

The Vienna Institute for International Economic Studies (WiiW) estimated today that the economic growth of 23 countries in Central, Eastern and South-Eastern Europe in 2022 will amount to 3.2 percent, and that the decline compared to last year can be attributed to weaker forecasts for two the largest economies in the region - Russia and Turkey.

In the latest winter forecast for 2022 and for Serbia, with 4.9 percent, the institute predicts slightly lower growth than in 2021, but still one of the largest in the region and slightly better than the estimated 4.6 percent in the last autumn forecast.

The projected average economic growth of the entire CESEE region of 3.2 percent is a decrease compared to last year's 5.7 percent, which is mostly due to weak forecasts for Russia of 2 percent and Turkey of 3.5 percent, reports the portal Euractive Serbia.

Economic growth is estimated to remain relatively strong in the Visegrad Group countries, Poland, the Czech Republic, Hungary and Slovakia, for which the institute expects growth of 4.6 percent in 2022 and 4.4 percent in 2023.

It is estimated that the economic consequences of the corona virus pandemic will remain limited, although the number of those infected in many Eastern European countries remains dramatic. However, in these countries, the low vaccination rate and the relatively old population, despite the milder omicron strain, still pose a risk to the economy.

"In the case of Russia, the prospect of new US economic sanctions in the event of an armed conflict in Ukraine and long-known structural weaknesses is blurred," said WiiW deputy director and lead author of the winter forecast, Richard Grieveson.

In Turkey, as he explained, with the collapse of the Turkish lira, the economic boom that the country has been going through in the past years also collapsed, and very high inflation limits the possibilities of the country's economic growth.

Compared to the autumn forecast, the institute has slightly adjusted its forecasts for the region of Central, Eastern and Southeastern Europe for 2022 and 2023. So this year, it slightly improves the forecast for Bulgaria to 3.8 percent, for the Czech Republic 4.0 percent, Serbia 4.9 percent and for Northern Macedonia to 3.5 percent.

In addition to Russia and Turkey, the forecast was reduced for Bosnia and Herzegovina, to 2.5 percent, and for Slovakia, to 3.0 percent.

Source: novimagazin.rs