

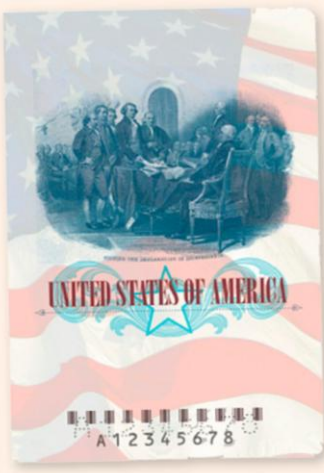
NLB Investor Day, 7 May 2026, Sarajevo

Economic Opportunities and Challenges in Southeast Europe

Mario Holzner, wiiw Director



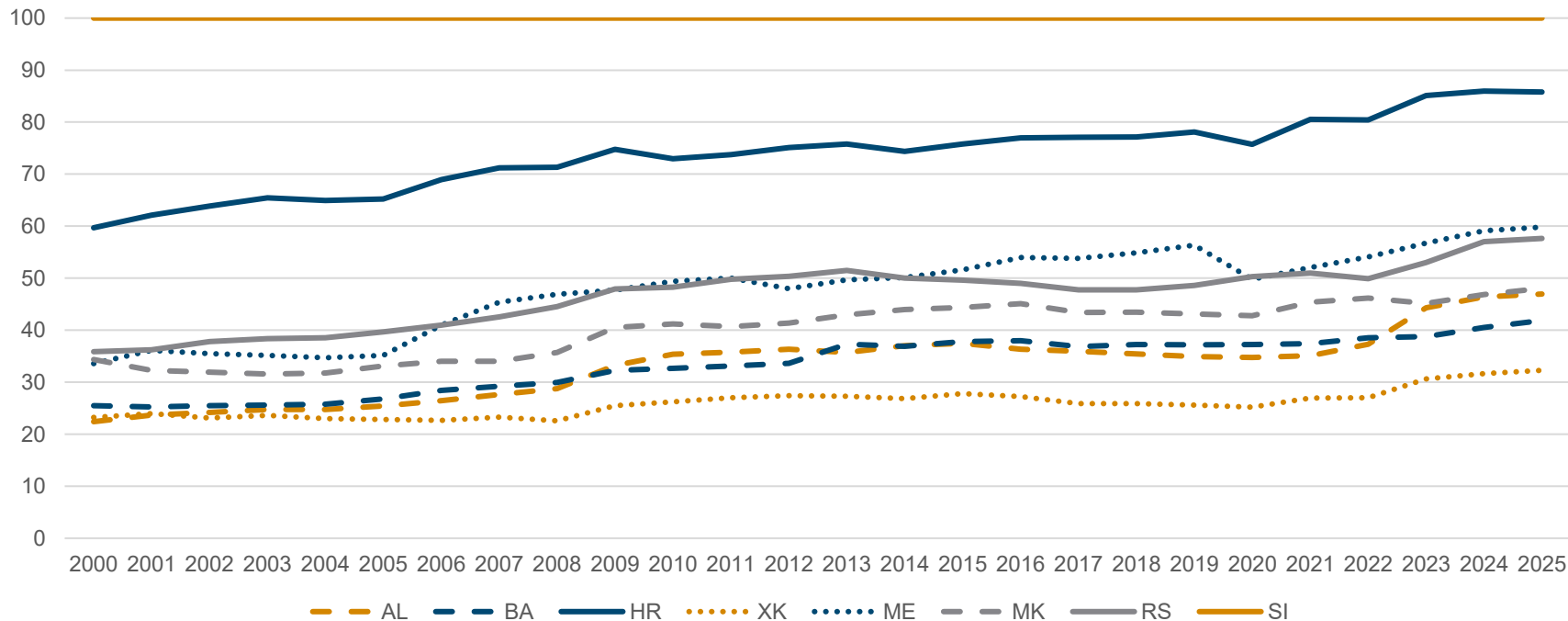
www.linkedin.com/in/holzner



Source: Guy Chazan, „Trump is remaking America in his image“, Financial Times, 02.05.2026.

SEE converging rapidly, with Slovenia now above 90% of EU income

GDP per capita, PPP, in % of Slovenia

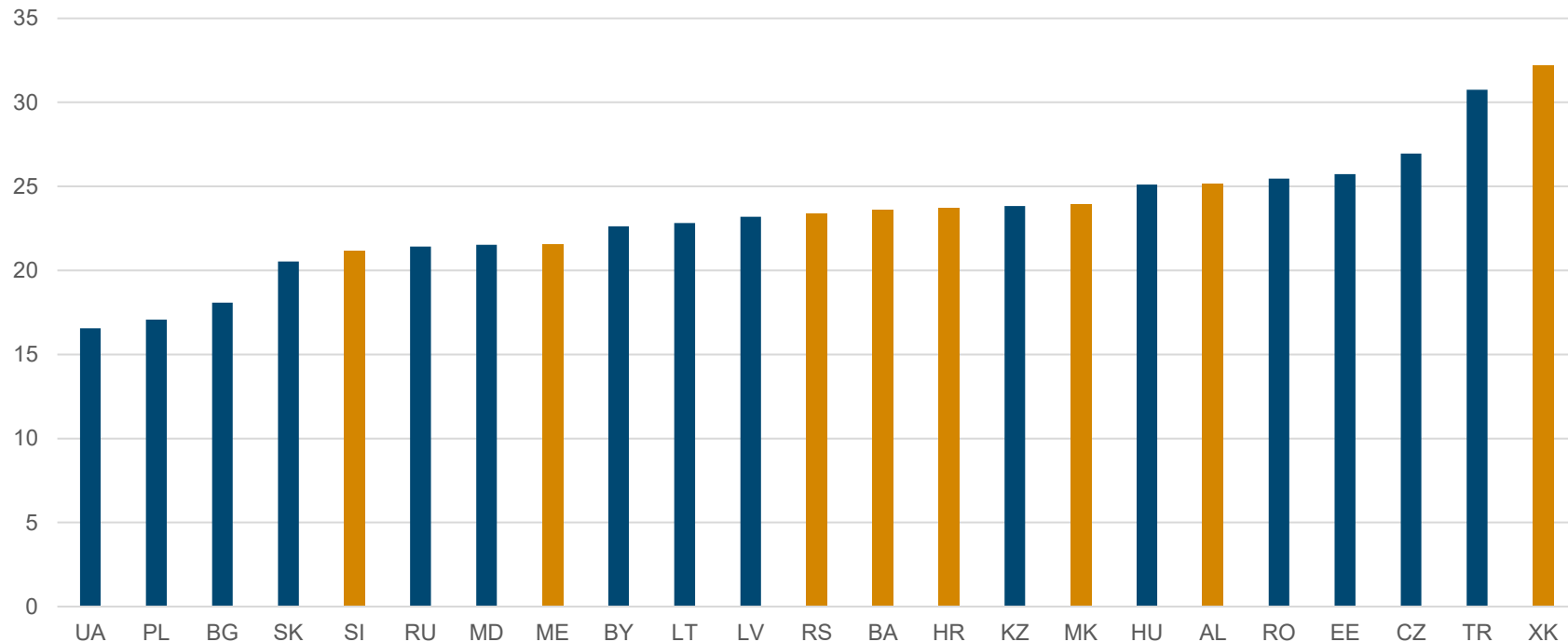


Source: wiiw Annual Database.



More recently, SEE is investing above the CESEE regional average

Gross Fixed Capital Formation, in % of GDP, 2021-2025

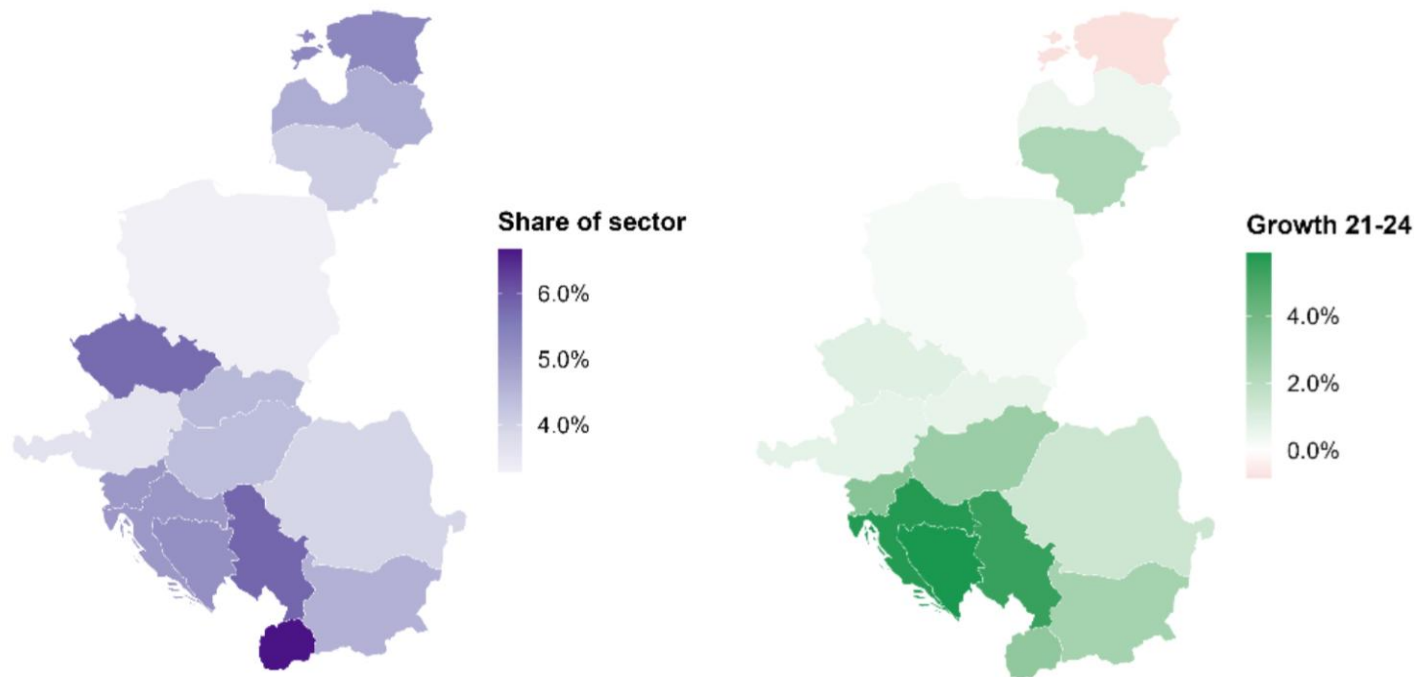


Source: wiiw Annual Database.



In SEE, the digital economy start-up base is strong and growing

CESEE Digital Economy, small-sized enterprises (Enterprises with 10-49 employees), 2024, 2021-2024



Source: Bykova, Guadagno, Gutzianas, Holzner (2026).

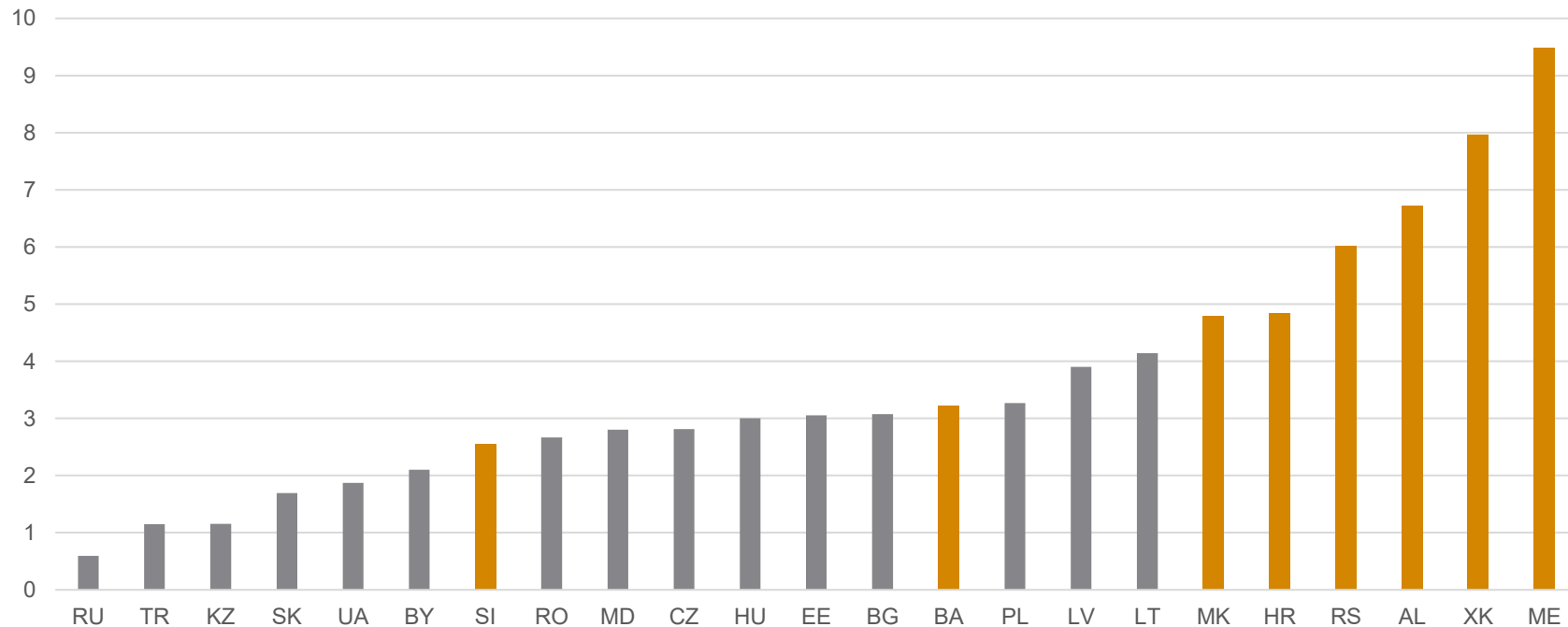
The logo icon is a circular emblem with a vibrant, multi-colored gradient. The colors transition from a deep purple at the top, through a bright pink, to a light blue at the bottom. Inside the circle, there is a stylized, abstract shape that resembles a flame or a drop, also following the same color gradient.

pixyle.ai

(**PIXels** + **stYLE**)

The SEE region is the frontrunner among its peers in FDI attraction

FDI inflows, in % of GDP, 2021-2025



Source: wiiw FDI Database.

EU - Western Balkans Summit

Brussels - 17 December 2025



EU-Western Balkans Summit



EU-Western Balkans

Brussels - 17 December 2025



EU-Western Balkans Summit



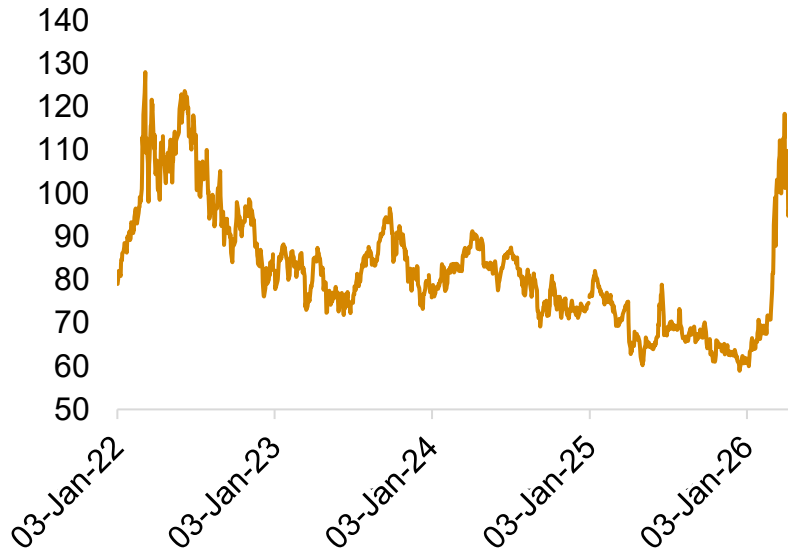
EU-Western Balkans

Brussels - 17 December 2025

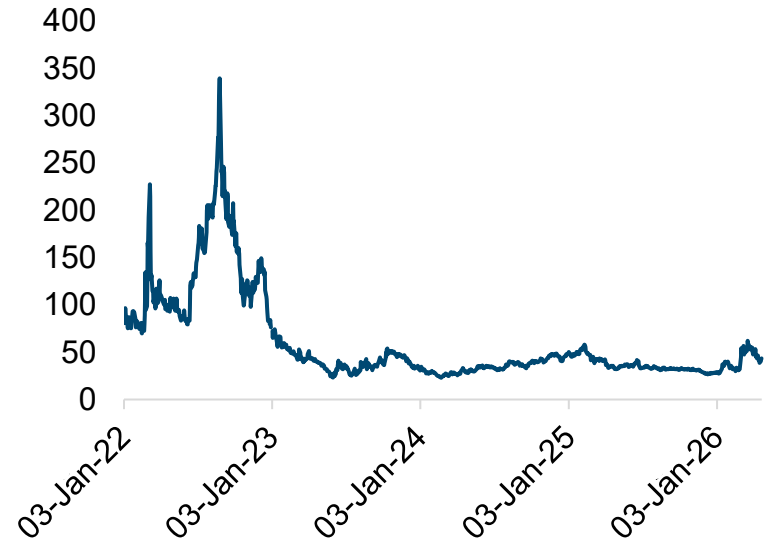


Short-term-Iran-shock: Some upward pressure on prices, risks of supply problems, hit to confidence, but only oil looks like 2022 so far

Brent crude, front-month contract, US\$ per barrel



ICE Dutch TTF Gas Base Load Futures, Euros/MWh)



Sources: ICE, Drewry Shipping Consultants.

SPRING 2026

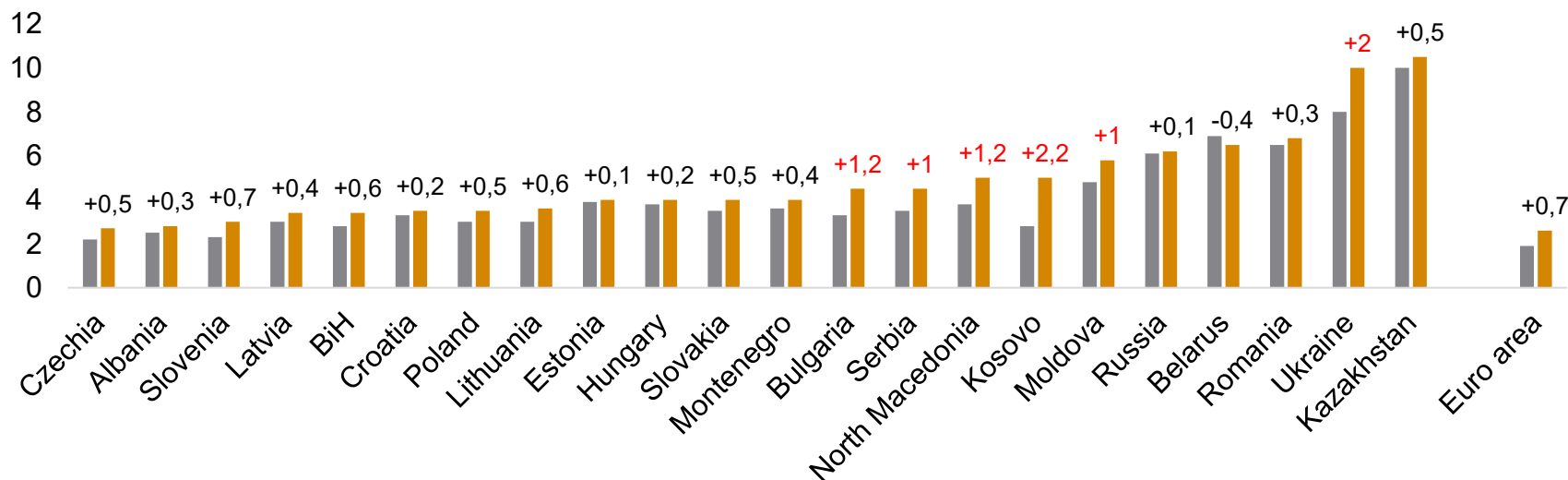
Forecast Report

Growth model adapting under pressure

Economic Analysis and Outlook for Central, East
and Southeast Europe

Inflation revised up almost everywhere in 2026, but especially strongly in SEE, but still a long way from 2022 in baseline scenario

Consumer price inflation, % 2026, baseline scenario



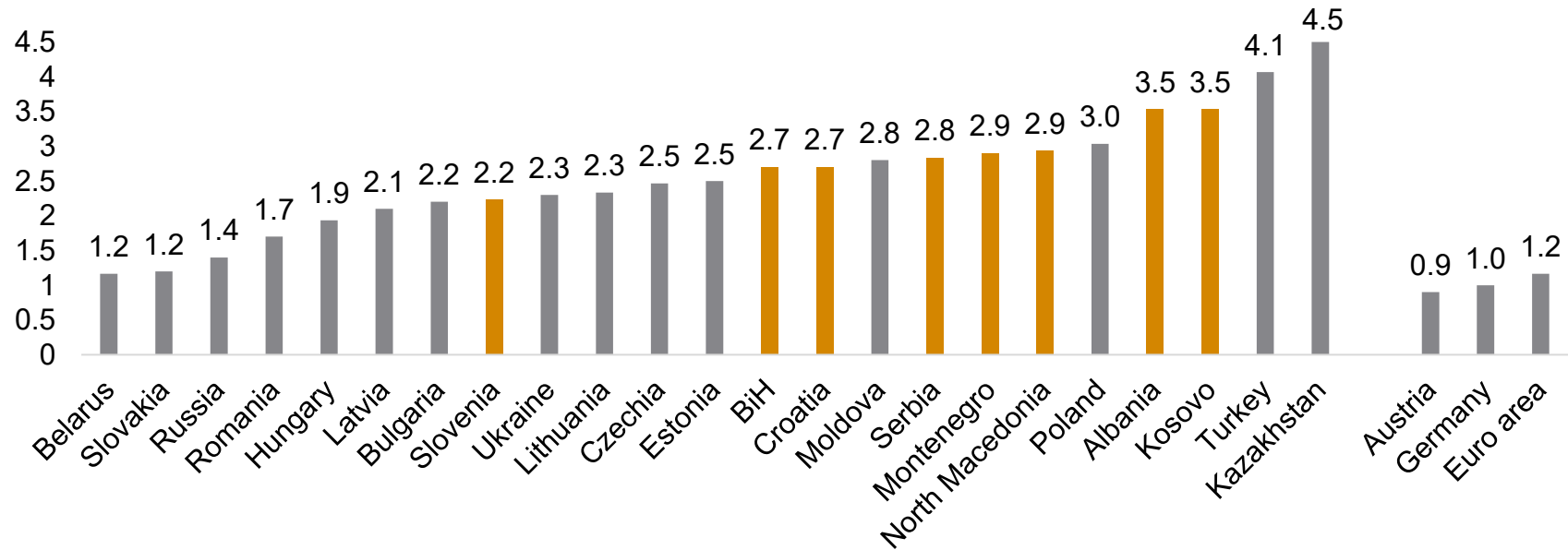
Note: Numbers show revision between forecasts in percentage points.

Source: wiiw Spring 2026 forecasts, baseline scenario.

■ Winter forecast ■ Spring forecast

Regional growth outlook: Still positive, especially in SEE. Resilience but differentiation.

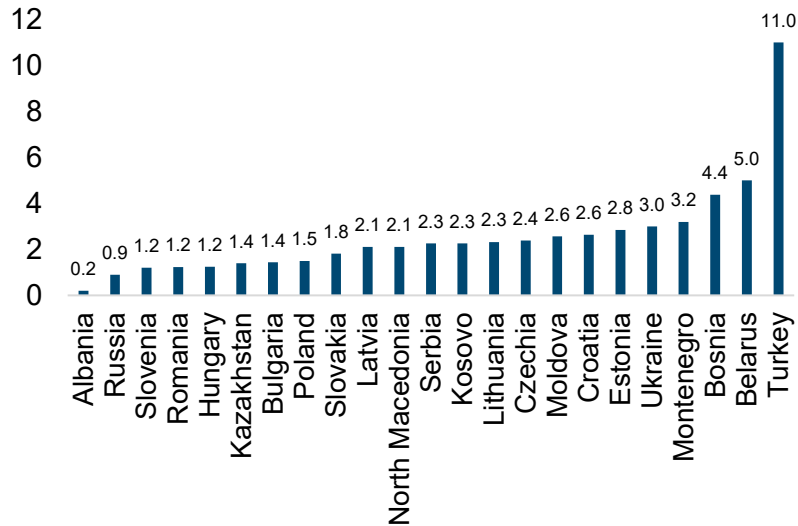
Real GDP growth, % per year, 2026-2028 average



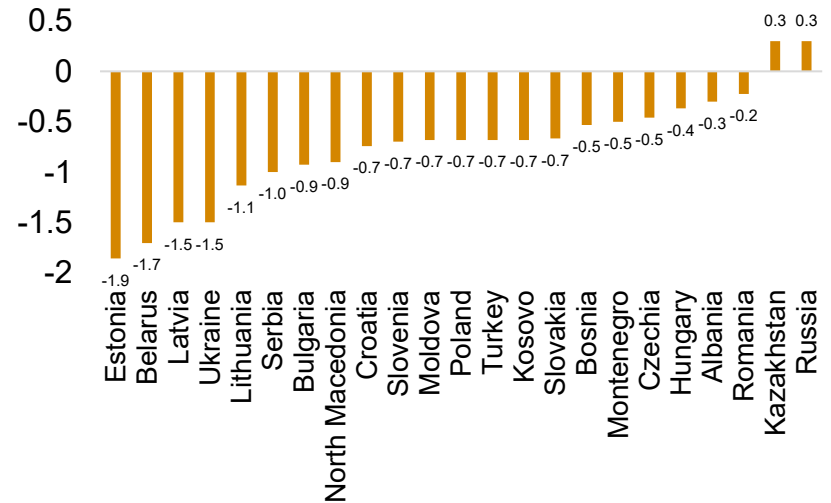
Source: wiiw Spring 2026 forecasts, baseline scenario, and IMF Spring 2026 WEO.

In negative scenario, Turkey, Baltic states, Belarus, Ukraine and parts of SEE most exposed. Energy producers will fare best.

2026 inflation forecast in negative scenario, difference versus baseline, percentage points



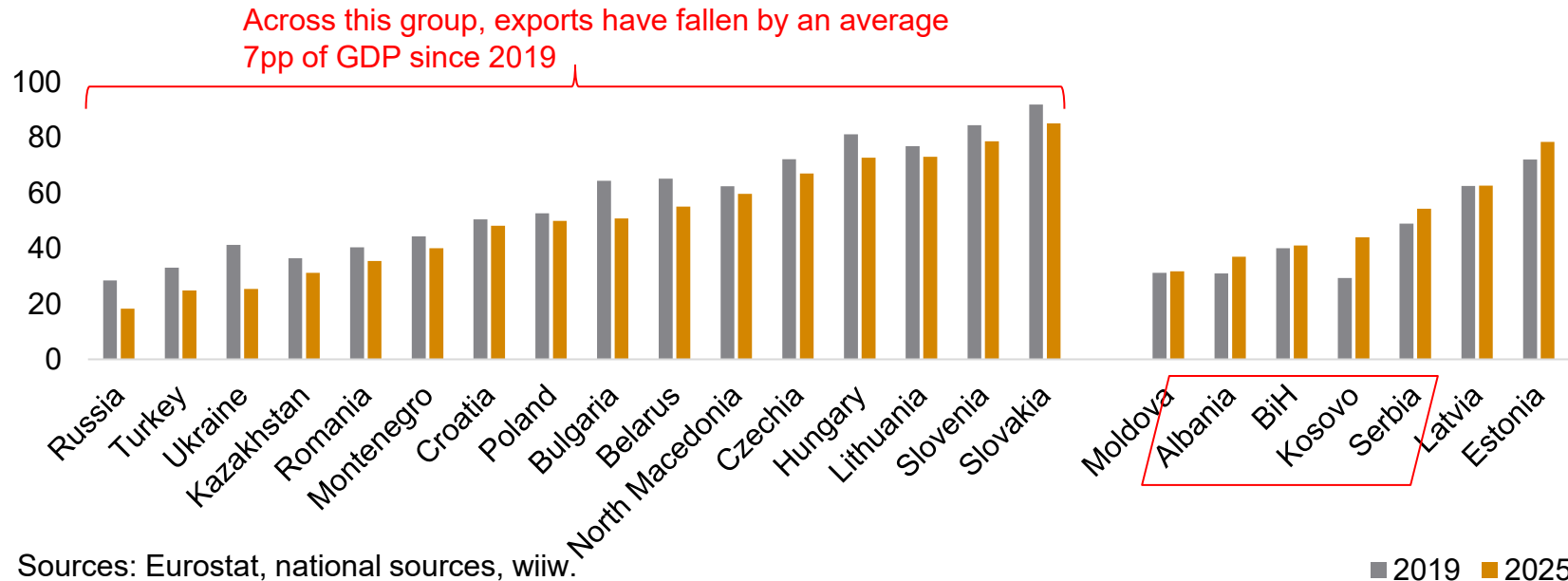
2026 growth forecast in negative scenario, difference versus baseline, percentage points



Source: wiiw Spring 2026 forecasts, negative scenario.

Due to strong wage growth, exports less important (except in parts of SEE), as other sectors of economy have done better

Exports of goods and services, % of GDP

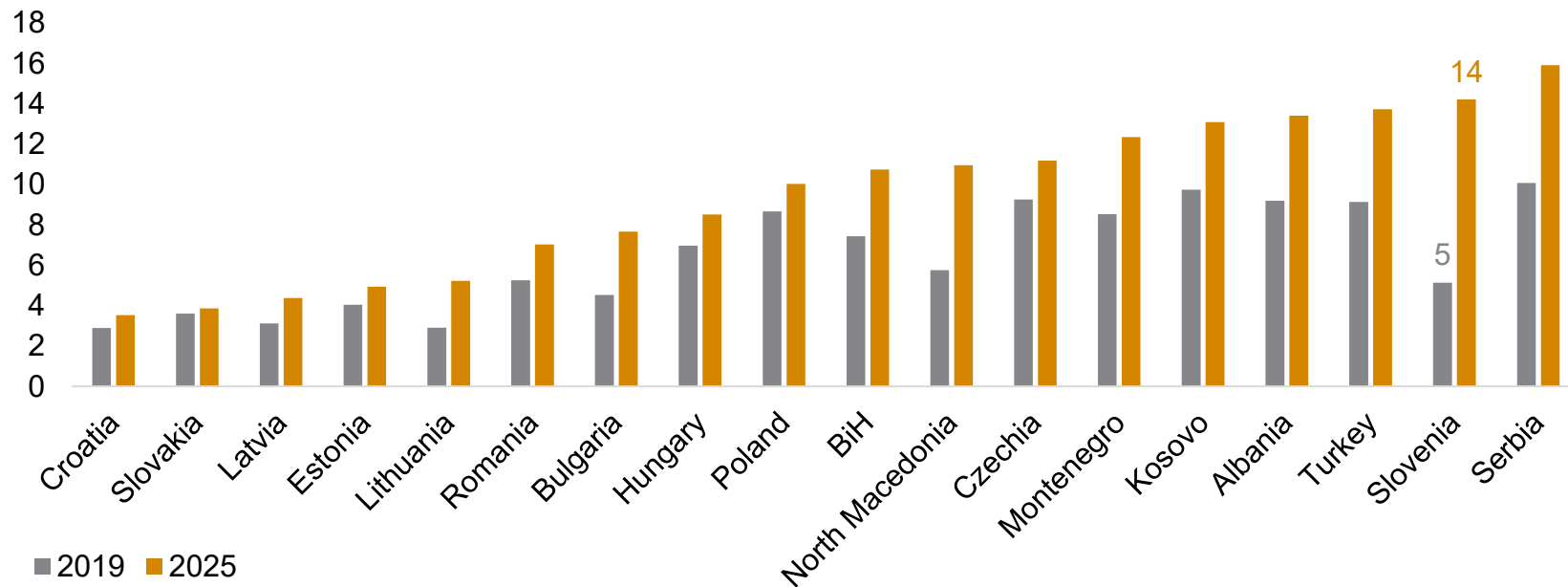


Sources: Eurostat, national sources, wiiw.

■ 2019 ■ 2025

China is taking market share at a rapid rate: „China 2.0“ shock

Merchandise imports from China, % of total



Conclusions

1. The SEE convergence story is intact. Region showing its resilience, as investment in infrastructure is strong.
2. The digital economy is developing well and FDI is pouring heavily into the region, as EU accession prospects are improving.
3. Inflation is back, and much of the impact will only come with a lag, even if energy prices stabilise now.
4. Iran shock is a negative hit for the region's economies, but also accelerates existing structural changes.
5. Growth model is changing due to demographics and geopolitics: Wealthier consumers, new/higher investment needs, fiscal constraints, challenges for exporters.

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Thank you for your attention!

Mario Holzner, wiiw Director



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