

## PRESS RELEASE

Vienna, 30 November 2016

### wiiw Handbook of Statistics on Central, East and Southeast Europe released today:

*Economic indicators on a region that is resilient to the challenging global environment*

- *The population of the countries of Central, East and Southeast Europe (CESEE) was generally growing more slowly over the past years than that in Western Europe, and in many cases even declined. However, perhaps paradoxically, their economic growth remained quite steady – with the exception of Russia and other CIS countries. The main reason for this was strong growth in real wages – the main driver of private consumption and GDP growth.*
- *The 2016 Handbook of Statistics, which has been just published by the Vienna Institute for International Economic Studies (wiiw), offers in-depth insights into these and many other interesting developments in the CESEE region. The Handbook may serve as an easy-to-use source of reference for analysts, policy-makers and journalists.*
- *The Handbook contains key economic indicators for 22 CESEE economies. Belarus is covered for the first time.*

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### **Background**

Over the past years, **population growth** in the CESEE region was generally below that in Western Europe; large parts of the region – above all the Baltic States and Ukraine, but also e.g. Hungary, Bulgaria, Romania, Croatia and Serbia – even recorded outright population decline (see Map 1). Apart from unfavourable demographic trends, another important reason for this was sizeable **outward migration**, mostly to Western Europe. These migration flows are not surprising, given the free labour movement within the EU (and visa-free regime with a number of CESEE countries which are not EU members) and the still big gap in per capita GDP – and therefore living standards – between most CESEE countries and the rest of Europe (Map 2).

However, despite the slow population growth and the **emerging labour shortages**, **economic growth** in large parts of the CESEE region proved quite **steady** – and was **generally higher than in Western Europe** (Map 3). For instance, over the past few years, the economies of the Central and East European EU Member States were growing on average 1.5 percentage points faster than that of the euro area, implying their ongoing convergence to the EU average. An important exception is Russia and the CIS region which were hit by multiple shocks over the past two years, such as the sharp decline in oil and commodity prices, the military conflict in Eastern Ukraine, the geopolitical tensions between Russia and the West, and the related ‘war of sanctions’ which took its toll on regional trade and investment flows.

The main reason for the robust economic performance in large parts of the CESEE region over the past years was **strong domestic demand**, which allowed the region to de-couple to some extent from the rather anaemic economic performance in the euro area – its main trading partner. The observed **increase in unit labour costs** in most CESEE countries (Map 4) over the past few years, which was on average higher than in Western Europe, was a reflection of solid wage growth – not least on account of the above-mentioned labour shortages. The rising wages were – and continue to be – the main factor underpinning the growth of private consumption and GDP in the CESEE countries.

This is just one example of a development which can be traced from the data presented in the wiiw Handbook of Statistics. All in all, the Handbook presents **key economic indicators for 22 CESEE economies**<sup>1</sup> (including **Belarus** for the first time) as well as EU-28, USA and Japan, which allow comparisons across topics, countries and time. The Handbook also features maps providing quick overviews.

Thus, it is designed as a **handy reference tool** for companies, academic researchers, policy-makers, journalists and all those interested in the CESEE region.

For questions please contact:

Alexandra Bykova, Tel. 533 66 10

Vasily Astrov, Tel. 533 66 10-30

Mario Holzner, Tel. 533 66 10-28

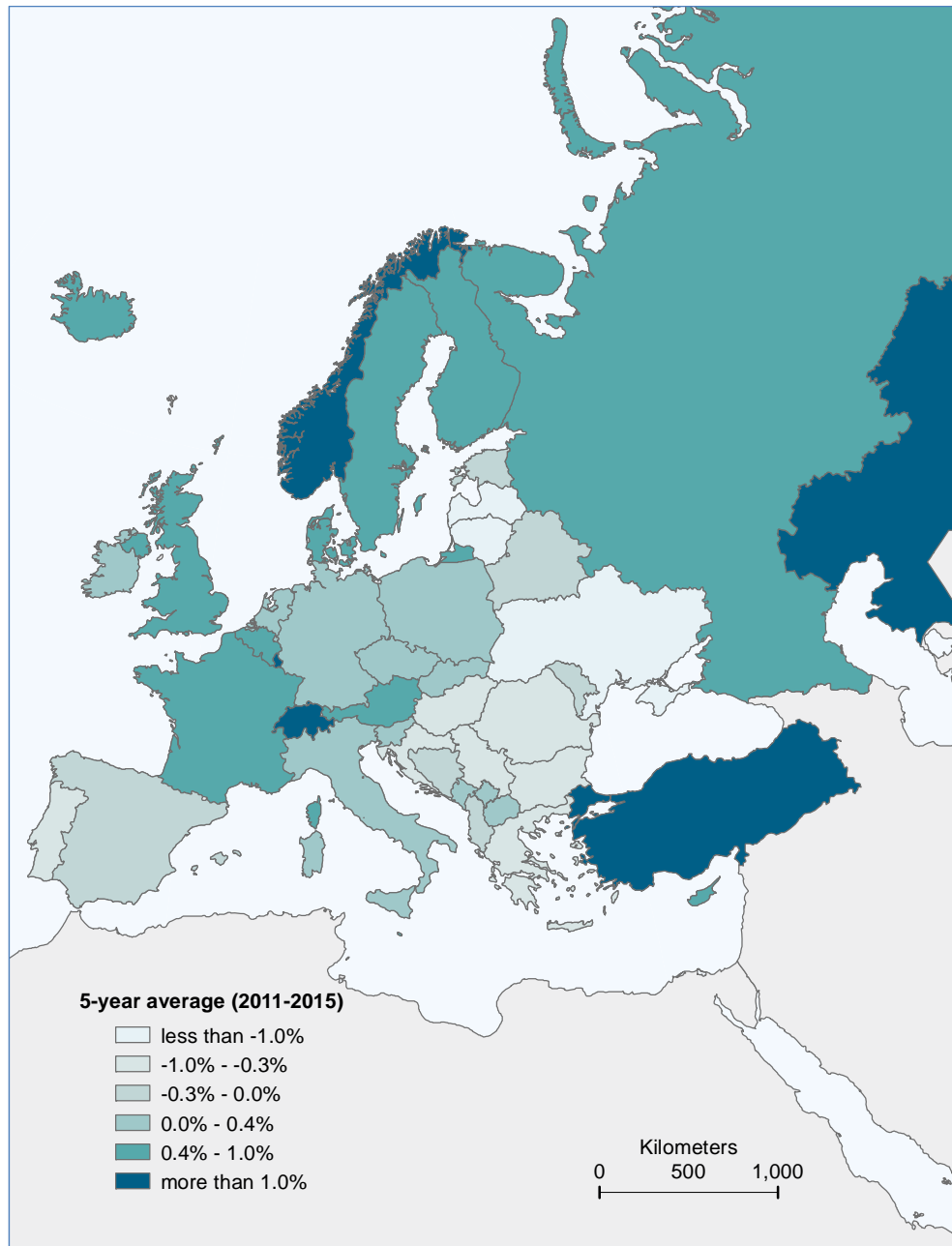
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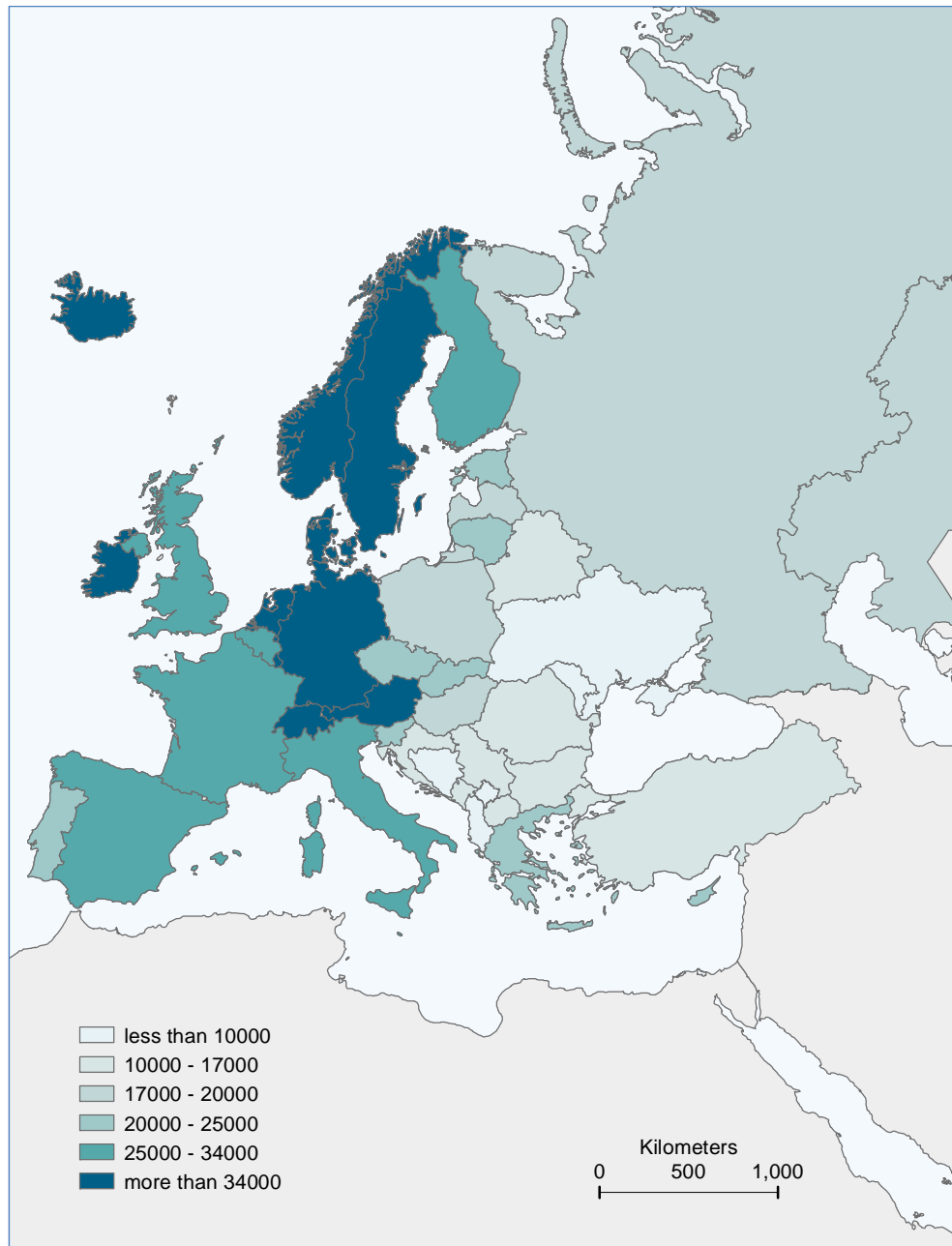
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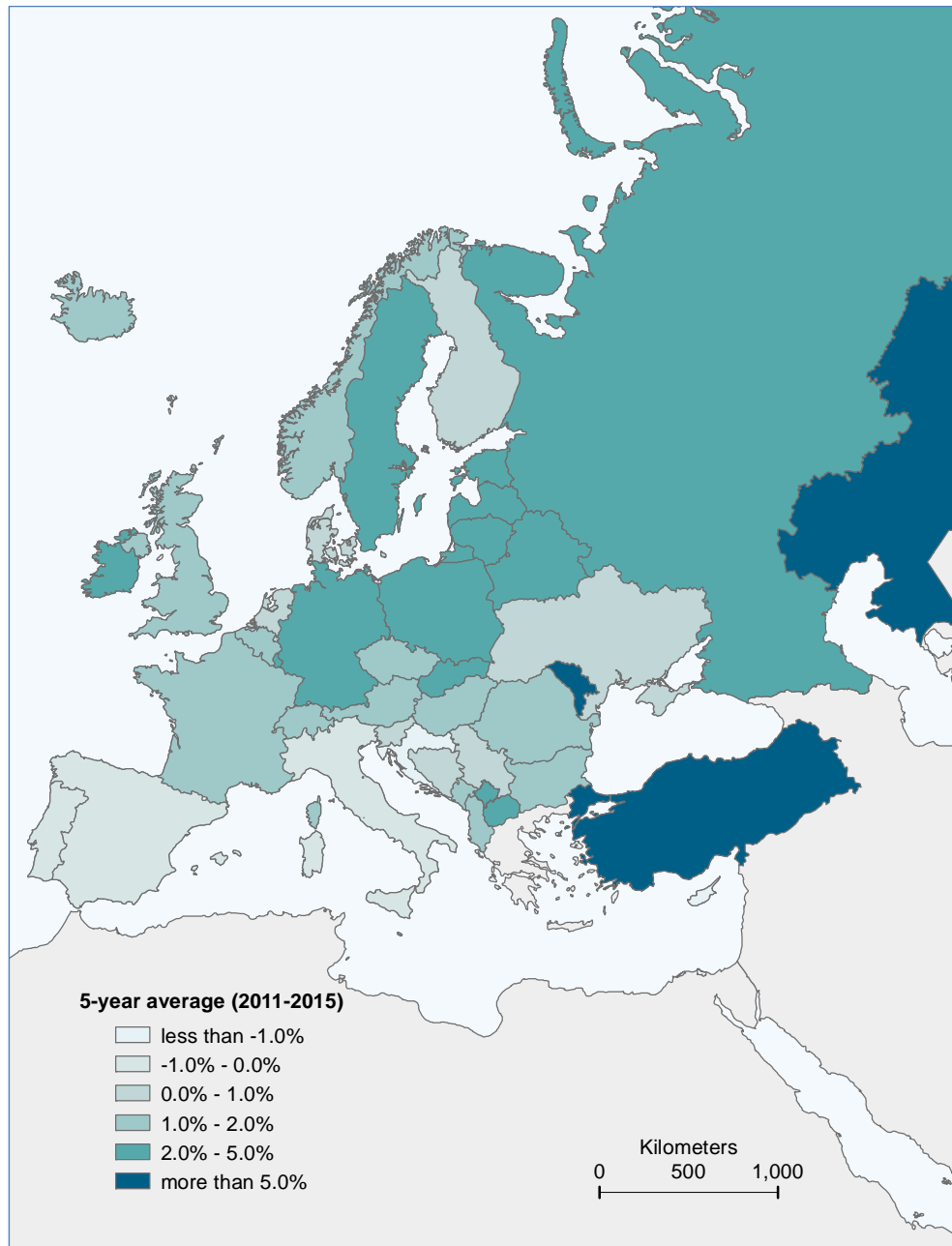
<sup>1</sup> Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Kazakhstan, Kosovo, Latvia, Lithuania, Macedonia, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey, Ukraine.

**Map 1 / Population change, growth in %**

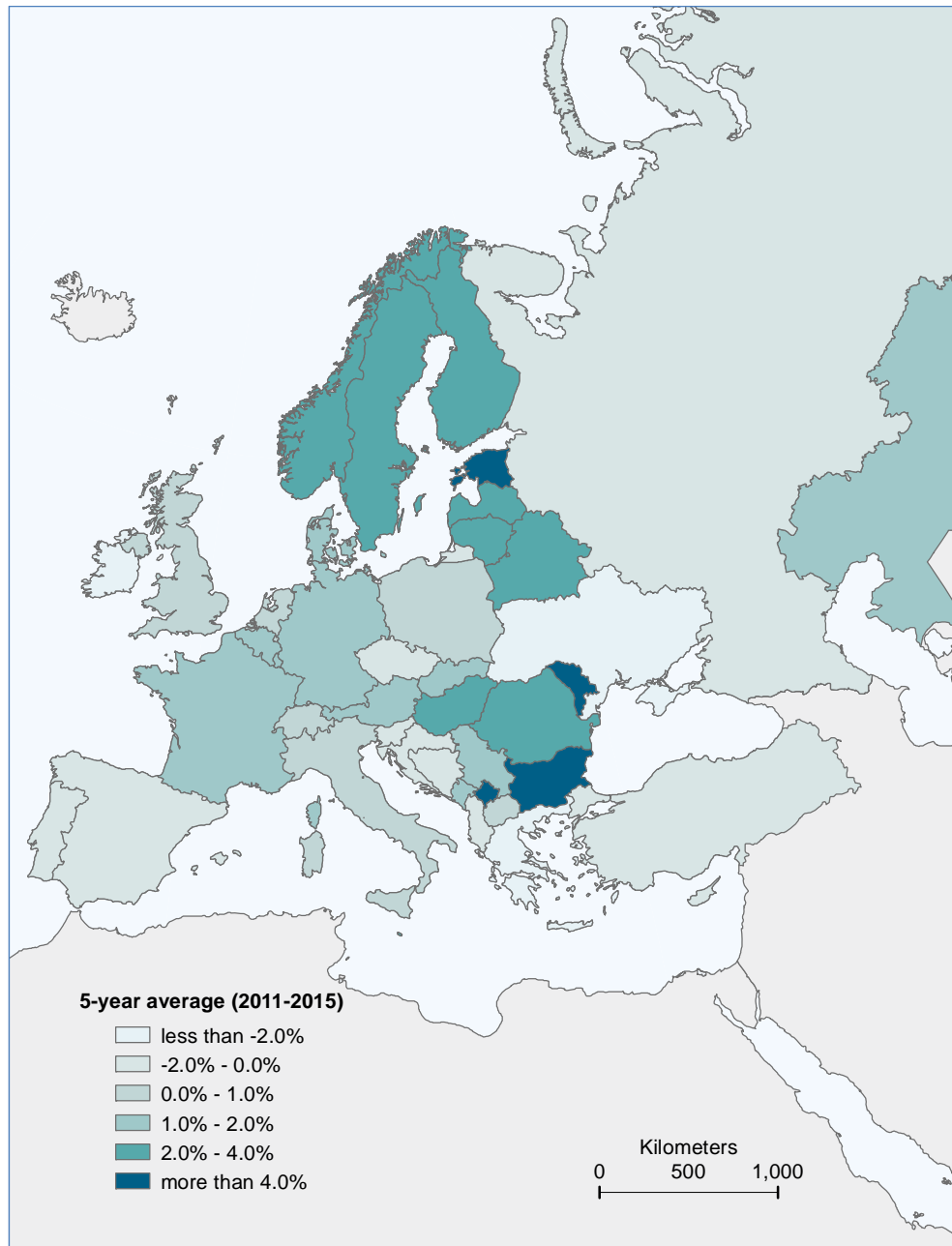
Source: wiiw Handbook of Statistics 2016 incorporating national and Eurostat statistics.

**Map 2 / Gross domestic product per capita at PPPs, 2015**

Source: wiiw Handbook of Statistics 2016 incorporating national and Eurostat statistics.

**Map 3 / Gross domestic product, real growth in %**

Source: wiiw Handbook of Statistics 2016 incorporating national and Eurostat statistics.

**Map 4 / Unit labour costs, change in %**

Source: wiiw Handbook of Statistics 2016 incorporating national and Eurostat statistics.