

CESEE-6: Breit abgestützte Erholung in einem Umfeld erhöhter Unsicherheiten; Russland: Rückkehr zu moderatem Wachstum bei anhaltend hohen Risiken

OeNB-BOFIT-Prognose für ausgewählte CESEE-Länder und Russland^{3,4}

In Anbetracht der starken Konjunkturbelebung im zweiten Quartal 2021 wurde die BIP-Wachstumsprognose für die CESEE-6-Länder auf +5,1% für das Gesamtjahr 2021 nach oben revidiert. Das BIP-Wachstum in der CESEE-6-Region wird auch im weiteren Prognosezeitraum mit +4,5% (2022) und +3,8% (2023) dynamisch bleiben. Die stärksten Zuwächse verzeichnen 2021 Kroatien, Rumänien und Ungarn, während der Aufschwung in Tschechien verhalten bleibt. Der Wachstumsbeitrag der Inlandsnachfrage bleibt kräftig, nimmt jedoch über den Prognosehorizont leicht ab. Die Wachstumsimpulse verlagern sich vom privaten Konsum hin zu den Bruttoanlageinvestitionen, die ab 2022 durch EU-Mittel gestärkt werden. Angesichts der zweistelligen Wachstumsraten der Exporte und Importe im laufenden Jahr – letztere analog zur regen Inlandsnachfrage – und einer weiterhin soliden Wachstumsdynamik in den Folgejahren, bleibt der Beitrag des Außenhandels über den Prognosezeitraum hinweg negativ mit wenigen Ausnahmen. Ausgehend von dem für 2021 und 2022 angenommenen kräftigen Aufschwung im Euroraum wird sich in den CESEE-6-Ländern erst 2023 erneut ein Wachstumsvorsprung gegenüber dem Euroraum einstellen (+1,7 Prozentpunkte).

Eineinhalb Jahre nach Beginn der COVID-19-Pandemie ist die vorliegende Prognose angesichts der Ungewissheit über den weiteren Verlauf der Pandemie, der geringen Impfraten in der Region und der Lieferengpässe in internationalen Wertschöpfungsketten nach wie vor mit einem erheblichen Maß an Unsicherheit behaftet, wobei die Abwärtsrisiken deutlich überwiegen.

OeNB-BOFIT-BIP-Prognose 2021-2023 im Vergleich zum World Economic Outlook des IWF

	Eurostat/ Rosstat	OeNB/BOFIT October 2021			IWF World Economic Outlook October 2021			Unterschiede zwischen OeNB und IWF		
	2020	2021	2022	2023	Prognose 2021	2022	2023	2021	2022	2023
	Jahreswachstum in %				Prognose			in Prozentpunkten		
CESEE-6	-3.9	5.1	4.5	3.8	5.6	4.9	3.7	-0.5	-0.4	0.0
Bulgarien	-3.8	4.4	3.8	2.8	4.5	4.4	4.0	-0.1	-0.6	-1.2
Kroatien	-7.7	7.0	4.1	3.5	6.3	5.8	4.0	0.7	-1.7	-0.5
Tschechien	-5.8	3.3	4.1	3.2	3.8	4.5	4.1	-0.5	-0.4	-0.9
Ungarn	-4.8	6.2	4.5	3.2	7.6	5.1	3.8	-1.4	-0.6	-0.6
Polen	-2.7	4.4	4.8	4.1	5.1	5.1	3.5	-0.7	-0.3	0.6
Rumänien	-3.7	7.0	4.5	4.1	7.0	4.8	3.8	0.0	-0.3	0.3
Russland	-3.0	3.7	2.8	2.4	4.7	2.9	2.0	-1.0	-0.1	0.4

Anmerkung: saisonbereinigte Daten für 2020.

Quellen: OeNB-BOFIT-Prognose April 2021, IWF, Eurostat, Rosstat.

Für Russland wurde die Prognose für 2021 aufgrund günstigerer Aussichten für das globale Wachstum und hoher Ölpreise auf +3,5% nach oben revidiert. Das Wachstum wird sich 2022/2023 leicht abschwächen und im Durchschnitt knapp über +2,5% liegen. Allerdings ist auch die für Russland vorliegende Prognose mit erheblicher Unsicherheit behaftet. Auf längere Sicht wird die russische Wirtschaft lediglich ein Wachstum von

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⁴ Stichtag für die dieser Prognose zugrunde liegenden Daten: 1. Oktober 2021. Die Projektionen für die CESEE-6-Länder – Bulgarien, Kroatien, Polen, Rumänien, Tschechien und Ungarn – wurden von der OeNB erstellt; jene für Russland wurden von der Bank of Finland in Kooperation mit der OeNB ausgearbeitet. Die Projektionen beruhen auf der Annahme eines BIP-Wachstums im Euroraum von 5,0% 2021, 4,6% 2022 und 2,1% 2023 und eines durchschnittlichen Ölpreises von 70 USD in 2021, 78 USD in 2022 und 71 USD in 2023 (jeweils pro Barrel).

1,5% bis 2,0% pro Jahr verzeichnen, da von keinen weitreichenden Anpassungen auszugehen ist, die im Prognosezeitraum die Funktionsweise der Märkte verbessern und die Wirtschaftstätigkeit ankurbeln würden.

CESEE-6: balanced growth composition, with contributions shifting from private consumption to fixed investment over the forecast horizon

A decisive recovery set in during the first half of 2021 in all CESEE-6 economies apart from Czechia and vigorous inflation dynamics induced first interest rate hikes by the four central banks in the region that pursue an inflation target.

While these monetary policy reactions added to the generally tightening financial conditions, we do not expect that they will exert a significant dampening effect in the current year, especially since unconventional measures, such as quantitative easing programs in Hungary and Poland, and other measures, like state guarantees in Romania, remain in place. We continue to assume a gradual and orderly phasing out of the monetary stimulus in our baseline projections. Hence, the monetary policy stance will attenuate economic activity in the region only moderately, at least in the near term.

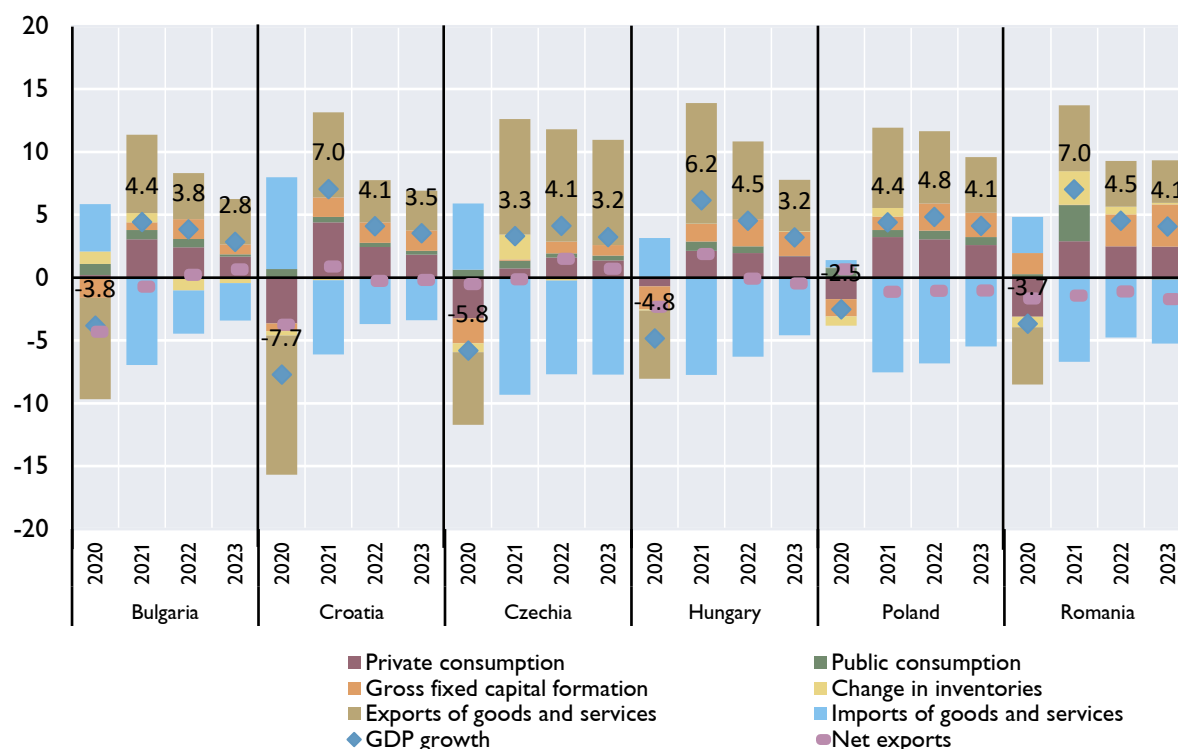
At the same time, fiscal support is being reduced. However, in contrast to the scaling-back of fiscal stimulus in normal times, the removal of crisis-related measures such as wage support and furlough schemes will not weigh on growth dynamics, especially in light of vivid demand. Beyond the removal of crisis-related measures, we do not expect substantial fiscal consolidation. Although pandemic-related support measures are being scaled back, other fiscal support measures in individual countries – such as increases in pensions in Bulgaria, Czechia, Hungary, Poland (due to a one-off 14th pension benefit) and Romania (due to the indexation system in place), family support measures in Bulgaria and Hungary, personal income tax or social security exemptions in Hungary and Poland – add toward an overall rather supportive fiscal stance. In sum, we expect the mildly dampening effect of monetary policy to be compensated by a still moderately positive impetus from fiscal policy.

Compared to the first half of 2021, growth dynamics will decelerate again during the second half of the year but remain solid, prompting us to revise our forecast upward by 1.1 percentage points for 2021 to a region-wide average of 5.1% year-on-year. The most striking difference across countries is marked by the considerable weaker performance of the Czech economy, which is i. a. related to supply chain frictions, the shutdown in a major car production line in the final quarter of the year, surprisingly strong monetary tightening and worsening business and household sentiment. Also, in Poland, high inflation and envisaged weakening in consumption dynamics toward the end of the year will lead to comparatively moderate GDP expansion of 4.4% year on year in 2021, albeit implying an upward revision. In 2022 and 2023, average GDP growth of the CESEE-6 region will slow down somewhat to 4.5% in 2022 and 3.8% in 2023. In line with their weaker performance this year, Poland and Czechia will exhibit a different pattern and their GDP growth will accelerate in 2022 before softening again in 2023. The positive growth differential of the CESEE-6 region vis-à-vis the euro area in 2020 (of almost 3 percentage points) will vanish to zero in 2021 and 2022 and re-emerge only in 2023 (at +1.7 percentage points).

Economic growth will be balanced, resting on both, strong domestic and external demand. Within domestic demand, the growth composition will shift from private consumption in 2021 toward gross fixed capital formation in the following years, as the latter will strongly be backed by EU funds. With solid growth of exports and imports, the net contribution of exports remains negative over the projection horizon, with a few exceptions (see chart 1).

CESEE-6: GDP and GDP components

GDP contributions in percentage points, year-on-year GDP growth in %



Source: Eurostat, OeNB.
Note: Realized data for 2020, projections for 2021 to 2023.

Private consumption remains an important growth pillar, EU Funds back investments from 2022 onward

Private consumption will lead the rebound of domestic demand in the remainder of the year, adding some 2.7 percentage points to GDP growth for the full year of 2021. With reviving employment growth, decreasing unemployment rates and robust wage growth, labor market conditions remain favorable and, together with rising pension income, will spur private consumption. At the same time, currently strong inflation dynamics will weigh on disposable incomes in the near term before being (partially) incorporated in wage increases, especially so in Poland. As such, negative inflation effects on private consumption should be more than offset by positive labor market developments over the projection horizon. Overall, private consumption growth will remain robust at around 4% p.a. in 2022 and 2023 and its growth contribution will decline somewhat.

Public consumption will also make a notable growth contribution of more than 1 percentage point in 2021. In addition to the part of pandemic-related spending that is not accounted for as transfers, public sector wage increases (Bulgaria, Hungary), government job creation measures (Croatia) and election-related spending (Hungary) add to the picture. The growth contribution of public consumption will halve in 2022 and fall further in 2023, in line with the weakening fiscal stimulus. In Hungary, some pre-election spending will continue until spring 2022, yet no further elections are scheduled in the CESEE-6 in 2022, even if there is a certain risk of early elections in Romania.

Gross fixed capital formation records a strong rebound, which so far has been mainly driven by base effects in 2021. Comparatively low levels of capacity utilization (despite a pronounced increase since the trough observed in the second quarter of 2020) and continuously elevated uncertainty prohibit a sharper rebound in 2021. In Croatia, earthquake reconstruction additionally has been supporting gross fixed capital formation already in 2021. With the greatly increased availability of EU funds from the overlapping payment cycles of two multiannual financial frameworks (2014–2020 and 2021–2027) and the NextGenerationEU (NGEU) recovery instrument, a notable boost is expected for 2022 and 2023. The growth contribution will more than double in this period to 2 percentage points, driven by particularly buoyant investment growth in Hungary, Poland and Romania, even though in the in Romania, this will depend on its absorption rate. Tightening financing conditions act as a countervailing factor, while increasing labor shortages, loan guarantee programs and subsidies in some countries (i.e. loan guarantees for corporates in Bulgaria, new home program in Romania, housing subsidies in Hungary) underpin investment growth.

Overall, foreign demand remains an important growth pillar owing to the simultaneous and strong recovery of economic activity in important trading partner countries and the deep economic integration of all CESEE-6 countries. Exports will record double-digit growth rates this year and remain strong thereafter, although they will soften year after year. It is unclear to what extent delivery bottlenecks and hence supply shortages will weigh on export growth and thereby counteract favorable external demand conditions. In tandem with export growth, also import growth will recover vividly, backed further by strong domestic demand, including fixed investment. This will render the net contribution of exports slightly negative over the forecast horizon, with a few exceptions (Hungary in 2021, Czechia and Bulgaria in 2022 to 2023).

Risks to CESEE-6 projections are skewed downward, uncertainty remains elevated

Overall, uncertainty remains elevated and we assess the balance of risks to be strongly on the downside. The major risks comprise the future evolution of the COVID-19 pandemic due to comparably low vaccination rates and little vaccination progress. A second major risk are persistent disruptions in global value chains further increasing backlogs in delivery and production. Unwinding these distortions may take more time than anticipated, thus hampering the recovery of exports, which is a major growth pillar in our baseline projections. Political uncertainty is also prevalent in the region and arises in different forms (difficulties in forming stable governments in both Bulgaria and Romania have impaired an adequate management of the pandemic, the ongoing dispute between the EU and Poland and Hungary about the conformity of Polish and Hungarian legal provisions with EU law and related uncertainty over the disbursement of EU funds to Poland and Hungary). Domestic inflation poses a nonnegligible downward risk if the necessary monetary tightening in the countries pursuing an inflation target should be sharper than anticipated.

Russia: from rebound back to moderate growth, large risks persist

We now see Russia's GDP recovering from last year's comparatively mild 3% dip to rise to more than 3.5%, before it will ease to slightly over 2.5% p.a. on average in 2022/2023. Hence, we have raised our economic forecast for Russia of last spring to reflect improved prospects for global economic growth and thus exports, coupled with already high oil prices. However, we do not see Russia's long-term growth exceeding 1.5% to 2.0% p.a. because no broader systemic adjustments can be expected that would improve the functioning of markets and boost economic activity in the forecast period. Meanwhile, significant uncertainties surround our outlook. There

could be unexpected changes related to the COVID-19 pandemic, global growth, oil prices, the return of international tourism, the development of (pent-up) consumer demand and possibilities for more generous budget spending.

While the pandemic will likely restrain growth in Russia in 2022, some growth-supporting factors have also gathered weight. Most importantly, the price of oil is currently up and is expected to rise even further in 2022, while market expectations of its gradual decline have somewhat moderated and now see the oil price at around USD 71 per barrel in 2023.

Related to this, improved forecasts for the global economy support Russian export volumes. The easing of oil production ceilings in the OPEC+ agreement this summer has improved the outlook for Russian oil exports. The outlook for gas exports has also become more favorable. Russia's revenues from travel (over 2% of export earnings in 2019) should also recover in the later part of the forecast period.

With a growing economy, rising household incomes and employment will lift private consumption to the extent that it should (finally) surpass the 2014 peak in 2023. The rise in pensions should exceed projected inflation by a couple of percent in line with the 2019–2024 pension hikes. Consumption should also receive a boost from the yet-to-materialize unwinding of the unusually high accumulation of household assets in 2020. Travel abroad from Russia contracted sharply last year and should reverse at a good pace in the later years of the forecast period.

The recovery in fixed investment will continue, and capital formation should (finally) exceed the 2012–2014 level by 2023. While the rise in fixed investment is not expected to be particularly swift, as e. g. industrial capacity utilization remains quite low, the authorities are planning to extend financing from the National Welfare Fund (NWF) for selected projects in the nearer years. The aim is also to motivate corporate investors to participate, which would boost Russian investment expansion to the extent that firms' other investment plans do not get crowded out.

With both export and domestic demand recovering robustly, Russian goods and services imports should also increase rather well. Growth in imports, however, will be limited by the Russian ruble's real exchange rate, which is expected to remain fairly stable as Russian inflation should only slightly outpace inflation in the country's trading partners. The recovery in expenditure on travel will raise Russia's total imports substantially as travel had accounted for 10% of total imports in 2019 (before imports collapsed). Russia's total imports should eventually re-attain about 90% of their 2012–2014 peak. The country's current account surpluses will remain substantial throughout the forecast period.

There are no signs that the Russian authorities consider reneging on their current plan to maintain the budget balance (similar policies were also pursued in the wake of the 2009 and 2015 recessions). Rising fiscal revenues and improved revenue prospects from higher oil prices will help the government as these would permit easing up on the plan's tight spending estimates.

Forecast for Russia is saddled with several significant uncertainties

The forecast for Russia is saddled with several significant uncertainties. The development of the COVID-19 pandemic as well as of global economic growth and of the oil price could take unexpected turns. Notably, the pandemic may not subside globally as expected, thus pulling down growth and oil price indicators. Further, global markets and Russia's relatively nonintegrated markets could heighten inflationary pressures, which in turn could create risks of an increased

erosion of households' and other sectors' purchasing power. On the other hand, rising oil price futures and brisk economic developments in Russia in recent weeks produce upside risks (such as the unwinding of last year's unusually large accumulation of household assets or strengthened investment growth if planned financing from the NWF brings in corporate investors in a manner that raises overall corporate investment). Swelling government budget revenues may create considerable room for higher budget spending.