


Faster recovery needs pandemic control

CEE Macroeconomic Outlook 2021-22

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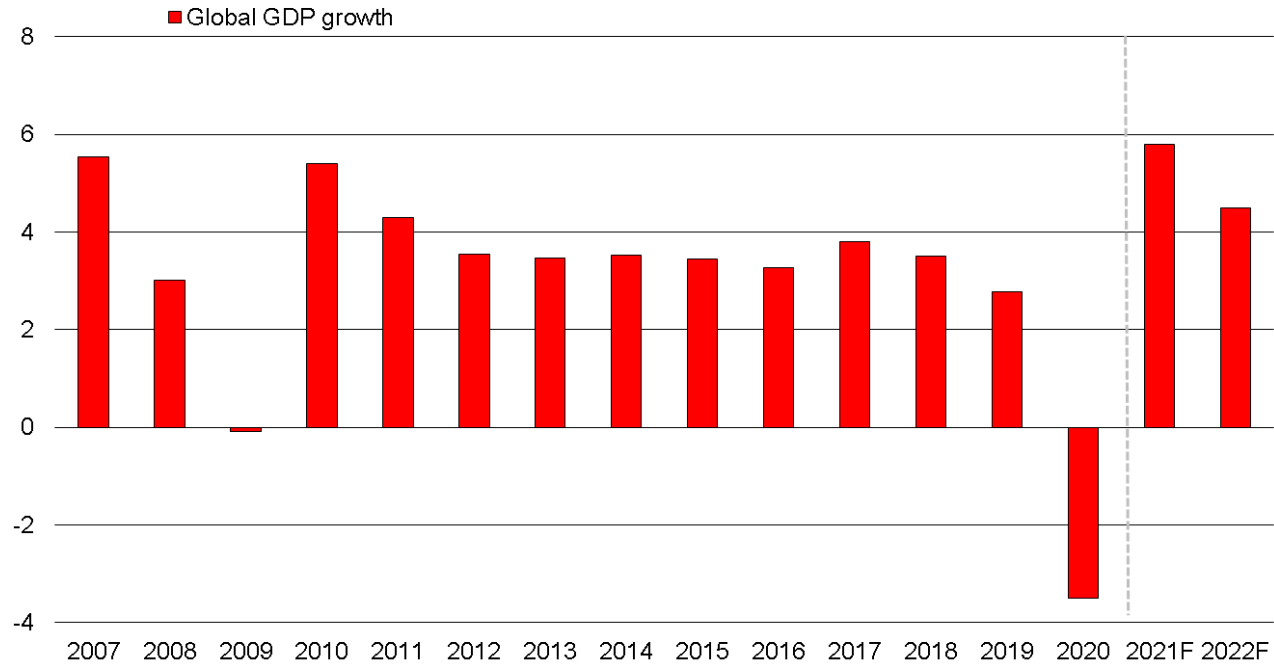
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A path to recovery

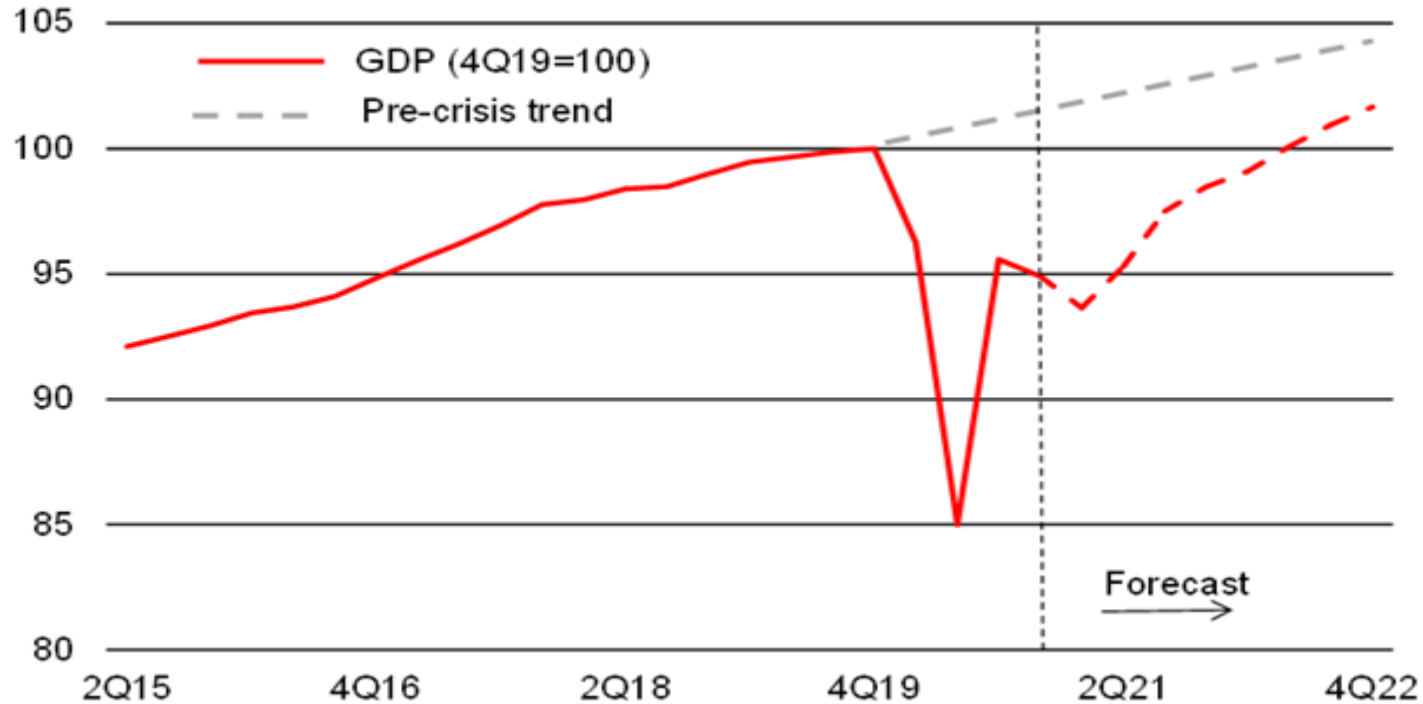
1. External environment
2. CEE economic outlook
3. Risks



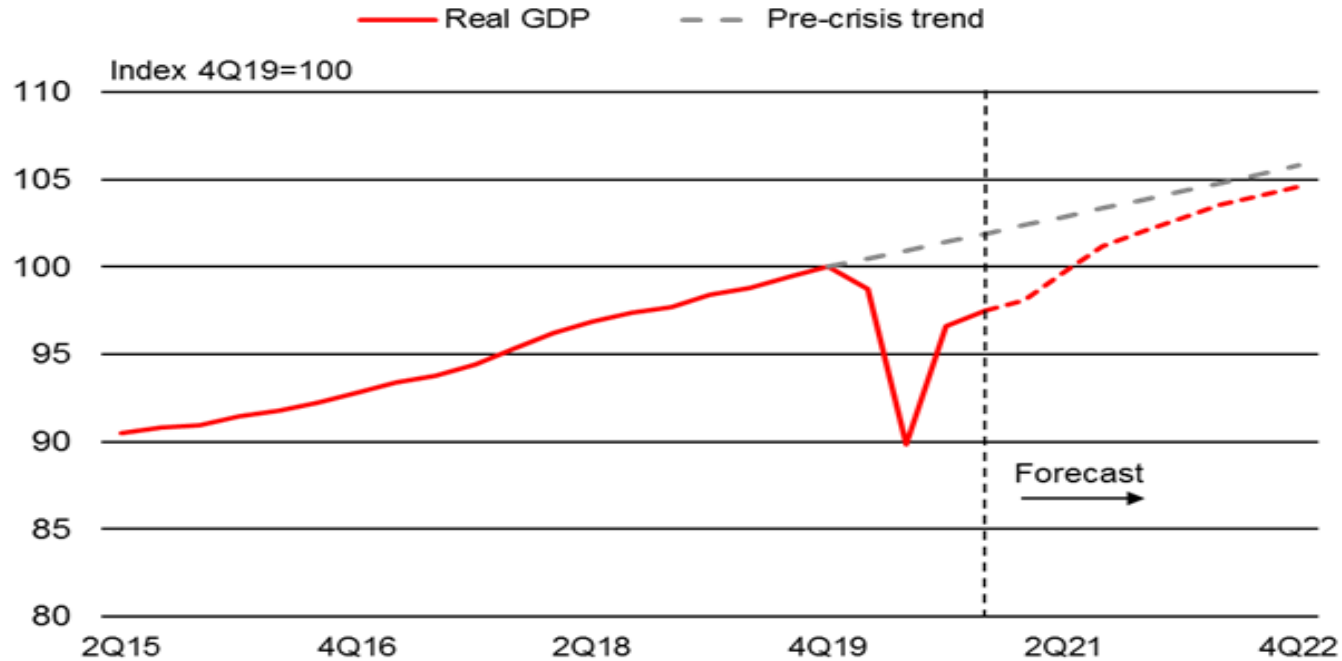
The global recovery: Strong growth ahead



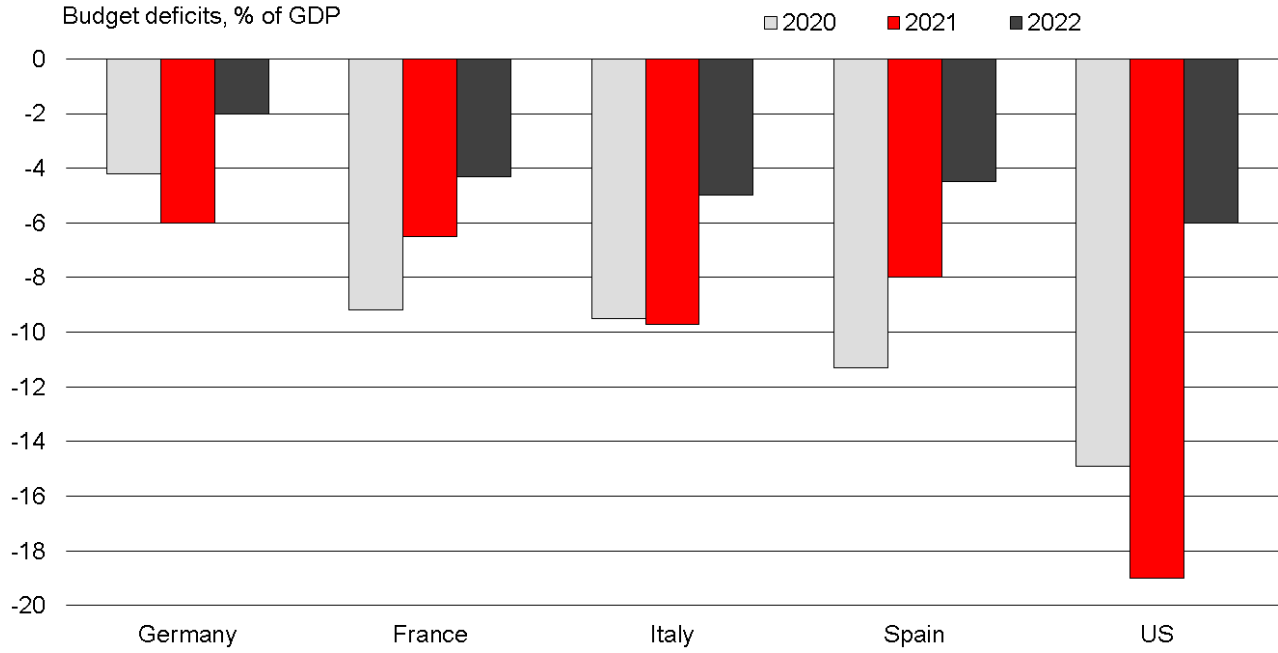
The eurozone economy could return to pre-COVID level in 2H22



The US: Prospects there are now better because of fiscal stimulus



Eurozone: too timid national fiscal action in 2021 compared with the US

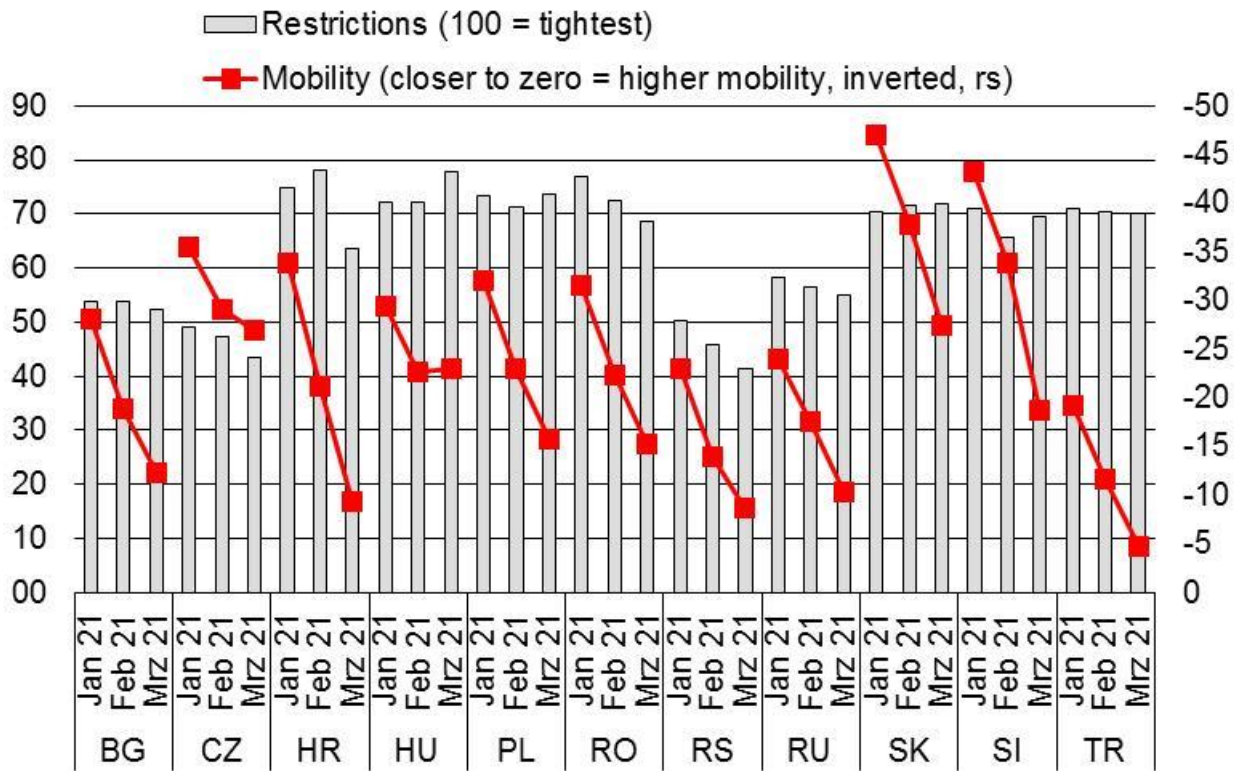


A path to recovery

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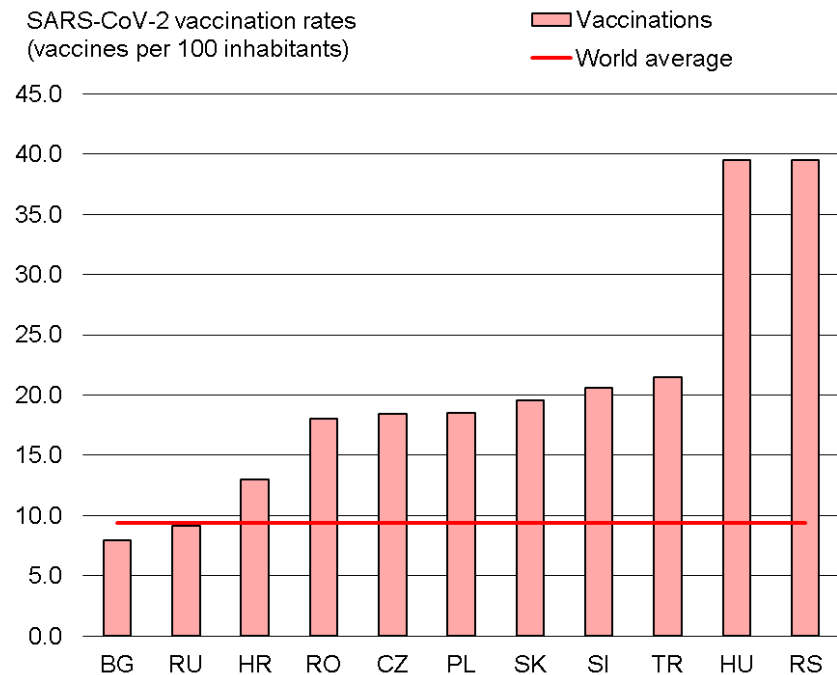


Widening gap between restrictions and compliance

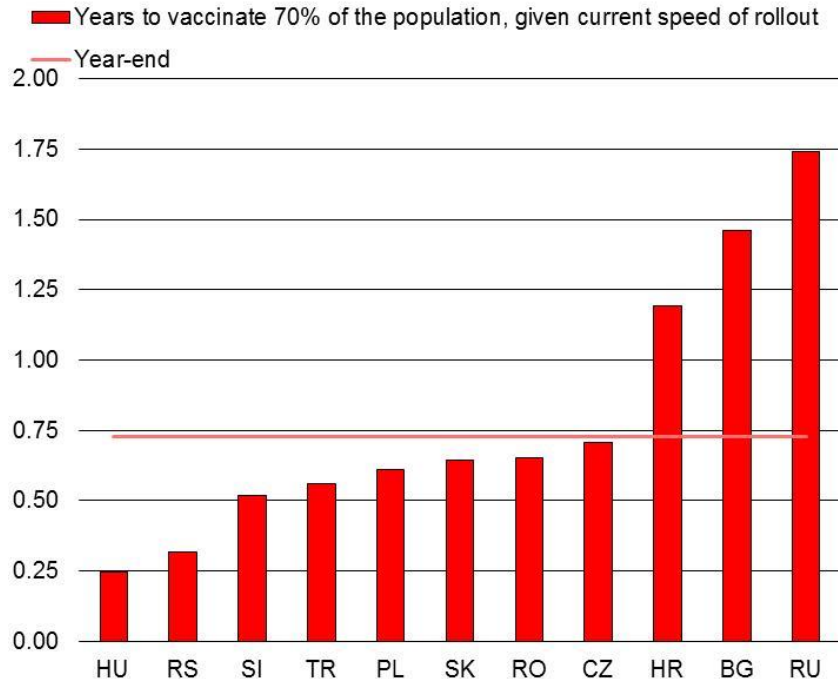


The pandemic will continue to affect CEE countries throughout 2021

Vaccination likely to accelerate in May, when the supply of vaccines will increase and diversify

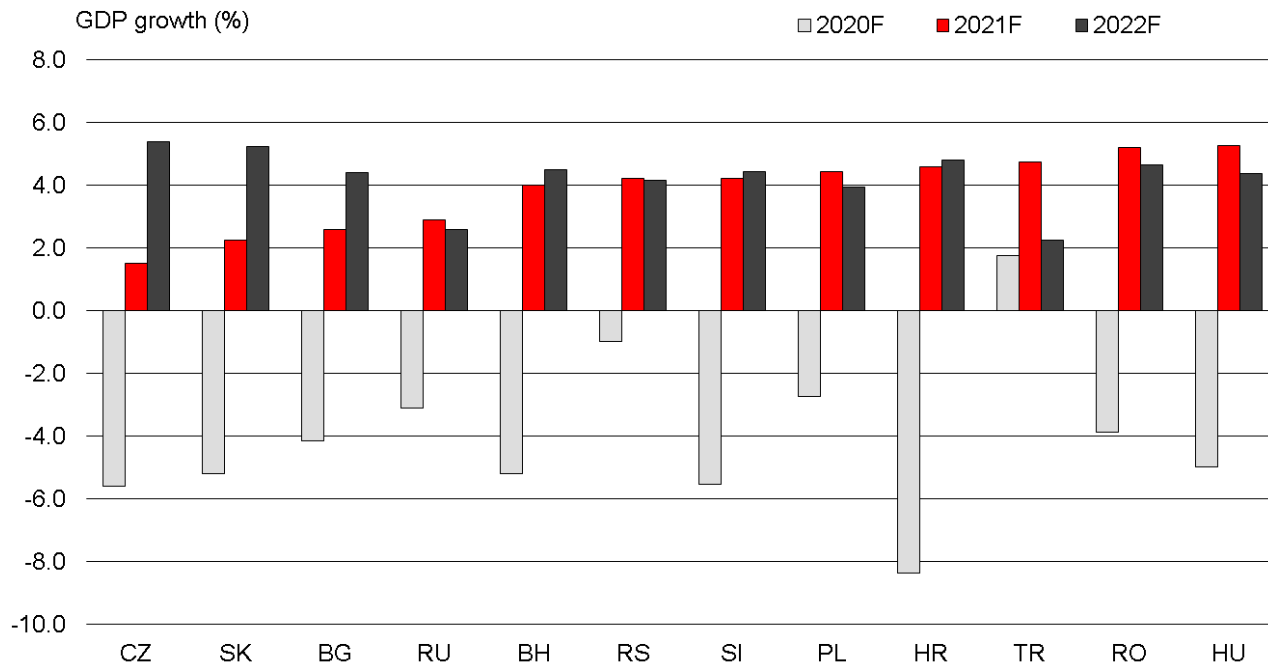


Herd immunity is possible in most CEE countries in 2021, but old citizens and those in rural areas are reticent



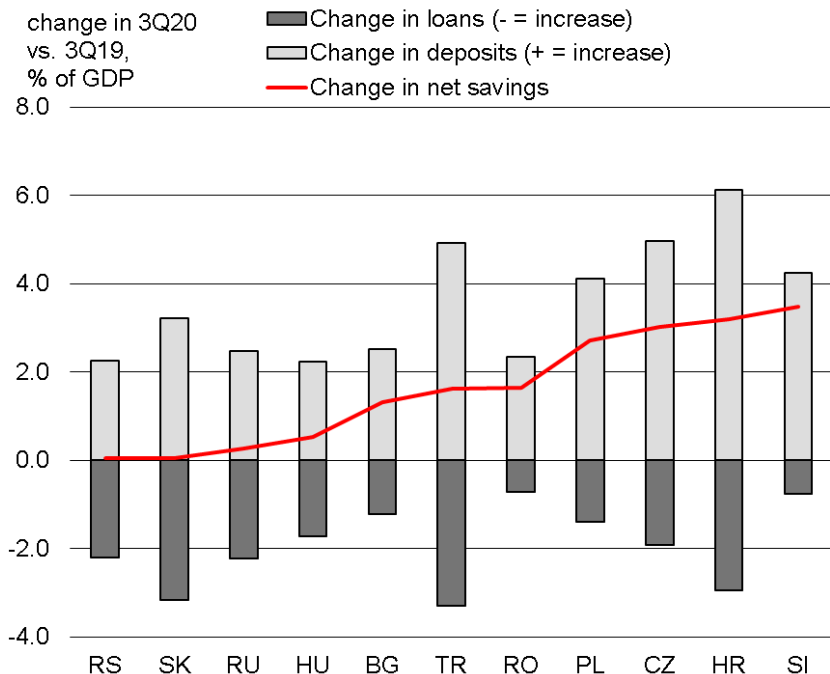
CEE: Complete recovery in 2021-22

Serbia had the smallest contraction in 2020

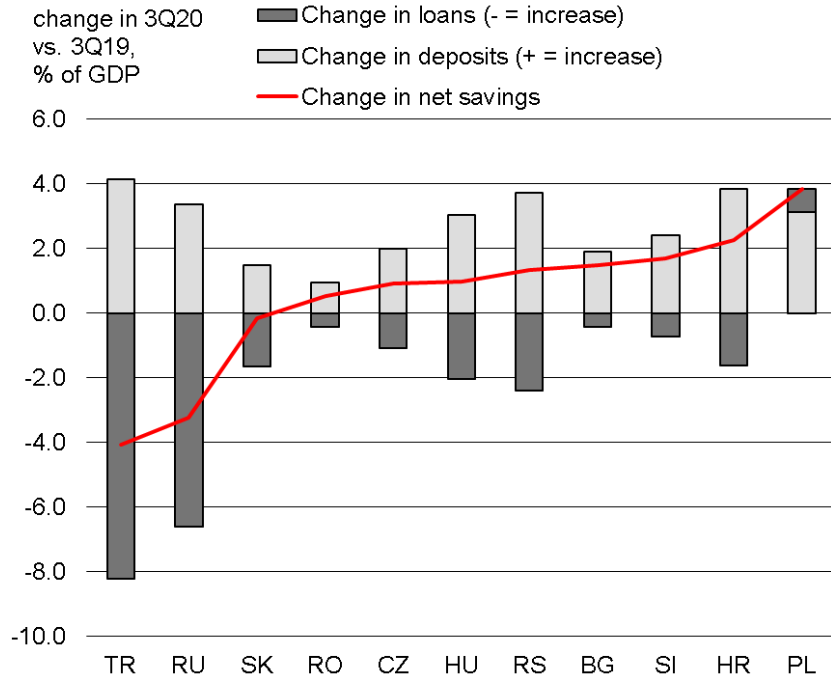


The private sector in a good position to restart spending

Households in a better position than before the pandemic in all countries

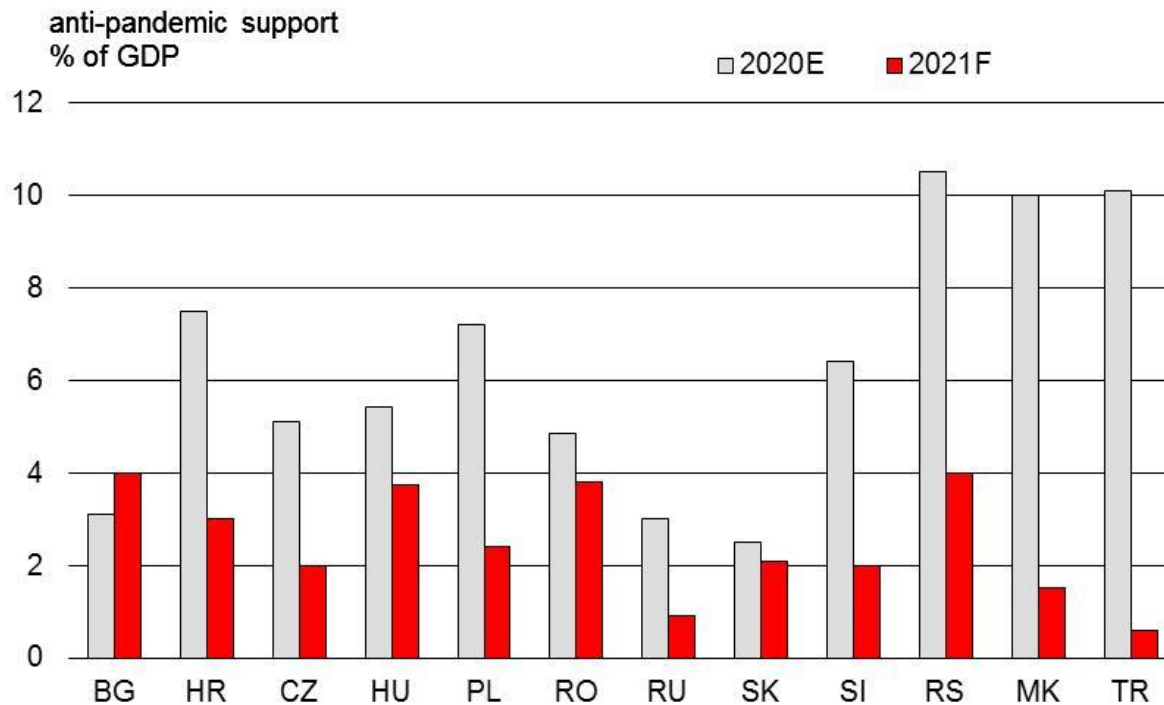


Companies in a better situation in all countries but Turkey, Russia and (marginally) Slovakia



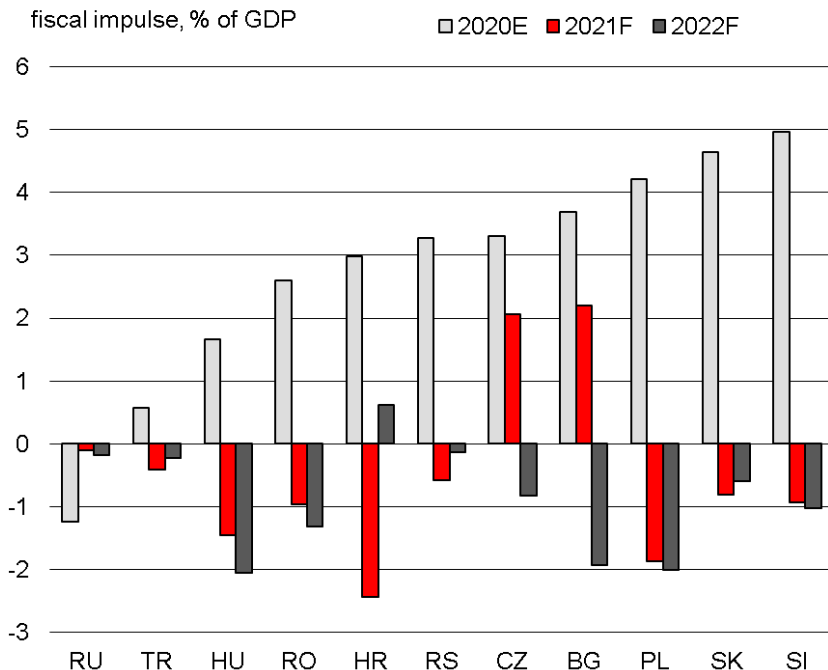
Official anti-pandemic support

Timeliness and good planning more important than support size.



Fiscal support is falling, EU support is rising

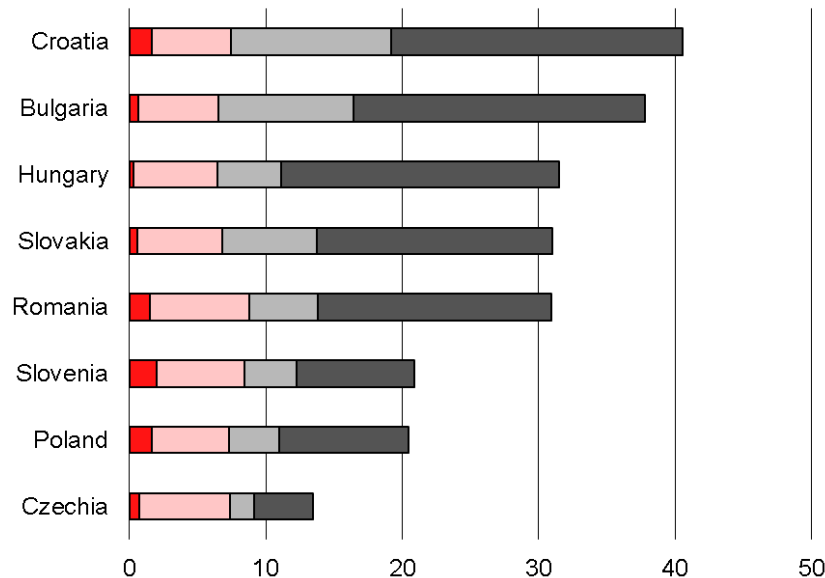
The fiscal impulse will be positive only in Czechia and Bulgaria



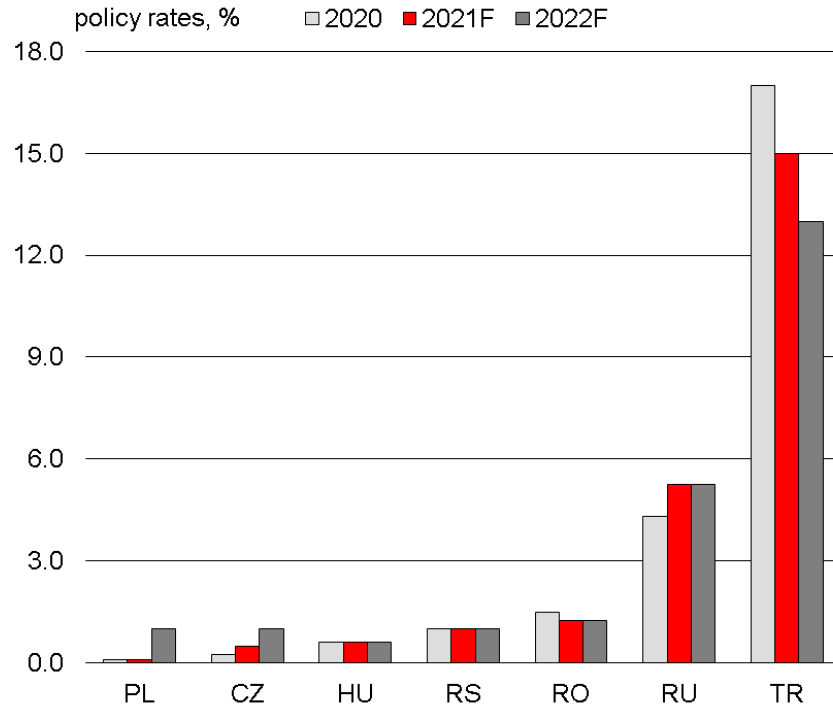
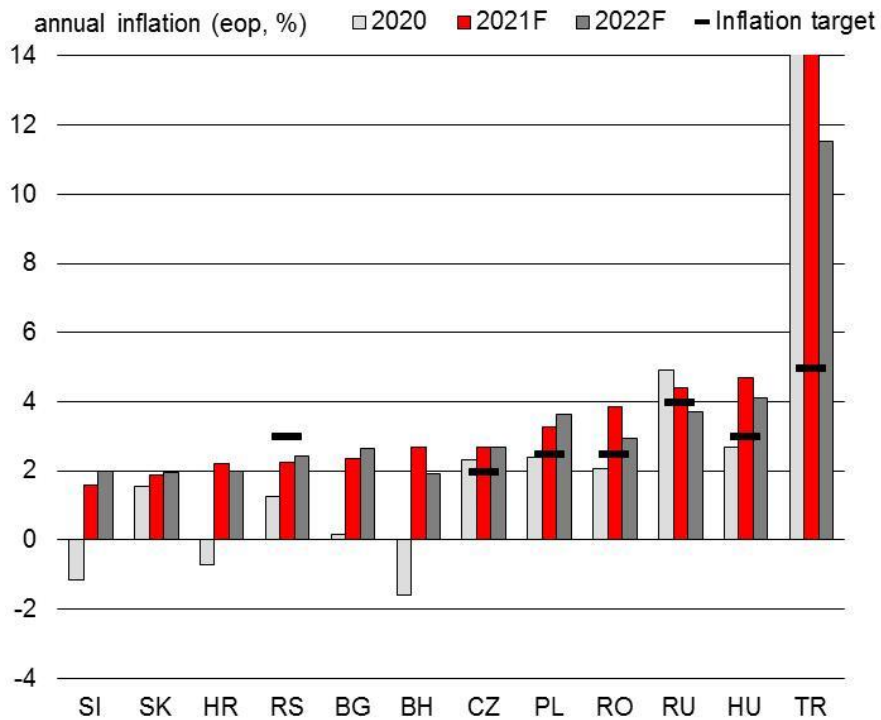
SURE funding already being withdrawn. Grants could start arriving in 2H21. NGEU loans will be drawn later (if at all)

% of avg. GDP for 2021-27

■ SURE □ NGEU loans □ NGEU grants ■ EU budget 2021-27



Monetary policy: tightening a bigger risk that easing



Source: national statistical offices, central banks, UniCredit Research



A path to recovery

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4. Risks

- 1. Length and depth of third COVID wave**
- 2. Poor track-trace-isolate frameworks**
- 3. Vaccine rollout**
- 4. Lower fiscal support in 2021 throughout Europe**
- 5. Return to spending and investment**



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