

Weiterhin robustes, aber nachlassendes Wirtschaftswachstum in CESEE; Russlands Wirtschaft wächst wieder langsamer⁶

OeNB-BOFIT-Prognose für ausgewählte CESEE-Länder und Russland

Nach einem soliden BIP-Wachstum von mehr als 4 % im Jahr 2018 wird für die **CESEE-6-Länder**^{7,8} in den Folgejahren von einer Abschwächung der Expansion auf 3,6 % im Jahr 2019 sowie 3,3 % im Jahr 2020 und 3,1 % im Jahr 2021 ausgegangen. Mit den stärksten Wachstumsraten wird im Prognosezeitraum für Ungarn und Polen gerechnet, aber auch sie werden – wie die übrigen CESEE-6-Länder – gegen Ende dieses Zeitraums eine nachlassende Wachstumsdynamik verzeichnen. Die Inlandsnachfrage wird sich allgemein abschwächen (aber robust bleiben), was hauptsächlich auf Engpässe am Arbeitsmarkt und fallweise auf geringere Zuflüsse von EU-Mitteln zurückzuführen sein wird. Gemäß unseren Annahmen zum Importwachstum im Euroraum wird die Exporttätigkeit in den Jahren 2019 und 2020 stärker anziehen als im Jahr 2018, während das Wachstum der Einfuhren in die CESEE-6-Volkswirtschaften mehr oder weniger stabil bleiben wird. Das Wachstumsdifferenzial zum Euroraum soll 2019 2,5 Prozentpunkte (unverändert gegenüber 2018) betragen und sich bis 2021 auf 1,6 Prozentpunkte verringern. Die derzeitigen Risiken für das Wirtschaftswachstum sind abwärtsgerichtet und bleiben weiterhin erhöht.

Für **Russland**⁹ prognostizieren wir für das Jahr 2019 eine Abschwächung des Wirtschaftswachstums auf 1,4 %, gefolgt von einer leichten Beschleunigung. Steuerliche Maßnahmen und eine geringfügig höhere Inflation wirken sich dämpfend auf den Konsum der privaten Haushalte aus. Derzeit gibt es noch keine Anzeichen für eine Erholung der privaten Investitionstätigkeit; allerdings sollten größere staatliche Infrastrukturprojekte 2020 und 2021 die Wirtschaftsaktivität etwas ankurbeln, insbesondere im Jahr 2020. Ferner bleibt der Außenbeitrag auch 2019 eine wichtige Wachstumsstütze. Insgesamt scheinen sich Aufwärts- und Abwärtsrisiken in etwa die Waage zu halten.

OeNB-BOFIT BIP-Prognose 2019-2021 im Vergleich zur aktuellen IWF Prognose

	Eurostat/ Rosstat	OeNB/BOFIT				IMF			OeNB/BOFIT-IMF im Vergleich		
		Rosstat	April 2019				April 2019				
Prognose											
Jahreswachstum in %											
	2018	2019	2020	2021	2019	2020	2021	in Prozentpunkten			
CESEE-6	4,4	3,6	3,3	3,1	3,4	3,0	2,7	0,2	0,4	0,3	
Bulgarien	3,3	3,3	3,3	3,1	3,3	3,0	2,8	0,0	0,3	0,3	
Kroatien	2,6	2,5	2,7	2,6	2,6	2,5	2,4	-0,2	0,2	0,2	
Tschechien	3,0	2,8	2,6	2,7	2,9	2,7	2,5	-0,1	-0,1	0,2	
Ungarn	5,0	3,7	3,2	3,4	3,6	2,7	2,4	0,1	0,5	1,0	
Polen	5,1	4,2	3,9	3,3	3,8	3,1	2,8	0,4	0,8	0,5	
Rumänien	4,1	3,0	2,8	2,8	3,1	3,0	3,0	-0,1	-0,2	-0,2	
Russland	2,3	1,4	1,7	1,6	1,6	1,7	1,7	-0,2	0,0	0,0	

Anmerkung: saisonbereinigte Daten für 2018.

Quelle: Eurostat, IMF WEO April 2019, OeNB-Bofit Prognose April 2019, Rosstat.

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⁷ CESEE-6-Region: Bulgarien, Kroatien, Polen, Rumänien, die Tschechische Republik und Ungarn.

⁸ Stichtag für die dieser Prognose zugrundeliegenden Daten: 25. März 2019. Die Projektionen für die CESEE-6-Länder wurden von der OeNB erstellt; jene für Russland wurden von der Bank of Finland in Kooperation mit der OeNB ausgearbeitet. Sämtliche Projektionen beruhen auf den Annahmen der MPE erstellt von der EZB im März 2019. Demnach soll das reale BIP-Wachstum im Euroraum nach 1,9% 2018 in den Jahren 2019, 2020 und 2021 1 %, 1,6 % bzw. 1,5 % betragen. Das Importwachstum soll sich nach 2,7% 2018 auf 3,7 % im Jahr 2019 belaufen, gefolgt von 4,1 % im Jahr 2020 und 3,5 % im Jahr 2021.

⁹ Die Ölpreisannahme der Bank of Finland bezieht sich auf Preisnotierungen für Urals-Terminkontrakte (USD je Barrel) mit Stichtag 6. März 2019. Wir erwarten daher, dass Urals-Öl während des dreijährigen Prognosezeitraums mehr oder weniger auf dem derzeitigen Preisniveau (von 60 USD je Barrel) verharren und sich leicht rückläufig entwickeln wird.

OeNB CESEE-6 forecast: weaker domestic demand across the region

Following solid GDP growth of 4.4% in 2018, economic expansion in the CESEE-6 countries is predicted to slow down to 3.6% in 2019 and further to 3.3% in 2020 and 3.1% in 2021. Domestic demand is expected to moderate somewhat in all CESEE-6 countries. The contribution of net exports, by contrast, will improve in line with the assumption of stronger external demand in the euro area and more or less unchanged average import growth in the CESEE-6 countries.

Monetary policy expected to be overall accommodative

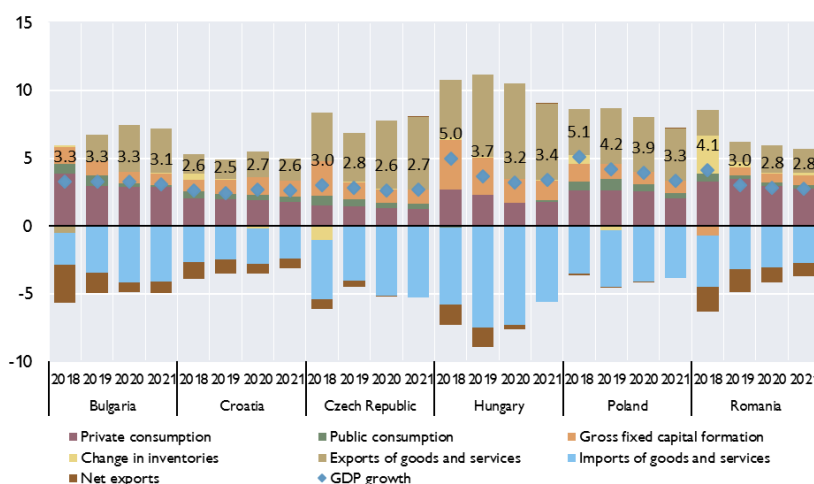
We generally assume that the overall accommodative monetary policy stance will continue in 2019 and 2020. Despite a recent slight pick-up of inflation in some CESEE-6 countries, a no-change policy is the most likely scenario in most but not all countries. The Central Bank of Hungary recently tightened its monetary policy by raising the deposit facility rate. In light of (still) favorable financing conditions in all CESEE-6 countries, lending activity is growing very dynamically, in particular lending to the household sector. Noticeably, in Croatia, lending growth to the corporate sector eventually turned slightly positive in January 2019 after a prolonged period of negative growth figures.

Fiscal policy in the CESEE-6 region shows a more diverse pattern

For one group of CESEE-6 countries, namely Bulgaria, the Czech Republic and Poland, we expect a looser fiscal policy stance in 2019. In the Czech Republic, higher public expenses are, inter alia, linked to an exceptional increase of pensions while in Poland upcoming parliamentary elections in autumn 2019 are expected to push up public spending. Following years of fiscal surpluses, Bulgaria has decided to move to a more expansionary fiscal policy and is expecting a fiscal deficit in 2019. Consolidation needs in Croatia, Hungary and Romania, by contrast, require more restrictive fiscal measures to bring the budget deficit in line with EU rules. For Hungary, we expect a more expansionary fiscal track only toward the end of our projection horizon with upcoming parliamentary and presidential elections in 2022.

CESEE-6: GDP and GDP components
(realized data for 2018, projections for 2019 to 2021)

in percentage points, year on year GDP growth in %



Source: Eurostat, OeNB.

Some moderation of private consumption growth expected

In this environment, we expect private consumption growth to remain strong but to moderate continuously over the projection horizon in all CESEE-6 countries. Generally, consumer mood remains optimistic. Real wages still have room to increase but to a lesser extent than in previous years and job creation will reach its limits, particularly in the Czech Republic and Hungary, as the labor stock is close to being exhausted. Additionally, inflation has been lowering real disposable income in some countries. Currently, Hungary and Romania feature the highest inflation rates (3.2% and 4%, respectively, in February 2019). On the other hand, private consumption is supported by buoyant credit growth (in particular of consumer loans) across the region.

Public consumption growth shows a less uniform pattern

For several CESEE-6 countries we expect more prudent public consumption in 2019 compared to 2018 that reflects consolidation efforts (Croatia, Hungary), or a somewhat less expansionary stance (Czech Republic). In Bulgaria and Poland, public consumption growth is expected to accelerate strongly in 2019 driven by the public sector wage increases in the former and the political cycle in the latter country. In 2020 and 2021, growth rates of public consumption will moderate in all CESEE-6 countries according to our projections, except in Hungary.

Investment activity will slow down over the projection horizon

Despite slowing down, gross fixed capital formation will remain strong, largely motivated by inflows of EU funds, high capacity utilization rates and capital-to-labor substitution needs in light of mounting labor shortage. However, lower use of EU funds (e.g. strong frontloading in Hungary), less favorable growth prospects for the main trading partners and, eventually, some base effects will hamper gross fixed capital formation growth over the projection horizon. Croatia's investment activity, by contrast, is expected to benefit from higher absorption of EU funds. From 2021 onward, the EU's new multiannual financial framework for 2021–2027 will be in place and we expect much lower inflows of EU funds in the final year of our forecast period.

In 2019 and 2020, export growth will gain speed

In 2019 and 2020, export growth will gain speed in line with our assumption on euro area import growth. Only in the Czech Republic and in Romania, export growth will weaken compared to 2018 due to country-specific reasons (capacity constraints and rising unit labor costs in the former case, weak export performance seen at the end of 2018 in the latter case). As euro area import growth will soften in 2021 we forecast a similar pattern for most CESEE-6 countries.

In most of the CESEE-6 countries import growth will slow down in 2019 compared to 2018. Exceptions are Poland and Hungary, where import growth will only moderate from 2020 onward. Overall, the growth contribution of net exports will improve in all countries in the course of the projection horizon (or stay more or less unchanged as in Poland).

CESEE-6: intensification of downside risks

Risks for the CESEE-6 economic outlook stem both from external and internal developments and are tilted downward. Brexit modalities are still unknown, global politics have caused a high level of uncertainty and the economic downturn of the euro area has set in more strongly than expected some months ago. Internally, the CESEE-6 countries are struggling with labor shortage, as its economic implications are gradually becoming more visible.

As in our forecast of autumn 2018, we still consider an intensification of trade conflicts between the U.S.A. and its main trading partners as an acute downside risk for our outlook. Several CESEE-6 countries are small, open economies and trade tensions between large trading countries would adversely spill over to the CESEE-6 countries.

Apart from protectionist measures, unforeseeable events – such as new emission standards or a potential inability to keep up with new technologies – could become severely harmful to growth projections for most CESEE-6 countries. Additionally, the possibility of adverse weather conditions (e.g. drought) poses a downside tail risk to growth in particular in countries with a large agricultural sector, such as Poland and Romania.

At the EU level, the unresolved issues related to Brexit remain an important downside risk. Negative implications of the Brexit could affect the CESEE-6 through the trade channel, financial stability implications and the EU budget. In addition, regardless of the future situation of the U.K., structural changes in the new budget are likely to have adverse consequences for the CESEE-6 countries, especially for those that heavily rely on flows of funds from the EU (such as Hungary and Poland).

The economic performance of the euro area represents a major source of external risk as always. The outlook for the euro area, and importantly also for Germany, has clouded over since our last forecast. Another downside risk emanating from the euro area relates to the fiscal outlook in Italy.

Our CESEE-6 forecast is also subject to downward risks emanating from the region itself. Most prominently, the phenomenon of more severe than expected labor shortage across all CESEE-6 countries and all sectors and its implications for price competitiveness represent an important factor in our risk assessment. Additionally, rising inflationary pressure associated with higher wages and strong demand, could drag down real disposable income. In this context, stronger than anticipated monetary tightening due to elevated inflationary pressure is considered as a downward risk to our forecast.

Apart from economic risks, we consider populism in most CESEE-6 countries as a cause of concern for our projections. Tensions with the EU over compliance with EU laws could result in sanctions by the EU (for example: lower flow of EU funds) against some CESEE-6 EU Member States. Additionally, the political environment in some CESEE-6 countries could be harmful to overall confidence among foreign investors.

In terms of upside risks, a higher absorption of EU funds than currently assumed could boost investment activity more strongly than expected. Furthermore, an upward revision of euro area growth would push up CESEE-6 growth beyond current expectations. Finally, a decent Brexit solution would lower economic uncertainty to a large extent.

Russia modest growth continues

In Russia, economic growth accelerated to 2.3% in 2018 on the back of rising oil prices coupled with ruble depreciation.

Lower economic growth is expected to return in 2019, though.¹⁰ The hike in value-added taxes (from 18% to 20% in January 2019) and a mild pickup in the inflation rate are dampening growth

¹⁰ Besides the oil price assumption, we assume for this forecast that the authorities will continue to pursue their current economic policies geared to safeguarding macroeconomic stability and strengthening economic

in household consumption. Moreover, there are still no signs of a real recovery in private fixed investments, which implies that net exports will remain an important growth driver in 2019. The launch of major state infrastructural investment projects in 2020 and 2021 should slightly boost the pace of economic expansion, particularly in 2020. However, we expect Russia's economic growth to settle at around 1.5% (which corresponds to the potential growth rate) annually thereafter.

Continued low public sector wage growth, an expected leveling-off of the household borrowing spree (given some prudential tightening measures of the Central Bank of Russia), and the impact of the two-percentage point VAT hike are likely to dampen private consumption growth, particularly in the current year. Then, some modest consumption recovery should set in. Given our oil price assumption, the general government budget should deliver sizeable surpluses throughout the forecast period subject to the current fiscal rule (surplus revenues being transferred to the National Welfare Fund if the Urals oil price exceeds USD 41 per barrel), as well as taking into account expenditure reductions stemming from the incremental increase of the retirement age.

Recent figures on construction activity suggest that projected fixed investment data may have to be adjusted upward. Russia's current major projects (Power of Siberia pipeline to China, Nord Stream II and Turkish Stream) as well as the giant natural gas liquefaction plants and shipping terminal on Yamal Peninsula, West Siberia (Yamal LNG, a Belt & Road project strongly supported by China) could provide a boost to 2019 investment expansion. Meanwhile, major government-sponsored new national priority projects for 2019 to 2024 (incorporating the new goals set by president Putin), are likely to get started and impact capital formation only in 2020 and 2021. Notwithstanding state-directed measures, the overall business environment will continue to suffer from a range of uncertainties and structural shortcomings specific to the Russian economy.

It is unlikely that the vibrant export expansion seen in the last two years will continue. While there will be strong growth in liquefied natural gas (LNG) exports and probably also in pipeline gas exports next year, growth can be expected to essentially plateau out thereafter. With respect to oil production and exports, observers assess it as unlikely that Russia has any significant additional available capacity at the moment. Given weak increases of domestic demand, we expect import growth to continue to slow down slightly. The trend in import volumes will also depend on import prices which, in turn, will be influenced by the ruble's exchange rate. While the effect of net exports on GDP growth during the forecast period should be positive, its impact will likely become marginal toward the end of the period.

Risks to the Russian forecast are overall balanced

Due to the floating exchange rate and adherence to its fiscal rule, Russia's economic performance has become less dependent on oil price movements. However, large changes in the oil price remain hugely important because of their impact on the ruble exchange rate, financial markets, inflation, costs of investment funding and net exports. Western sanctions had negative economic effects, particularly on Russian financial markets. During our forecast period, the U.S.A. could unleash a fresh salvo of sanctions and the EU might consider a new wave of restrictive

independence. Economic independence implies favoring domestic products and services over imports, including import substitution policies. Additionally, we assume that there will be no major shifts in EU-Russia and U.S.A.-Russia relations; current sanctions and countersanctions regimes are expected to remain in place.

measures. Yet, the impact of such measures would likely be weakened by a consequent devaluation of the exchange rate which would, in turn, boost the oil price in ruble and eventually budget revenues and cut Russia's import growth further.

While our assumptions about fixed investment growth are quite cautious, it cannot be ruled out that some of Russia's major pipeline and infrastructure projects may provide a larger than expected boost to overall capital formation in 2019 and the coming years. The largest source of uncertainty relates to net exports. While a further surge in volumes of the country's biggest export commodities is unlikely, the opening up of new energy routes to China and rapid growth in exports of certain metal industry goods could hold positive surprises in store.