EUROPE and CENTRAL ASIA

Growth in Europe and Central Asia (ECA) is estimated to have sharply decelerated in 2022, to 0.2 percent, and is projected to remain essentially unchanged at 0.1 percent in 2023. This weakness largely reflects contraction in the Russian Federation in both years and a deep recession in Ukraine in 2022. Excluding these two economies, output in ECA is forecast to grow by a modest 2.1 percent in 2023. Disruptions to the supply of energy in Europe, related to the Russian invasion of Ukraine, and synchronous monetary policy tightening have dampened economic activity, affecting ECA's economies both directly and through spillovers from the euro area. The near-term economic outlook remains especially uncertain, with risks to the baseline forecast tilted to the downside. These risks include an additional tightening of global financial conditions, financial turmoil, and worsening energy shortages.

Recent developments

As a result of the Russian Federation's invasion of Ukraine, growth in Europe and Central Asia (ECA) is estimated to have slowed sharply in 2022, to 0.2 percent (figure 2.2.1.A). This reflects contraction in Russia and a deep recession in Ukraine. Excluding these two countries, growth in ECA nearly halved in 2022, to an estimated 4.2 percent, with broad-based deceleration across the region.

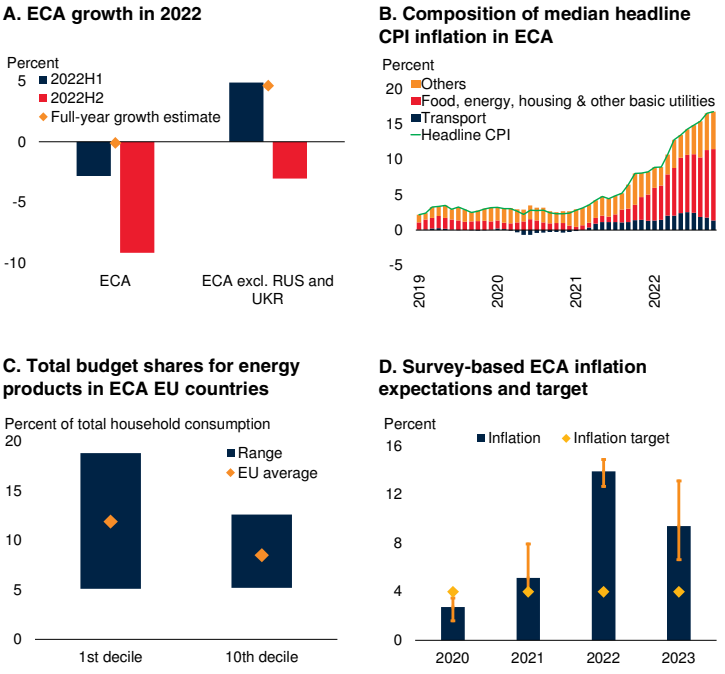
The economic slowdown in ECA was less pronounced than initially anticipated. Instead of contracting in 2022, output grew at a meager pace. In many economies, an upward revision for 2022 reflected stronger-than-projected growth in the euro area in the first half of the year, a quicker-than-expected rebound in international travel as economies reopened, and additional government measures that helped shield households and firms from sharp increases in food and energy prices. The improvement, however, varied across ECA. A surge in capital and migrants from Russia, as well as a possible rerouting of some trade and financial flows, helped fuel domestic demand and services exports in several economies, particularly in the South Caucasus. In energy exporters, higher energy prices supported activity and fiscal balances. In other economies, however, upward revisions for 2022 were more modest amid large spillovers from the invasion of Ukraine. The slowdown in 2022, while smaller than expected, still left regional output 3.2 percent below pre-pandemic trends after the gap was almost closed at the start of the year.

The Russian economy contracted by an estimated 3.5 percent in 2022—steeper than the pandemic-related recession of 2020—as falling real wages eroded consumer spending and investment was dampened by international sanctions as a result of the invasion of Ukraine. Voluntary withdrawals by foreign businesses and intense uncertainty further weighed on activity. The estimated fall in output is much smaller than previously projected, however, partly owing to larger than expected fiscal support packages. Oil production was also higher than expected, with exports diverted at discounted prices to purchasers outside Europe. Financial market conditions stabilized faster than previously assumed due to a combination of rapidly enacted and extensive capital controls and liquidity operations. Maintenance of the ruble's exchange rate helped to contain inflation and losses in real income. The partial mobilization of troops in September and October, however,

Note: This section was prepared by Collette Mari Wheeler.

FIGURE 2.2.1 ECA: Recent developments

Growth in Europe and Central Asia sharply fell in 2022, with much of the weakness reflecting declines in output in the Russian Federation and Ukraine. Despite early monetary policy tightening, inflation accelerated to multidecade highs in 2022, driven in large part by supply-side disruptions from the invasion. In the near term, inflation is likely to continue to exceed central bank targets, weigh on activity, and erode incomes, particularly for poorer households.



Sources: Ari et al. (2022); Consensus Economics; Haver Analytics; International Monetary Fund; World Bank.

Note: ECA = Europe and Central Asia; RUS = Russian Federation; UKR = Ukraine.

A. Growth for 2022H1 (2022H2) is calculated taking the period average of 2022Q1 and 2022Q2 (2022Q3 and 2022Q4). Quarterly growth rates are seasonally adjusted annual rates. Balanced sample includes 10 ECA economies given data availability, and thus may differ from aggregates presented in table 2.2.1.

B. Contributions to year-on-year headline CPI inflation. Line shows year-on-year headline CPI inflation. Sample size includes 19 ECA economies. Last observation is October 2022.

C. International Monetary Fund staff estimates using the Carbon Pricing Assessment Tool based on Ari et al. (2022). Energy products include coal, electricity, natural gas, oil, gasoline, diesel, kerosene, and liquefied petroleum gas. The budget share is calculated based on household budget surveys and is assumed to be constant over time.

D. Consensus forecast median headline CPI inflation for 2022-23 based on December 2022 surveys of 16 ECA economies. Inflation target is a median of 13 ECA economies. Whiskers show 25th and 75th percentile.

weighed on domestic demand and is likely to lead to rising labor market pressures due to the uptick in emigration.

In Ukraine, economic activity has been seriously disrupted by Russia's invasion, with output estimated to have contracted by 35 percent in 2022. This is an upward revision from the 45 percent decline projected last June, reflecting a partial resumption of grain exports through the Black Sea, some improvement in economic activity after the liberation of northern regions, and a swifter containment of the conflict to eastern Ukraine. The positive net effect of these developments, however, has likely diminished following Russia's partial annexation of regions in eastern and southern Ukraine and continued shelling and destruction of energy infrastructure. Moreover, the war has led to the largest human displacement crisis in the world, with one-third of Ukraine's population of 44 million people estimated to have been displaced (UNHCR 2022).

In Türkiye, last year's growth exceeded expectations, with output expanding by an estimated 4.7 percent. A tripling of the minimum wage between December 2021 and January 2023 and a rebound in tourism helped support activity and offset drags from multidecade-high inflation, significant currency depreciation, and swelling external liabilities amid rising net errors and omissions. Although the rate of nonperforming loans (NPLs) remained stable, the overall level of distressed debt (NPLs plus debt at risk of default) rose sharply in 2022. The central bank lowered its policy rate further, to 9 percent in November, even as inflation remained about 85 percent, driving the lira to new record lows. Although cuts to the policy interest rate have totaled 1,000 basis points since mid-2021, interest rates for bank loans have risen, with interest rates on consumer and commercial loans about triple and less than double, respectively, the official policy interest rate.

Median headline inflation in ECA surged in 2022—more sharply than in any year since 1998—as rising commodity prices, particularly for energy and food, and currency depreciations passed through to consumers in many economies (figure 2.2.1.B). High energy and food prices carved into incomes, especially for the poorest households (figure 2.2.1.C). Inflation continued to significantly exceed central bank targets throughout the region (figure 2.2.1.D). Moreover, core inflation accelerated rapidly, raising concerns that higher inflation could become embedded into wage and price-setting behavior. Although more than 80 percent of the region's central banks raised their policy rates in 2022, real interest rates remained negative in most ECA countries.

Higher energy prices have translated directly into larger import bills and wider current account deficits in energy-importing economies. They have also generated sizable fiscal costs in several countries because of fossil fuel subsidies, price caps, and support to households and firms. In Central Europe and the Western Balkans, the costs of fiscal support measures in response to high energy prices are estimated to have exceeded 1.5 percent of GDP, on average, in the year to mid-2022, ranging from less than 1 percent of GDP in Serbia to about 3 percent in Bulgaria, mostly reflecting price controls and subsidies (Ari et al. 2022).

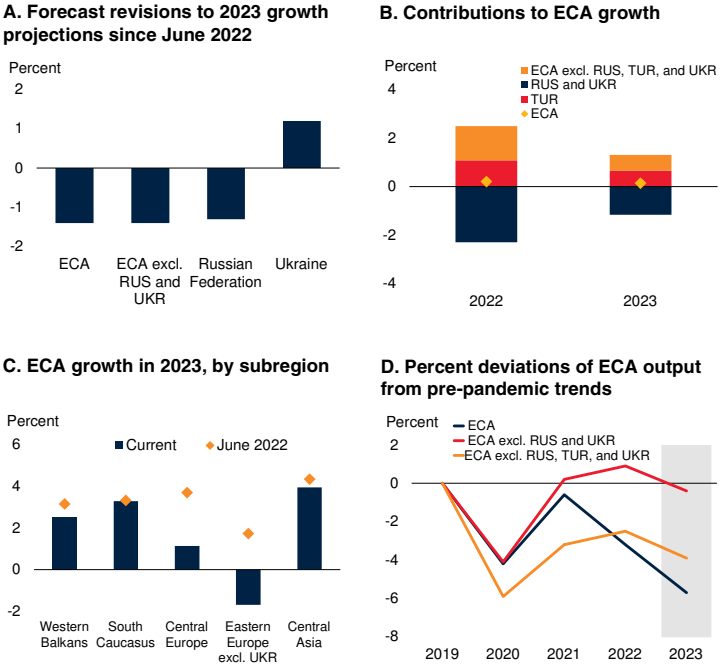
Outlook

Output in ECA is projected to remain virtually flat in 2023, with growth of only 0.1 percent—a downward revision of 1.4 percentage points since June 2022 (table 2.2.1). Although much of the projected weakness in regional growth this year emanates from a further output decline in Russia, forecasts for 2023 growth have been downgraded for over 80 percent of ECA's economies (figures 2.2.2.A and 2.2.2.B; table 2.2.2). This deterioration in the near-term outlook mainly reflects the impact from Russia's cutoff of energy supplies to the European Union (EU) and additional monetary policy tightening in the euro area. These developments have adversely affected ECA's economies, particularly in Central Europe, through high energy costs and weaker external demand for ECA goods and services (figure 2.2.2.C; chapter 1). Recession in Russia and subdued growth in China are anticipated to weigh on activity, especially in the South Caucasus and Central Asia. Regional activity is also expected to continue to be dampened by tightening financing conditions as central banks grapple with above-target inflation. In all, output in 2023 is expected to fall 5.7 percent below pre-pandemic trends (figure 2.2.2.D).

The baseline projections for ECA growth assume that the war in Ukraine persists in the near term, with no further escalation in the intensity of warfare. The projections also assume that sanctions on Belarus and Russia remain in place through the forecast period. Energy prices are assumed to moderate from 2022 averages (chapter 1). Although the price of European natural gas has fallen back toward its pre-invasion level, energy prices remain high for consumers and firms, which will continue to weigh on household spending and production (World Bank 2022d). Further energy price spikes are possible, however, due to Russian energy supply disruptions and global supply constraints. Recent increases in core inflation suggest that headline inflation is unlikely to return to central bank targets in the near term in many ECA economies. The regional outlook is subject to unusually high uncertainty related to the war

FIGURE 2.2.2 ECA: Outlook

Growth in Europe and Central Asia is projected to remain relatively flat in 2023, owing in large part to ongoing recession in the Russian Federation. Growth forecasts for 2023 have been downgraded in most countries, but especially in Central Europe due to energy disruptions and the slowdown in the euro area. As a result of the invasion, output in ECA in 2023 is expected to fall 5.7 percent below pre-pandemic trends.



Source: World Bank.

Note: ECA = Europe and Central Asia; RUS = Russian Federation; TUR = Türkiye; UKR = Ukraine. Unless otherwise indicated, aggregates are calculated using real U.S. dollar GDP weights at average 2010-19 prices and market exchange rates.

A. The figure shows the percentage point difference between the latest projections and forecasts released in the June 2022 edition of the *Global Economic Prospects* report (World Bank 2022b).

B. Figure shows the contributions to ECA growth.

C. Figure shows the current growth forecasts and the forecasts in the *Global Economic Prospects* report published in June 2022.

D. Figure shows the percent deviation between the latest estimates and forecasts relative to the January 2020 edition of the *Global Economic Prospects* report. For 2023, the January 2020 baseline is extended using projected growth for 2022.

and its repercussions inside and outside the region, including the possibility of worsening energy supply disruptions.

Output in *Russia* in 2023 is projected to decline again, by 3.3 percent, as EU oil embargos are fully implemented and natural gas exports are reduced by Russia's shutoff of deliveries to the EU via the Nord Stream 1 pipeline. Growth is projected to resume in 2024, at a rate of 1.6 percent, with modest consumption growth and a marginal recovery in exports as Russia reorientates its trading relationships. Over the long term, the invasion of Ukraine and its repercussions are likely to reduce Russia's potential growth rate. The ruptures to trade and investment networks are likely to limit technology transfer, slowing productivity growth; fixed investment is likely to be further discouraged by reduced access to international financial markets and increased economic and political uncertainty; and emigration is likely to be a drain on human capital.

In *Ukraine*, growth is projected to resume in 2023, at a subdued rate of 3.3 percent, assuming that the war does not escalate further. Growth forecasts, however, are subject to significant uncertainty because of the ongoing invasion. Targeted attacks on critical infrastructure over the last few months have damaged one-half of Ukraine's power grid, with the country facing a sharp deficit in electricity and blackouts. Recovery and reconstruction needs are estimated to total $349 billion—more than 1.5 times 2021 GDP—but have likely grown larger since June 1, 2022 (World Bank 2022g). Repercussions of the war are expected to be long-lasting, with economic activity dampened by the destruction of infrastructure and productive capacity, damage to arable land, reduced human capital and productivity, and lower labor supply—especially if refugees do not return, which becomes increasingly likely with the passage of time (Dieppe, Kilic-Celik, and Okou 2020).

Growth in *Türkiye* continues to face considerable headwinds and risks, with high inflation and growing external vulnerabilities amid a sharp widening of the current account deficit. Growth is projected to moderate somewhat in 2023, to 2.7 percent, as increased government spending ahead of the June 2023 elections counteracts slowing exports and domestic demand amid persistent inflation and heightened policy uncertainty.

In *Central Europe*, growth is expected to slow sharply in 2023, to 1.1 percent, as these EU economies face significant spillovers from energy supply disruptions and tight financing conditions. High energy costs and elevated inflation are expected to continue to dampen household spending and raise production costs. The deceleration is expected to be exacerbated by weakening external demand, particularly from the slowdown in the euro area. Growth is projected to strengthen over the medium term, assuming that reform milestones under NextGenerationEU plans are met, allowing the disbursement of sizable EU investment funds. Meaningful reforms alongside effective absorption of multiple EU investment funds will be crucial to ensure that the subregion's potential growth is boosted in the remainder of the decade (World Bank 2022f).

In the *Western Balkans*, growth is projected to slow to a modest 2.5 percent in 2023, as EU accession reforms and investment mitigate the negative effects of high energy and food prices, disruptions to trade and investment flows, and spillovers from the slowdown in the euro area. However, there is significant political uncertainty, with a risk that parliamentary impasses create delays in the implementation of reforms and thus prevent efficient absorption of related funds (Bosnia and Herzegovina, Montenegro, North Macedonia).

In *Eastern Europe (excluding Ukraine)*, surging inflation, higher borrowing costs, lower remittances (Moldova), and additional sanctions (Belarus) are expected to continue to depress domestic demand. As a result, output (excluding Ukraine) in 2023 is expected to contract for the third time since 2020, to -1.7 percent. The forecast is subject to significant downside risks, relating particularly to energy supplies. Unfavorable weather conditions could also reduce agricultural yields in the subregion, further exacerbating inflationary pressures and food insecurity.

In the *South Caucasus*, growth in 2023 is projected to halve to 3.3 percent. The forecast deceleration

reflects weakening momentum after the strong rebound in 2021-22, the slowdown in the euro area, ongoing border tensions between Armenia and Azerbaijan, and the ongoing contraction of output in Russia, one of the South Caucasus's closest economic partners.

Growth in *Central Asia* is projected to remain flat at 3.9 percent in 2023, with activity held back by weak external demand, especially from Russia and China. Although growth in both the Kyrgyz Republic and Tajikistan is expected to exceed previous projections, renewed border tensions between the two countries pose headwinds to the outlook.

Risks

Risks to the baseline projections for ECA's growth remain skewed to the downside. Above all, a more prolonged or more intense war in Ukraine than assumed in the baseline could, apart from its humanitarian costs, cause significantly larger economic and environmental damage and greater potential for fragmentation of international trade and investment. A further rerouting of trade and investment could partially mitigate the negative effects of the invasion and current account pressures for some regional economies.

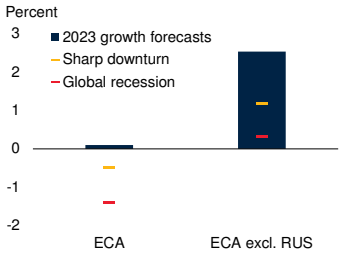
Output in ECA could shrink in 2023 if the energy crisis deepens and triggers an economic downturn in the euro area or a steeper recession in Russia (figure 2.2.3.A). Since June, downside risks associated with war-driven disruptions to energy imports from Russia have materialized and worsened the growth outlook, especially for Russia and the euro area, ECA's largest trading partner. Although the EU met its natural gas storage target ahead of schedule for this winter, this is unlikely to be the case next winter given the cutoff of Nord Stream 1 deliveries and lack of needed infrastructure to diversify supply. Even this winter, unusually low temperatures could force an accelerated drawdown of supplies, creating a situation in which countries would have to purchase additional natural gas at high prices, or enforce severe rationing. Either option would place a significant drag on activity, as higher prices or rationing translates into lower firm activity and household consumption (figure 2.2.3.B; Di Bella et al. 2022; World Bank 2022g).

Russia's export earnings could fall further over the next year or so if Europe's expansion of natural gas infrastructure allows it to rapidly reduce reliance on Russian gas. Earlier completion of these EU projects would reduce Russia's fiscal resources, while much of the gas infrastructure in Russia could become effectively obsolete. More broadly,

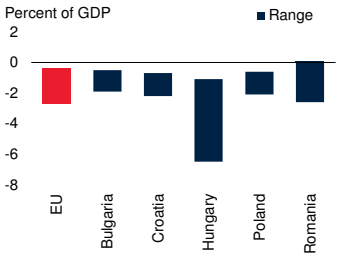
FIGURE 2.2.3 ECA: Risks

Risks remain tilted to the downside. A further disruption to energy supplies could tip regional output into contraction in 2023. Meanwhile, the sharp rise in financing conditions leaves ECA economies vulnerable to rollover and exchange rate risks, especially in countries with high debt loads. Tighter financing conditions also make funding critical investment needs more costly.

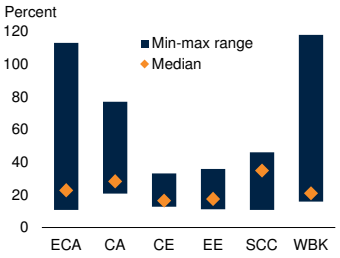
A. ECA growth in 2023: Current forecasts vs. downside scenario



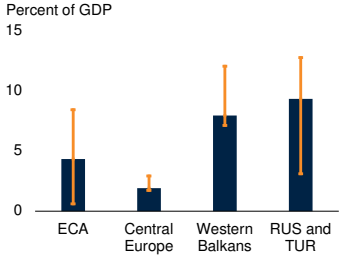
B. EU output loss estimates from Russian natural gas shutoff, 2023



C. ECA debt service costs



D. Estimated annual infrastructure costs to close half the gap with the euro area by 2030



Sources: Di Bella et al. (2022); Oxford Economics; Kose et al. (2022); World Bank.

Note: ECA = Europe and Central Asia; CA = Central Asia; CE = Central Europe and Baltic Countries; EE = Eastern Europe; EU = European Union; RUS = Russian Federation; SCC = South Caucasus; TUR = Türkiye; WBK = Western Balkans. Unless otherwise indicated, aggregates are calculated using real U.S. dollar GDP weights at average 2010-19 prices and market exchange rates.

A. Figure shows the baseline 2023 growth forecast from table 2.2.1 and growth scenarios using the Oxford Economics Global Economic Model (see chapter 1; Oxford Economics 2019). Sample includes 7 ECA economies for the scenarios.

B. Estimates are calculated as in Di Bella et al. (2022) using two models to estimate the impact of a Russian natural gas shutoff: 1) A multisector partial equilibrium model with demand spillovers, which illustrates the economic impact when gas markets are fragmented, outright physical shortages exist, and the gas market cannot adjust to prices; and 2) A multisector open-economy general equilibrium model, which illustrates the economic impact when markets are integrated and there is complete price-pass through.

C. Figure shows median debt service as a percent of exports of goods, services, and primary income in 2020. Sample includes 20 ECA economies.

D. Data as of 2020.

Russia's isolation from major international financial markets and the freezing of about half of Russia's foreign exchange reserves have left the economy more susceptible to external shocks. A significant decline in energy prices would likely weaken the ruble and thus add upward pressure to inflation in Russia. The fiscal balance, having slipped into deficit in 2022, could then worsen more quickly. The G7 cap on Russia's oil export prices could have similar effects. In such circumstances, financial sector instability could re-emerge in Russia, especially given eroded bank buffers and the weak growth outlook, further damaging consumer and business confidence.

Tighter global financial conditions and the recent general appreciation of the U.S. dollar pose significant risks to financial stability in ECA, particularly for more indebted countries. Türkiye also faces risks arising from its high inflation, as it deploys a mix of loose monetary policy and targeted fiscal support to counter slowing growth. Pandemic- and war-related increases in debt—combined with tightening global financing conditions—have sharply reduced fiscal space and amplified debt vulnerabilities, including from public debt rollovers and currency mismatches. By dampening growth, the war has dented the ability of several economies in ECA to meet external debt obligations, eroded confidence, added to currency depreciation pressures, and increased borrowing costs (figure 2.2.3.C). More broadly, the sharp rise in borrowing costs has prompted some countries to scale back debt issuance, making wide investment gaps harder to close (figure 2.2.3.D).

Substantial currency depreciations have weakened corporate and public balance sheets. Moreover, public sector balance sheet risks could be larger than is apparent: the proliferation of debt-like instruments and commodity-based lending, together with the opaque financial arrangements of some state-owned enterprises, may well be obscuring total public debt levels.

The sharp rise in commodity prices has heightened concerns for the food and energy security of vulnerable households in ECA, especially as these items represent a significant portion of their spending (Ari et al. 2022; Artuc et al. 2022; World Bank 2022d, World Bank 2022h). As a result of the overlapping shocks of the pandemic and war in Ukraine, the poverty headcount at the $6.85 per person per day (in 2017 PPP) threshold is forecast to be almost 20 percent, or 2 million people, higher by 2030 in ECA than indicated by pre-pandemic trends (Ari et al. 2022).

TABLE 2.2.1 Europe and Central Asia forecast summary

(Real GDP growth at market prices in percent, unless indicated otherwise)

	2020	2021	2022e	2023f	2024f	Percentage point differences from June 2022 projections: 2022e	2023f	2024f
EMDE ECA, GDP [1]	**-1.7**	**6.7**	**0.2**	**0.1**	**2.8**	**3.2**	**-1.4**	**-0.5**
GDP per capita (U.S. dollars)	-1.9	6.7	0.3	0.2	2.6	3.2	-1.3	-0.5
EMDE ECA excl. Russian Federation, Türkiye, and Ukraine, GDP	-2.7	6.2	3.9	1.7	3.1	0.9	-2.0	-0.5
EMDE ECA excl. Russian Federation and Ukraine, GDP	-1.0	8.2	4.2	2.1	3.4	1.5	-1.4	-0.4
EMDE ECA excl. Türkiye, GDP	-2.7	5.4	-1.1	-0.7	2.4	3.5	-1.6	-0.6
(Average including countries that report expenditure components in national accounts) [2]								
EMDE ECA, GDP [2]	-1.7	6.8	-0.2	-0.2	2.7	3.4	-1.4	-0.5
PPP GDP	-1.7	6.8	-0.9	-0.1	2.7	3.6	-1.3	-0.6
Private consumption	-3.1	9.9	2.6	0.9	3.2	7.0	-1.5	0.4
Public consumption	2.5	2.8	3.7	2.4	2.0	1.0	0.2	0.3
Fixed investment	-1.4	5.6	-3.2	-1.6	4.1	6.6	-1.7	-4.7
Exports, GNFS [3]	-6.5	10.3	-1.5	-0.2	4.4	7.0	-4.6	-0.4
Imports, GNFS [3]	-4.6	12.2	-3.1	4.6	6.7	1.9	-0.7	0.7
Net exports, contribution to growth	-0.9	-0.2	0.5	-1.6	-0.7	2.0	-1.4	-0.4
Memo items: GDP								
Commodity exporters [4]	-2.6	4.8	-4.0	-1.8	2.2	5.0	-1.1	-0.5
Commodity exporters excl. Russian Federation and Ukraine	-2.1	5.3	4.2	3.8	4.1	1.7	-0.2	0.3
Commodity importers [5]	-0.8	8.6	4.2	1.9	3.3	1.4	-1.5	-0.5
Central Europe [6]	-2.9	6.5	4.5	1.1	2.7	0.8	-2.6	-1.0
Western Balkans [7]	-3.1	7.6	3.1	2.5	3.1	0.0	-0.6	-0.1
Eastern Europe [8]	-3.1	3.6	-24.2	1.1	3.5	6.4	-0.8	-0.4
South Caucasus [9]	-5.3	6.6	6.5	3.3	3.5	3.1	0.0	0.2
Central Asia [10]	-1.3	5.1	3.9	3.9	4.3	1.5	-0.4	0.2
Russian Federation	-2.7	4.8	-3.5	-3.3	1.6	5.4	-1.3	-0.6
Türkiye	1.9	11.4	4.7	2.7	4.0	2.4	-0.5	0.0
Poland	-2.0	6.8	4.4	0.7	2.2	0.5	-2.9	-1.5

Source: World Bank.

Note: e = estimate; f = forecast; PPP = purchasing power parity; EMDE = emerging market and developing economy. World Bank forecasts are frequently updated based on new information and changing (global) circumstances. Consequently, projections presented here may differ from those contained in other Bank documents, even if basic assessments of countries' prospects do not differ at any given moment in time. The World Bank is currently not publishing economic output, income, or growth data for Turkmenistan owing to a lack of reliable data of adequate quality. Turkmenistan is excluded from cross-country macroeconomic aggregates. Since Croatia became a member of the euro area on January 1, 2023, it has been added to the euro area aggregate and removed from the ECA aggregate in all tables to avoid double counting.

1. GDP and expenditure components are measured in average 2010-19 prices and market exchange rates, thus aggregates presented here may differ from other World Bank documents.
2. Aggregates presented here exclude Azerbaijan, Bosnia and Herzegovina, Kazakhstan, Kosovo, the Kyrgyz Republic, Montenegro, Serbia, Tajikistan, Turkmenistan, and Uzbekistan, for which data limitations prevent the forecasting of GDP components.
3. Exports and imports of goods and nonfactor services (GNFS).
4. Includes Armenia, Azerbaijan, Kazakhstan, the Kyrgyz Republic, Kosovo, the Russian Federation, Tajikistan, Ukraine, and Uzbekistan.
5. Includes Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Georgia, Hungary, Moldova, Montenegro, North Macedonia, Poland, Romania, Serbia, and Türkiye.
6. Includes Bulgaria, Hungary, Poland, and Romania.
7. Includes Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia.
8. Includes Belarus, Moldova, and Ukraine.
9. Includes Armenia, Azerbaijan, and Georgia.
10. Includes Kazakhstan, the Kyrgyz Republic, Tajikistan, and Uzbekistan.

TABLE 2.2.2 Europe and Central Asia country forecasts [1]

(Real GDP growth at market prices in percent, unless indicated otherwise)

	2020	2021	2022e	2023f	2024f	Percentage point differences from June 2022 projections: 2022e	2023f	2024f
Albania	-3.5	8.5	3.5	2.2	3.4	0.3	-1.3	-0.1
Armenia	-7.2	5.7	10.8	4.1	4.8	7.3	-0.5	-0.1
Azerbaijan	-4.3	5.6	4.2	2.8	2.6	1.5	0.6	0.3
Belarus	-0.9	2.6	-6.2	-2.3	2.5	0.3	-3.8	0.9
Bosnia and Herzegovina[2]	-3.1	7.5	4.0	2.5	3.0	1.3	-0.6	-0.5
Bulgaria	-4.0	7.6	3.1	1.7	3.3	0.5	-2.6	-0.4
Croatia	-8.6	13.1	6.6	0.8	3.1	2.8	-2.6	0.0
Georgia	-6.8	10.4	10.0	4.0	5.0	4.5	-1.5	0.0
Hungary	-4.5	7.1	5.1	0.5	2.2	0.5	-3.3	-1.2
Kazakhstan	-2.5	4.1	3.0	3.5	4.0	1.0	-0.5	0.5
Kosovo	-5.3	10.7	3.1	3.7	4.2	-0.8	-0.6	0.0
Kyrgyz Republic	-8.4	3.6	5.5	3.5	4.0	7.5	0.1	0.0
Moldova	-7.4	13.9	-1.5	1.6	4.2	-1.1	-1.1	0.0
Montenegro	-15.3	13.0	5.9	3.4	3.1	2.3	-1.3	-0.6
North Macedonia	-4.7	3.9	2.1	2.4	2.7	-0.6	-0.7	-0.5
Poland	-2.0	6.8	4.4	0.7	2.2	0.5	-2.9	-1.5
Romania	-3.7	5.1	4.6	2.6	4.2	1.7	-1.1	0.3
Russian Federation	-2.7	4.8	-3.5	-3.3	1.6	5.4	-1.3	-0.6
Serbia	-0.9	7.5	2.5	2.3	3.0	-0.7	-0.4	0.2
Tajikistan	4.4	9.2	7.0	5.0	4.0	7.4	1.7	-0.3
Türkiye	1.9	11.4	4.7	2.7	4.0	2.4	-0.5	0.0
Ukraine	-3.8	3.4	-35.0	3.3	4.1	10.1	1.2	-1.7
Uzbekistan	1.9	7.4	5.7	4.9	5.1	1.4	-0.4	-0.4

Source: World Bank.

Note: e = estimate; f = forecast. World Bank forecasts are frequently updated based on new information and changing (global) circumstances. Consequently, projections presented here may differ from those contained in other Bank documents, even if basic assessments of countries' prospects do not significantly differ at any given moment in time. The World Bank is currently not publishing economic output, income, or growth data for Turkmenistan owing to a lack of reliable data of adequate quality. Turkmenistan is excluded from cross-country macroeconomic aggregates.

1. Data are based on GDP measured in average 2010-19 prices and market exchange rates, unless indicated otherwise.

2. GDP growth rate at constant prices is based on production approach.

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