

## CEE Set to Outpace Western Europe in 2026 as Growth, Investment and Household Wealth Accelerate

Central and Eastern Europe (CEE) is expected to remain one of Europe's fastest-growing regions in 2026, underpinned by strong domestic demand, rising investment and accelerating household wealth accumulation, according to insights shared today at a media briefing hosted by **UniCredit** during the **FT CEE Forum** in Vienna.

Economic growth across most CEE countries is forecast to range between **2.0% and 3.3% in 2026** in most countries, well above expected eurozone growth of around **1–1.5%**, confirming the region's continued convergence with Western Europe.

### Domestic demand and investment underpin resilient growth

According to **Mauro Giorgio Marrano**, Senior CEE Economist at UniCredit, **domestic demand will remain the main driver of growth** across the region.

"Household consumption continues to play a key role, supported by still-solid real wage growth, easing inflation and tight labour markets," Marrano said. "At the same time, we expect investment activity to pick up, helped by lower interest rates, improving external demand and accelerated absorption of EU funds."

Lower borrowing costs are also expected to support **private sector credit growth**, as most central banks in the region still have room to cut rates further.

CEE's outlook is reinforced by a gradual recovery in external demand, particularly from the eurozone. Germany is expected to play a pivotal role, with the impact of fiscal stimulus unfolding from 2026 and gaining momentum in subsequent years.

"Even as EU fund inflows moderate beyond 2026, stronger external demand – especially from Germany – should help keep CEE growth between 2% and 3% in 2027," Marrano added.

### €133 billion in assets under management marks a turning point for household wealth

Beyond macro growth, CEE is undergoing a **structural shift in how households save and invest**. Financial wealth per capita in the region has increased almost fivefold over the past two decades, CEE Household Wealth research of UniCredit shows. Yet it still stands at only around **30% of Western European levels**, highlighting substantial room for further convergence.

A key milestone in this transformation is the rapid growth of investment activity. According to the newest CEE Observatory by UniCredit, **assets under management across the CEE region, in the countries where the bank operates, reached €133 billion in 2025**, expanding at a double-digit rate and reflecting a decisive move away from excess savings toward long-term investment solutions.

"Reaching €133 billion in assets under management is more than a statistical milestone for those markets — it signals a change in mindset," Teodora Petkova said. "CEE households are increasingly engaging with capital markets, which is essential for diversification and long-term wealth creation and for supporting sustainable economic growth across the region."

## Banking's role in the next phase of convergence

Avoiding the middle-income trap will be critical for CEE's next stage of development. This will require a shift from cost competitiveness toward innovation, productivity and higher value creation. Banks have a central role to play by channeling high household savings into productive investment, supporting SMEs and advancing the European savings and investment union.

CEE's strong fundamentals, combined with nearshoring trends and technology adoption, position the region as a key beneficiary of a more regionalized European growth model.

"CEE has the growth potential, the capital and the resilience to continue catching up," Petkova said. "Smart banking, combining advanced digital solutions with trusted human advice that only a bank with big network can deliver, will be essential to support both businesses and households through this transformation."

## Global backdrop: technology, resilience and fragmentation

Placing the regional outlook in a global context, **Edoardo Campanella**, Director and Chief Editor of UniCredit's Investment Institute, noted that **artificial intelligence remains a powerful driver of global growth**, particularly in the United States, with no immediate signs of a market bubble. He points though that risks of overcapacity in data-centre investment warrant monitoring.

He added that the **eurozone economy remains resilient**, supported by domestic demand and Germany's fiscal stimulus, while China's structural slowdown is set to continue. At the same time, rising geopolitical fragmentation and a reversal of globalisation are reshaping trade and investment patterns.

In this environment, Europe, and CEE in particular, is well positioned to benefit from **regionalisation, nearshoring and technology-driven investment**, reinforcing its role as a key engine of European growth in the years ahead.

### For more information:

- Visit [The Investment Institute by UniCredit - The Compass Checkpoint](#) for the **Compass 2026: the newest annual** outlook focusing on the key macro and market stories of the upcoming year. It provides a European perspective on global issues, drawing implications for investment decisions.
- For more information about the **CEE Observatory: the assets under management overview of UniCredit in CEE**: request to [viki.davidova@unicredit.eu](mailto:viki.davidova@unicredit.eu)

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