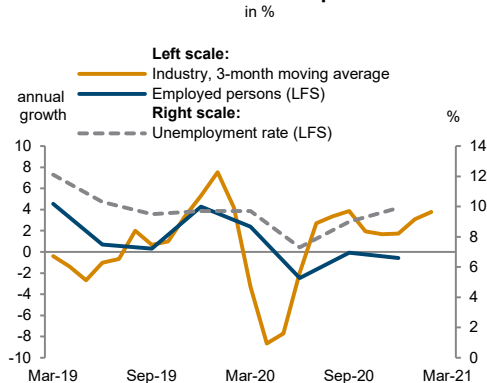
<https://data.wiiw.ac.at/monthly-database.html>

## Serbia

### Real GDP growth and contributions



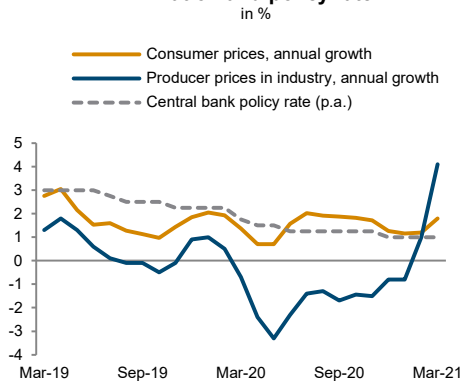
### Real sector development



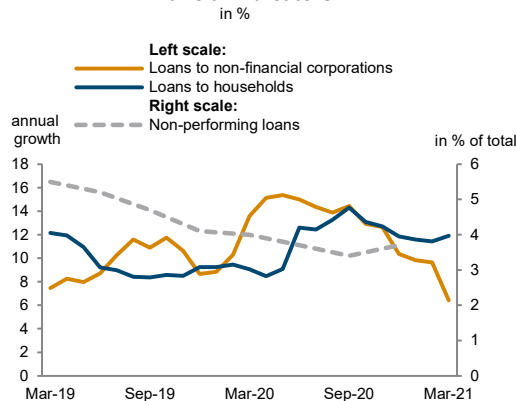
### Unit labour costs in industry



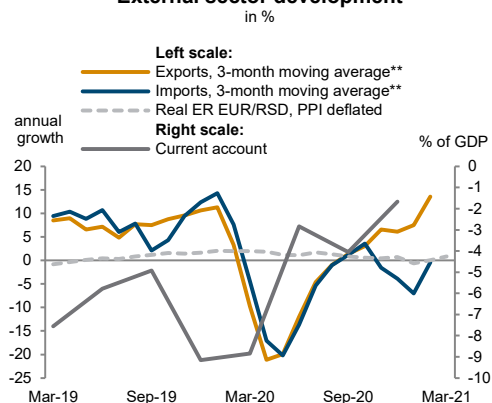
### Inflation and policy rate



### Financial indicators



### External sector development



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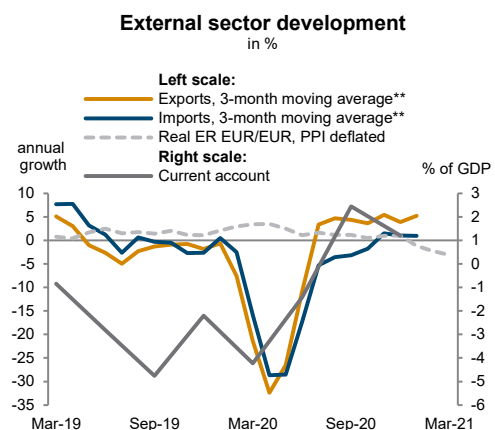
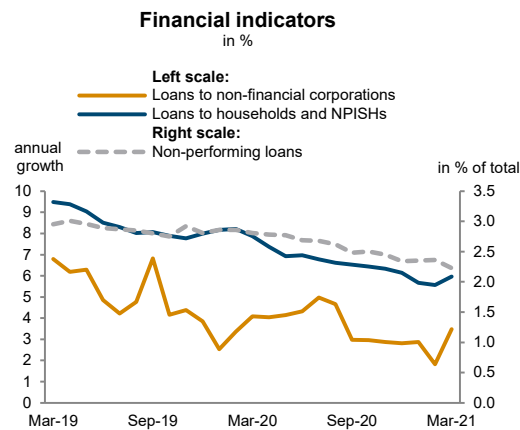
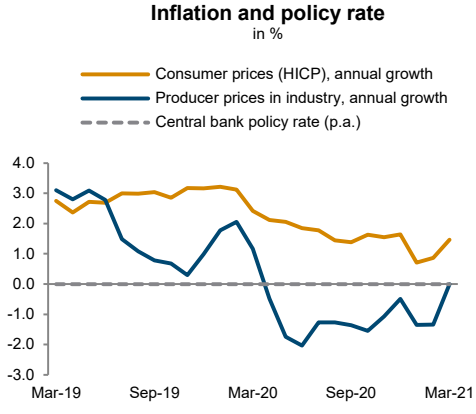
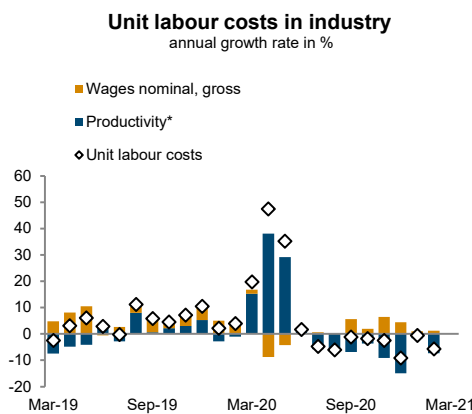
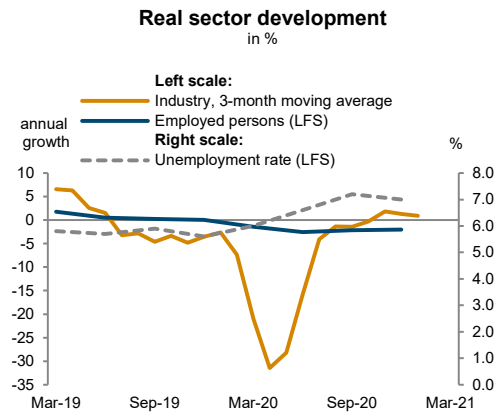
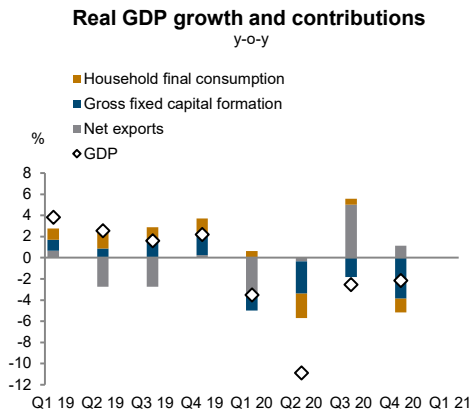
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# Slovakia



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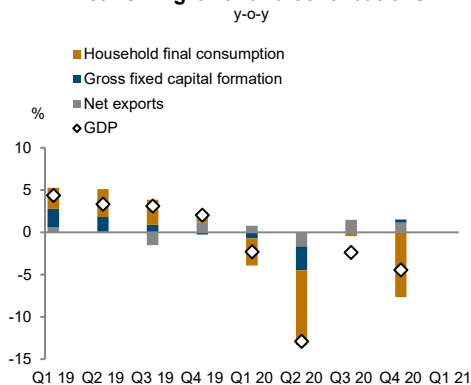
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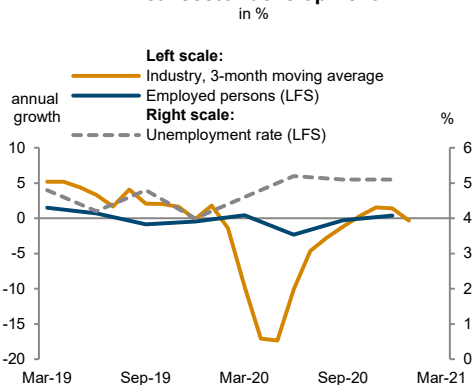
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# Slovenia

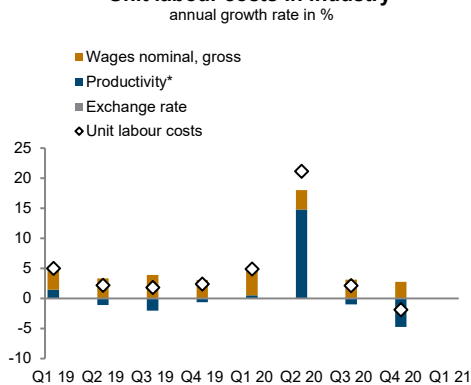
### Real GDP growth and contributions



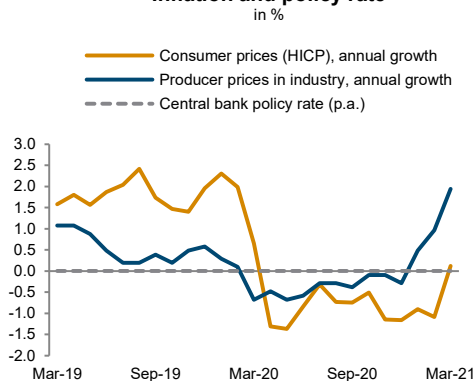
### Real sector development



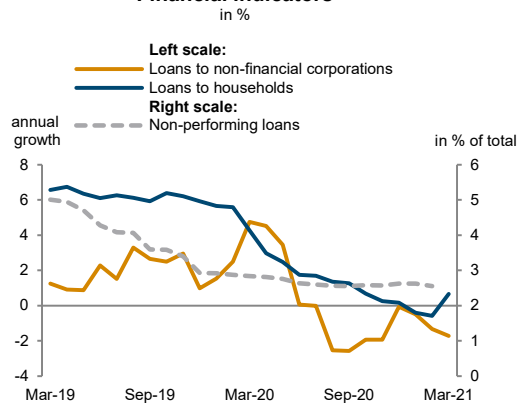
### Unit labour costs in industry



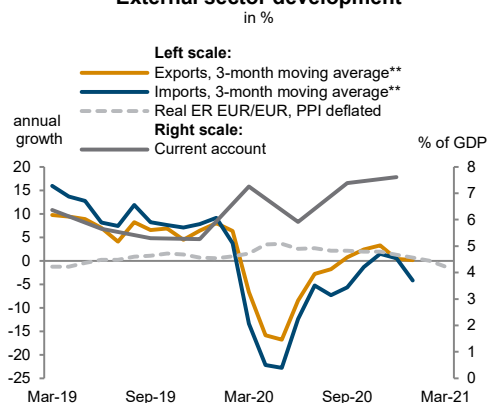
### Inflation and policy rate



### Financial indicators



### External sector development



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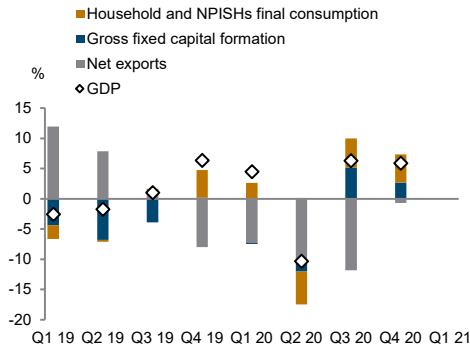
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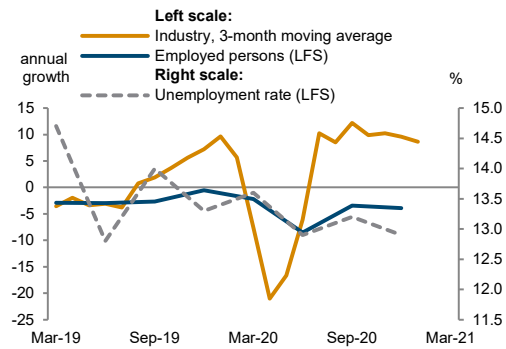
<https://data.wiiw.ac.at/monthly-database.html>

# Turkey

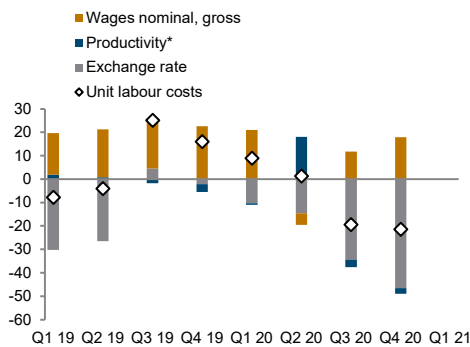
**Real GDP growth and contributions**  
y-o-y



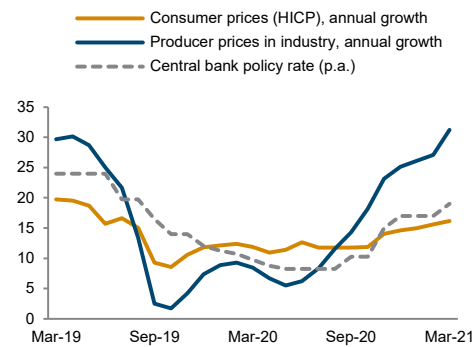
**Real sector development**  
in %



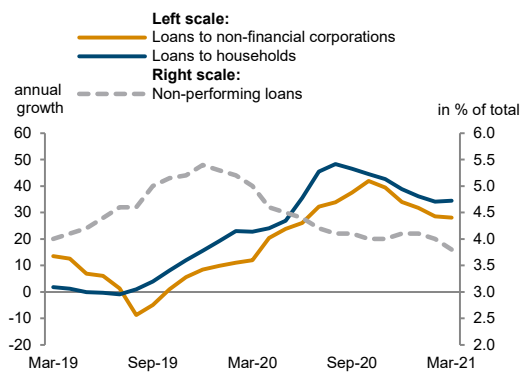
**Unit labour costs in industry**  
annual growth rate in %



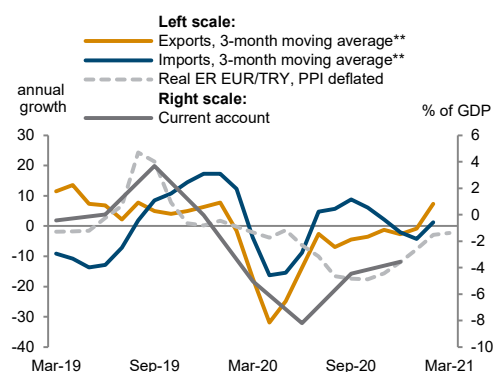
**Inflation and policy rate**  
in %



**Financial indicators**  
in %



**External sector development**  
in %



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Source: wiiw Monthly Database incorporating Eurostat and national statistics.

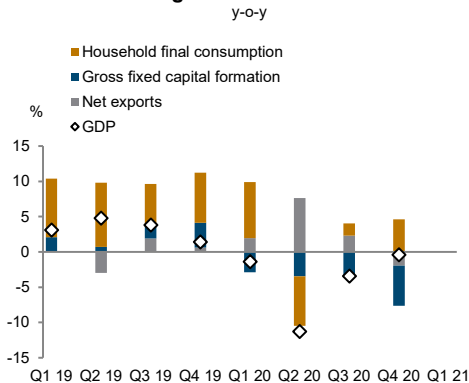
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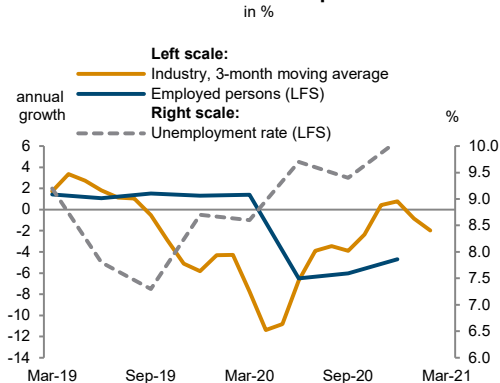


# Ukraine

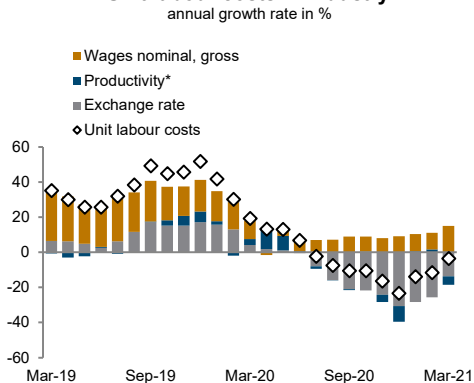
## Real GDP growth and contributions



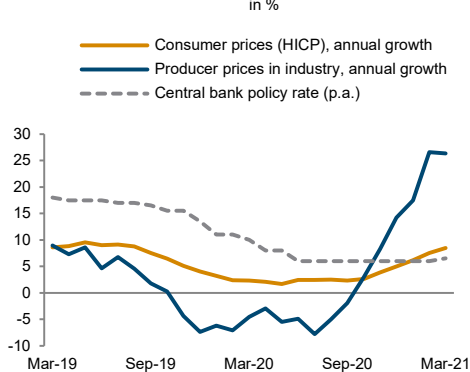
## Real sector development



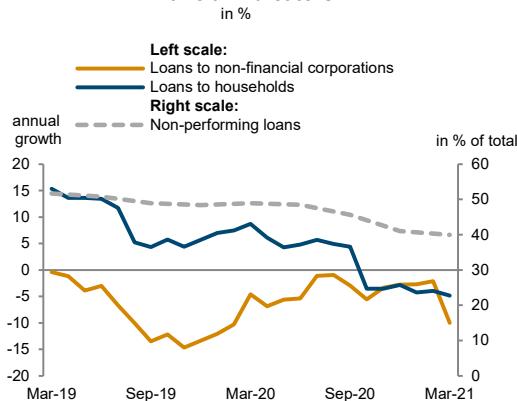
## Unit labour costs in industry



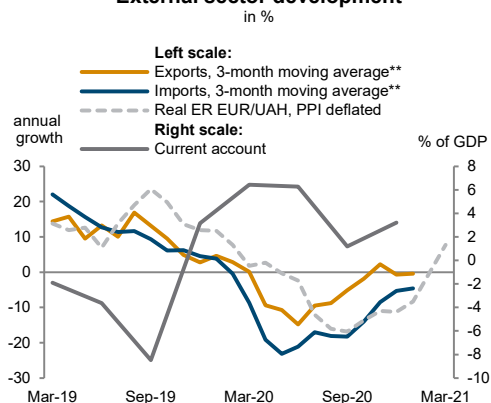
## Inflation and policy rate



## Financial indicators



## External sector development



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Offenlegung nach § 25 Mediengesetz: Medieninhaber (Verleger): Verein "Wiener Institut für Internationale Wirtschaftsvergleiche", A 1060 Wien, Rahlgasse 3. Vereinszweck: Analyse der wirtschaftlichen Entwicklung der zentral- und osteuropäischen Länder sowie anderer Transformationswirtschaften sowohl mittels empirischer als auch theoretischer Studien und ihre Veröffentlichung; Erbringung von Beratungsleistungen für Regierungs- und Verwaltungsstellen, Firmen und Institutionen.