

## FDI in Central, East and Southeast Europe

Data Availability and Preliminary Results for 2023

FDI in CESEE: Weak Performance Continues





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### FDI in CESEE: Weak Performance Continues

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# Data availability and preliminary results for 2023

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*Although FDI inflows to the CESEE region grew by 7.1% last year, this was the result of a combination of positive FDI inflows into Russia (following large withdrawals in 2022) and a decline of 15.3% in the rest of the region. Preliminary FDI data for 2023 are available from the wiiw FDI Database as a first FDI data release this year. Data revisions and FDI data by partner and by economic activity for all countries will be released later, in autumn.*

According to the recent spring update of the wiiw FDI Database, foreign direct investment (FDI) inflows into Central, East and Southeast Europe (CESEE) in 2023 amounted to EUR 95bn – 7.1% up on a year ago.<sup>1</sup> However, this reflects a combination of factors: a recovery in FDI inflows into Russia and a sharp decline of 15.3% in the rest of the region – in particular due to poor EU-CEE performance (-18%).

This is the first of two releases of FDI data this year, allowing members to receive data and accompanying analyses shortly after the figures are released by the national statistical data providers. Preliminary data on total inflows, outflows, inward stock and outward stock (Tables 1-4), and as a breakdown by instrument (Table 5) up until 2023 are available in the database. Data for Russia on FDI flows in 2022-2023 (only available according to the asset/liabilities principle) have been estimated by wiiw by recalculating them according to the directional principle. This spring update includes structural data for 2023 by partner and by activity for only a few countries; in our next release of FDI data in November, we expect the FDI data for 2023 to be available for most of the remaining countries (including backward revisions).

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

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

While FDI inflows to EU-CEE declined in 2023 by EUR 13bn to EUR 59bn, Russia attracted an estimated EUR 7.7bn of FDI after the large-scale withdrawal of 2022, which was estimated at EUR 14.4bn (Table 1).<sup>2</sup> However, as the Russian Central Bank no longer provides a detailed breakdown by instrument, it is unclear whether FDI inflows into Russia really represented new equity, or just reinvested earnings under conditions that make it almost impossible for foreign (Western) companies to withdraw their profits from the country (Table 5). Despite positive inflows in 2023, FDI inward stock in Russia fell for the second year in a row (by EUR 82.6bn in 2023) to its lowest level since 2016; this is most likely due to the revaluation effect (Table 3).

Overall FDI performance in EU-CEE last year was disappointing, with the Visegrád countries and Romania experiencing a particularly sharp decline in euro terms. Nevertheless, Estonia and Bulgaria managed to attract more FDI in 2023 than a year before. The increase in FDI in Bulgaria was mainly due to higher reinvested earnings than in the previous year (EUR 3.3bn in 2023 vs EUR 1.8bn the year before). By contrast, Estonia attracted around EUR 2.3bn of new equity last year – EUR 2bn up on 2022 (Table 5).

The virtually zero growth in FDI inflows into the Western Balkans (+0.5%) was the result of a combination of factors: a decline in FDI inflows into Montenegro and North Macedonia (largely due to debt instruments), moderate growth in Serbia (3%) and impressive growth in the remaining countries. FDI inflows into Albania grew by around 10% (mainly on account of new equity); by 19% in Bosnia and Herzegovina (particularly due to debt instruments); and by 15% in Kosovo (thanks largely to the reinvestment of earnings). In the other CESEE countries, Belarus and Ukraine recorded higher FDI inflows in 2023 than the previous year, while the opposite was the case for Turkey, Kazakhstan and Moldova (Table 1, Table 5).

FDI outflows from the CESEE countries (excluding Russia) grew by 34% last year. Russia recorded FDI outflows of around EUR 27bn (mostly equity and reinvested earnings) – up 147% on 2022. While an increase in FDI outflows was observed in almost all Western Balkan countries (except Bosnia and Herzegovina), only six of the 11 EU-CEE countries posted higher outflows in 2023 than in 2022. Among the EU-CEE countries, the largest investor was Poland, with EUR 9.3bn in FDI outflows, consisting mainly of debt instruments worth EUR 6bn and new equity worth EUR 2.7bn (Table 2).

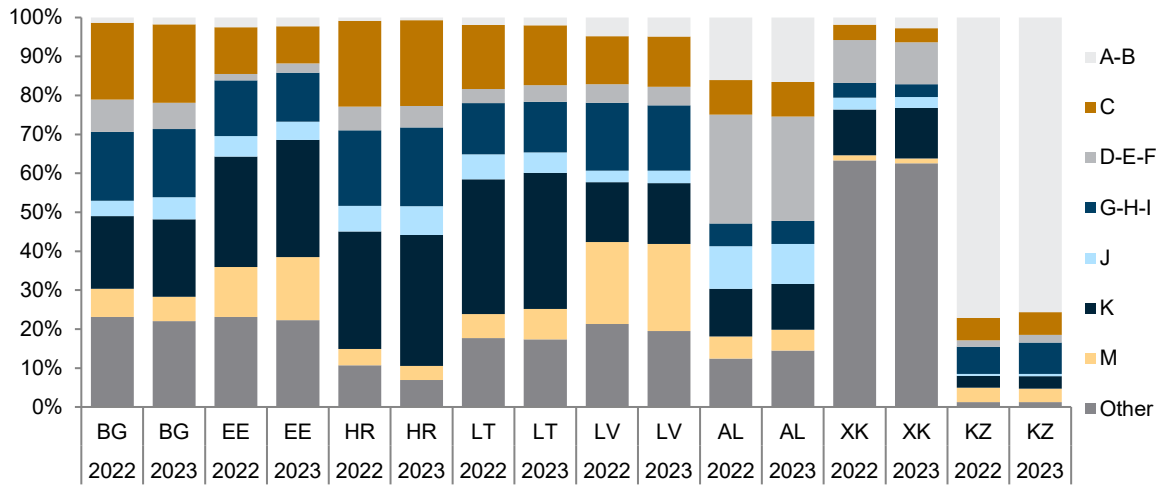
Data for 2023 on the breakdown of inward FDI stocks by economic activity are so far available for eight CESEE countries (Figure 1). Despite the generally quite stable structure of the stocks, we observe an increase in the share of FDI in services in almost all countries, except Latvia and Kosovo. The largest increase – of 2 percentage points (pp) – was visible in Estonia, on account of professional, scientific and technical activities, as well as financial activities. The share of financial activities grew in all countries except Albania, with the largest growth recorded in Croatia (of 3.4 pp).

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<sup>2</sup> Estimate is based on recalculations, because since 2022 the Central Bank of Russia no longer publishes FDI flows data according to the directional principle. For further explanation on foreign capital performance, see V. Astrov (2024), 'Foreign capital in Russia: Taking stock after two years of war', Russia Monitor No. 5, May, available at <https://wiiw.ac.at/p-6898.html>.



**Figure 1 / Inward FDI stock, by economic activity, in 2022 and 2023, as a percentage of total**



Note: Data are based on Direct Investment Statistics (directional 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.

**Table 1 / FDI inflow**

EUR million

	2016	2017	2018	2019	2020	2021	2022	2023
BG Bulgaria	940	1,606	968	1,639	2,974	1,517	2,631	3,619
CZ Czechia	8,873	8,454	9,330	9,030	8,261	7,651	8,794	7,199
EE Estonia	933	1,131	1,208	2,727	3,100	89	959	4,233
HR Croatia	250	468	1,016	2,660	966	3,793	3,409	2,542
HU Hungary <sup>1)</sup>	3,880	5,136	5,566	3,123	4,641	6,707	8,566	5,365
LT Lithuania	273	904	827	2,699	3,080	2,366	2,055	1,764
LV Latvia	230	659	814	827	878	2,794	1,333	1,122
PL Poland	14,181	8,142	13,555	12,069	12,135	24,719	29,931	25,732
RO Romania	4,517	4,797	5,266	5,173	3,005	8,940	10,039	6,594
SI Slovenia	1,126	795	1,172	1,307	193	1,561	1,937	1,020
SK Slovakia	728	3,556	1,418	2,243	-2,104	1,539	2,756	167
<b>EU-CEE11</b>	<b>35,932</b>	<b>35,646</b>	<b>41,139</b>	<b>43,496</b>	<b>37,128</b>	<b>61,676</b>	<b>72,410</b>	<b>59,358</b>
AL Albania	994	1,017	1,092	1,151	970	1,043	1,362	1,492
BA Bosnia and Herzegovina	316	436	493	409	421	578	736	875
ME Montenegro	205	494	415	372	466	591	833	487
MK North Macedonia	338	182	614	399	201	471	745	617
RS Serbia	2,125	2,548	3,464	3,814	3,037	3,880	4,367	4,504
XK Kosovo	220	255	272	255	346	421	732	844
<b>WB6</b>	<b>4,198</b>	<b>4,933</b>	<b>6,349</b>	<b>6,399</b>	<b>5,441</b>	<b>6,984</b>	<b>8,775</b>	<b>8,819</b>
TR Turkey	12,499	9,905	10,542	8,492	6,719	10,903	12,978	9,842
BY Belarus	1,125	1,132	1,208	1,157	1,226	1,051	1,526	1,903
KZ Kazakhstan	7,694	4,172	3,304	2,933	3,214	2,835	6,221	2,981
MD Moldova	75	135	265	467	132	342	562	396
UA Ukraine <sup>2)</sup>	3,662	3,304	4,004	5,371	-32	6,182	530	3,927
<b>CIS3+UA</b>	<b>12,556</b>	<b>8,743</b>	<b>8,781</b>	<b>9,929</b>	<b>4,540</b>	<b>10,409</b>	<b>8,839</b>	<b>9,207</b>
RU Russia <sup>3)</sup>	33,568	22,990	11,222	28,638	9,110	32,636	-14,367	7,730
<b>CESEE23</b>	<b>98,753</b>	<b>82,217</b>	<b>78,033</b>	<b>96,954</b>	<b>62,939</b>	<b>122,608</b>	<b>88,635</b>	<b>94,956</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) Excluding capital in transit and restructuring of asset portfolios. - 2) Excluding the territories occupied by Russia until 2022, and territories where the military actions are/were conducted in 2022 and 2023. - 3) From 2022 wiiw estimate.

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

		2016	2017	2018	2019	2020	2021	2022	2023
BG	Bulgaria	366	293	211	401	216	268	533	553
CZ	Czechia	1,973	6,712	7,341	3,688	2,624	6,538	5,396	6,521
EE	Estonia	431	224	-39	1,669	256	-651	799	1,393
HR	Croatia	-1,761	-652	175	-779	230	783	-241	1,089
HU	Hungary <sup>1)</sup>	1,318	3,021	2,954	2,296	2,430	2,955	3,623	2,784
LT	Lithuania	39	71	596	1,560	2,516	1,119	348	966
LV	Latvia	145	126	175	-92	223	1,965	109	539
PL	Poland	10,484	1,926	755	1,656	1,136	2,679	6,016	9,332
RO	Romania	4	-86	321	324	46	119	1,233	37
SI	Slovenia	262	300	238	545	454	1,146	649	500
SK	Slovakia	86	1,173	272	39	305	251	411	82
	<b>EU-CEE11</b>	<b>13,347</b>	<b>13,108</b>	<b>12,999</b>	<b>11,307</b>	<b>10,437</b>	<b>17,173</b>	<b>18,875</b>	<b>23,796</b>
AL	Albania	58	23	70	114	77	53	172	245
BA	Bosnia and Herzegovina	35	70	2	31	64	39	48	44
ME	Montenegro	-167	10	92	67	-5	9	50	58
MK	North Macedonia	22	2	10	35	47	83	91	94
RS	Serbia	226	130	307	263	98	224	39	284
XK	Kosovo	43	43	46	66	59	100	175	189
	<b>WB6</b>	<b>216</b>	<b>278</b>	<b>528</b>	<b>577</b>	<b>340</b>	<b>508</b>	<b>574</b>	<b>914</b>
TR	Turkey	2,835	2,393	3,052	2,690	2,841	5,454	4,687	5,515
BY	Belarus	103	62	42	14	77	-61	165	21
KZ	Kazakhstan	-4,731	808	-928	-2,340	-1,932	1,227	-1,460	844
MD	Moldova	8	11	32	39	-2	27	48	11
UA	Ukraine <sup>2)</sup>	90	249	-107	752	19	-167	327	39
	<b>CIS3+UA</b>	<b>-4,529</b>	<b>1,131</b>	<b>-962</b>	<b>-1,536</b>	<b>-1,838</b>	<b>1,027</b>	<b>-920</b>	<b>915</b>
RU	Russia <sup>3)</sup>	24,336	30,253	30,389	19,664	5,932	54,117	10,876	26,905
	<b>CESEE23</b>	<b>36,204</b>	<b>47,162</b>	<b>46,006</b>	<b>32,702</b>	<b>17,712</b>	<b>78,280</b>	<b>34,091</b>	<b>58,045</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) Excluding capital in transit and restructuring of asset portfolios. - 2) Excluding the territories occupied by Russia until 2022, and territories where the military actions are/were conducted in 2022 and 2023. - 3) From 2022 wiiw estimate.

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

	2016	2017	2018	2019	2020	2021	2022	2023
BG Bulgaria	40,742	42,462	44,045	46,058	48,676	51,104	53,886	56,059
CZ Czechia	115,627	130,042	143,420	152,528	159,100	177,010	193,512	188,745
EE Estonia	18,138	19,447	21,237	24,370	27,373	30,537	32,148	36,642
HR Croatia	26,137	27,965	28,729	32,041	31,308	34,593	35,970	38,832
HU Hungary	78,093	77,240	80,450	83,719	82,896	93,397	100,948	110,829
LT Lithuania	15,342	16,361	16,959	20,691	23,968	27,109	29,871	33,151
LV Latvia	13,591	14,741	15,334	16,050	16,799	21,196	22,564	24,476
PL Poland	178,294	200,638	200,687	214,553	203,381	240,315	251,554	282,077
RO Romania	70,742	75,851	81,124	88,304	90,773	100,288	107,944	113,624
SI Slovenia	12,971	13,957	15,254	16,179	16,664	18,778	20,200	21,450
SK Slovakia	45,150	49,620	52,279	53,947	52,394	52,818	53,790	54,781
<b>EU-CEE11</b>	<b>614,825</b>	<b>668,324</b>	<b>699,519</b>	<b>748,440</b>	<b>753,332</b>	<b>847,146</b>	<b>902,387</b>	<b>960,667</b>
AL Albania	4,729	5,622	6,693	7,289	7,830	8,641	10,410	12,656
BA Bosnia and Herzegovina	6,773	7,132	7,539	7,844	8,017	8,568	8,921	9,653
ME Montenegro	4,337	4,493	4,676	4,820	4,742	4,732	5,151	5,489
MK North Macedonia	4,657	4,698	5,307	5,704	5,852	6,298	7,013	7,621
RS Serbia	28,811	31,509	35,192	39,012	42,556	46,109	50,158	54,714
XK Kosovo	3,405	3,519	3,692	3,969	4,229	4,648	5,359	6,250
<b>WB6</b>	<b>52,713</b>	<b>56,972</b>	<b>63,099</b>	<b>68,637</b>	<b>73,226</b>	<b>78,996</b>	<b>87,012</b>	<b>96,384</b>
TR Turkey	142,560	165,123	127,919	144,295	188,196	123,813	191,645	143,369
BY Belarus	17,835	10,747	11,378	12,892	11,167	12,956	14,491	14,217
KZ Kazakhstan	136,644	123,002	131,723	136,234	123,826	135,100	144,954	142,274
MD Moldova	2,763	2,985	3,546	4,207	3,837	4,218	4,637	4,974
UA Ukraine <sup>1)</sup>	45,639	40,024	37,754	48,597	42,397	57,997	47,868	48,829
<b>CIS3+UA</b>	<b>202,880</b>	<b>176,759</b>	<b>184,402</b>	<b>201,929</b>	<b>181,227</b>	<b>210,272</b>	<b>211,951</b>	<b>210,293</b>
RU Russia	374,465	368,937	356,790	440,278	365,825	439,811	334,678	252,098
<b>CESEE23</b>	<b>1,387,444</b>	<b>1,436,115</b>	<b>1,431,728</b>	<b>1,603,580</b>	<b>1,561,805</b>	<b>1,700,038</b>	<b>1,727,674</b>	<b>1,662,812</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) Excluding the territories occupied by Russia until 2022, and territories where the military actions are/were conducted in 2022 and 2023.

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

	2016	2017	2018	2019	2020	2021	2022	2023
BG Bulgaria	2,057	2,217	2,310	2,534	2,939	3,057	3,366	3,907
CZ Czechia	18,433	26,980	35,809	40,181	41,790	48,981	57,027	55,622
EE Estonia	5,544	6,030	6,385	8,405	8,511	10,356	11,521	12,854
HR Croatia	4,480	4,603	4,919	4,495	5,666	6,923	7,543	7,369
HU Hungary	23,625	24,445	25,257	28,972	29,246	35,058	37,585	41,177
LT Lithuania	3,523	3,610	4,223	6,301	8,628	10,138	10,559	13,299
LV Latvia	1,836	1,874	2,046	1,927	2,086	5,322	5,372	6,107
PL Poland	26,332	24,364	21,525	24,024	22,915	24,168	27,836	32,124
RO Romania	727	632	1,190	2,157	2,402	2,793	4,424	4,436
SI Slovenia	5,741	5,969	6,108	6,840	7,016	7,868	8,589	9,034
SK Slovakia	2,496	3,827	4,008	4,213	4,485	4,645	5,089	4,581
<b>EU-CEE11</b>	<b>94,794</b>	<b>104,551</b>	<b>113,780</b>	<b>130,049</b>	<b>135,684</b>	<b>159,308</b>	<b>178,911</b>	<b>190,509</b>
AL Albania	386	393	492	607	665	733	933	1,257
BA Bosnia and Herzegovina	408	481	540	538	607	636	690	736
ME Montenegro	60	63	75	100	83	125	178	245
MK North Macedonia	77	67	62	61	99	124	155	190
RS Serbia	2,869	2,999	3,323	3,624	3,706	3,997	4,229	4,524
XK Kosovo	261	305	348	415	477	579	756	942
<b>WB6</b>	<b>4,061</b>	<b>4,308</b>	<b>4,840</b>	<b>5,344</b>	<b>5,637</b>	<b>6,195</b>	<b>6,941</b>	<b>7,895</b>
TR Turkey	37,438	39,189	40,339	45,010	41,614	46,514	52,488	56,057
BY Belarus	739	1,328	1,234	1,288	1,153	1,244	1,404	1,321
KZ Kazakhstan	22,382	17,145	14,821	13,983	11,297	13,853	15,763	15,731
MD Moldova	200	186	227	267	243	291	399	403
UA Ukraine <sup>1)</sup>	518	623	474	1,563	738	-260	-814	-796
<b>CIS3+UA</b>	<b>23,838</b>	<b>19,282</b>	<b>16,756</b>	<b>17,100</b>	<b>13,432</b>	<b>15,128</b>	<b>16,752</b>	<b>16,658</b>
RU Russia	325,924	325,087	303,018	363,644	310,504	331,046	278,105	233,498
<b>CESEE23</b>	<b>486,055</b>	<b>492,416</b>	<b>478,734</b>	<b>561,147</b>	<b>506,871</b>	<b>558,191</b>	<b>533,198</b>	<b>504,617</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) Excluding the territories occupied by Russia until 2022, and territories where the military actions are/were conducted in 2022 and 2023.

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

	2016	2017	2018	2019	2020	2021	2022	2023
<b>Bulgaria</b>								
FDI inflow, total	940	1,606	968	1,639	2,974	1,517	2,631	3,619
Equity other than reinvestment of earnings	255	-25	390	-157	498	-277	681	623
Reinvestment of earnings	1,091	861	1,214	1,159	1,221	2,468	1,750	3,309
Debt instruments	-407	769	-637	637	1,255	-674	200	-313
<b>Czechia</b>								
FDI inflow, total	8,873	8,454	9,330	9,030	8,261	7,651	8,794	7,199
Equity other than reinvestment of earnings	3,219	1,841	160	3,241	2,024	-260	1,793	-274
Reinvestment of earnings	3,159	6,708	4,316	4,601	3,902	8,247	4,579	8,005
Debt instruments	2,495	-95	4,855	1,188	2,335	-336	2,421	-532
<b>Estonia<sup>1)</sup></b>								
FDI inflow, total	957	1,727	1,285	2,828	3,148	223	865	4,222
Equity other than reinvestment of earnings	26	412	-171	1,609	2,225	5,064	293	2,321
Reinvestment of earnings	800	909	716	847	615	790	902	1,419
Debt instruments	131	406	739	372	308	-5,630	-331	482
<b>Croatia</b>								
FDI inflow, total	250	468	1,016	2,660	966	3,793	3,409	2,542
Equity other than reinvestment of earnings	691	602	754	908	710	1,497	981	1,446
Reinvestment of earnings	-281	-634	944	756	353	1,715	1,517	1,870
Debt instruments	-160	500	-682	996	-97	581	911	-773
<b>Hungary<sup>2)</sup></b>								
FDI inflow, total	3,880	5,136	5,566	3,123	4,641	6,707	8,566	5,365
Equity other than reinvestment of earnings	363	46	86	-549	-1,207	-5,247	1,544	-355
Reinvestment of earnings	4,073	6,088	5,621	4,324	3,526	5,380	4,703	5,979
Debt instruments	-556	-998	-142	-653	2,322	6,574	2,319	-259
<b>Lithuania</b>								
FDI inflow, total	273	904	827	2,699	3,080	2,366	2,055	1,764
Equity other than reinvestment of earnings	452	113	177	308	2,315	162	367	680
Reinvestment of earnings	460	823	971	1,246	1,222	1,730	42	1,998
Debt instruments	-639	-33	-321	1,145	-457	475	1,645	-914
<b>Latvia</b>								
FDI inflow, total	230	659	814	827	878	2,794	1,334	1,122
Equity other than reinvestment of earnings	-589	1,034	-284	382	464	1,657	-110	322
Reinvestment of earnings	482	186	342	407	388	1,011	1,053	1,229
Debt instruments	337	-561	756	38	26	126	391	-429
<b>Poland</b>								
FDI inflow, total	14,181	8,142	13,555	12,069	12,135	24,719	29,931	25,732
Equity other than reinvestment of earnings	1,776	-938	4,197	2,575	3,784	4,880	6,146	10,138
Reinvestment of earnings	8,549	9,172	8,250	10,188	9,932	15,970	16,166	15,377
Debt instruments	3,855	-92	1,108	-695	-1,582	3,869	7,619	217
<b>Romania</b>								
FDI inflow, total	4,517	4,797	5,266	5,173	3,005	8,940	10,039	6,594
Equity other than reinvestment of earnings	3,203	2,235	2,973	2,238	983	2,165	1,837	1,231
Reinvestment of earnings	1,138	1,733	2,573	2,783	3,016	4,582	6,060	5,326
Debt instruments	176	829	-280	152	-994	2,194	2,143	37
<b>Slovenia</b>								
FDI inflow, total	1,126	795	1,172	1,307	193	1,561	1,937	1,020
Equity other than reinvestment of earnings	956	581	555	1,196	338	302	848	231
Reinvestment of earnings	547	351	533	500	259	553	862	779
Debt instruments	-377	-138	84	-390	-404	706	227	9
<b>Slovakia</b>								
FDI inflow, total	728	3,556	1,418	2,243	-2,104	1,539	2,756	167
Equity other than reinvestment of earnings	840	567	504	626	102	188	-227	17
Reinvestment of earnings	843	660	-238	1,969	473	2,438	1,904	29
Debt instruments	-955	2,328	1,153	-352	-2,679	-1,087	1,079	121

(Table 5 contd.)

**Table 5 / contd.**

	2016	2017	2018	2019	2020	2021	2022	2023
<b>Albania</b>								
FDI inflow, total	994	1,017	1,092	1,151	970	1,043	1,362	1,492
Equity other than reinvestment of earnings	904	808	852	721	595	580	607	734
Reinvestment of earnings	42	137	224	397	384	477	732	803
Debt instruments	49	72	16	33	-9	-14	23	-44
<b>Bosnia and Herzegovina</b>								
FDI inflow, total	316	436	493	409	421	578	736	875
Equity other than reinvestment of earnings	151	170	276	97	81	826	110	131
Reinvestment of earnings	105	241	249	225	302	294	481	489
Debt instruments	61	25	-32	87	38	-543	146	254
<b>Montenegro</b>								
FDI inflow, total	205	494	415	372	466	591	833	487
Equity other than reinvestment of earnings	82	340	291	206	192	406	529	381
Reinvestment of earnings	.	.	.	.	.	.	.	.
Debt instruments	122	154	124	166	274	185	304	106
<b>North Macedonia</b>								
FDI inflow, total	338	182	614	399	201	471	745	617
Equity other than reinvestment of earnings	118	75	183	221	99	162	305	275
Reinvestment of earnings	175	143	218	176	-1	83	31	173
Debt instruments	45	-36	212	2	104	225	409	169
<b>Serbia</b>								
FDI inflow, total	2,125	2,548	3,464	3,814	3,037	3,880	4,367	4,504
Equity other than reinvestment of earnings	457	275	1,840	1,906	1,247	2,060	1,842	2,345
Reinvestment of earnings	913	1,194	1,148	1,177	380	707	1,046	1,169
Debt instruments	755	1,079	476	731	1,410	1,113	1,479	991
<b>Kosovo</b>								
FDI inflow, total	220	255	272	255	346	421	732	844
Equity other than reinvestment of earnings	88	174	169	277	256	424	573	542
Reinvestment of earnings	95	59	95	-39	66	-34	46	166
Debt instruments	37	23	9	16	24	31	113	136
<b>Turkey</b>								
FDI inflow, total	12,499	9,905	10,542	8,492	6,719	10,903	12,978	9,842
Equity other than reinvestment of earnings	9,378	8,752	9,988	8,846	6,811	10,494	11,537	7,816
Reinvestment of earnings	423	255	295	525	504	81	501	289
Debt instruments	2,699	898	259	-879	-595	328	940	1,704

(Table 5 contd.)

Table 5 / contd.

	2016	2017	2018	2019	2020	2021	2022	2023
<b>Belarus</b>								
FDI inflow, total	1,125	1,132	1,208	1,157	1,226	1,051	1,526	1,903
Equity other than reinvestment of earnings	345	353	497	393	256	306	453	767
Reinvestment of earnings	642	593	685	585	891	587	1,045	987
Debt instruments	138	186	26	179	79	158	29	148
<b>Kazakhstan</b>								
FDI inflow, total	7,694	4,172	3,304	2,933	3,214	2,835	6,221	2,981
Equity other than reinvestment of earnings	3,311	1,763	-3,424	-2,243	250	616	-3,320	-632
Reinvestment of earnings	4,860	3,325	5,669	8,045	4,369	8,185	9,583	6,017
Debt instruments	-477	-915	1,059	-2,869	-1,405	-5,966	-43	-2,404
<b>Moldova</b>								
FDI inflow, total	75	135	265	467	132	342	562	396
Equity other than reinvestment of earnings	40	30	96	361	65	82	89	37
Reinvestment of earnings	82	29	58	46	94	211	449	362
Debt instruments	-47	76	111	61	-28	48	24	-3
<b>Ukraine <sup>3)</sup></b>								
FDI inflow, total	3,662	3,304	4,004	5,371	-32	6,182	530	3,927
Equity other than reinvestment of earnings	3,206	1,361	1,246	1,481	665	1,002	439	602
Reinvestment of earnings	475	1,321	2,198	2,901	-427	4,180	311	2,922
Debt instruments	-19	622	561	989	-270	1,001	-220	403
<b>Russia <sup>4)</sup></b>								
FDI inflow, total	33,568	22,990	11,222	28,638	9,110	32,636	-14,367	7,730
Equity other than reinvestment of earnings	16,990	7,998	-5,494	9,746	8,004	1,118	-10,941	6,446
Reinvestment of earnings	15,565	14,802	14,056	17,429	4,730	32,290	.	.
Debt instruments	1,012	191	2,661	1,463	-3,624	-772	-3,425	1,284

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

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

1) Including SPEs. - 2) Excluding capital in transit and restructuring of asset portfolios. - 3) Excluding the territories occupied by Russia until 2022, and territories where the military actions are/were conducted in 2022 and 2023. - 4) From 2022 wiiw estimates, equity includes reinvested earnings.

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



# FDI in CESEE: Weak performance continues

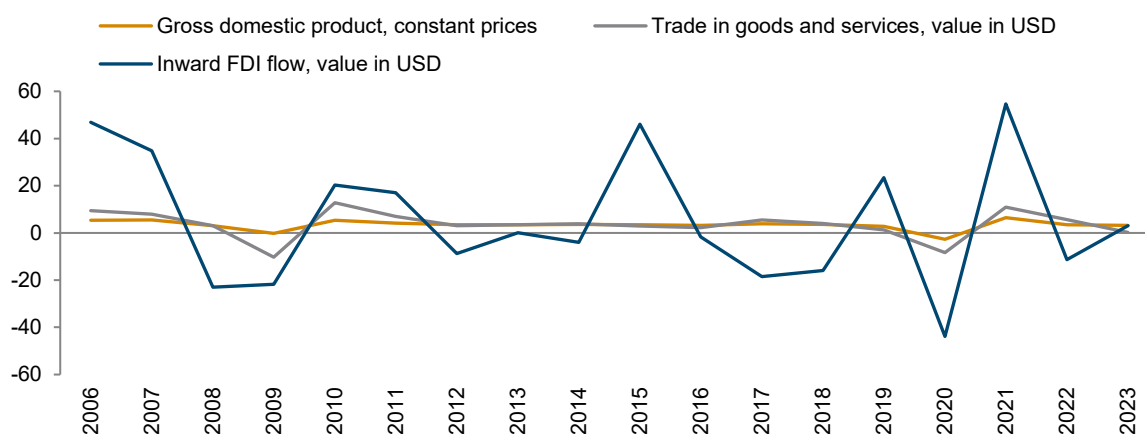
BY OLGA PINDYUK

*In line with global trends, CESEE rounded off 2023 with a general decline in FDI inflows. Only Russia and Ukraine recorded much better FDI performance, albeit building on 2022's very low basis. In Q1 2024, investor sentiment worsened, with the number of greenfield investment projects announced falling at a double-digit rate in annual terms in many countries. Renewable energy continued to gain in importance in the structure of greenfield investment projects. Both Germany and China appear to have begun to lose interest in investing in the region.*

## GENERALLY WEAK FDI PERFORMANCE IN CESEE IN 2023

In 2023, global foreign direct investment (FDI) inflows showed a marginal increase of 3% year on year (Figure 1) – a marked improvement on the 11% decline seen in 2022. However, this increase was largely due to the higher values in a few European conduit economies; meanwhile the developing economies recorded a decline in FDI inflows of 9% in annual terms (UNCTAD, 2024). Global trade was also anaemic, barely registering any growth in USD terms, while global GDP grew by a solid 3.2% year on year in real terms. These trends likely point to the ongoing fragmentation of the world economy due to supply-chain disruptions and rising geopolitical tensions.

**Figure 1 / Global trade value, FDI inflows and economic growth, annual change in %, 2006-2023**



Note: Inward FDI inflows in 2023: estimate by UNCTAD as of January 2024.

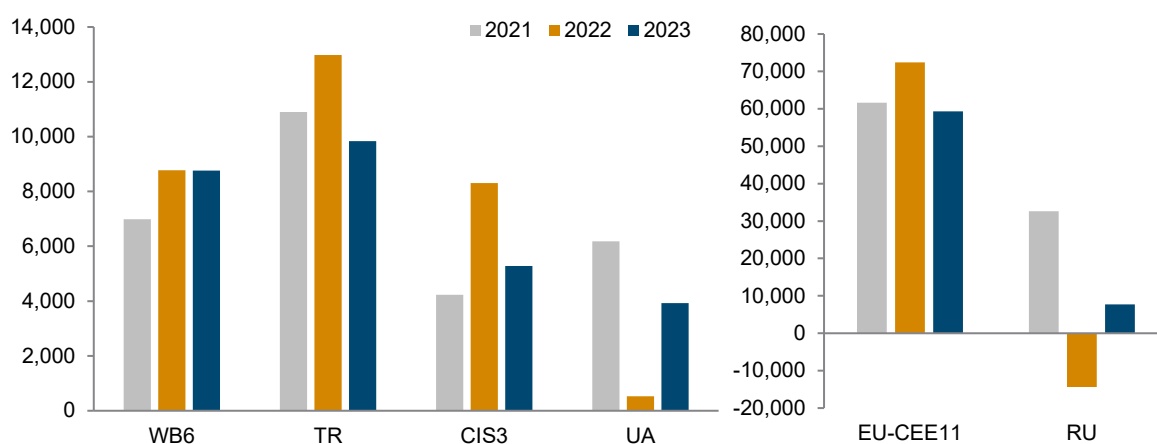
Sources: IMF World Economic Outlook, OECD.

The CESEE region finished 2023 with a largely negative result in terms of attracting FDI: looking at the regional groups (Figure 2), only Russia and Ukraine managed to register a much better FDI performance. In Ukraine, FDI inflows grew more than fivefold against the very low basis of 2022 – mostly on the back of reinvested earnings, which accounted for 74% of annual FDI inflows. In the case of Russia, where it is difficult for foreign companies to exit the country and next to impossible to withdraw

their profits (Astrov, 2024), FDI inflows switched to positive last year, after negative flows in 2022. This was also likely caused by the reinvestment of earnings, rather than new equity (see the previous article in this issue 'Data availability and preliminary results for 2023').

In the Western Balkans, FDI flows were at a standstill, while EU-CEE, CIS3 and Turkey all saw their FDI inflows contract at double-digit rates. The decline in FDI inflows was greatest in CIS3 – 36% year on year; this was followed by Turkey, with a 24% year-on-year decline, likely reflecting the country's macroeconomic problems.

**Figure 2 / FDI inflows in the main regions of CESEE in 2021-2023, EUR m**



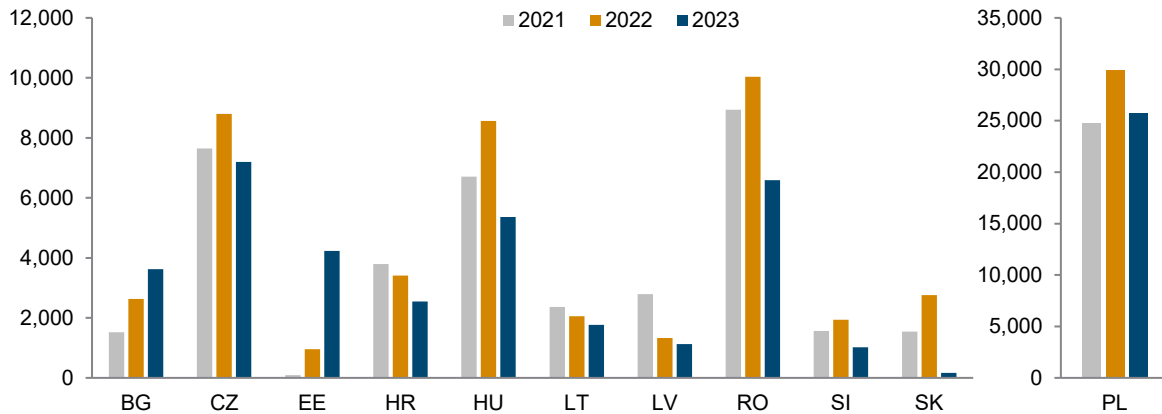
Note: CIS3 comprises Belarus, Kazakhstan and Moldova.

Source: wiiw FDI Database based on Direct Investment statistics of the respective central banks, wiiw calculations and partly wiiw estimates for 2023.

However, the regional aggregates sometimes conceal quite a high level of heterogeneity in trends. A closer look at individual countries in EU-CEE reveals that in Bulgaria and Estonia there was a big increase in FDI inflows in 2023 – of 38% and a striking 342% year on year, respectively (Figure 3). Estonia stands out as a country where FDI inflows increased mainly on the back of new equity, as opposed to reinvested earnings – FDI inflows via equity increased in 2023 by almost seven times. At the same time, Slovakia experienced a 94% decline in FDI inflows, turning in the weakest performance in the sub-region. Slovenia, Hungary and Romania also saw a sharp drop in FDI inflows – of 47%, 37% and 34%, year on year, respectively. The sub-region overall had a weak economic performance last year, with the recession in Germany acting as a drag on many of the countries with which it shares close economic ties (Pindyuk, 2024).

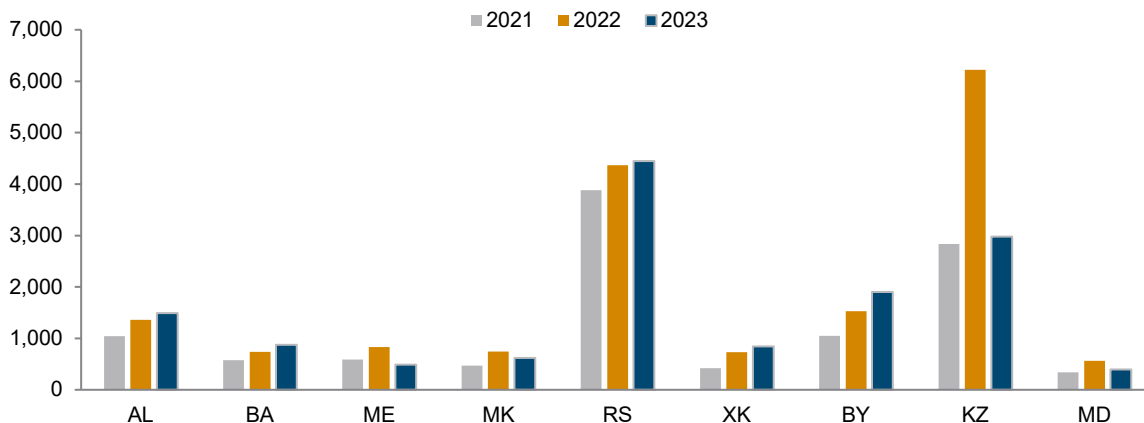
Among the Western Balkan countries, Montenegro and North Macedonia experienced a drop in FDI inflows in 2023 of 42% and 17% year on year, respectively (Figure 4). At the same time, Bosnia and Herzegovina and Kosovo both recorded double-digit growth in FDI inflows. In CIS, Belarus posted surprising growth in FDI inflows of 25% year on year. As the country is subject to numerous economic sanctions by the West, these inflows likely originate in Russia and some other countries that are considered 'friendly' by the Lukashenka regime. In Kazakhstan, there were again delays in the implementation of oil-sector investment projects, which were the main reason for the slump in FDI in 2023 (Bykova, 2024).

**Figure 3 / FDI inflows in EU-CEE countries in 2021-2023, EUR m**



Source: wiiw FDI Database based on Direct Investment statistics of the respective central banks, wiiw calculations and partly wiiw estimates in 2023.

**Figure 4 / FDI inflows in non-EU CESEE countries in 2021-2023, EUR m**



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

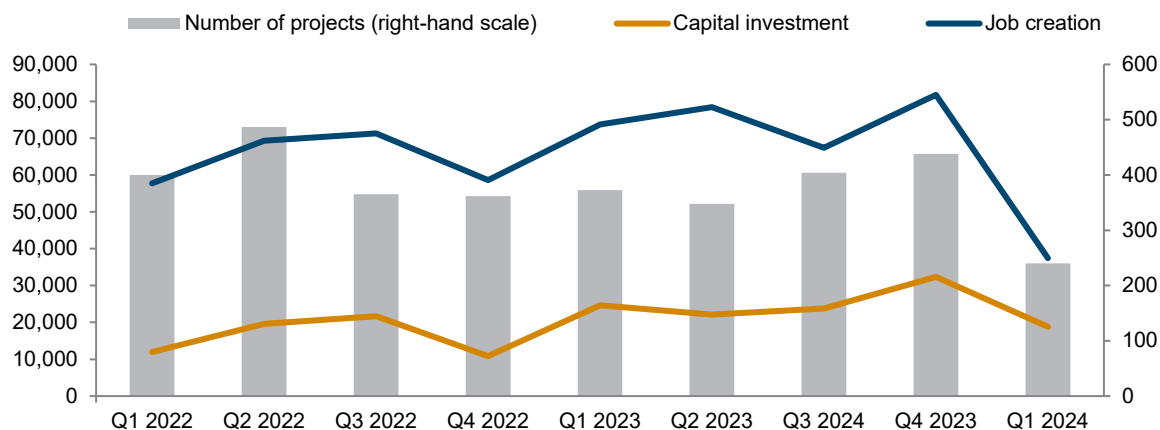
Source: wiiw FDI Database based on Direct Investment statistics (Balance of Payments for Kosovo) of the respective central banks, wiiw calculations and partly wiiw estimates in 2023.

## RECENT GREENFIELD PROJECTS: TRENDS SUGGEST DETERIORATION IN INVESTOR SENTIMENT

Data on announced greenfield investment projects, which can be interpreted as an indicator of investor sentiment, showed a mixed picture in 2023: while the number of projects announced fell by 3% year on year, they became much more capital intensive, with the capital pledged increasing by 61% over the previous year (Figure 5). This likely reflects the changing sector structure of the investment projects, as well as the effects of high inflation.

However, the data for Q1 2024 point to a significant weakening of investor confidence in the region's prospects, with both the number of greenfield investment projects announced and the capital pledged falling in annual terms – by 36% and 24%, respectively.

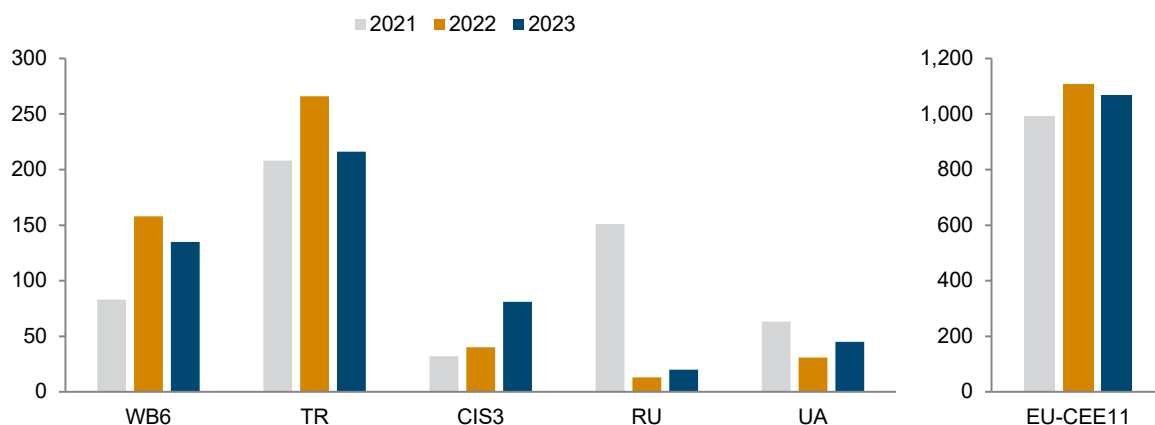
**Figure 5 / Announced greenfield FDI projects in CESEE: number of projects, capital investment in EUR m and number of jobs to be created**



Source: fDi Markets.

A closer look at the dynamics of the sub-regions reveals that the number of greenfield projects announced fell across most of the region in 2023, except for CIS3, Russia and Ukraine (Figure 6). In the case of Russia, greenfield projects arguably largely represented the 'round-tripping' of Russian capital from 'offshore' countries that have imposed sanctions on Russia following the invasion of Ukraine (Astrov, 2024). Still, the number of greenfield projects in Russia in 2023 was only a fraction of its 2021 level. In Ukraine, the biggest increase in the number of projects was registered in the space and defence, transport, metals, and food and beverages sectors. In terms of capital pledged, the biggest projects were announced in the transport and renewable energy sectors – with the average value of an investment project standing at about EUR 900,000.

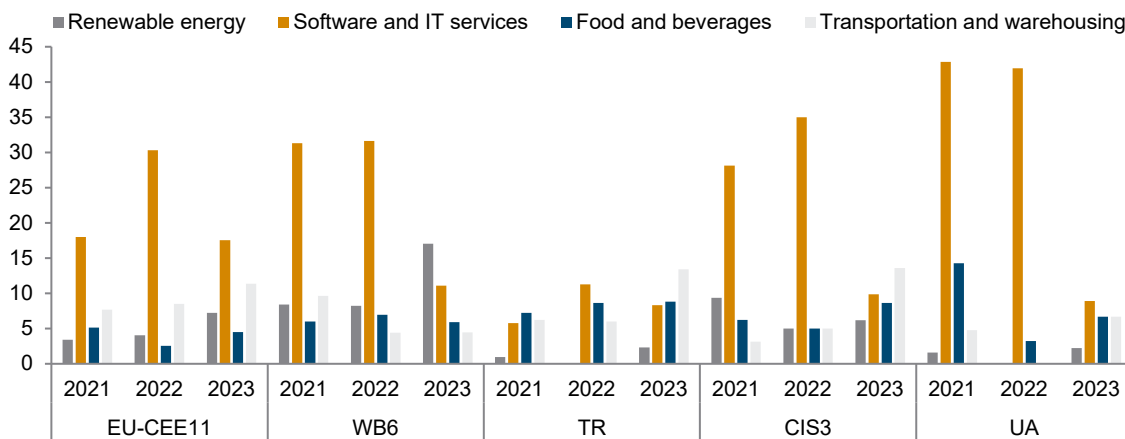
**Figure 6 / Number of greenfield projects announced, by country group**



Source: fDi Markets.

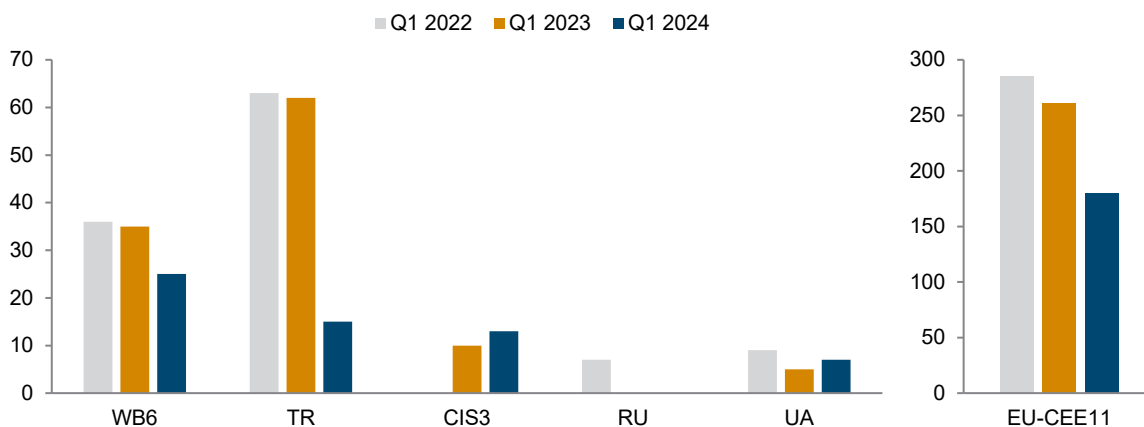
If we look at the sector structure of companies that have announced greenfield investment projects, it becomes clear that there has been a noticeable decrease in the share of software and IT in the number of projects across all the sub-regions – but particularly in Ukraine, where it fell from 42% in 2022 to 9% in 2023 (Figure 7). The renewable energy sector appears to have gained in importance instead, with the Western Balkans attracting the highest share of such projects of all the sub-regions: 17% of total greenfield investment projects in the sub-region in 2023 were announced by investors from this sector. The share of transportation and warehousing increased in 2023 in CIS3, Turkey, EU-CEE and Ukraine: that sector accounted for as much as 13% of all greenfield investment projects in CIS3 and Turkey. Those two sub-regions also attracted a relatively large number of greenfield investment projects in the food and beverages sector: investors from that sector accounted for about 9% of greenfield projects in each sub-region in 2023.

**Figure 7 / Share of main sectors of investing companies in the number of greenfield projects announced, in %**



Source: fDi Markets.

**Figure 8 / Number of greenfield projects announced, by country group, in Q1 2022, Q1 2023 and Q1 2024**



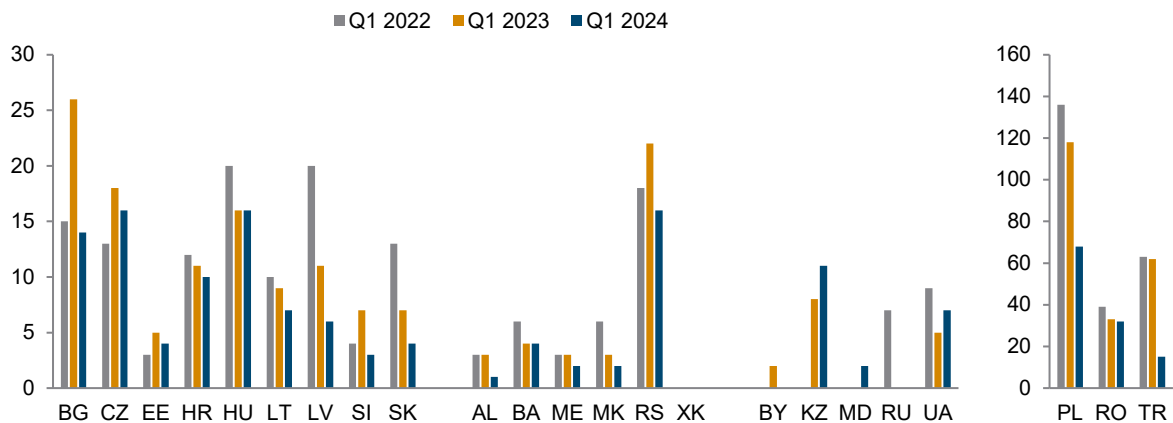
Note: Russia had zero projects in Q1 2023 and Q1 2024.

Source: fDi Markets.

The most recent data for Q1 2024 show that there has recently been a rapid slowdown in greenfield investment, with Turkey, EU-CEE and the Western Balkans all registering a double-digit decline in the number of greenfield investment projects announced – of 76%, 31% and 29% year on year, respectively (Figure 8). Only CIS3 and Ukraine have continued to display an upward trend, with the number of greenfield investment projects announced increasing by 30% and 40% year on year, respectively.

A glance at the performance of individual countries reveals a uniformly rather bleak picture, with the number of greenfield investment projects announced falling in Q1 2024 in all countries, apart from the above-mentioned Ukraine and Kazakhstan (a 38% increase in the number of projects year on year), as well as Hungary and Bosnia and Herzegovina, where the number of greenfield investment projects announced stagnated (Figure 9). Among the EU-CEE countries, Slovenia, Bulgaria and Latvia stand out as those with the sharpest decline in the number of greenfield investment projects announced – of 57%, 46% and 46% year on year, respectively.

**Figure 9 / Number of greenfield projects announced, by country in Q1 2022, Q1 2023 and Q1 2024**



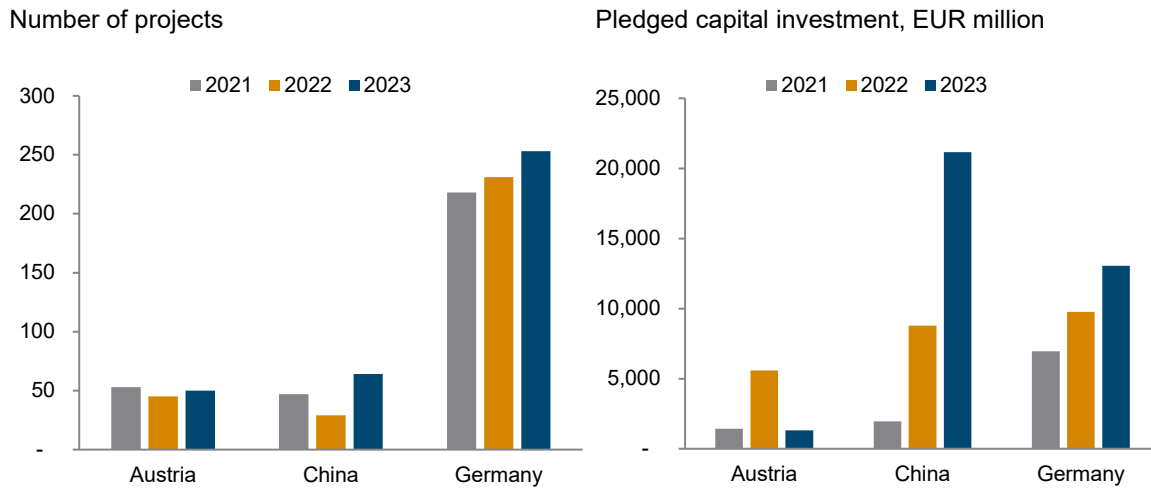
Note: Kosovo had zero projects in all three quarters; the same was true of Belarus in Q1 2022 and Q1 2024; of Kazakhstan in Q1 2022; of Moldova in Q1 2022 and Q1 2023; and of Russia in Q1 2023 and Q1 2024.

Source: fDi Markets.

## CESEE APPEARS TO HAVE STARTED TO LOSE ITS INVESTMENT ATTRACTIVENESS FOR CHINA

In 2023, China noticeably expanded its presence as an investor in CESEE, having increased both the number of greenfield investment projects and the capital pledged, compared with the previous year (Figure 10). It overtook Austria, having announced 64 greenfield investment projects in the region in 2023, compared to Austria's 50 projects. Germany still had significantly more greenfield investment projects in the region than China, but China pledged a much bigger capital value – EUR 21.1bn vs EUR 13.0bn.

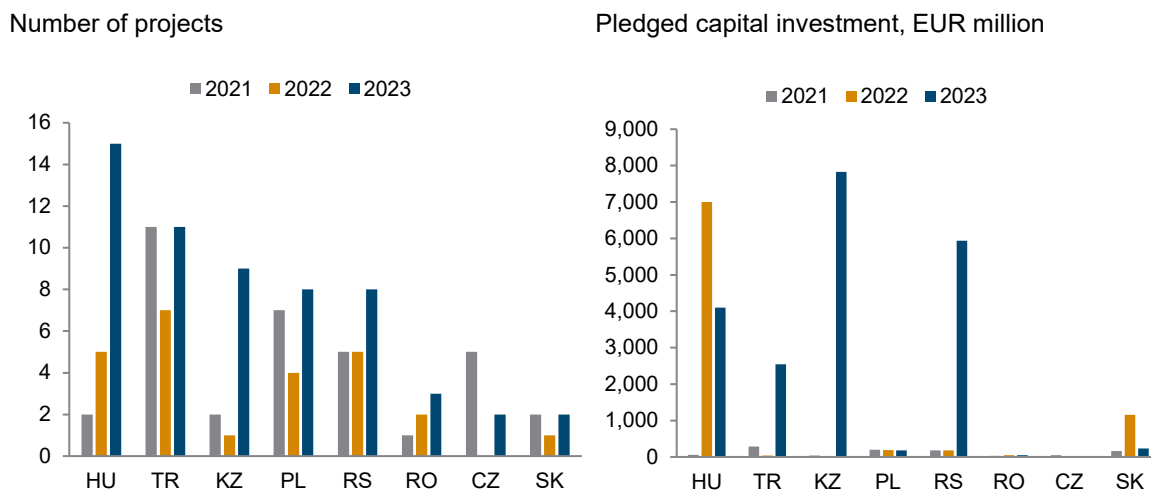
**Figure 10 / Greenfield investment commitments of Austria, Germany and China in CESEE**



Source: fDi Markets.

Hungary attracted the highest number of greenfield investment projects from China in 2023, followed by Turkey, Kazakhstan, Poland and Serbia (Figure 11). However, from the perspective of the value of the capital pledged, the primary destination for China’s greenfield investment was Kazakhstan, followed by Serbia: Kazakhstan attracted almost twice as much capital as Hungary, pointing to the relatively low capital intensity of Chinese investment projects in the latter (this is likely due to the different sector structure of the projects, and perhaps also in part to the stricter investment screening rules in the EU that are aimed at preventing China’s investment projects in critical infrastructure – projects that tend to be on quite a large scale).

**Figure 11 / Greenfield investment commitments of China in selected CESEE countries**

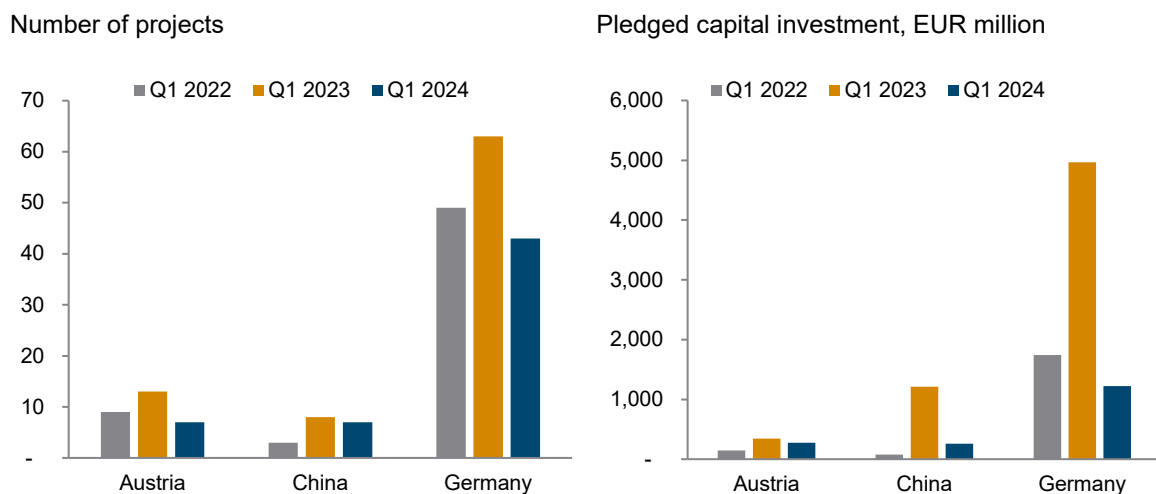


Source: fDi Markets.

The results for Q1 2024 suggest that China may have started to lose interest in investing in the region (Figure 12). It announced fewer greenfield investment projects than in Q1 2023, and the value of the capital pledged was lower than that pledged by Germany or Austria. Romania and Serbia accounted for about two thirds of the value of pledged capital from China during Q1 2024.

Austria and Germany appear to have started to reduce their exposure in the region as well: in Q1 2024 they both announced fewer greenfield projects and pledged a lower capital value in the region than in the same period last year.

**Figure 12 / Greenfield investment commitments of Austria, Germany and China in CESEE in Q1 2022, Q1 2023 and Q1 2024**



Source: fDi Markets.

## THE REGION APPEARS TO BE LOSING ITS INVESTMENT ATTRACTIVENESS FOR GERMANY

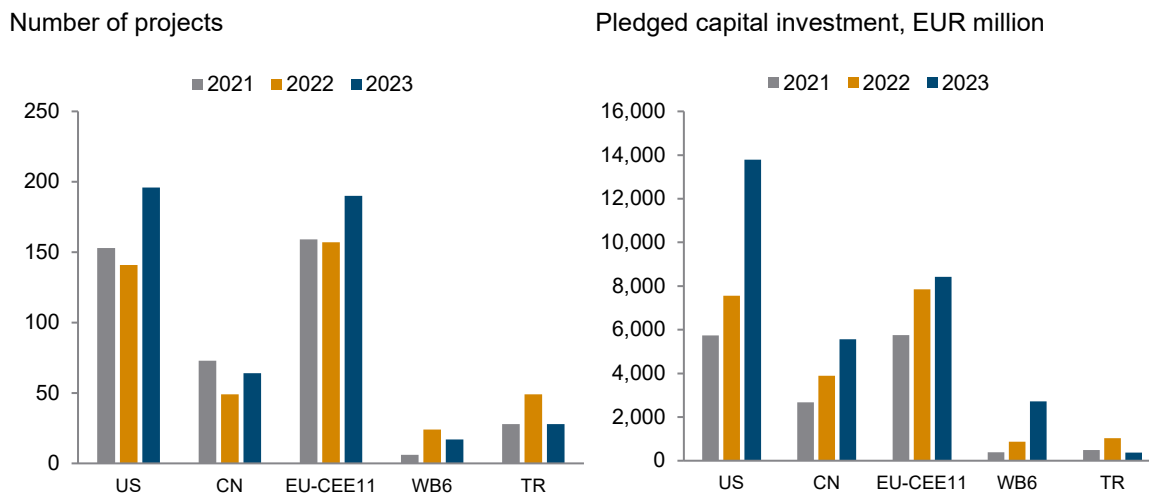
Although in 2023 Germany increased both the number of greenfield investment projects announced in EU-CEE and the capital pledged, the US became a more important destination for German investors, overtaking the sub-region in both respects (Figure 13). The difference is especially striking in terms of capital value: while the capital investment pledged by Germany increased by 7% in EU-CEE, the amount it pledged in the US grew by 82% (both figures year on year). This was largely a result of strong economic performance in the US and of the fact that the country offered more than USD 400bn in tax credits, loans and subsidies under the Inflation Reduction Act and the CHIPS and Science Act, with the aim of rebuilding US manufacturing and speeding up the energy transition.<sup>1</sup> German companies announced 253 greenfield investment projects in the US in 2023, many of them in the manufacturing sector. The largest was a USD 2bn investment by Volkswagen's Scout Motors electric vehicle subsidiary in Columbia, South Carolina.

<sup>1</sup> <https://www.ft.com/content/bca7837a-6ac4-4ed1-ab73-18fbdfa5f1da>



China likewise benefited from faster growth in the amount of capital pledged by Germany: in 2023 this rose by 43% year on year, compared to 7% for German pledges to EU-CEE. One of the main driving forces behind such a rapid expansion is the issue of energy supply in Germany following the cessation of its imports of Russian gas. China has been offering access to cheaper green energy, as well as tax incentives for foreign investors. This has led many German companies, especially in the chemicals sector, to (re)locate their production facilities and invest in green technologies there. Access to large amounts of environmentally friendly energy was cited by BASF, one of the world's largest chemical companies, as one of its reasons for choosing China as the location for its EUR 10bn investment in the construction of modern petrochemicals plants.<sup>2</sup>

**Figure 13 / Germany's greenfield investment commitments in selected regions**



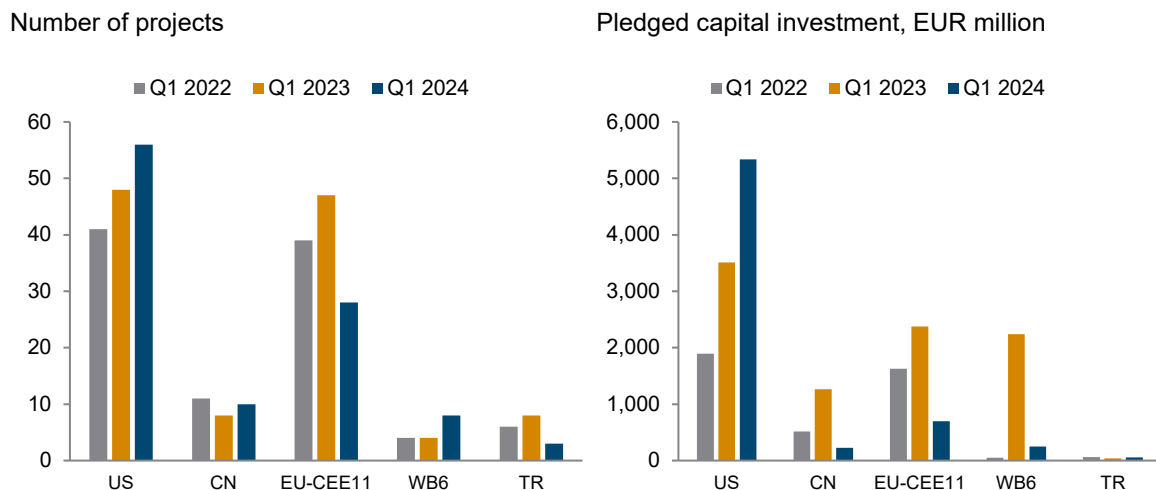
Source: fDi Markets.

In 2023, Germany also reduced its exposure in the Western Balkans and Turkey, in terms of the number of its greenfield investment projects. Still, the Western Balkans saw the value of greenfield investment projects announced by Germany more than double, pointing to the relatively high capital intensity of the investment projects, especially in the renewable energy sector. In Turkey, though, the value of capital pledged in 2023 fell even more sharply than the number of projects.

The results for Q1 2024 show even more striking trends (Figure 14). While Germany continued to expand its greenfield investment in the US – in terms of both the number of projects and the value of the capital pledged – EU-CEE saw a decline across these two indicators. Pledged capital investment attracted by the US in Q1 2024 was more than seven times greater than that attracted by EU-CEE. The Western Balkans stand out as a sub-region where the number of greenfield investment projects by German companies picked up in Q1 2024; however, the value of the projects declined significantly compared to Q1 2023.

<sup>2</sup> <https://www.ft.com/content/d9606bf0-a0e1-454c-aaf3-0a32617d7e9a>

**Figure 14 / Germany's greenfield investment commitments in selected regions in Q1 2022, Q1 2023 and Q1 2024**



Source: fDi Markets.

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# Forecasts of main economic indicators for Central, East and Southeast Europe for 2024-2026

Table 1 / Real GDP growth and revisions since April 2024

Region		2024	2025	2026
<b>EU-CEE</b>				
BG	Bulgaria	2.0	2.5	3.0
CZ	Czechia	1.2	2.5	2.7
EE	Estonia	0.4	3.0	3.6
HR	Croatia	2.9	2.7	3.0
HU	Hungary	1.9	2.4	2.9
LT	Lithuania	1.5	2.2	2.6
LV	Latvia	1.6	2.5	2.7
PL	Poland	3.1	3.4	3.3
RO	Romania	2.8 ▼	3.2 ▼	3.6 ▼
SI	Slovenia	2.5	2.6	2.6
SK	Slovakia	2.0 ▲	2.2	2.6
<b>Western Balkans</b>				
AL	Albania	3.6	3.7	3.4
BA	Bosnia and Herzegovina	2.5	2.9	3.4
ME	Montenegro	4.2	3.7	3.5
MK	North Macedonia	2.2	2.6	3.0
RS	Serbia	3.0	3.3	3.5
XK	Kosovo	3.5	3.7	3.6
<b>Turkey</b>				
TR	Turkey	3.4	4.0	4.5
<b>CIS+UA</b>				
BY	Belarus	2.0	2.3	2.5
KZ	Kazakhstan	4.7	4.9	4.9
MD	Moldova	3.5	3.5	4.0
RU	Russia	2.8	2.5	2.3
UA	Ukraine	3.0 ▼	4.0 ▼	4.5 ▼

Note: Cut-off date: 15 May 2024. Colour scale variation from the minimum (grey) to the maximum (gold). Arrow signifies direction of revisions since April 2024.

Source: wiiw.

**Table 2 / CPI growth and revisions since April 2024**

Region		2024	2025	2026
<b>EU-CEE</b>				
BG	Bulgaria	4.0 ▲	3.0	3.0
CZ	Czechia	2.0	2.2	2.2
EE	Estonia	3.5	2.8	2.4
HR	Croatia	3.5	2.9	2.5
HU	Hungary	5.2	4.0	3.5
LT	Lithuania	1.5	2.3	2.5
LV	Latvia	1.4	2.2	2.7
PL	Poland	4.5	3.5	2.8
RO	Romania	6.0 ▲	4.5 ▲	3.5
SI	Slovenia	3.3	2.4	2.2
SK	Slovakia	2.2	3.4	3.4
<b>Western Balkans</b>				
AL	Albania	3.0	2.5	2.4
BA	Bosnia and Herzegovina	2.8	2.5	2.0
ME	Montenegro	4.5	3.0	2.5
MK	North Macedonia	3.5	3.0	2.5
RS	Serbia	4.5	3.5	2.8
XK	Kosovo	3.5	2.5	2.2
<b>Turkey</b>				
TR	Turkey	59.0	31.0	26.0
<b>CIS+UA</b>				
BY	Belarus	8.0	7.0	6.0
KZ	Kazakhstan	8.5	6.5	6.0
MD	Moldova	5.0	5.0	5.0 ▲
RU	Russia	7.2	4.5	3.7
UA	Ukraine	8.0	6.0	6.0

Note: Cut-off date: 15 May 2024. Colour scale variation from the minimum (gold) to the maximum (grey). Arrow signifies direction of revisions since April 2024.

Source: wiiw.

**Table 3 / Unemployment rate in % (LFS) and revisions since April 2024**

Region		2024	2025	2026
<b>EU-CEE</b>				
BG	Bulgaria	4.2 ▲	4.1	4.0
CZ	Czechia	3.0	2.6	2.6
EE	Estonia	7.3 ▼	6.2	5.6
HR	Croatia	6.1	6.0	6.0
HU	Hungary	4.0	3.8	3.5
LT	Lithuania	6.5	6.3	6.0
LV	Latvia	6.3	6.0	5.8
PL	Poland	2.8	3.0	3.1
RO	Romania	5.5	5.4	5.2
SI	Slovenia	3.7	3.6	3.5 ▼
SK	Slovakia	5.8	5.6	5.4
<b>Western Balkans</b>				
AL	Albania	10.4	10.0	9.7
BA	Bosnia and Herzegovina	12.9	12.7	12.4
ME	Montenegro	11.0	10.0	9.0
MK	North Macedonia	12.5	11.8	11.0
RS	Serbia	9.0	8.5	8.0
XK	Kosovo	12.3	12.0	11.5
<b>Turkey</b>				
TR	Turkey	10.0	10.5	10.0
<b>CIS+UA</b>				
BY	Belarus	3.4 ▼	3.3 ▼	3.3 ▼
KZ	Kazakhstan	4.6	4.5	4.4
MD	Moldova	4.0	3.8	3.5
RU	Russia	2.7 ▼	2.5 ▼	2.4 ▼
UA	Ukraine	15.0	10.0	9.0

Note: Cut-off date: 15 May 2024. Colour scale variation from the minimum (gold) to the maximum (grey). Arrow signifies direction of revisions since April 2024.

Source: wiiw.

**Table 4 / Current account as % of GDP and revisions since April 2024**

Region		2024	2025	2026
<b>EU-CEE</b>				
BG	Bulgaria	-0.2 ▼	-0.6	-0.9
CZ	Czechia	0.4	0.8	1.4
EE	Estonia	-2.0	-1.7	-1.8
HR	Croatia	0.2	1.0	1.3
HU	Hungary	0.0	0.2	0.4
LT	Lithuania	2.2	2.8	2.5
LV	Latvia	-3.1	-4.6	-5.7
PL	Poland	0.5	-1.2	-1.0
RO	Romania	-6.5	-6.0	-6.0
SI	Slovenia	5.5 ▲	5.0 ▲	4.3 ▲
SK	Slovakia	-1.3	-0.9	-1.0 ▲
<b>Western Balkans</b>				
AL	Albania	-1.4	-1.3	-1.4
BA	Bosnia and Herzegovina	-3.6	-3.1	-3.0
ME	Montenegro	-10.7	-10.6	-10.4
MK	North Macedonia	-0.8	-1.9	-2.4
RS	Serbia	-2.7	-2.9	-2.9
XK	Kosovo	-8.6	-8.7	-8.5
<b>Turkey</b>				
TR	Turkey	-3.1	-2.7	-2.3
<b>CIS+UA</b>				
BY	Belarus	-2.1	-1.3	-0.9
KZ	Kazakhstan	-2.3	-1.5	-0.5
MD	Moldova	-9.7	-8.9	-8.1
RU	Russia	3.3	3.2	3.0
UA	Ukraine	-4.0 ▲	-4.5 ▲	-6.0 ▲

Note: Cut-off date: 15 May 2024. Colour scale variation from the minimum (grey) to the maximum (gold). Arrow signifies direction of revisions since April 2024.

Source: wiiw.

Table 5 / Fiscal balance as % of GDP and revisions since April 2024

Region		2024	2025	2026
<b>EU-CEE</b>				
BG	Bulgaria	-4.0 ▼	-3.0	-3.0
CZ	Czechia	-2.5	-2.0	-1.5
EE	Estonia	-3.6	-4.5	-3.7
HR	Croatia	-2.0	-1.4	-1.2
HU	Hungary	-5.0	-4.0	-3.5
LT	Lithuania	-2.5	-2.5	-2.3
LV	Latvia	-2.8	-2.3	-2.0
PL	Poland	-5.4	-5.3	-5.3
RO	Romania	-6.0 ▼	-4.3	-3.5
SI	Slovenia	-3.5	-2.0	-0.6
SK	Slovakia	-6.0	-5.0	-4.0
<b>Western Balkans</b>				
AL	Albania	-1.5	-1.5	-1.0
BA	Bosnia and Herzegovina	-0.5	-0.7	-1.0
ME	Montenegro	-6.0	-6.0	-6.0
MK	North Macedonia	-4.0	-3.0	-2.5
RS	Serbia	-2.0	-1.5	-1.0
XK	Kosovo	-1.0	-1.0	-2.0
<b>Turkey</b>				
TR	Turkey	-4.0 ▼	-3.0	-3.0
<b>CIS+UA</b>				
BY	Belarus	-1.5	-1.0	-1.0
KZ	Kazakhstan	-2.3	-2.0	-2.0
MD	Moldova	-4.0	-3.5	-3.0
RU	Russia	-1.2 ▲	-1.5	-1.0
UA	Ukraine	-17.0	-15.0	-12.0

Note: Cut-off date: 15 May 2024. Colour scale variation from the minimum (grey) to the maximum (gold). Arrow signifies direction of revisions since April 2024.

Source: wiiw.



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