

CEE MACRO OUTLOOK

CEE Growth Navigator

Expected development after 4Q25 GDP data

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Spot Rates as of: February 17, 2026

Note: Information on past performance is not a reliable indicator for future performance.
Forecasts are not a reliable indicator for future performance.

Expected development in response to flash GDP estimates

Growth

The end of the year was particularly strong in Poland (4.0% y/y) and Czechia (2.4% y/y). Serbia experienced 2.2% y/y growth in 4Q25. Slovakia and Slovenia also ended 2025 on a stronger note with growth at 1% y/y and 2% y/y, respectively (growth above market consensus in both countries). Hungary expanded by 0.7% y/y, falling short of expectations. Romania's economy contracted substantially, by almost 2% q/q, leaving the y/y growth at just 0.1%. Such a development prompts us to revise 2026 growth downward to 1% in Romania. At the same time, we inched up growth expectations in Poland to 4% this year. GDP forecasts for other countries remain mostly unchanged. We see CEE8 average growth at 2.7% in 2026, about 1.5 percentage points higher than the Eurozone GDP forecast.

Summarizing the 2025 economic performance of the region, Poland was the fastest growing economy in CEE with growth reaching 3.6% y/y. Czechia follows with growth at 2.5%, while Serbia expanded by 2% in 2025. Hungary, Romania and Slovakia experienced GDP growth below 1% last year, while in Slovenia, 2025 GDP growth reached 1.1%.

The detailed CEE Macro Outlook will be published in mid-March, once the GDP structure is published for all countries.

Expected development in response to flash GDP estimates

Inflation

Throughout 2025, inflation eased in most CEE countries. In Czechia, Poland and Serbia, inflation has moved close to the central banks' targets. The only exceptions are Romania and Slovakia. These two countries' price developments were impacted strongly by fiscal consolidation measures.

This year, we expect disinflation to continue. Average inflation in CEE is expected to fall from 4% in 2025 to 3.2% in 2026. In Czechia, Poland and Slovenia, it is expected to be at 2% on average in 2026. This year average inflation will remain most elevated in Romania (7.2%) due to the persisting effects of fiscal consolidation. In Slovakia, the expected average at 4.1% is also higher compared to other CEE countries as fiscal tightening is also in place.

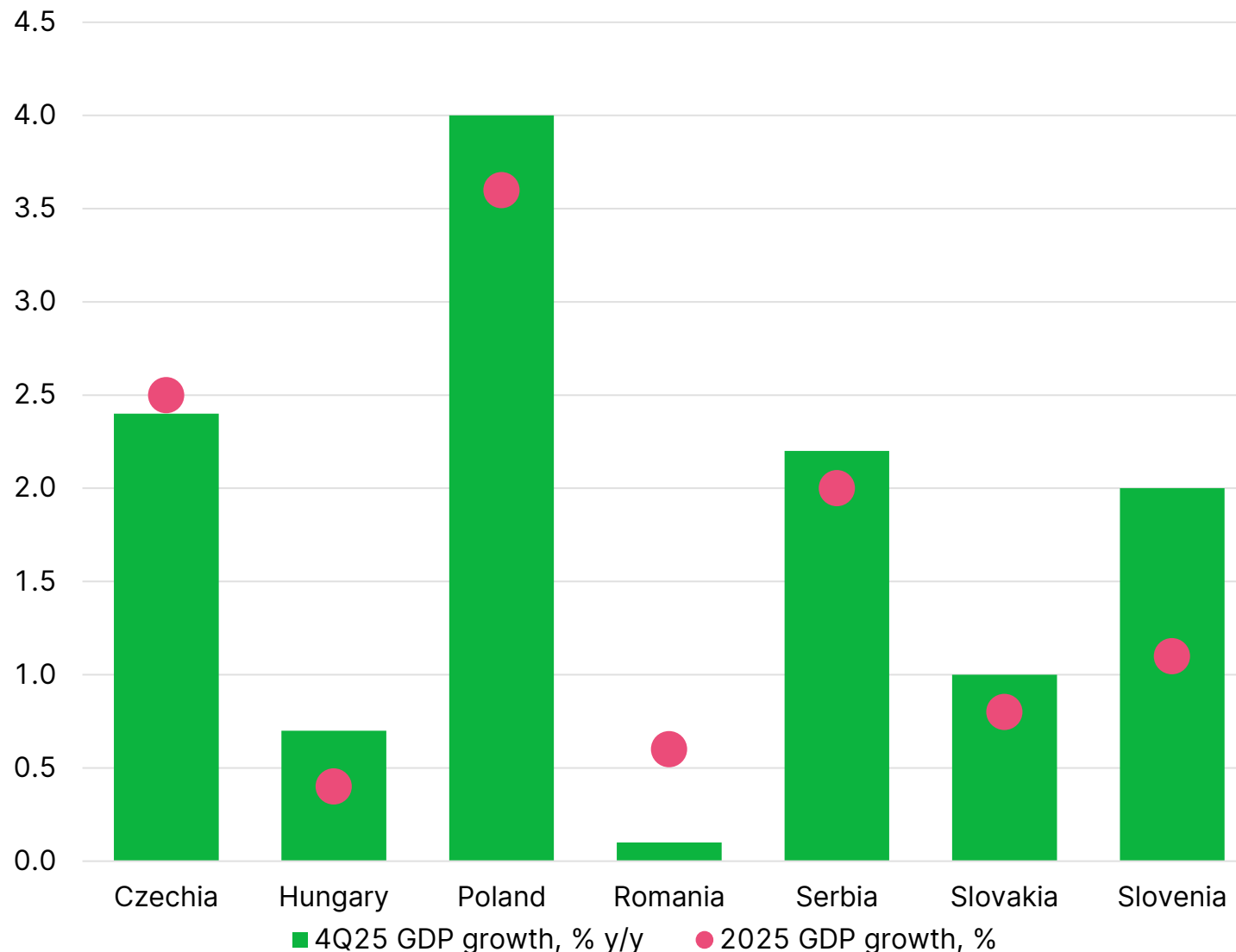
Monetary policy

As inflation is expected to decline further, we see monetary easing in all CEE countries except for Czechia. It seems that the terminal rate in Czechia is 3.5% for the time being, despite recent comments suggesting possibility of rate cut this year. In Hungary, interest rate cuts may be in the cards as soon as February, given January's inflation footprint. In Poland, we expect monetary easing to be restored in March, while in Romania and Serbia, lowering interest rates will take more time.

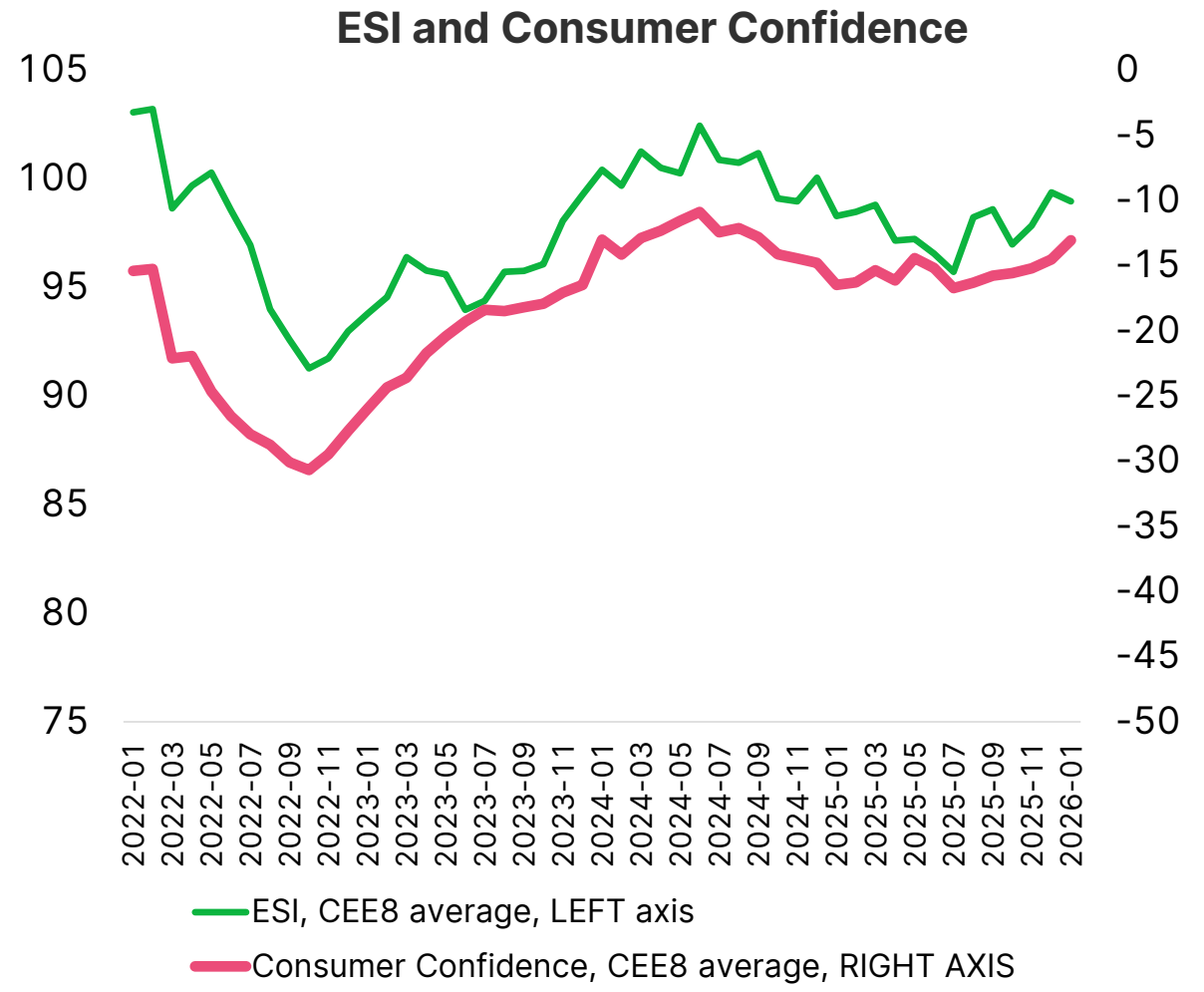
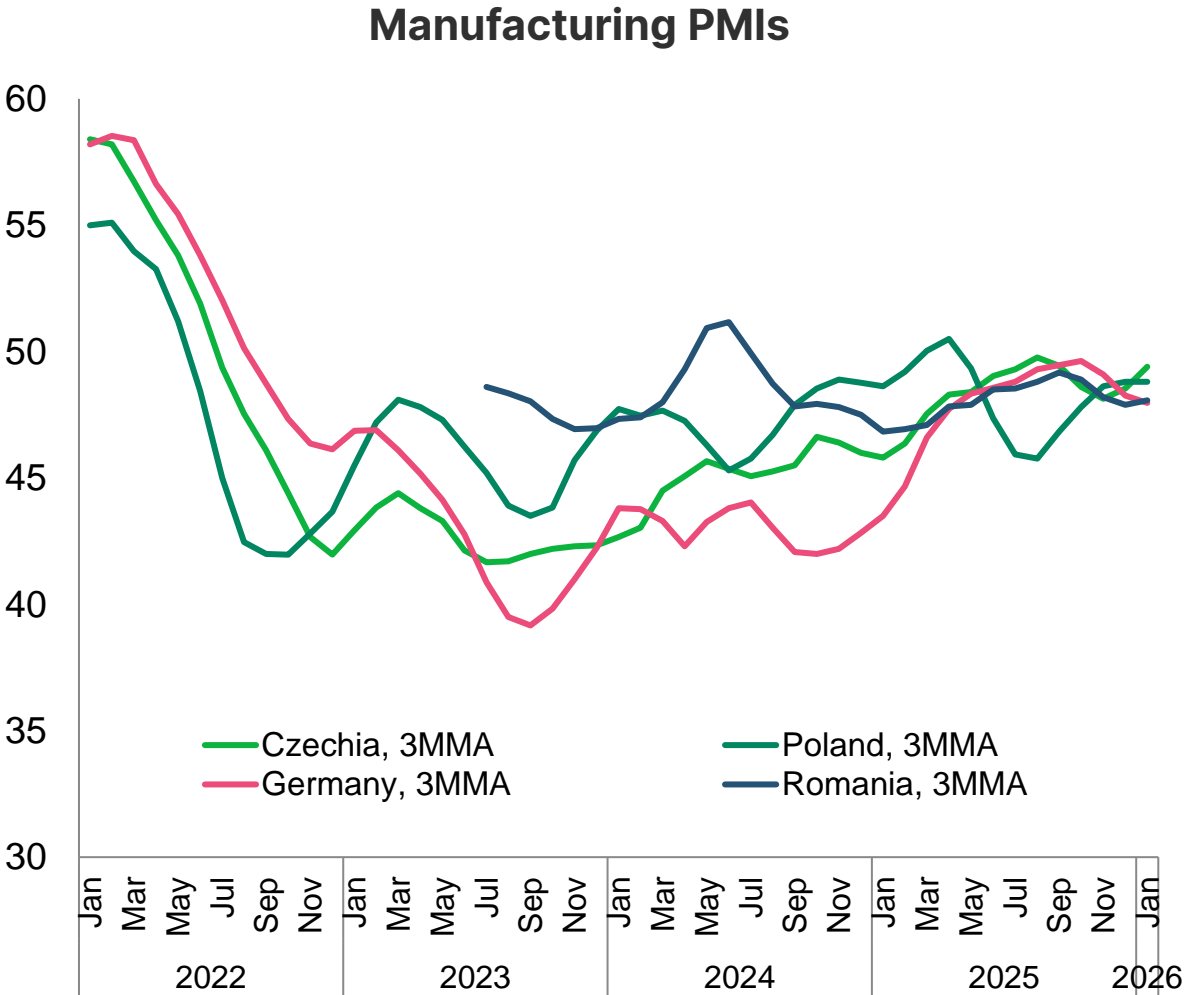
Flash GDP growth

Czechia and Poland grew dynamically in the last quarter of the year. The Czech economy expanded by 2.4% y/y, Poland's by 4.0% y/y. We expect the solid performance to continue in 2026. Serbia posted 2.2% y/y growth in 4Q25 and the whole of 2025 settled at 2%. Hungary expanded 0.7% y/y, falling short of expectations. This subdued performance implies weaker carry-over effects into 2026, shaping a more restrained growth outlook for the year ahead. Romania contracted significantly on a quarterly basis, with 4Q25 GDP growth at just 0.1% y/y. Slovakia, on the other hand, ended the year on a stronger note, with growth reaching 1% y/y. 2025 growth in Hungary, Romania and Slovakia settled below 1%.

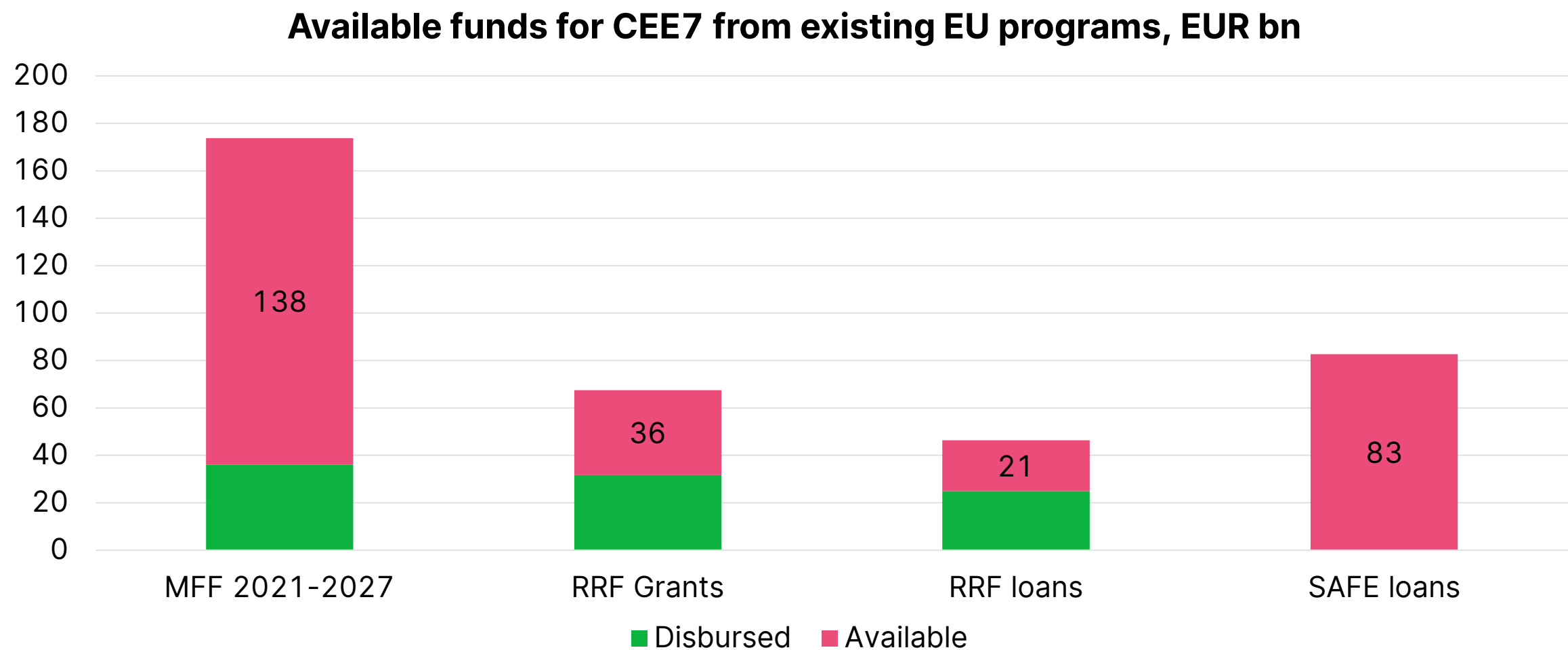
*Croatia will only release 4Q25 GDP at the end of February



At beginning of 2026, market sentiment sending mixed signals, but consumer confidence is on rise

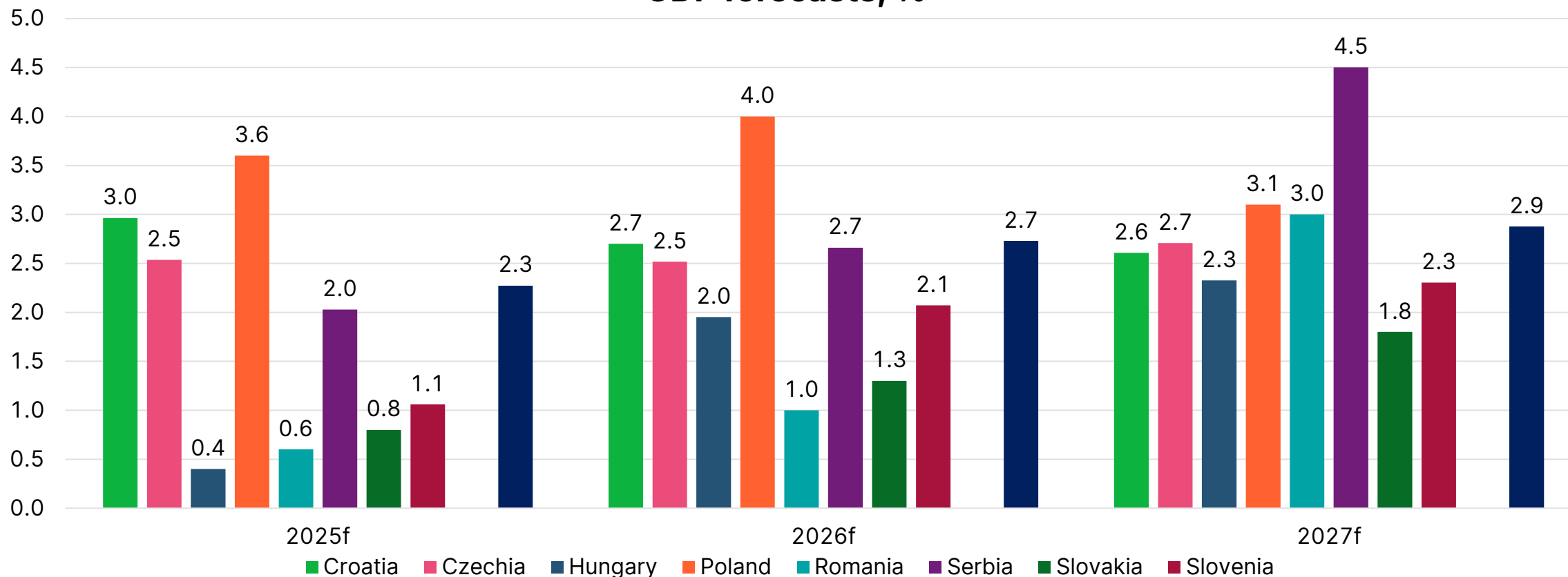


Billions of euros available to CEE countries in 2026 and beyond



Current growth outlook: Average CEE growth expected to accelerate amid rising consumer confidence and flow of EU funds

GDP forecasts, %

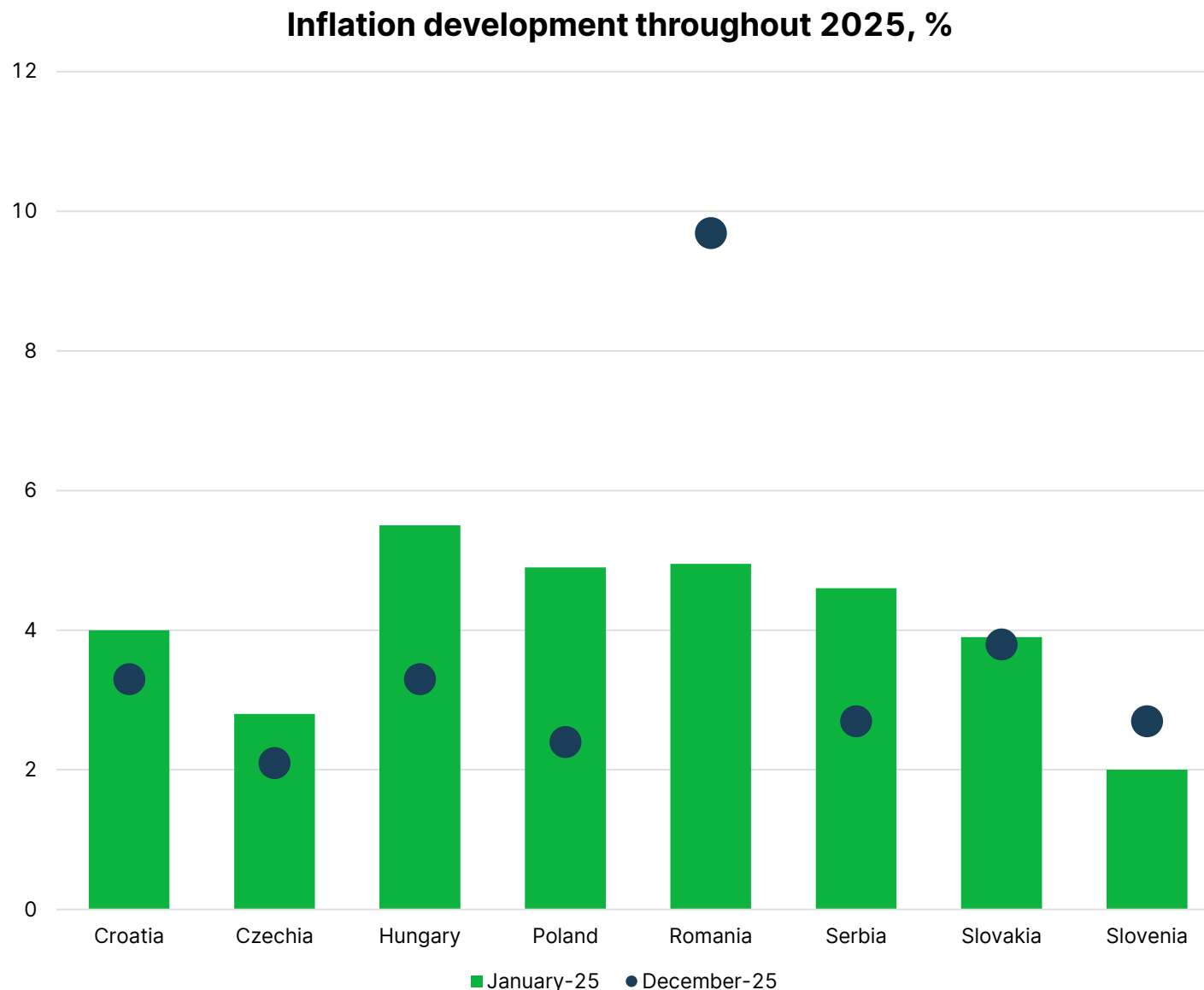


Expected revisions

	Economic development	Revision
Croatia	4Q25 GDP data will be released at the end of February	Croatia on track to grow close to 3% in 2025 and 2026
Czechia	The Czech economy grew by 0.5% quarter-on-quarter and 2.4% year-on-year in 4Q25 and 2.5% in the whole 2025	Ongoing solid performance of Czech economy is expected with FY 2026 forecast at 2.5%
Hungary	Hungary grew by 0.7% y/y and by 0.5% in seasonally and calendar adjusted basis. The economy expanded by 0.2% q/q	Hungarian economy delivered near stagnant performance relative to 2024, but acceleration in 2026 is broadly expected
Poland	Strong growth in 2025 reaching 3.6% and outperformance at the end of the year with y/y growth at 4%.	Poland is expected to be fastest growing economy in the region in 2026 with GDP expected at 4%
Romania	Substantial quarterly contraction of Romania's economy puts the y/y growth in 4Q25 at 0.1% only. 2025 sits at 0.6%	Given weak performance at the end of 2025, we revise 2026 GDP forecast down to 1.0%
Serbia	Serbian economy grew by 2.2% y/y in the final quarter of 2025 mirroring performance earlier in the year	Economy expanded 2% in 2025 and is expected to accelerate to 2.7% this year
Slovakia	Slovakia ended the 2025 at the stronger note with 4Q25 growth at 1% y/y	At this point we sustain GDP growth at 1.3% in 2026
Slovenia	4Q25 GDP in Slovenia surprised to the upside arriving at 2% y/y. 2025 growth reached 1.1%	We see Slovenia expanding by 2.1% in 2026

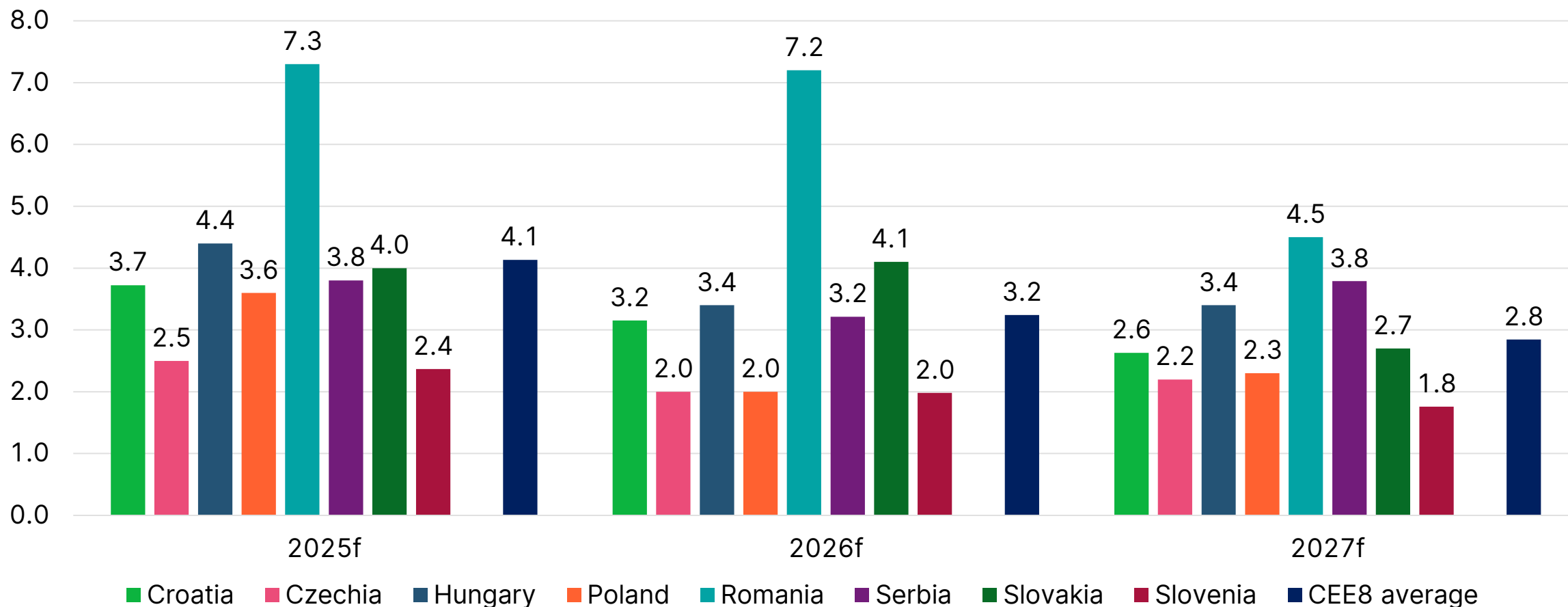
Inflation development

Throughout 2025, inflation eased in most CEE countries. In Czechia, Poland and Serbia, inflation moved close to the central banks' targets. The only exceptions are Romania and Slovakia. These two countries' price developments were impacted strongly by fiscal consolidation measures. In Slovakia, tax increases took place at the beginning of the year, while in Romania, fiscal tightening announced in the middle of the year resulted in an inflation surge in the second half of 2025.



Current inflation outlook: Inflation should ease in 2026, allowing monetary easing

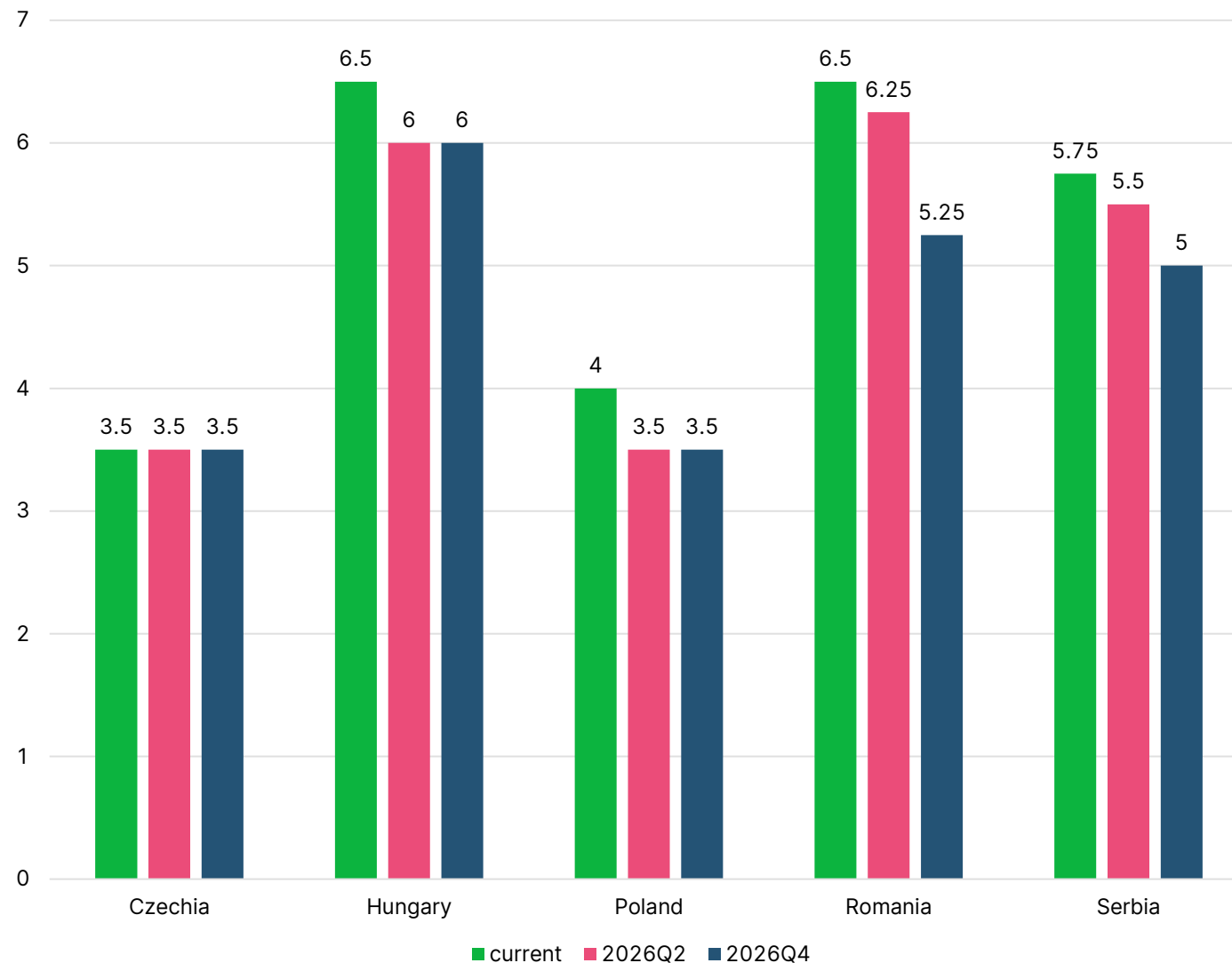
Inflation forecast, percent



Monetary policy outlook

Apart from Czechia, where 3.5% seems to be the terminal rate, monetary easing is broadly expected across other CEE countries. In Czechia, we expect stability of rates, despite recent comments suggesting possibility of rate cut. Further, in Poland, we expect an interest rate cut in March, when new inflation and growth projections will be published. In Romania and Serbia, monetary easing should start in the course of 2026. In Romania, more clarity is needed regarding the disinflation path before the first interest rate cut is decided. Finally, in Hungary, the timing of the first rate cut remains open. Inflation has eased visibly at the beginning of the year; the Hungarian forint has been strengthening. On the other hand, the timing may be influenced by upcoming parliamentary elections.

Current interest rate and year-end forecast, percent



Forecasts

Real GDP growth (%)

	2024	2025f	2026f	2027f
Croatia	3.8	3.0	2.7	2.6
Czechia	1.1	2.5	2.5	2.7
Hungary	0.6	0.4	2.0	2.3
Poland	3.0	3.6	4.0	3.1
Romania	0.9	0.6	1.0	3.0
Serbia	3.9	2.0	2.7	4.5
Slovakia	1.9	0.8	1.3	1.8
Slovenia	1.7	1.1	2.1	2.3
CEE8 avg	2.1	2.3	2.7	2.9

Public debt (% of GDP)

	2024	2025f	2026f	2027f
Croatia	57.4	56.5	56.3	56.5
Czechia	43.3	43.0	43.3	43.9
Hungary	73.5	74.1	74.8	74.1
Poland	55.1	62.0	66.0	69.0
Romania	54.8	59.2	61.1	63.0
Serbia	46.7	44.6	44.7	44.2
Slovakia	59.7	61.8	62.8	64.3
Slovenia	66.6	66.1	66.7	67.3
CEE8 avg	55.3	58.8	61.1	62.8

Average inflation (%)

	2024	2025f	2026f	2027f
Croatia	3.0	3.7	3.2	2.6
Czechia	2.4	2.5	2.0	2.2
Hungary	3.7	4.4	3.4	3.4
Poland	3.6	3.6	2.0	2.3
Romania	5.6	7.3	7.2	4.5
Serbia	4.6	3.8	3.2	3.8
Slovakia	2.8	4.0	4.1	2.7
Slovenia	2.0	2.4	2.0	1.8
CEE8 avg	3.6	4.1	3.2	2.8

C/A (%GDP)

	2024	2025f	2026f	2027f
Croatia	-2.2	-4.3	-4.7	-4.7
Czechia	1.7	0.7	1.1	0.8
Hungary	1.5	1.5	1.0	1.3
Poland	0.3	-1.0	-1.5	-1.0
Romania	-8.2	-7.9	-6.8	-6.2
Serbia	-4.6	-4.8	-5.7	-4.8
Slovakia	-4.6	-4.1	-4.0	
Slovenia	4.5	2.8	2.6	2.2
CEE8 avg	-1.2	-2.0	-2.1	-1.7

Unemployment (%)

	2024	2025f	2026f	2027f
Croatia	5.0	4.9	4.8	4.7
Czechia	2.7	2.9	3.5	3.5
Hungary	4.4	4.4	4.3	4.2
Poland	5.1	5.7	5.2	5.2
Romania	5.5	6.0	5.7	5.5
Serbia	8.6	8.6	8.6	8.3
Slovakia	5.3	5.4	5.8	5.6
Slovenia	3.7	3.6	3.6	3.5
CEE8 avg	4.8	5.1	5.0	5.0

Budget Balance (%GDP)

	2024	2025f	2026f	2027f
Croatia	-1.9	-2.9	-3.0	-3.0
Czechia	-2.0	-2.1	-2.4	-2.7
Hungary	-5.0	-5.0	-5.3	-4.6
Poland	-6.5	-7.1	-6.8	-6.0
Romania	-9.3	-8.0	-6.4	-5.7
Serbia	-2.0	-2.4	-3.0	-3.0
Slovakia	-5.5	-4.8	-4.3	-4.0
Slovenia	-0.9	-2.4	-2.9	-2.9
CEE8 avg	-5.4	-5.5	-5.3	-4.9

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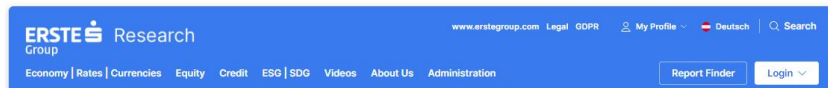
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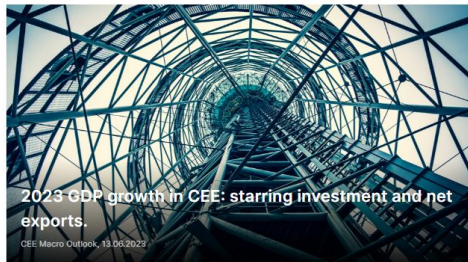
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