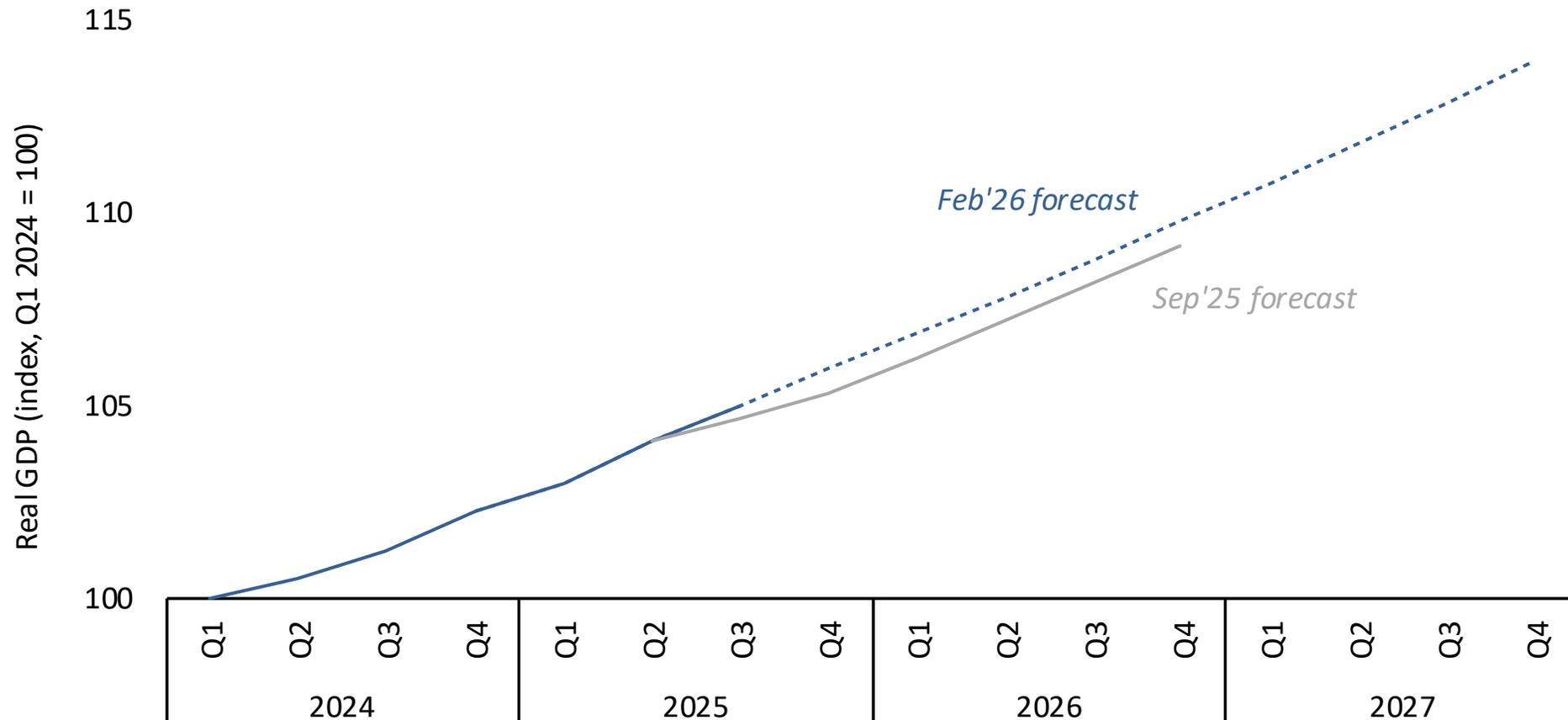# Regional Economic Prospects

## February 2026

*Resilient growth amid continued trade tensions*

# Growth in the EBRD regions estimated at **3.4% in 2025** (0.2 pp better than anticipated in Sep'25) and expected to increase to **3.6% in 2026** and **3.7% in 2027**

# In Jan-Oct 2025, US imports from **China dropped by 27%** y/y while imports from **rest of the world increased by 12.6%**; US imports from the **EBRD regions remained stable**

Strongest growth for **Kazakhstan, Côte d'Ivoire, Uzbekistan** (absolute); Uzbekistan, Turkmenistan, Kyrgyz R. (relative)
Strongest decline for **Slovak Rep., Nigeria** (absolute); Kosovo, Tajikistan, Armenia (relative)



US imports, index, 2024 average = 100

From rest of the world
From Germany
From EBRD regions
From China
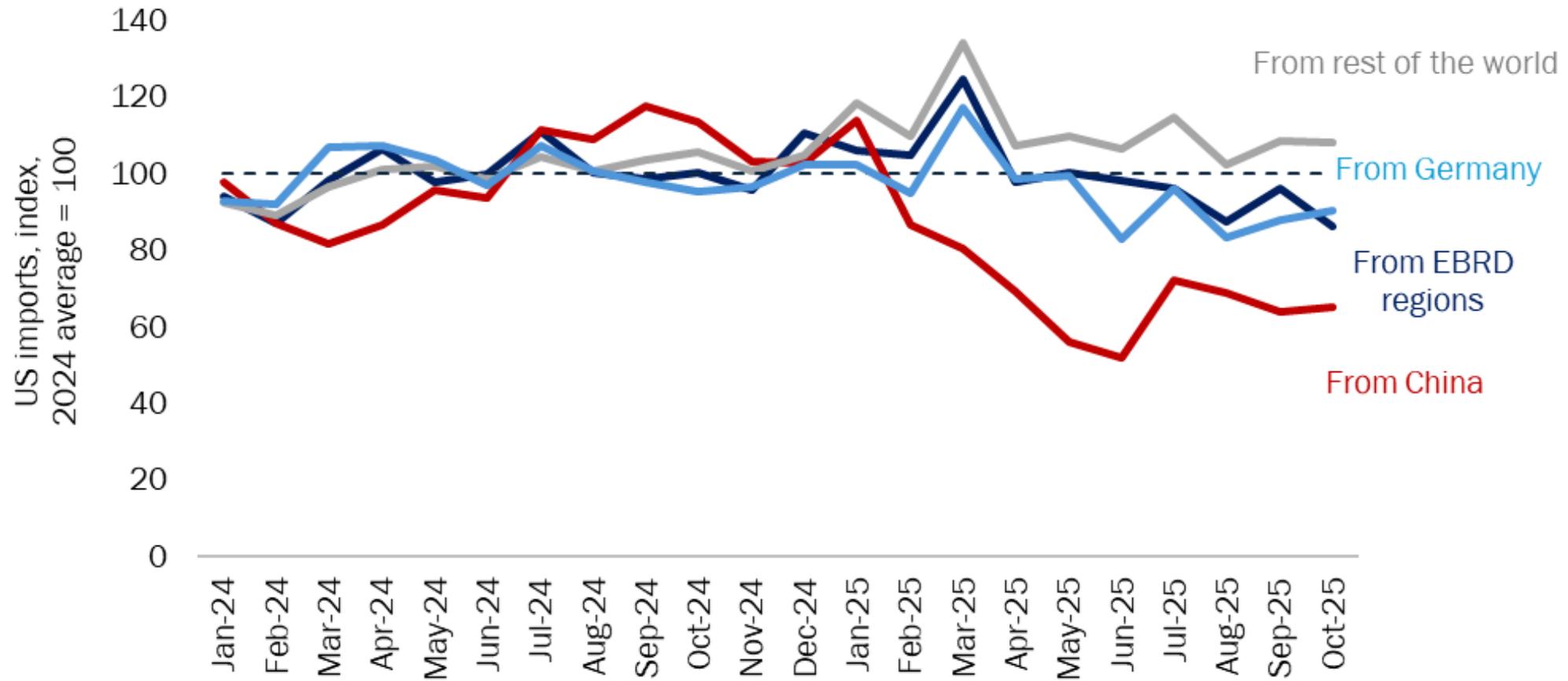
# The average effective **tariff** rate on US imports from the EBRD regions **rose by 5 ppt** in Jan-Nov 2025 – but remained well **below the current latest tariff** (as of mid-Feb)
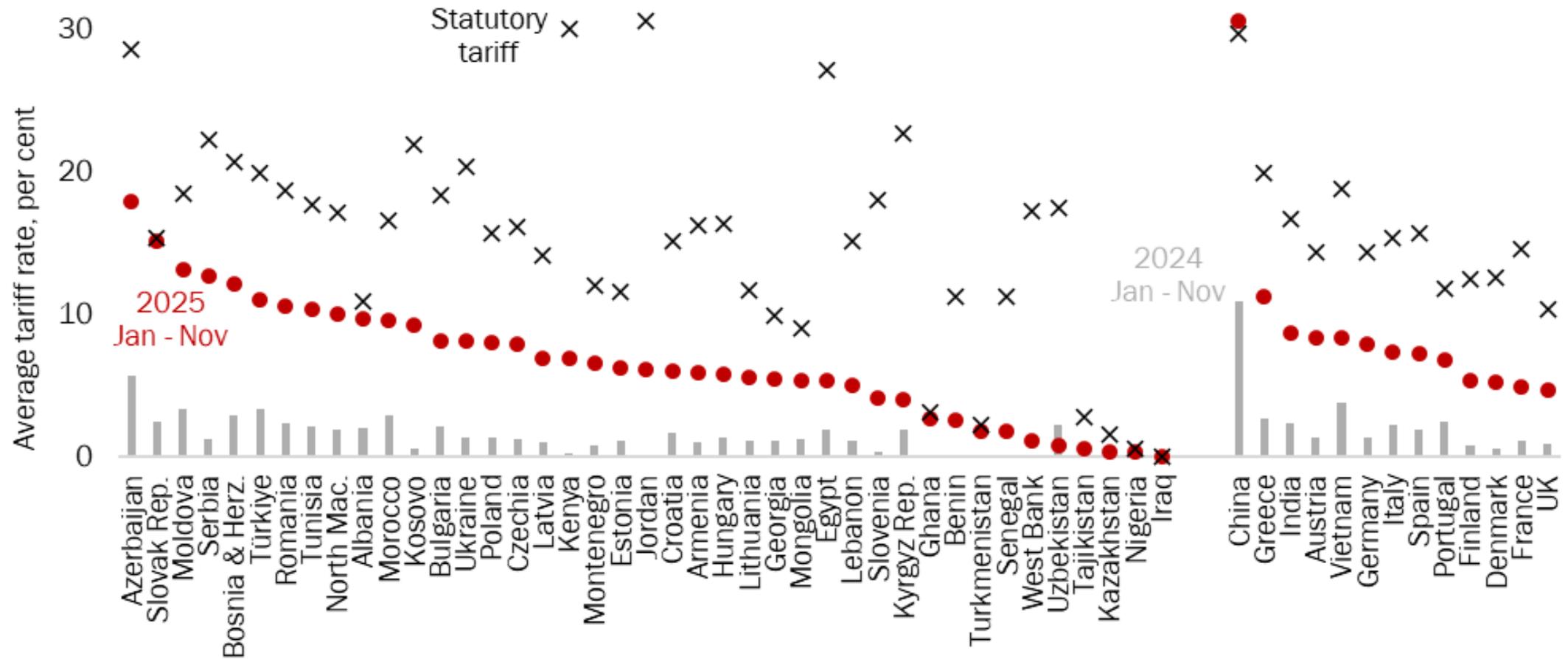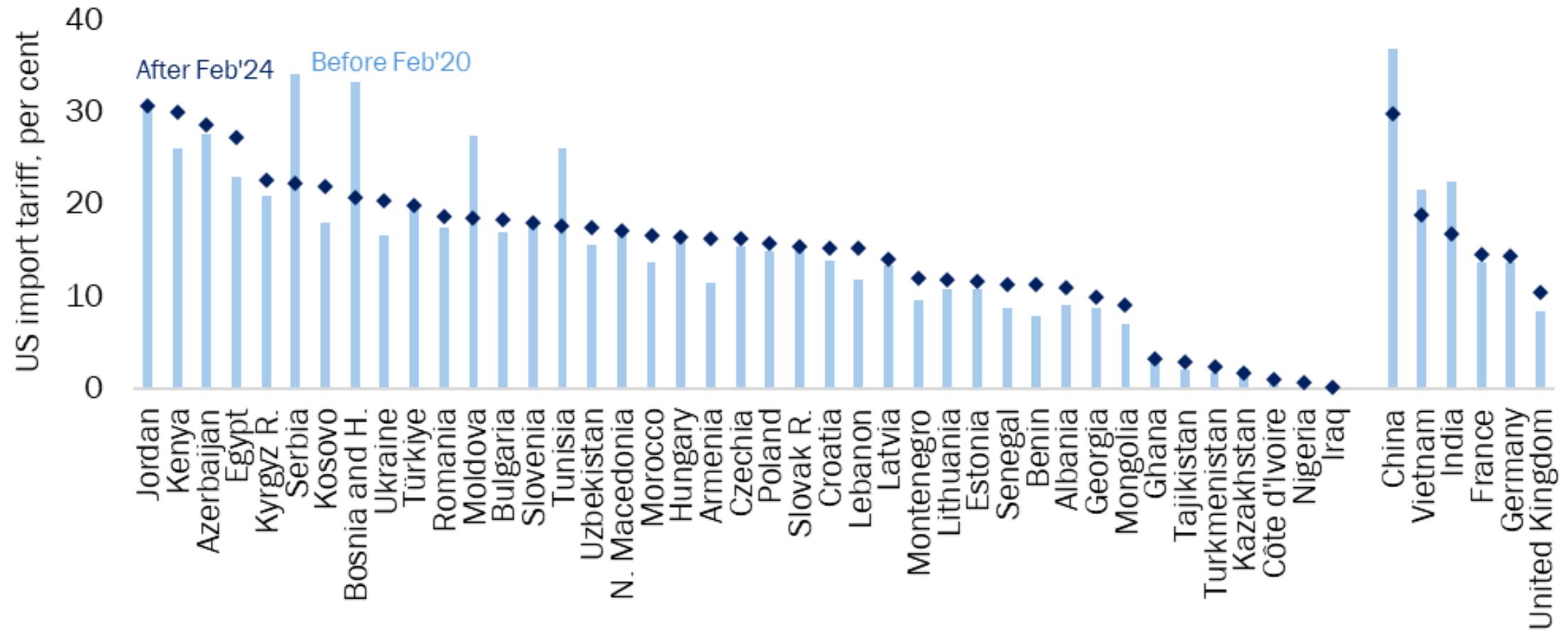
# The **new US import tariffs effective 24 Feb 2026** increased tariffs faced by the **EBRD regions**, on average, by **0.3 ppt** with 29 economies in the EBRD regions now facing higher tariffs

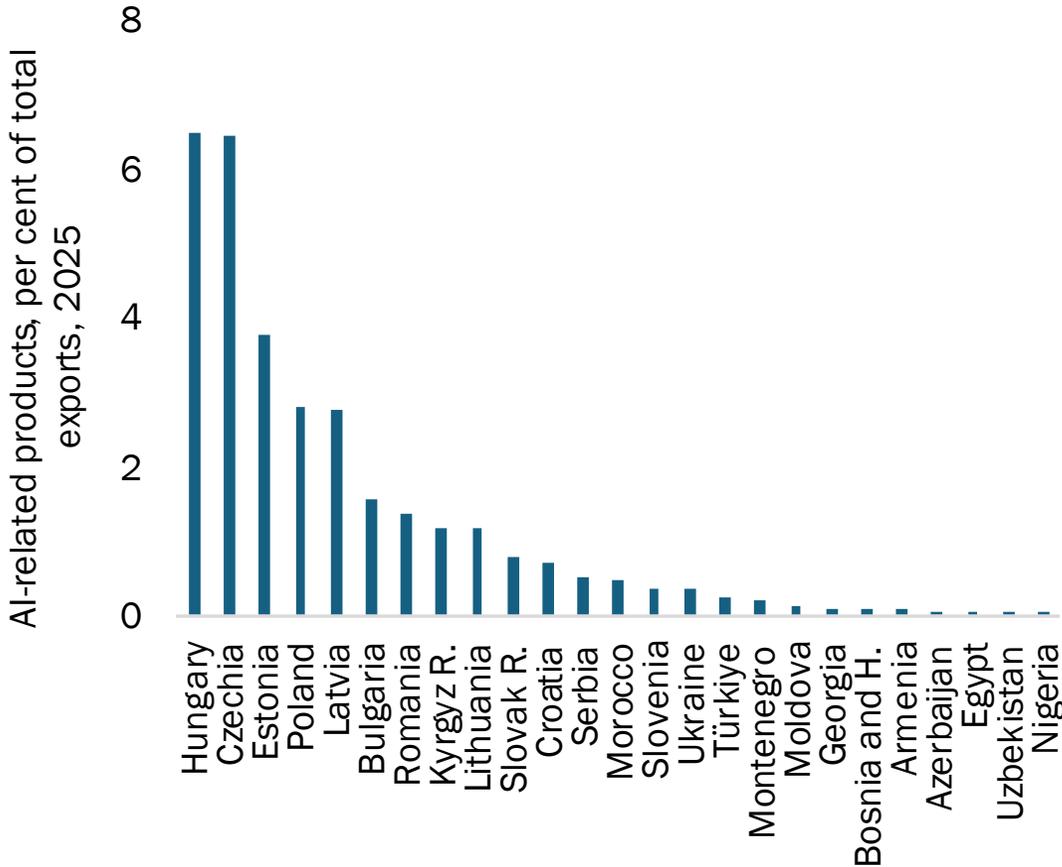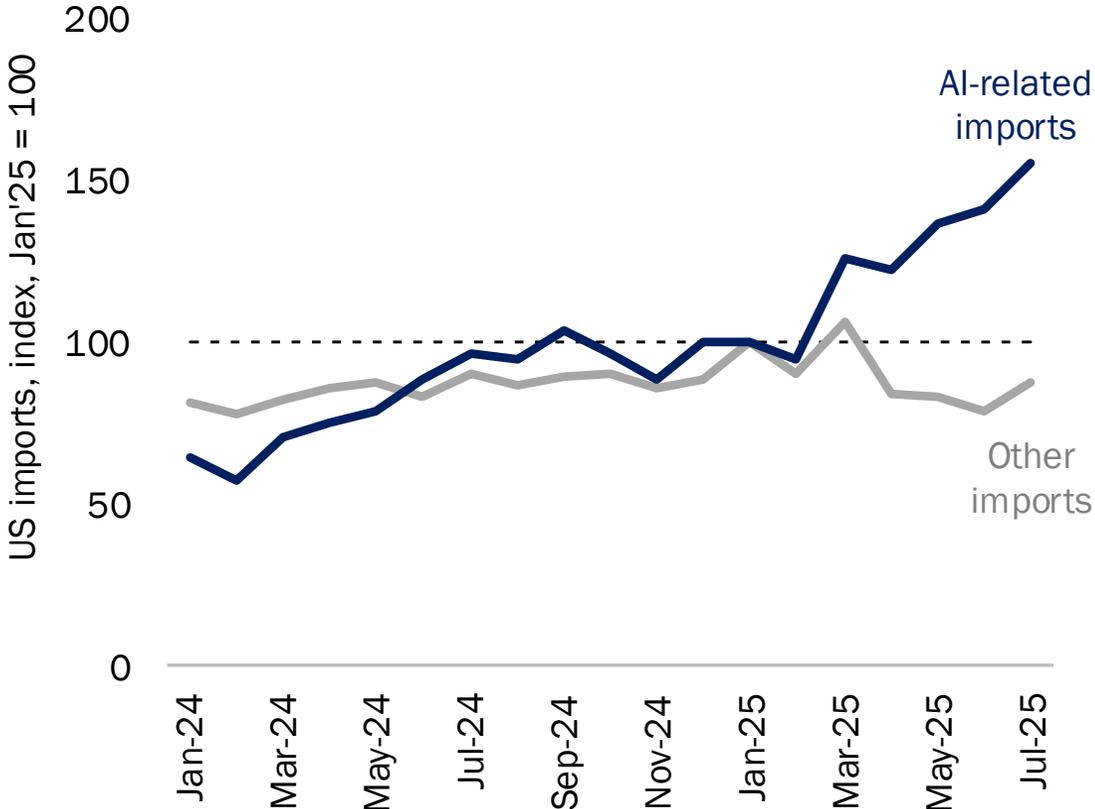Largest increases: Armenia, Egypt, Kenya, Kosovo and Ukraine
Largest drops:  Bosnia and Herzegovina, Serbia, Moldova and Tunisia

# Importance of common demand factors: **AI supply chain exports on the rise**
## HUN, CZE, EST, POL could benefit from new opportunities



US imports, index, Jan'25 = 100

AI-related imports

Other imports

AI-related products, per cent of total exports, 2025

# Inflation in the EBRD regions moderated towards end-2025 reflecting a slowdown in nominal wage growth and rising real interest rates

Despite more expansionary fiscal stances than previously anticipated



EBRD regions average

EBRD regions median

EU-EBRD

Central Asia, Caucasus

Western Balkans
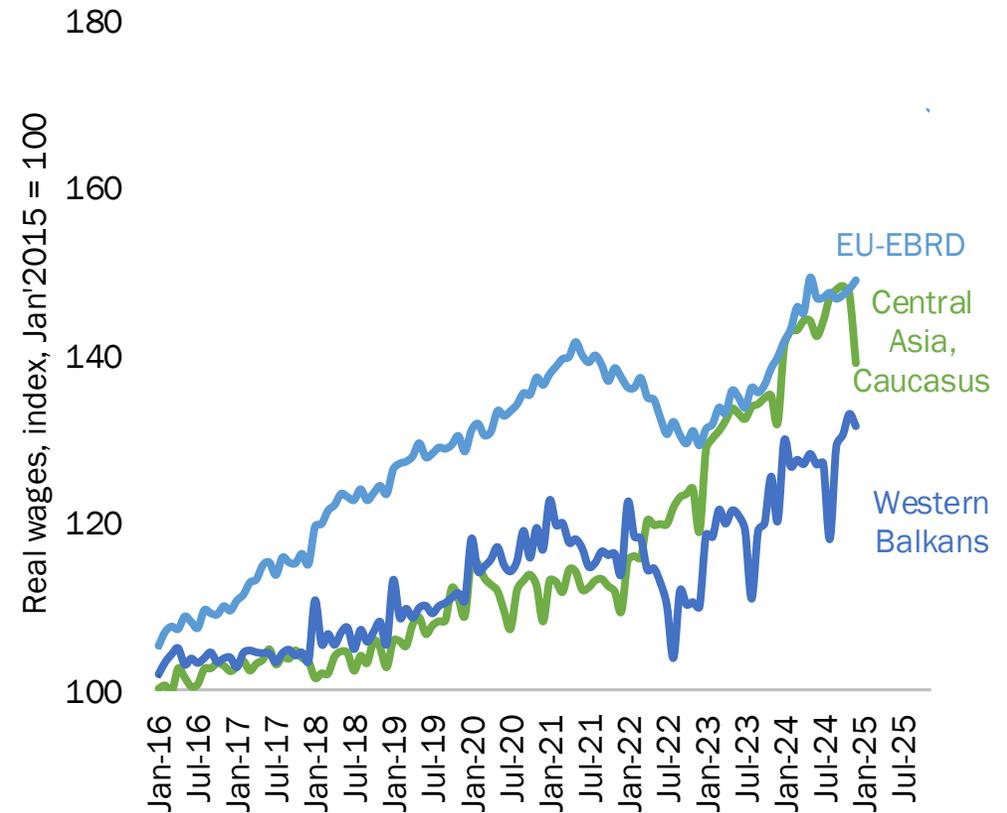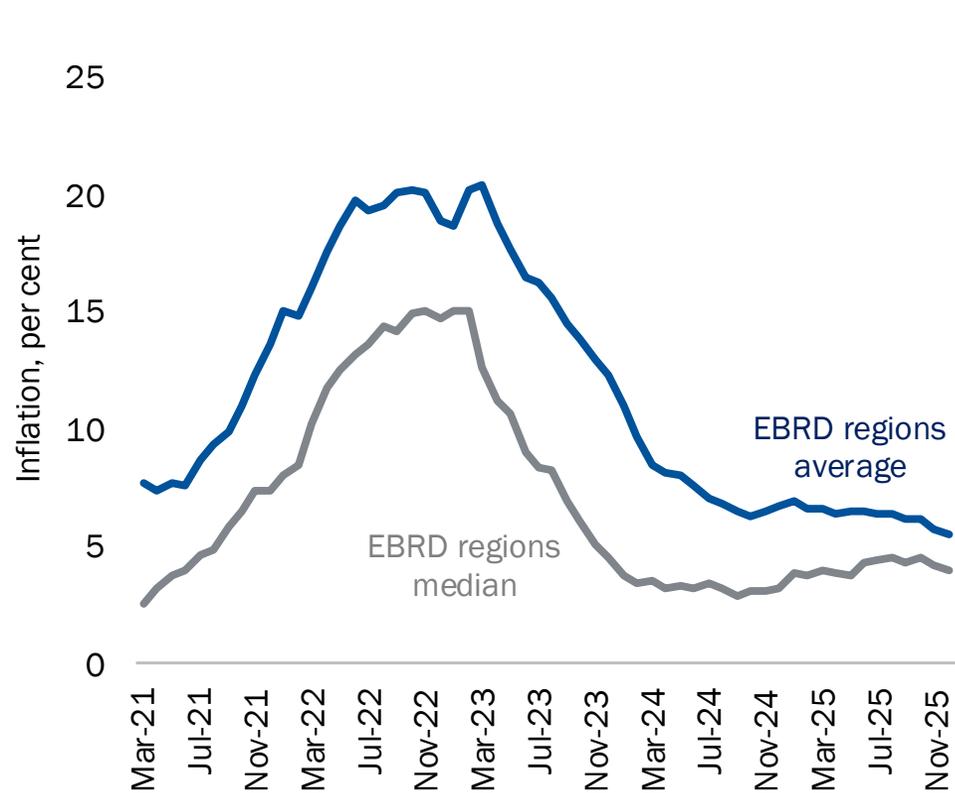
Source: Refinitiv Eikon, national authorities and authors' calculations. Note: Left chart shows unweighted mean and median across 41 economies. Right chart shows simple averages across an unbalanced panel of up to 23 economies in the EBRD regions.

# A number of economies in the EBRD regions face **high interest payments as per cent of revenues**

Source: IMF and authors' calculations. Note: Data refer to 2025 or latest available.

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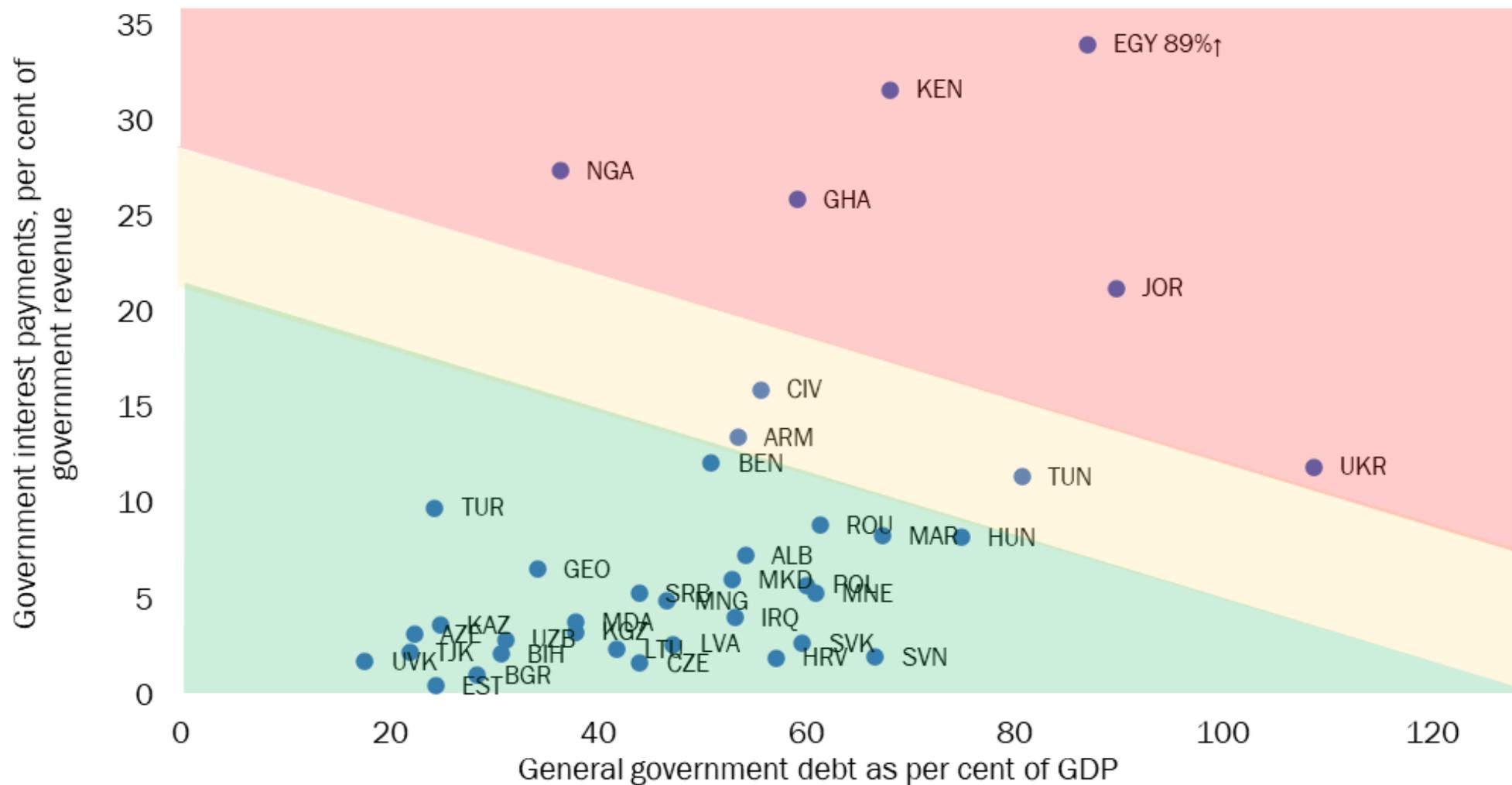
# Regional outlooks
## In Ukraine, a stronger rebound is now expected in 2027

Source: National authorities via CEIC and EBRD forecasts. Note: EBRD average based on the values of gross domestic product in 2024 in current US dollars from the IMF.