EY Macroeconomic pulse

Serbia&regional highlights

Trends and outlook

June 2026

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Acronyms and abbreviations

3MMA, 6MMA – 3 or 6 month moving average
BELIBOR = Serbia interbank lending rate
BiH – Bosnia and Herzegovina
BiH CB – Central Bank of Bosnia and Herzegovina
Bp – basis point
CAGR – compounded annual growth rate
CAPEX – Capital expenditures
CEE – Central and eastern Europe
ECB – European central bank
EOP – End of period
EU 27 – European Union, also interchangeably referenced to as EU
FED – US central bank
FDI – Foreign direct investment
GDP – Gross domestic product
Gvt – Government
GVA - Gross value added
ICT – information, communication and telecommunication sectors
M/M – Month on month growth rate, i.e. percentage difference between a value in a certain month over the preceding month
Makstat – North Macedonia office of statistics
MNE - Montenegro
Monstat – Montenegro office of statistics
NMK – North Macedonia
Pp – percentage point
REPO – repurchase agreement with the NBS
SEE – Southeastern Europe
SKIBOR
SORS – Serbian office of statistics
VAT – value added tax
WB – Western Balkans
Y/Y – Year on year growth rate, i.e. percentage difference between a value in a certain period over the same period in the previous year

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Executive summary

Facing stronger external headwinds, Serbia's growth – much as in most of region – is increasingly reliant on local sources – capping expected growth to about 3% in the mid-term horizon across most of the region.

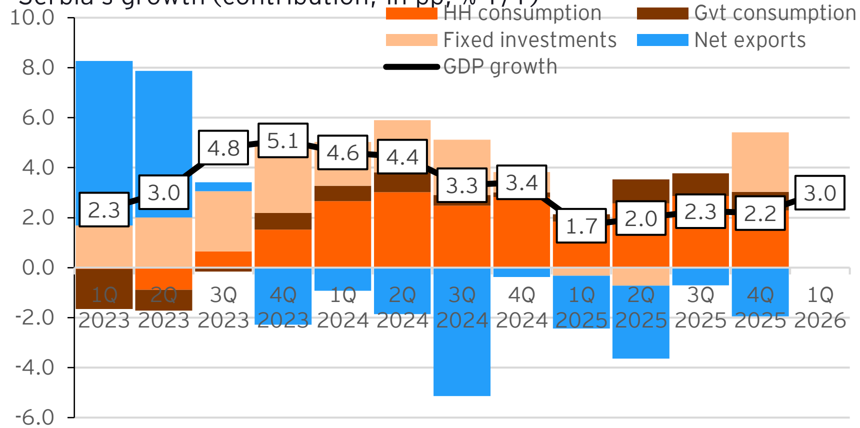
Growth in Serbia and the region remains modest and fragile, with only a tepid speedup expected in 2026-2027. Rising geopolitical tensions and renewed inflationary pressures in early 2026 weigh heavily on EU growth, spilling over to the region due to its strong trade and investment linkages. Against such backdrop, **growth across the region is expected to stabilize at moderate levels, around ~3%** in the 2026-2027 horizon.

Domestic demand remains the key growth engine and will continue to underpin local economies. Households' consumption remains resilient, mainly supported by soaring wages across the region and elevated public spending. While this is offsetting weak external demand, it also **contributes to an eroding competitiveness**, particularly in manufacturing.

Growth is also underpinned by strong investment, but in most cases increasingly driven by public sector. Public investments intensified across the region and are expected to remain elevated over 2026-2027, financed by **governments' spending**, as well as **EU' Growth agenda.** In contrast, private investment and FDI inflows are weakening, constrained by heightened uncertainty, both global and domestic, as well as softer EU economic performance.

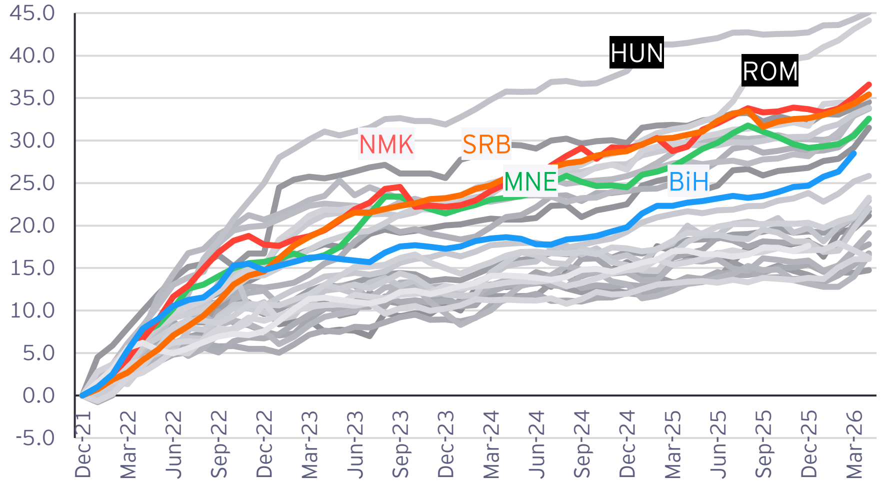
Export performance deteriorates and will remain a key near to mid-term constraint: weak EU demand, erosion of competitiveness - as energy and labor costs soar across the region, are expected to continue weighing on economic performance in 2026, with only a gradual improvement thereafter. **On a longer horizon, structural constraints are increasingly pressing -** amid an aging and rapidly decreasing population, and increasingly adverse weather conditions across the region.

From export-driven to domestically-driven growth: components of Serbia's growth (contribution, in pp, % Y/Y)*



Source: Eurostat, EY
* Includes data for the four economies in this report: BiH, Montenegro, N. Macedonia and Serbia

Inflation in the region is faster than in most of Europe: consumer prices index for European countries (dec. 2021=100)



Source: Eurostat, EY

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Global and regional environment

Modest global growth amid geopolitical fragility deeply affects economies in the Western Balkans.

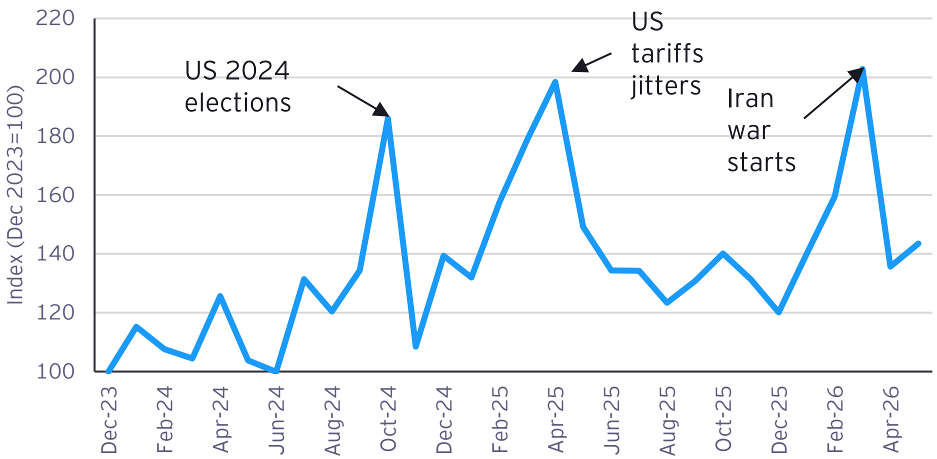
Global growth bogged down by geopolitical uncertainties, while only a tepid recovery towards the pre-2023 pace is likely in the mid-term horizon.

Global uncertainties keep mounting amid an increasingly complex geopolitical context – with a war erupting in Iran during the 1Q 2026, adding to an already complex geopolitical backdrop. The growing plethora of geopolitical conflicts stifles global growth: affecting investments, disrupting trade, provoking shocks in prices of strategic commodities – like energy or fertilizer (more detailed).

These developments are particularly affecting the EU – with its key members, Italy or Germany, being highly dependent on energy imports, stable trade routes, and export. By this, it also heavily weighs on **growth in Serbia and the Western Balkans region,** the EU being its key trade and investment partner.

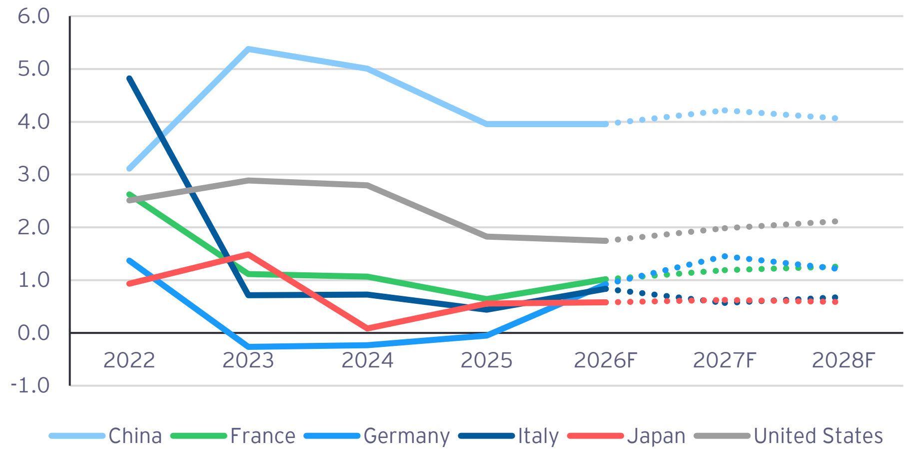
A return to a tepid global growth is expected for 2026 and beyond but related to easing of conflicts and related inflationary pressures on prices of key commodities.

Global Financial Market Uncertainty: VIX* Index (Monthly)



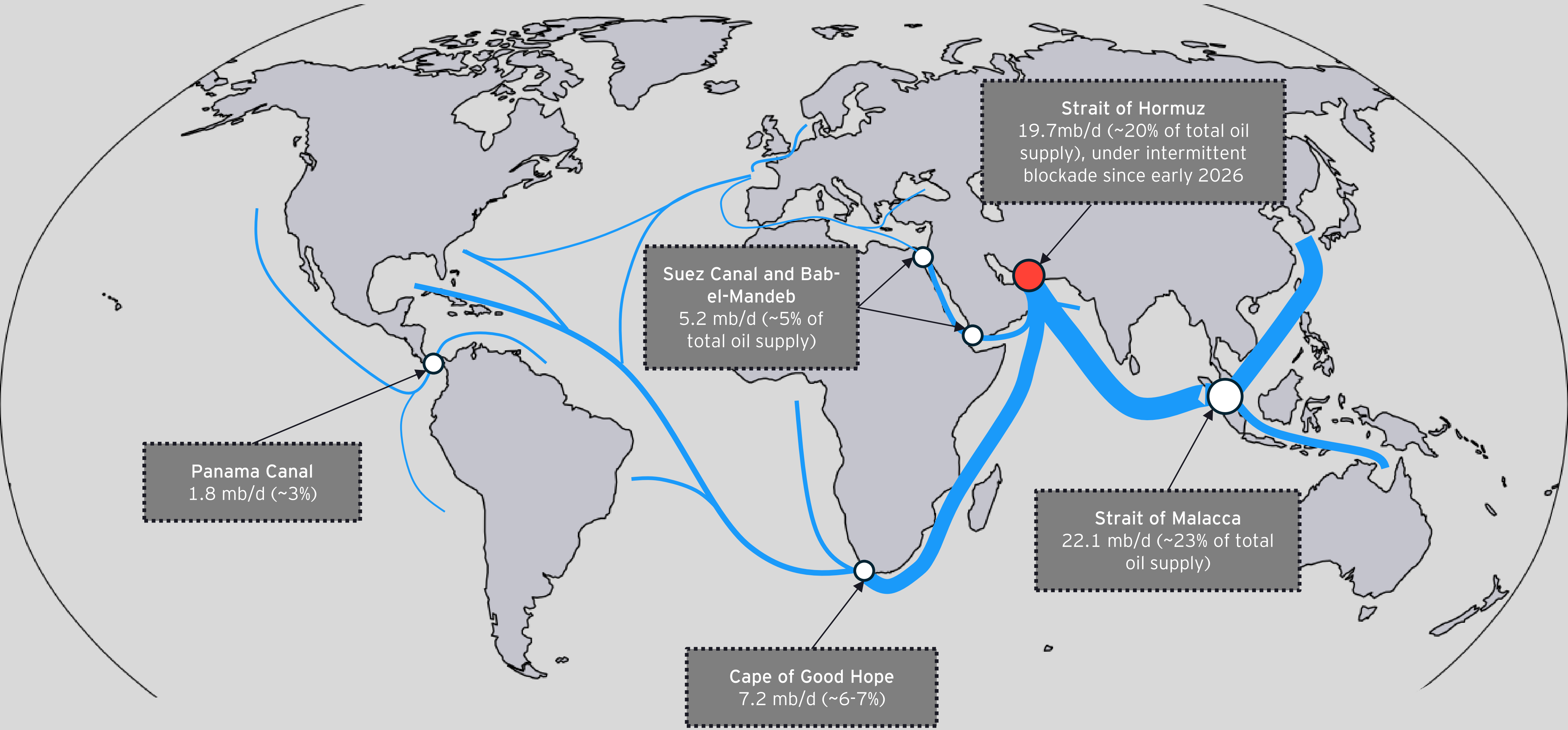
Source: LSEG
* The CBOE Volatility Index (VIX) of expected volatility of the U.S. stock market over the month, based on S&P 500 option prices, used as proxy for global market uncertainty.

Economic growth in key global economies



Source: IMF World economic outlook April 2026

Rising tensions in the Middle East are exposing vulnerabilities in global energy and trade routes, further straining supply chains and adding to inflationary pressures across the world.



Source: Energy Information Administration (EIA), The Economist.
All data refer to 2021. The width of the blue lines represents the volume of crude oil and petroleum liquids transported between straits and largest sources and destinations, measured in millions barrels per day (mb/d), and in % of total daily supply.

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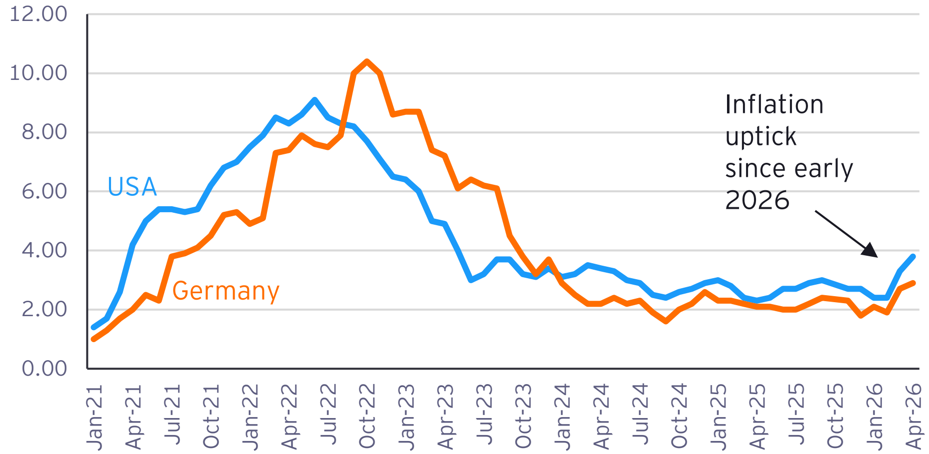
Interest rates likely to remain elevated: key central banks pause easing cycle, amid renewed inflationary pressures in 2026, with policy easing contingent on a moderation in geopolitically driven inflation.

Prices of key commodities are soaring since beginning of the year - for example, Brent oil prices nearly doubled by mid May, compared to late 2025, fertilizer price rose by more than 50% while corn prices jumped by 10%. In such circumstances, annual inflation in across the world started rising again, after a relatively long period of deceleration.

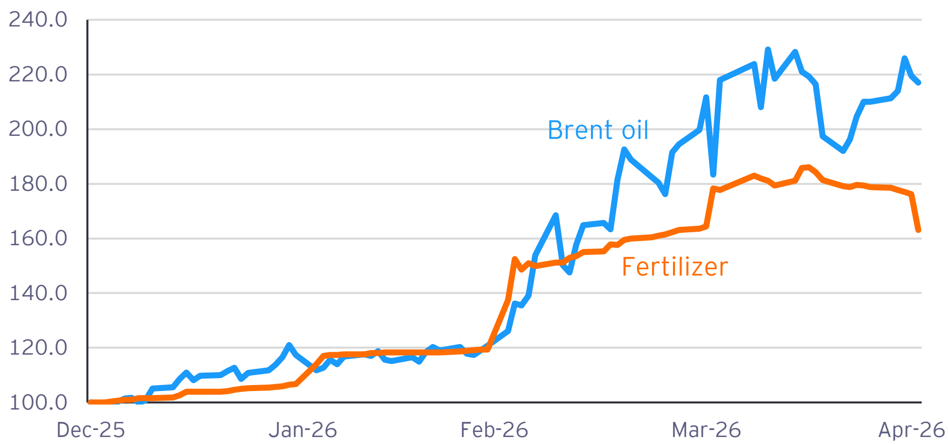
Major central banks paused easing cycles, amid renewed inflationary pressures. ECB and FED keep rates unchanged since late 2025, after having continuously cutting since mid 2024 - with room for rate cuts in remainder of the year being relatively slim. Meanwhile, **interest rates at financial markets surged** since the beginning of the year mirroring more elevated risks.

CPI inflation at key markets (in %)



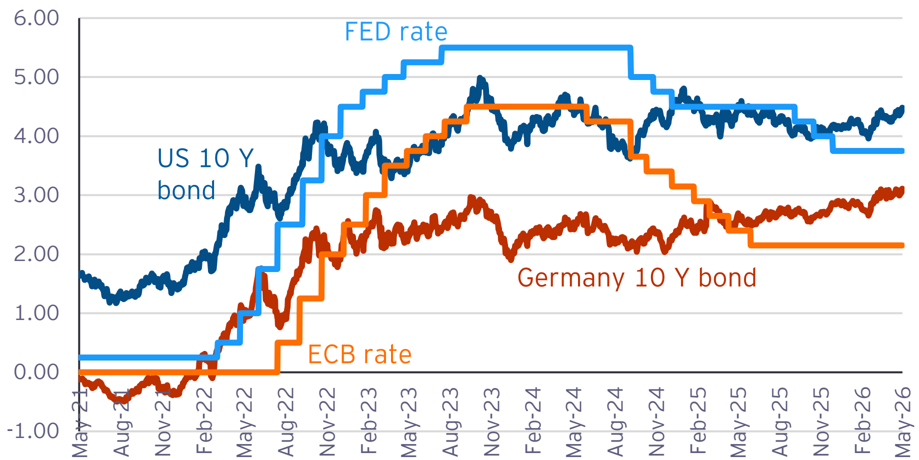
Source: LSEG

Prices of key commodities (index, dec. 2025=100)



Source: LSEG

Interest rates at key markets (in %)



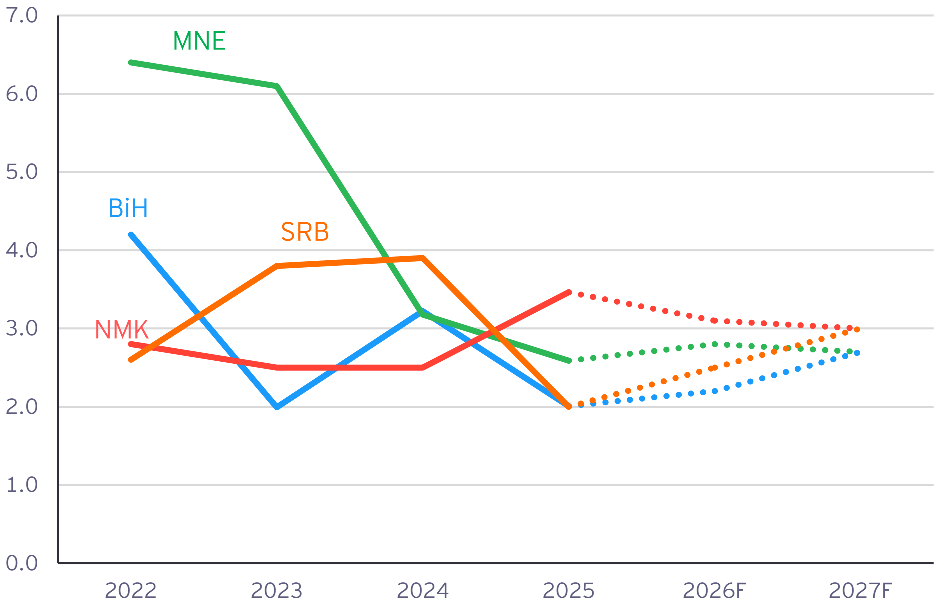
Source: LSEG

Growth in the Balkans is moderating and increasingly reliant on local demand, and less on exports. A more tangible and sustainable growth in 2026 and beyond is largely pending on EU' performance.

Region's growth slowed down during 2025 but shows signs of a modest speedup in late 2025 and early 2026. Fragile growth in the EU affects local economies, suppressing the export demand for local goods and services. However, **wages are soaring** across most of the region, **long term structural labor imbalances** inducing workers' shortages (more detailed), and in some countries, by regulatory minimal wage hikes. In such circumstances, **households' spending remains the chief growth engine** in the region. Moreover, investments are regaining momentum in most of the economies, in most cases fueled by realization of public projects, while FDI and private investments generally remain relatively weak.

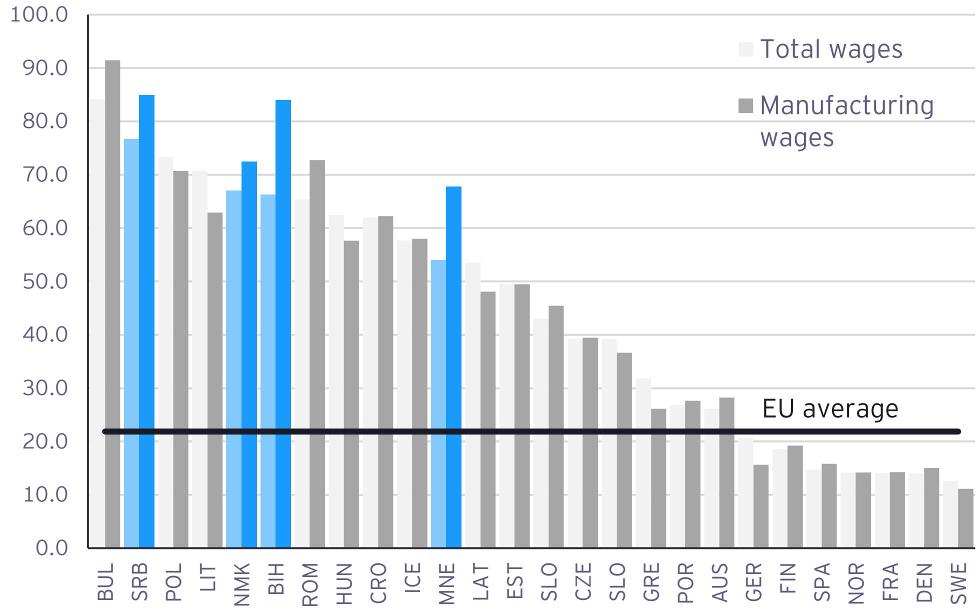
Thus, we see growth in remainder of 2026 stabilizing at around 3% at the level of the entire region, however with risks related to geopolitical tensions and political cycles in some of the countries, remaining the key obstacles.

GDP growth in the region (in % Y/Y)



Source: EY (for Serbia), IMF April 2026 (for other economies)

Wage growth in the region and in Europe (nominal growth between 2020 and 2025, in %)



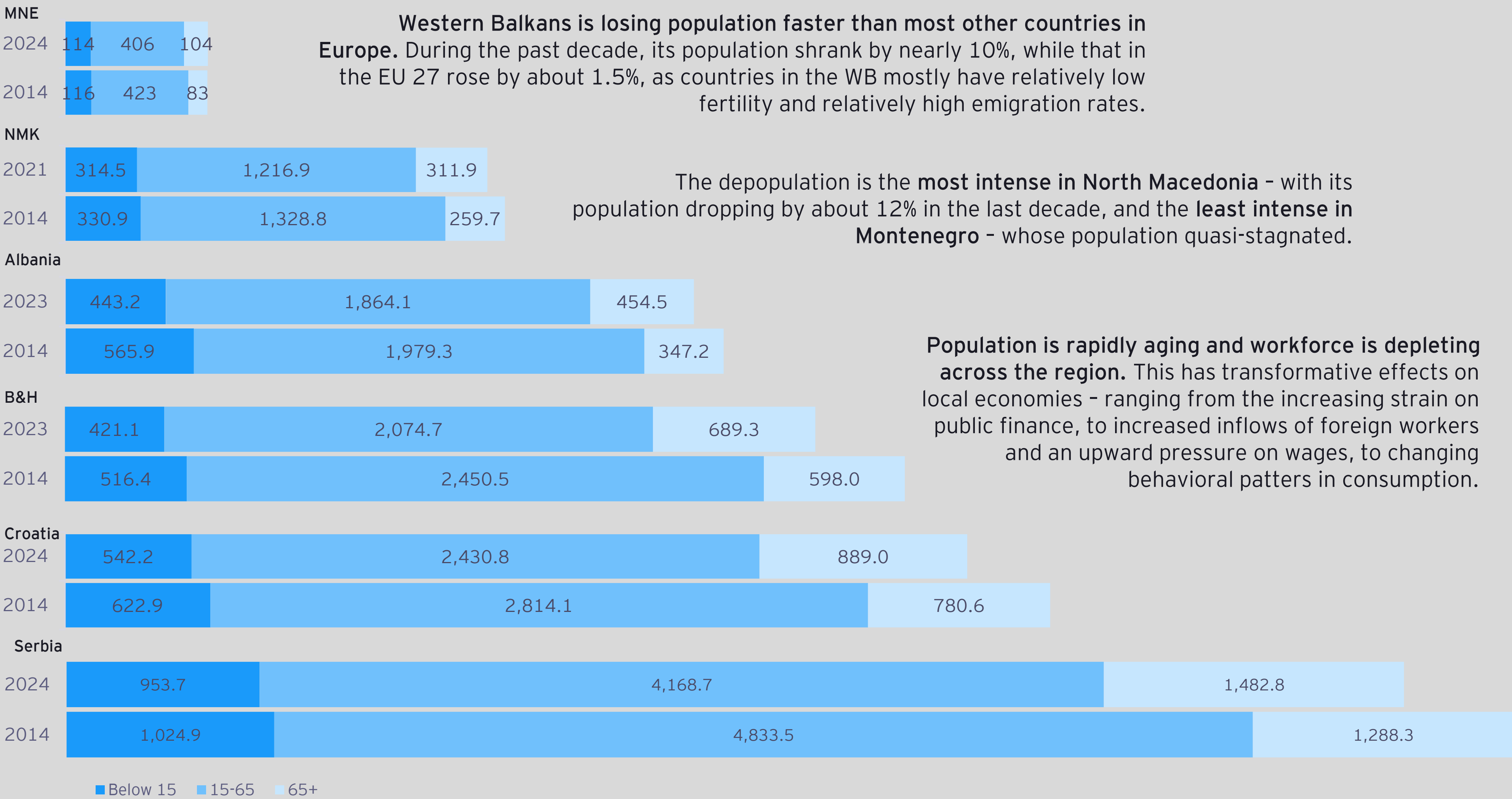
Source: Eurostat, Makstat, BiH office of statistics, Monstat, EY

Western Balkans' population is aging and decreasing which puts pressure on wages, available labor force pools – urging for active policies for mustering inactive population.

Western Balkans is losing population faster than most other countries in Europe. During the past decade, its population shrank by nearly 10%, while that in the EU 27 rose by about 1.5%, as countries in the WB mostly have relatively low fertility and relatively high emigration rates.

The depopulation is the **most intense in North Macedonia** – with its population dropping by about 12% in the last decade, and the **least intense in Montenegro** – whose population quasi-stagnated.

Population is rapidly aging and workforce is depleting across the region. This has transformative effects on local economies – ranging from the increasing strain on public finance, to increased inflows of foreign workers and an upward pressure on wages, to changing behavioral patters in consumption.



Source: Eurostat. Data expressed in 000 persons

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Serbia macroeconomic outlook

Reviving growth on shaky fundamentals and global uncertainties.

Growth speeds up in early 2026 after a mild 2025, mainly on strong consumption and reviving public investment. Growth outlook for whole 2026 and 2027 to stay between 2% and 3%, key risks coming from global developments and local political cycle.

Serbia's growth slightly picks up in early 2026 on soaring consumption and strong public investment. Households' spending remains the key growth engine. Investments regained momentum since mid 2025, pushed up increase in an already high public CAPEX (now at ~8% of GDP), while private investment remain muted (e.g. net FDI inflows falling to ~2% of GDP in 2026). Meanwhile, net exports improved in late 2025 and early 2026 – but its recovery is too uneven to represent a meaningful change in underlying fundamentals, as being mainly fueled by the start of production in Stellantis' auto plant.

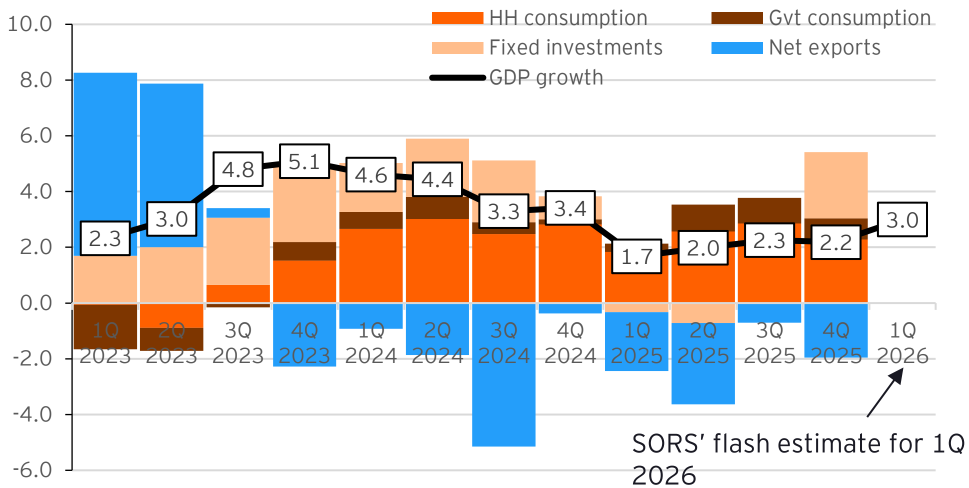
We see growth at around 2.5-3% in 2026 and 2027 – but it could be impeded by geopolitical developments and timing of local political cycle (all elections due in 2027).

Households' spending will likely keep a strong profile supported by the planned rise of increase in pensions and wages.

Investment activity overall may keep speeding up, as **public CAPEX** is supported by the upcoming EXPO – taking place from May to August 2026, and construction of planned large infrastructure projects, such as the National stadium or Belgrade's subway system.

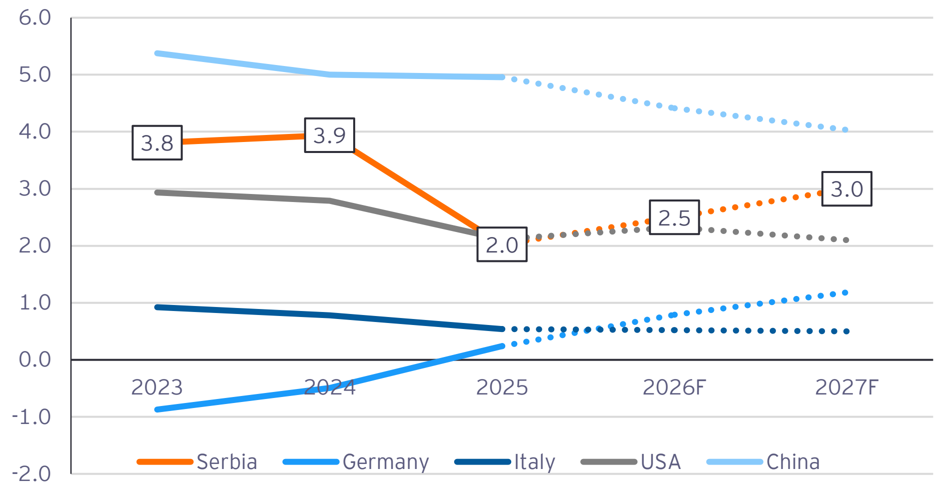
Exports of goods and services might be under negative pressure of tepid EU' performance, and Serbia's eroded manufacturing competitiveness as labor and energy costs are soaring (mostly hurting car part exporters). However, some positive impact could be found in the expected increase of EXPO-related tourist inflows, and revamped car exports from Stellantis.

Contribution to economic growth (in percentage points, Y/Y)



Source: SORS, EY

GDP growth outlook in Serbia and in major global economies



Source: EY (for Serbia), IMF World economic outlook April 2026 (for other economies)

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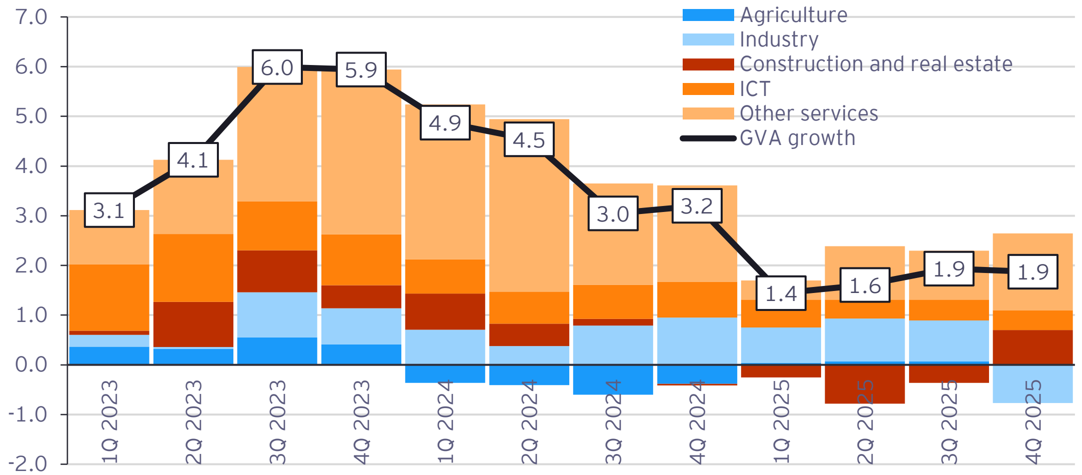
Sector-wise, growth is concentrated in construction and some of the services, against largely negative trends in many of the industrial sectors. Agriculture and energy are pending on weather, with chances to outperform two poor seasons of 2024 and 2025.

GVA growth slightly speeds up, but remains very uneven:

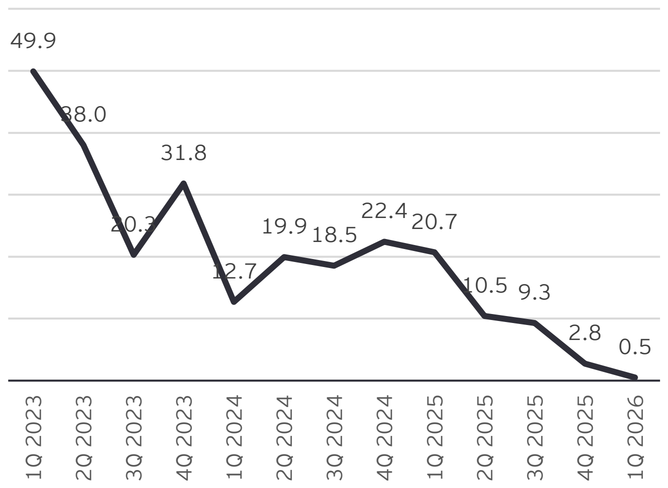
- **Construction and real estate** provide key contribution to GVA growth in 4Q 2025, and likely during early 2026.
- **ICT** remains an important driver, even though its growth has been slowing down, while the outlook points to stagnation in the remainder of 2026.
- Growth in **retail trade**, **finance**, as well as in **tourism and hospitality,** heats up during 2025 and early 2026, jumping off an already high statistical base, which mainly reflects strong households' demand.
- However, most of **manufacturing** sectors are bogged down by eroding competitiveness and poor EU' demand. **Energy** and **agriculture** have been hurt by severe droughts in 2024 and 2025 – and there may be room for their recovery during 2026 pending on weather conditions (more detailed).

Contribution to gross value added growth (in pp, Y/Y)



Source: SORS, EY

Growth of exports of ICT sector (in % Y/Y)

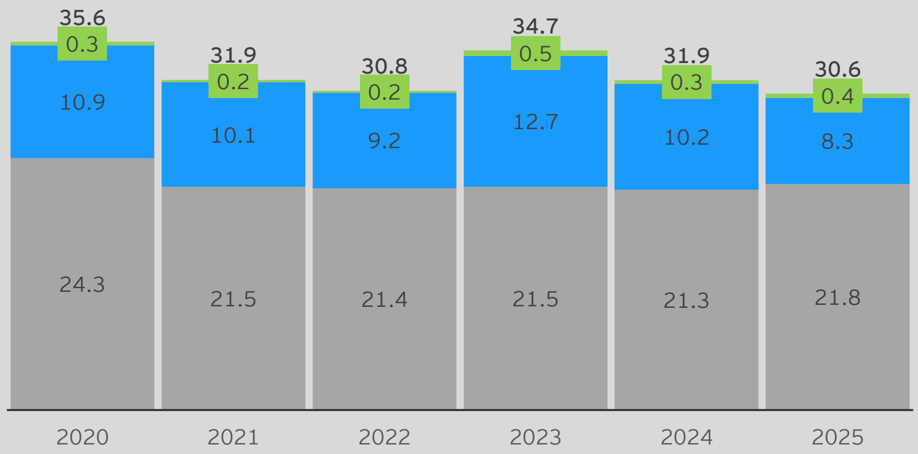


Source: NBS, EY

Serbia's agriculture and energy output in 2026 might overperform the past two seasons, which were heavily affected by disastrous drouths.

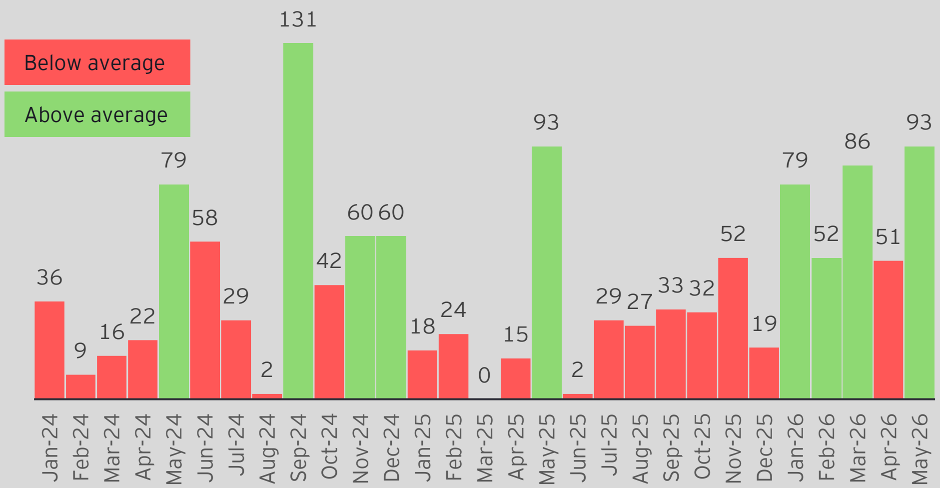
2026 has seen relatively favorable weather so far, as both precipitation and heat moved around multiannual averages; while energy and agriculture output might overperform previous years, if such conditions persist in remainder of the year. This follows **two consecutive years of severe droughts in 2024 and 2025 –** with inadequate snow cover, much less rain, and occasional disastrous storms, agriculture and energy have been suffering adverse and continuous pressure on output. For instance, **corn output and production in hydro plants both fell by 35% between 2023 and 2025.**

Output of electricity in EPS' plants (in 000 GWh)



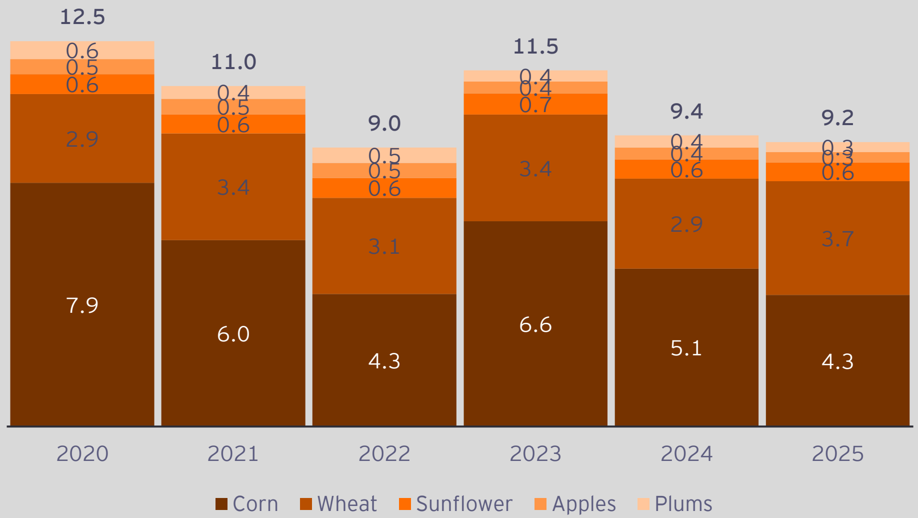
Source: EPS, EY

Average monthly precipitation in Serbia (in mm per m2)*



Source: RHSS, EY
* Refers to annual precipitation in around Novi Sad area. Average refers to an average from the period from 1981 to 2010, for each of the particular months

Output of key agricultural goods in Serbia (in million tonnes)

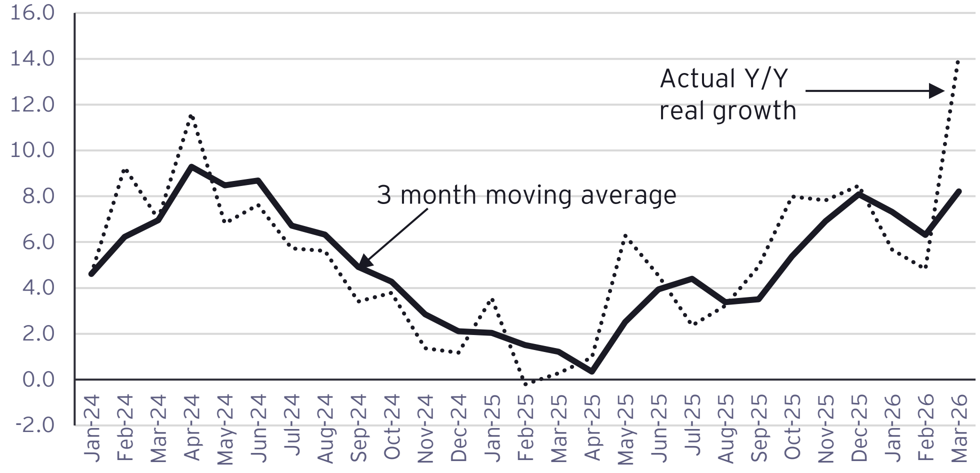


Source: SORS, EY

Consumption remains the key growth engine in 2026, as in 2025, as households keep increasingly spending, supported by soaring wages, pensions and consumer lending.

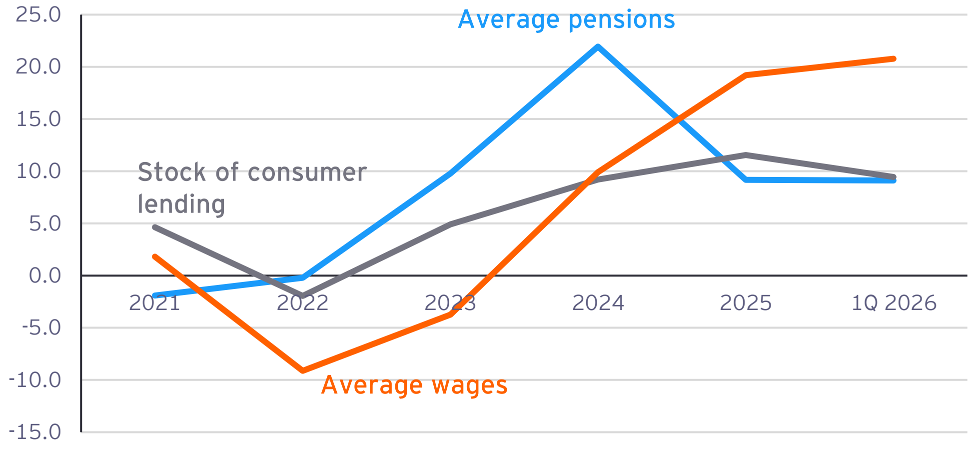
Retail trade has been speeding up since early 2025, with a growth rate reaching more than 10% Y/Y by end 1Q 2026. **Strong wage, pension and cash/consumer lending by banks provide most of the impetus.** Wages and pensions have been soaring increasingly in the past several years, with wages increasing by as much as 20% Y/Y in real terms in 1Q 2026, while pensions and stock of consumer lending rose by app. 10% Y/Y.

Growth of retail trade (real growth, in % Y/Y)



Source: SORS, EY

Sources of consumption: wages, pensions and lending (real growth, in % Y/Y)



Source: NBS, Pension fund, SORS, EY

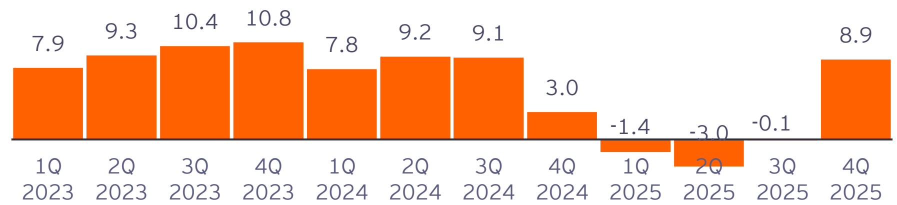
Investments are rebounding since late 2025, after a year-long slump, mostly due to intensifying public CAPEX, while private investments melt away.

Investment activity recovering since late 2025 – after having grew stagnantly for nearly a year. So fixed investments rose by nearly 10% Y/Y in 4Q 2026 and likely kept expanding into early 2026 as suggest the dynamics of construction works.

Public CAPEX activity is driving the overall investment rebound. Serbia's already highly intense public investment spending has seemingly soared further since late 2025: only in 1Q 2026, it expanded by as much as 70% Y/Y in real terms. This increasing intensity is related to realization of the government's ambitious plan, specifically ahead of the upcoming 2027 EXPO.

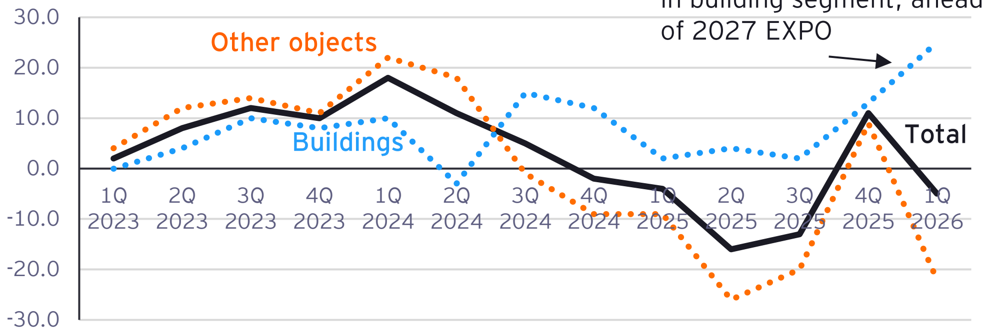
Private investments, however, seem to stall. Fresh foreign equity inflows significantly slowed during 2025 and early 2026, affected by global uncertainties, and Serbia's eroding competitiveness. Inward foreign investments topped only 4% of GDP in 2025, and merely 2.4% in early 2026, the lowest in more than a decade.

Growth of fixed investment (in % Y/Y)



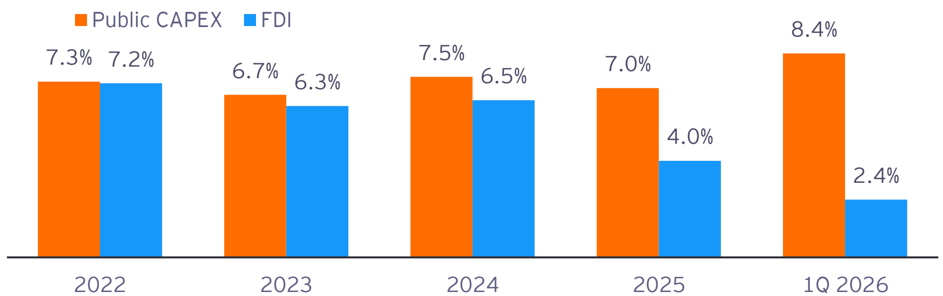
Source: SORS, EY

Value of construction works (real growth, % Y/Y)



Source: SORS, EY

Public CAPEX vs FDIs (in % of GDP)



Source: NBS, Ministry of Finance, SORS, EY

* FDI data in this chart include only inward foreign investments, and refer to 2M 2026 period

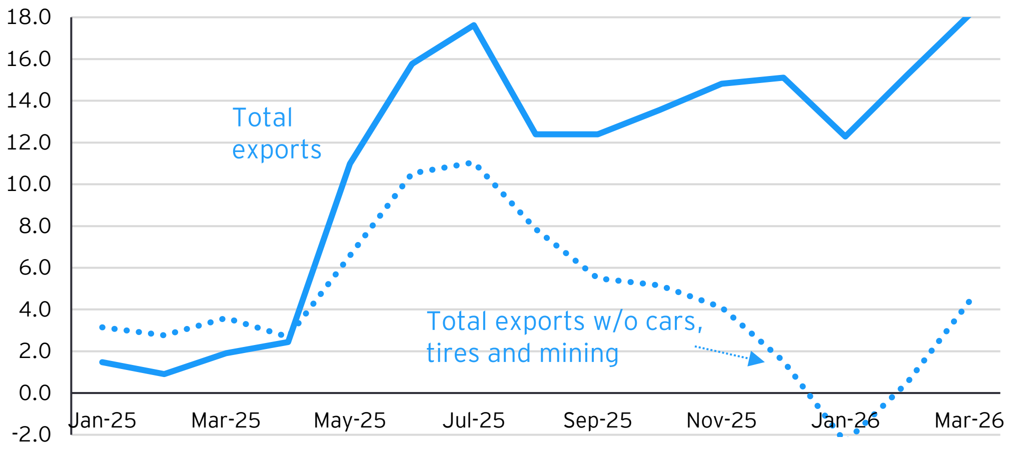
Trade gap in goods decreased recently, as export growth outpaces imports – but the improvement is very narrow-based.

Growth of goods exports is speeding up - by 7.1% Y/Y in 1Q 2026 (reaching EUR 8.7 b), after a strong 8.4% Y/Y in 2025 (a total of EUR 33 b). **While seemingly strong, the exports growth is narrow-based:** mostly stemming from recently opened Stellantis plant – whose exports rose by 80% Y/Y in 2025, and by 140% Y/Y in 1Q 2026 – as well as from car tires and mining products from companies like Linglong or Zijing (more detailed). **However, exports are decreasing in a broad number of significant sectors**, such as agriculture, food processing or chemicals, likely drawn back by poor international demand and adverse weather conditions lately.

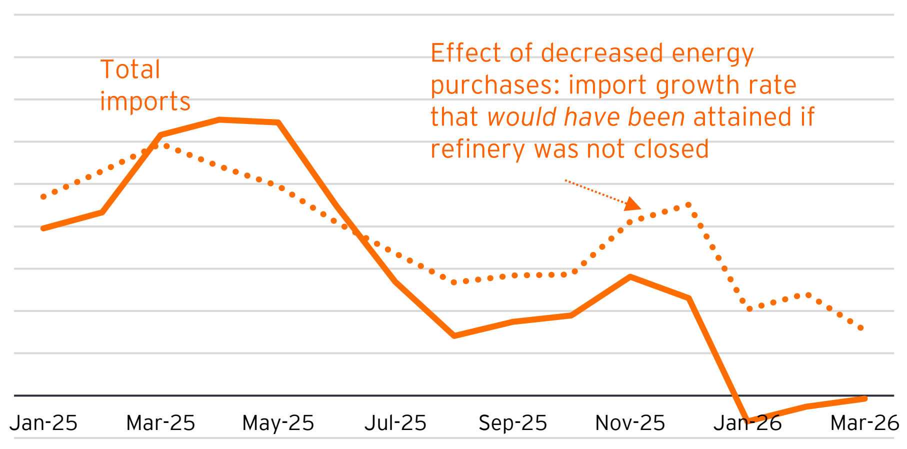
Growth of goods imports are slowing - stagnated in 1Q 2026 (reaching EUR 10.3 b), after a 7.2% Y/Y expansion in 2025 (a total of EUR 41.9 b). However, most of the import growth slowdown is likely related to a halted production in the Pančevo refinery – with the country's key oil processor halting production in late 2025, imports of raw energy, such as unrefined petrol, also dropped. Meanwhile, imports of refined petroleum are still relatively subdued due to the significant reserves in the country's stockpile.

Meanwhile, Serbia's trade surplus in services keeps expanding – by about 17% Y/Y in 1Q 2026 (reaching EUR 3.7 b), largely due to rising inflows from net exports of transport and managerial services. However – net exports of key items in this category – IT and tourism, have somewhat declined since the beginning of 2026.

Goods exports growth rate (in %, Y/Y)



Goods imports growth rate (in %, Y/Y)



Source: SORS, EY

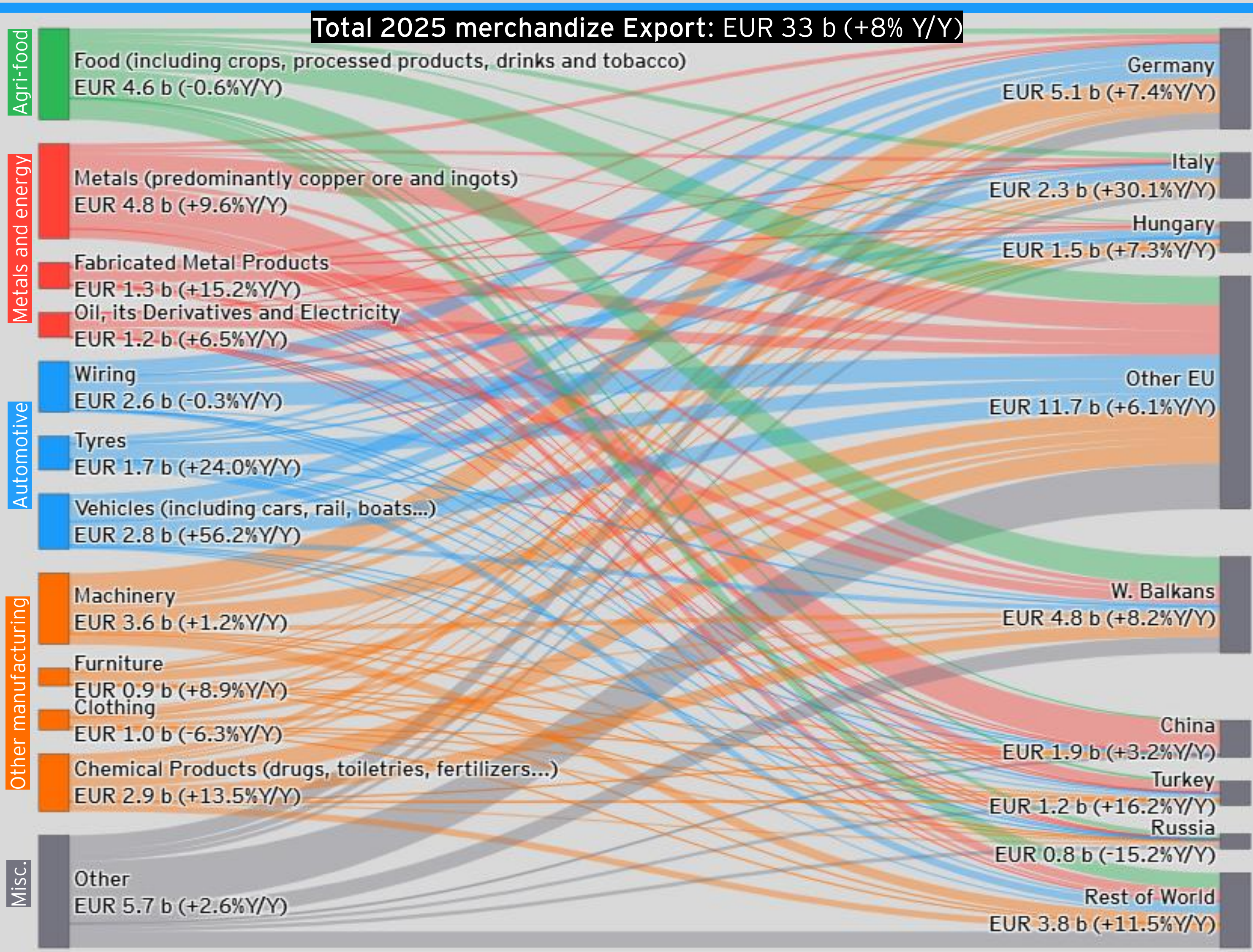
Exports are rising (+10% Y/Y in 2025) but its structure is changing: more ores and assembled cars, and less car wiring.

Exports of the **agri-food** sector is affected by two consecutive severe droughts in 2024, and 2025

Mining sector is rapidly expanding output and exports, following massive China' investments notably in Zijin mines. Thus share of ores in exports rose to 7%, up from 1%, before start of massive investments in Bor.

While **wiring** segment loses competitiveness, its output and exports are declining. Meanwhile, the recent massive investments in **tye** rplants, notably by Linglong, start to make a mark on exports. Also, **Stellantis** has just started a full-blown production of assembled cars.

Output and exports of **other relatively large manufacturing** sectors remains under pressure of soft demand in its key export market in the EU, and for the most part underperforms "leading" sectors, like automotive or mining.



Much of the strong growth of export to **EU** refers to the Stellantis-related car sales to Italy. Outside cars, exports to EU underperform, affected by poor demand in EU' key markets

Most of exports to **China** consist of unprocessed ore, and relate to increasing output in China' owned mines in Bor.

Source: SORS

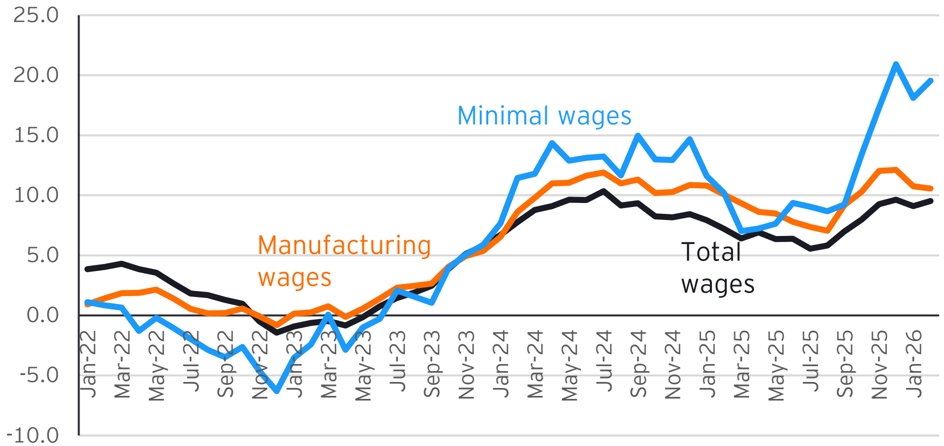
Methodological note: Categories are aggregates based on the Nomenclature of External Statistics (NSST) groups: Food and Animals consist of NSST IDs 1 and 2, Metals (predominantly copper ore and ingots) of IDs 3, 67, 68, Fabricated Metal Products 69, Oil, its Derivates and Electricity of ID 3, Wiring of IDs 772 and 773, Tyres of ID 62, Vehicles (including cars, rails, boats...) of IDs 78, 79, Machinery of IDs 71-75, Furniture of ID 82, Clothingo of IDs 84, 85 and Chemical Products (drugs, toilteries, fertiliezrs...) of ID 5.

Soaring labor costs erode competitiveness in labor-intensive manufacturing, as employment levels are starting to drop – signaling recent closures of major wiring plants and possibly layoffs in ICT sector.

Labor-intensive manufacturing is affected by soaring wages, with some major factories closing recently. Serbia's wage growth one of the most intense in Europe in recent years. Between 2022 and 2026, average wage in Serbia rose by cca 45% (nominal), while manufacturing rose by 55%, and minimal by 75%. Such conditions bode ill for competitiveness of labor-intensive manufacturing, such as production of car wiring – with major companies like Aptiv or Leoni partially or fully shutting down.

In such conditions, employment is starting to decrease, after several years of continuous rise. By end 1Q 2026, total formal employment dropped by 1.2% since late 2024, when it had peaked (i.e. loss of cca 30 k jobs since then). Meanwhile, unemployment remains near historical lows at cca 9.2%.

Wage growth (real growth, in % Y/Y, 3 month moving average)



Source: SORS, EY

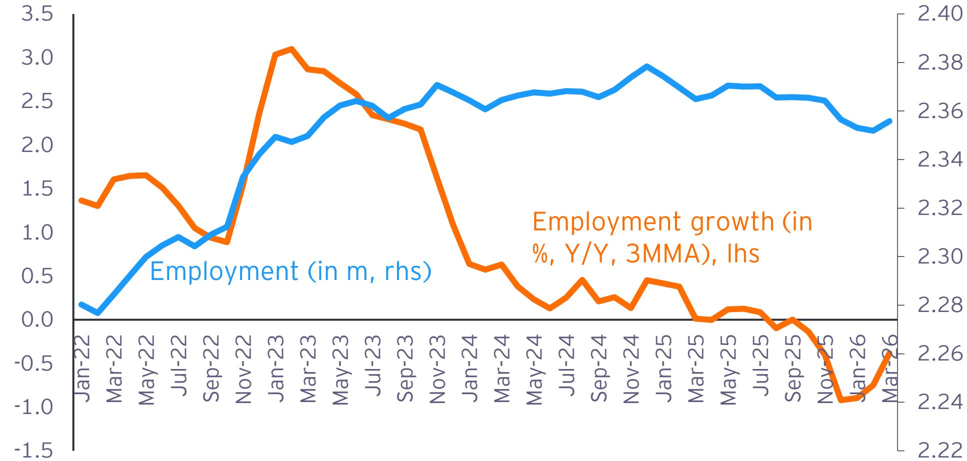
Population per type of activity (for age cohort 15-64 years)

in million		4Q 2020	4Q 2021	4Q 2022	4Q 2023	4Q 2024	4Q 2025	1Q 2026
Total population	(1)	6.87	6.80	6.64	6.61	6.57		
Total working age population	(2)	4.32	4.26	4.22	4.17	4.13	4.09	4.08
Active population	(3)	2.92	3.00	2.97	2.98	3.01	2.97	2.97
Employed	(4)	2.59	2.69	2.68	2.70	2.74	2.70	2.70
Unemployed	(5)	0.32	0.31	0.29	0.28	0.27	0.27	0.27
Out of workforce	(6)	1.41	1.26	1.25	1.19	1.12	1.12	1.11

in %		4Q 2020	4Q 2021	4Q 2022	4Q 2023	4Q 2024	4Q 2025	1Q 2026
Participation rate	(3/2)	67.5	70.4	70.3	71.5	72.9	72.7	72.9
Employment rate	(4/2)	60.0	63.2	63.5	64.7	66.4	66.0	66.2
Unemployed	((5/(4+5))	11.1	10.3	9.6	9.5	8.9	9.2	9.2

Source: SORS, EY

Employment levels and employment growth (for age cohort 15-64)



Source: SORS, EY

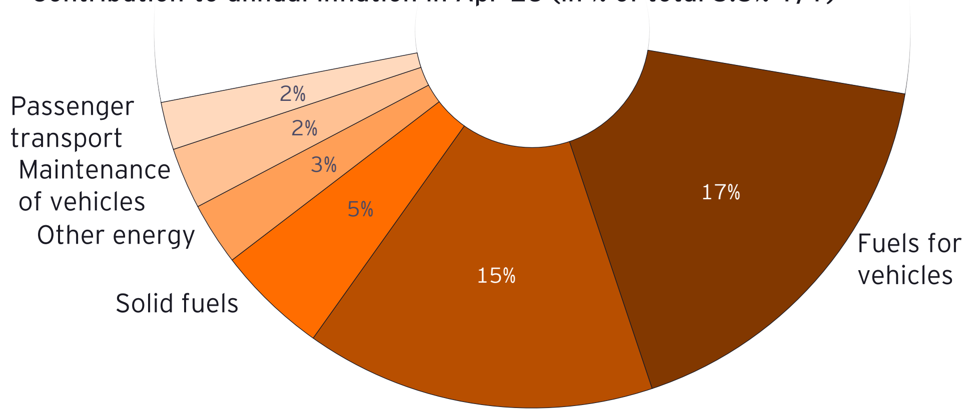
Inflationary pressures reappear in early 2026 - NBS keeps a cautionary stance by keeping key rate unchanged and nominal Dinar FX rate stable.

Inflation resurges in early 2026, after the administrative-related reduction in late 2025. Price-rise has slightly sped up recently – to approximately 3.3% Y/Y in Apr-26, up from 2.8% Y/Y in late 2025, with the government-imposed caps on margins in retail stores.

Prices of energy are the key factor behind the recent resurge of inflation. Nearly a half of the 3.3% Y/Y inflation is related to energy, most of which is related to fuels for vehicles – a direct impact of the Iran conflict, as well as of the recent closure of Pančevo refinery.

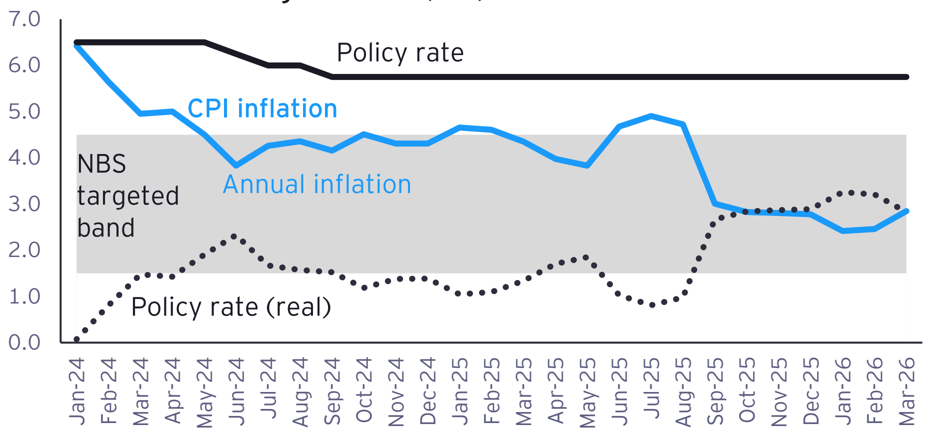
NBS remains cautious, as it **keeps key rate** unchanged at 5.75% since 2024, while gradually **decreasing liquidity withdrawals via REPO** auctions. Nominal RSD value remains stable amid massive NBS' interventions (more detailed). Given the reappearance of inflationary pressures, it seems that room for monetary cuts are relatively slim in coming months.

Contribution to annual inflation in Apr-26 (in % of total 3.3% Y/Y)



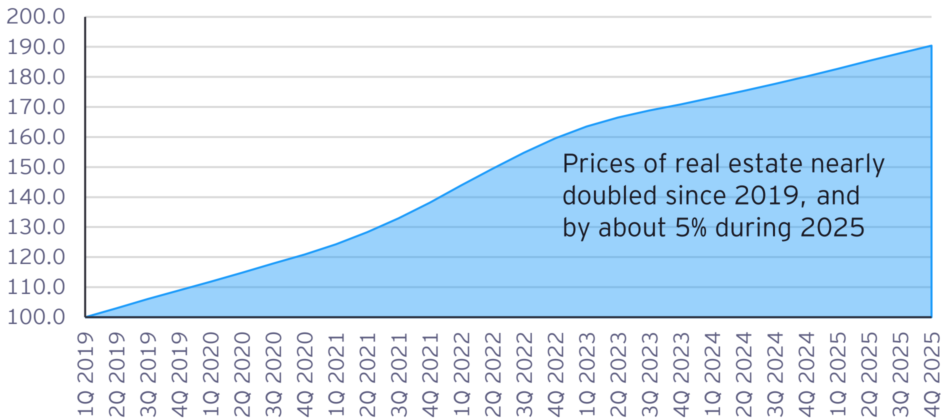
Source: NBS, EY

Annual inflation and targeted band (in %)



Source: NBS, SORS, EY

Index of real estate prices in Serbia (2019=100)



Source: Republic geodetic authority, EY

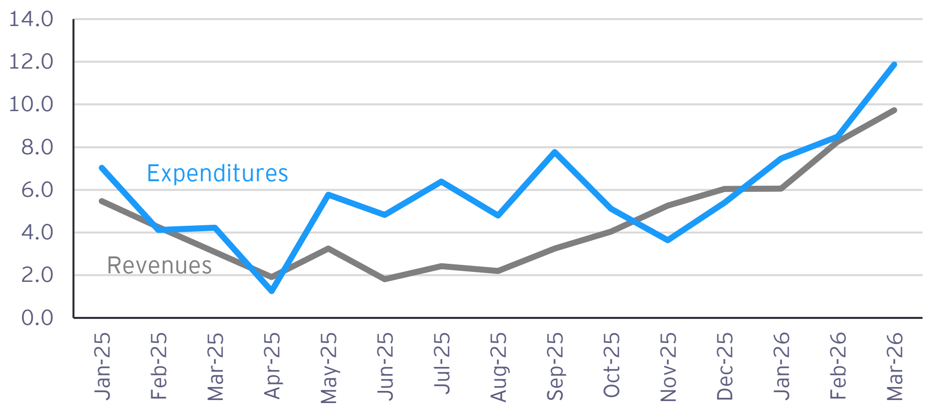
Fiscal policy is increasingly expansionary: consolidated Gvt deficit widens to 2.5% of GDP in 2025 and 4% of GDP in Q1 2026 – expenditures are providing key support to overall economic growth via investments and consumption.

Looking ahead, as the **policy makers will likely keep relying on fiscal expansionism to spur growth**, it is likely that FY 2026 gap would land at ~3% of GDP (as projected by the 2026 Budget law or by the Fiscal strategy for 2026-28), or even somewhat higher.

Expenditure growth outpaces revenues growth – having soared by nearly 20% Y/Y in 1Q 2025 (vs. 6% at end 2025, consolidated state' data). Public expenses are increasingly used to boost economic growth – CAPEX expenditures having soared by nearly 70% Y/Y in 1Q 2026, purchases of goods and services rising by 16% and wage and pension costs by 10% each.

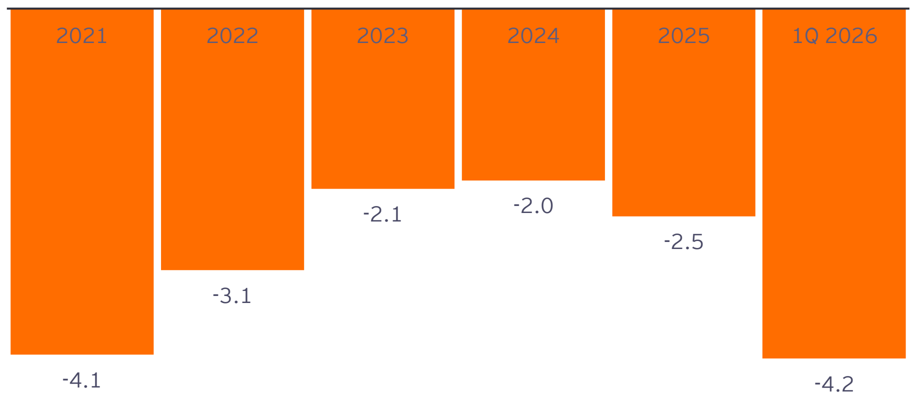
Growth of fiscal revenues is intensifying as their growth of app. 10% Y/Y in 1Q 2025 in real terms (vs. 5% at end 2025) reflecting the fiscal impacts of strong households' spending and high employment rate, i.e. labor- and consumption-related tax inflows.

Real growth rate of revenues and expenditures (cons. state, 3 month moving average, real terms, % Y/Y)



Source: Ministry of finance, EY

Consolidated state' fiscal deficit (in % of GDP)



Source: Ministry of finance, SORS, EY

EY Parthenon

Consolidated state fiscal balance

	in EUR b			in % of GDP			Nominal growth in % Y/Y		
	Dec-24	Dec-25	Mar-26	Dec-24	Dec-25	Mar-26	Dec-24	Dec-25	Mar-26
I PUBLIC REVENUES	**33.6**	**36.3**	**8.9**	**41.7%**	**41.6%**	**37.6%**	**13.4%**	**8.0%**	**13.1%**
Current revenues	**33.4**	**36.1**	**8.8**	**41.5%**	**41.5%**	**37.4%**	**14.1%**	**8.2%**	**12.9%**
Tax revenues	**29.8**	**32.3**	**8.0**	**37.1%**	**37.0%**	**34.0%**	**13.6%**	**8.2%**	**12.1%**
Personal income tax	3.4	3.8	0.9	4.3%	4.3%	3.7%	15.9%	10.0%	9.4%
Corporate income tax	2.5	2.5	0.5	3.1%	2.9%	2.2%	9.2%	-1.2%	32.4%
Value added tax	8.1	8.5	2.2	10.1%	9.8%	9.2%	13.0%	4.9%	8.6%
Excises	3.5	3.7	0.9	4.4%	4.3%	3.8%	13.2%	5.5%	1.1%
Social contributions	10.5	11.8	3.1	13.0%	13.6%	13.0%	15.5%	13.3%	17.1%
Non-tax revenues	**3.6**	**3.9**	**0.8**	**4.4%**	**4.4%**	**3.4%**	**18.5%**	**8.7%**	**21.5%**
II PUBLIC EXPENDITURES	**35.2**	**38.4**	**9.9**	**43.7%**	**44.1%**	**41.7%**	**13.0%**	**9.1%**	**22.0%**
Current expenditures	**28.8**	**31.9**	**8.4**	**35.8%**	**36.6%**	**35.7%**	**13.0%**	**10.8%**	**17.3%**
Expenditures for employees	7.7	8.8	2.3	9.5%	10.0%	9.9%	16.3%	14.0%	14.5%
Purchase of goods and services	5.8	6.4	1.5	7.2%	7.3%	6.2%	7.9%	10.5%	19.3%
Interest payment	1.5	1.6	0.4	1.9%	1.8%	1.7%	20.9%	4.7%	-14.8%
Subsidies	2.0	2.2	0.5	2.5%	2.5%	2.1%	10.5%	10.2%	73.2%
Social grants and transfers	10.8	11.8	3.3	13.4%	13.6%	13.9%	14.8%	10.0%	12.9%
Capital expenditures	**6.0**	**6.1**	**1.3**	**7.5%**	**7.0%**	**5.6%**	**23.8%**	**1.6%**	**69.0%**
III CONSOLIDATED BALANCE (I - II)	**-1.6**	**-2.1**	**-1.0**	**-2.0%**	**-2.5%**	**-4.2%**	**6.3%**	**30.8%**	**314.3%**
VI FINANCING INFLOWS	**5.7**	**5.3**	**1.7**	**7.1%**	**6.1%**	**7.4%**	**-22.2%**	**-6.4%**	**7.3%**
Domestic borrowing	2.0	3.0	1.1	2.4%	3.5%	4.5%	-10.3%	54.4%	-18.6%
Foreign borrowing	3.3	2.1	0.7	4.1%	2.4%	2.8%	-30.9%	-37.4%	143.0%
V FINANCING OUTFLOWS	**3.3**	**3.7**	**1.8**	**4.1%**	**4.3%**	**7.6%**	**-29.4%**	**13.0%**	**58.6%**
Debt repayment to domestic creditors	1.7	2.3	1.5	2.1%	2.6%	6.4%	-49.9%	36.9%	56.2%
Debt repayment to foreign creditors	1.4	1.4	0.3	1.7%	1.6%	1.3%	31.2%	4.2%	73.6%

Source: Ministry of finance, SORS, EY

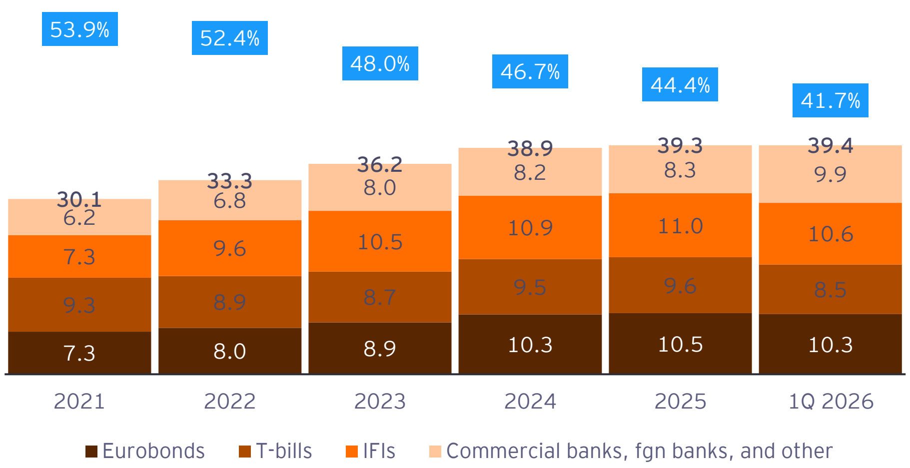
Public debt is relatively low, while yields on the debt slightly increased in recent months mainly in line with broader global financial market dynamics – driven by geopolitics.

Public debt is at sustainable levels – and even decreasing relative to size of economy, as it had reached 41.7% of GDP by 1Q 2026, down from 44.4% in 2025 and 46.7% in 2024.

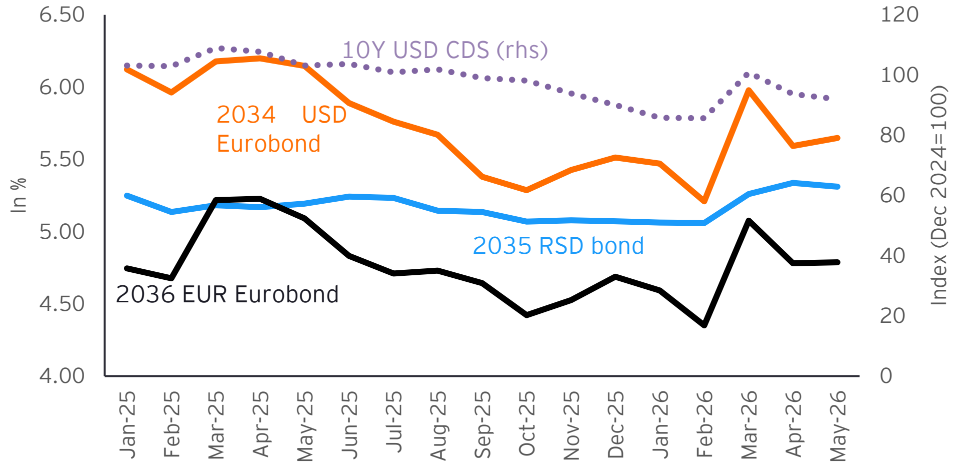
The Government tapped international bond markets by issuing a three-tranche multi-currency **Eurobond in total amount of EUR 3.2 b in Apr-26** (o/w EUR 1 b with 5Y maturity; USD 1.25 b with 10Y maturity; and EUR 0.9 b with 12Y maturity). With this, total needs for financing fiscal deficit and debt maturities in remainder of the year **might reach cca EUR 7 b,** of which ~EUR 1.5-2 b in remaining deficit, and EUR ~ 5-6 b in remaining maturing debt.

Yields on Serbian debt slightly rose since start of the year – with average yields modestly rising across all currencies and debt instruments, likely resulting from factors at the international financial markets.

Public debt and instrument/holding structure (in EUR b and in % of GDP)



Yields at secondary debt market



Source: NBS, LSEG, EY

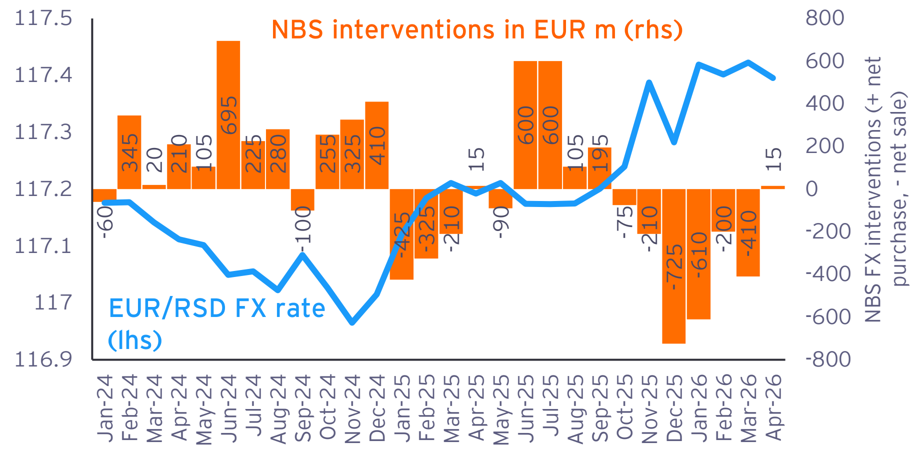
EY Parthenon

Dinar nominal stability maintained despite deteriorating fundamentals, being defended by monetary policy' reliance on massive FX sales – EUR/RSD slightly slips to 117.5 (from ~117.2-levels in most of 2025).

NBS kept dinar stability in part owing to restrictiveness of its policy and massive interbank interventions recently. Apart from keeping policy unchanged, the Central bank has been intervening at interbank market aiming to "defend" nominal dinar stability – having sold more than EUR 2 b between Nov-25 until end Apr-26. In such conditions, EUR/RSD remains in a range between 117.0 and 117.5.

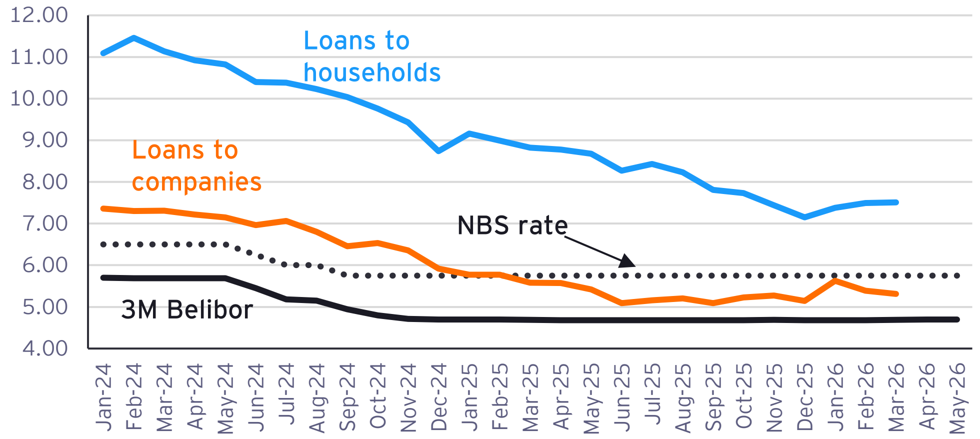
Nevertheless, weakening pressures on RSD have been increasing since early 2025 - as its underlying fundamentals deteriorated, given the weaker capital inflows, including significantly weaker FDI inflows. With NBS' stance at interbank market, it nominally weakened by approx. 0.1-0.2% Y/Y by end Apr-26, for a 2% Y/Y real appreciation.

EUR/RSD rate and NBS' interventions at the interbank market



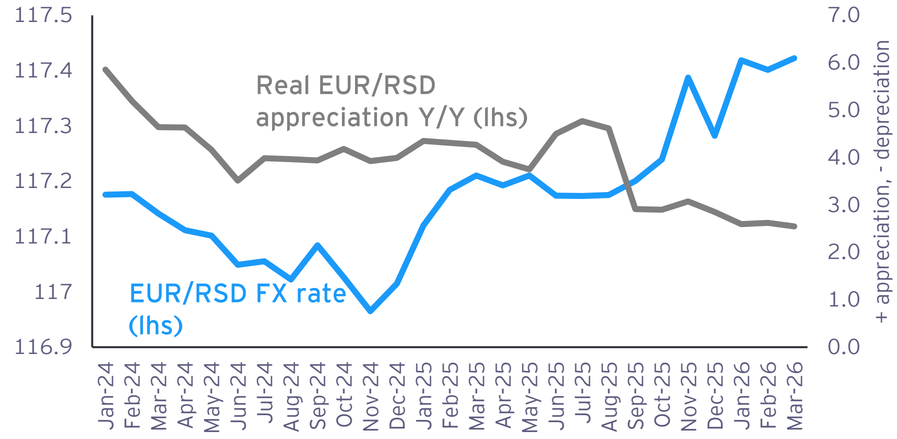
Source: NBS, EY

Interest rates at financial markets (in %)



Source: LSEG, NBS, EY

EUR/RSD rate and inflation-adjusted appreciation (in % Y/Y)



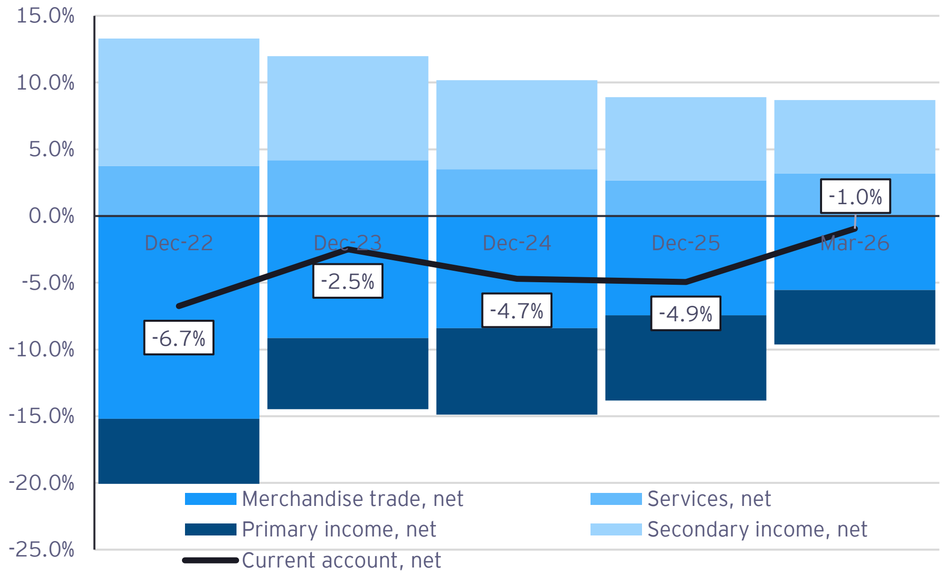
Source: NBS, EY

Weakening capital inflows resulted in slightly depleted FX reserves in 2025 and early 2026.

Current account deficit improved in early 2026. It attained nearly 1% of GDP in 1Q 2026, shaped by a plethora of factors: goods trade gap narrowed, service trade surplus increased, while FDI' revenue outflows softened.

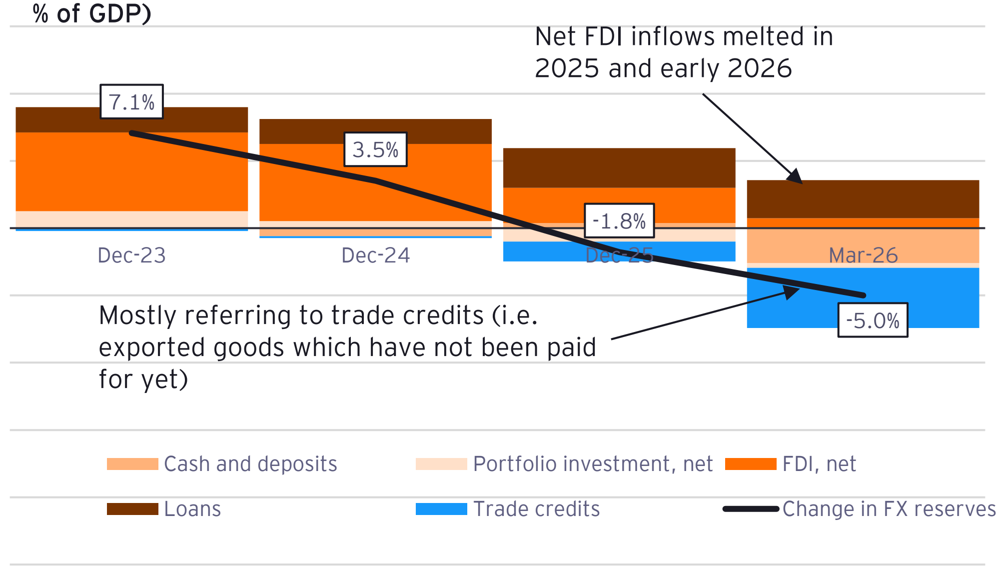
However, capital/financial inflows deteriorated in the meantime. Unlike in previous years, capital and financial inflows (outside of FX reserves) were inadequate to cover up the current account related outflows, resulting in a net decrease of FX reserves in the 1Q 2026. Trade credit-related outflows soared to more than EUR 1 b in early 2026, while **net FDI inflows have been plummeting (**<ins>more detailed</ins>**)** since late 2024, with net inflows of FDI dropping to 2.6% of GDP in 2025, and 1.5% in early 2026, or only a third of what it had been regularly attracting prior to 2025.

Balance of Payments: Current account dynamics (in % of GDP)



Source: NBS, SORS, EY

Balance of Payments: Capital and financial account dynamics vs FX reserves (in % of GDP)



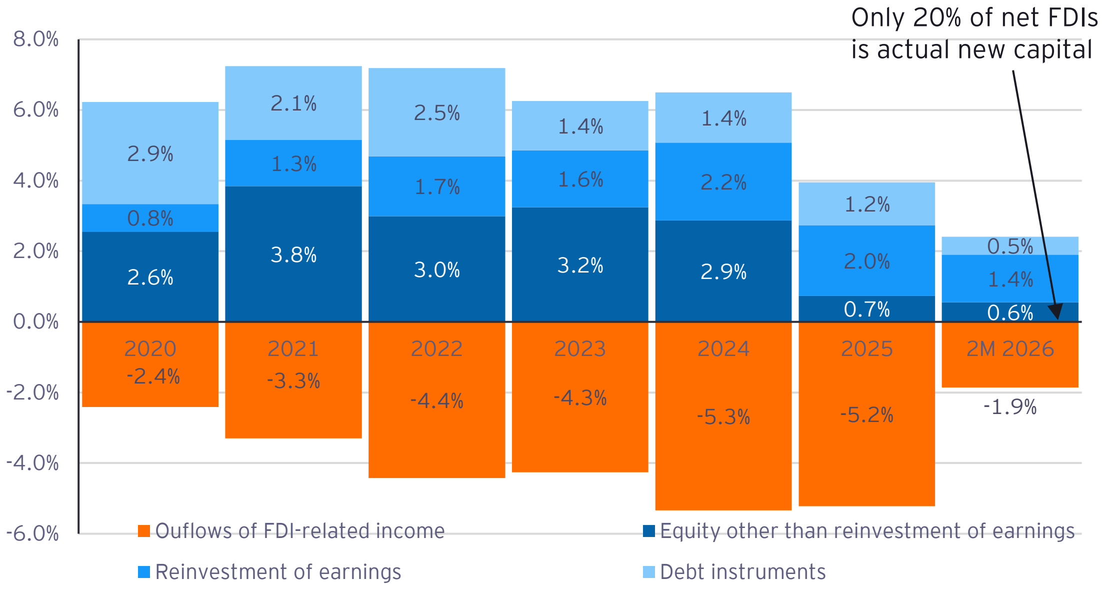
EY Parthenon

FDI inflows plummeting since late 2024, as Serbia's competitiveness erode and global growth softens.

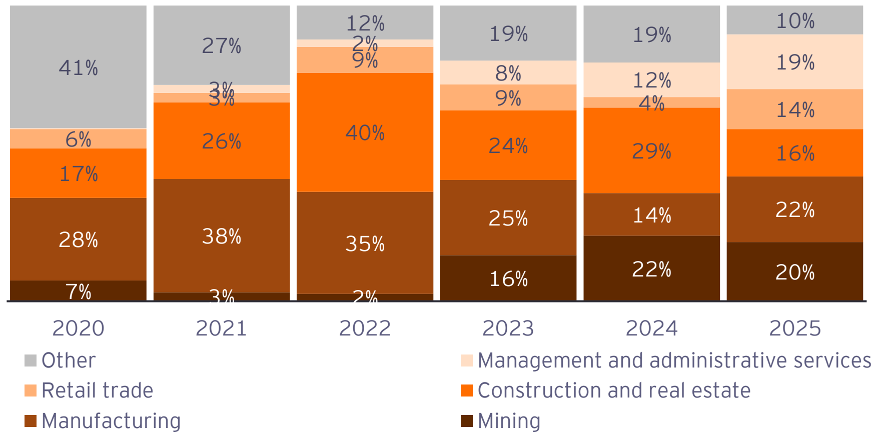
Net FDI inflows fall to the lowest level in more than a decade – or 2.6% of GDP in 2025 and 1.6% in 2M 2026. While decreased, its structure also deteriorate: now only about 20% of net FDIs relate to "fresh" equity inflows, compared to about 50%, prior to 2025. The remainder mostly relate to reinvestments and indebting of the already implanted FDIs.

Sector-wise, mining and some services now make up the lion's share of FDIs, while **origin-wise**, the trend of increase of Chinese-based investments abruptly ceased in 2025.

Dissection of FDI inflows (in of GDP)



FDI inflows per sector of activity (in % of total)



Source: NBS, SORS, EY

Serbia's balance of payments: current account, capital/financial account and changes in FX reserves

	Dec-23	Dec-24	Dec-25	Mar-26	Dec-23	Dec-24	Dec-25	Mar-26
	in EUR b				in % of GDP			
Current account, net	**-1.8**	**-3.8**	**-4.3**	**-0.2**	**-2.5%**	**-4.7%**	**-4.9%**	**-1.0%**
Merchandise trade, net	-6.6	-6.8	-6.5	-1.3	-9.1%	-8.4%	-7.4%	-5.5%
Export	27.9	29.9	32.5	8.5	38.7%	37.1%	37.2%	36.1%
Import	34.5	36.6	38.9	9.8	47.8%	45.5%	44.7%	41.7%
Services, net	3.0	2.8	2.3	0.8	4.2%	3.5%	2.7%	3.2%
Export	13.1	14.5	15.2	3.7	18.1%	18.0%	17.5%	15.6%
Import	10.1	11.6	12.9	2.9	13.9%	14.5%	14.8%	12.4%
Primary income, net	-3.9	-5.2	-5.6	-1.0	-5.3%	-6.5%	-6.4%	-4.1%
Income from FDI, net	-3.1	-4.3	-4.6	-0.8	-4.3%	-5.3%	-5.3%	-3.5%
Secondary income, net	5.6	5.4	5.4	1.3	7.8%	6.7%	6.2%	5.5%
Remittances, net	3.7	3.6	3.8	0.9	5.1%	4.4%	4.3%	3.9%
Capital and financial account, net	**6.4**	**6.0**	**3.1**	**-0.9**	**8.8%**	**7.4%**	**3.5%**	**-3.8%**
FDI, net	4.2	4.6	2.3	0.2	5.8%	5.7%	2.6%	0.7%
Serbian investments abroad	0.3	0.6	1.2	0.2	0.4%	0.8%	1.4%	0.7%
Fgn investments to Serbia	4.5	5.2	3.5	0.4	6.3%	6.5%	4.0%	1.5%
Portfolio investment, net	0.9	0.4	-0.9	-0.1	1.3%	0.5%	-1.0%	-0.4%
Other investment, net	1.2	1.0	1.7	-1.0	1.7%	1.2%	1.9%	-4.2%
Change in FX reserves	**5.1**	**2.8**	**-1.5**	**-1.2**	**7.1%**	**3.5%**	**-1.8%**	**-5.0%**
Errors and omissions	0.5	0.4	-0.5	-0.1	0.7%	0.6%	-0.6%	-0.3%

Source: NBS, SORS, EY

Serbia snapshots

	2021	2022	2023	2024	2025	1Q 2026	2026F	2027F	Source of forecast
Economic activity									
Real GDP growth rate, in % YoY	7.9	2.6	3.8%	3.9%	2.0%	3.0%	2.5%	3.0%	EY
GDP, EUR b	53.7	61.7	72.2	80.5	87.2	23.1	94.1	101.2	EY
Physical volume of industrial output, cumulative growth in % YoY	6.7	1.9	2.7	3.2	0.9	-0.8			
Retail trade, real cumulative growth in % YoY	10.8	6.1	-1.7	5.7	4.2	8.2			
Construction permits, value, cumulative growth in % YoY	36.7	6.0	16.1	-5.6	35.8	40.2			
Labor market									
Employment rate, in % of population aged 15-64	63.2%	63.5%	64.7%	66.4%	66.0%				
Unemployment rate, in % of population aged 15-64	10.3%	9.6%	9.5%	8.9%	9.2%				
Average net wage, RSD	638	720	813	926	1,061	993			
Average wage, real growth in % YoY	4.6%	-1.9%	4.9%	9.2%	11.6%	9.4%			
Foreign trade and investments									
Export of goods and services, EUR b	27.5	36.3	41.3	43.6	47.3	12.2			
Export of goods and services, growth in % YoY	20.4%	17.0%	2.7%	5.2%	5.8%	5.7%			
Import of goods and services, EUR b	31.3	43.3	44.6	47.5	51.2	12.8			
Import of goods and services, growth in % YoY	17.6%	16.1%	-1.3%	8.0%	8.0%	2.3%			
Current account gap, EUR b	-2.3	-4.2	-1.8	-3.8	-4.3	-0.2			
Current account gap, in % of GDP	-4.2%	-6.7%	-2.5%	-4.7%	-4.9%	-1.0%			
Net FDI, EUR b	-3.7	-4.3	-4.2	-4.6	-2.3	-0.2			
Net FDI, in % of GDP	-6.8%	-7.0%	-5.8%	-5.7%	5.1%	-1.0%			
Prices and FX rate									
Inflation rate, EOP, in % YoY	7.9	15.1	7.6%	4.3%	2.7%	2.8%	5.3%	4.4%	
EURRSD rate, end of period	117.6	117.3	117.2	117.0	117.3	117.4			
Fiscal policy									
Fiscal revenues, in EUR b	23.1	26.5	29.6	33.6	36.2	8.9			
Fiscal revenues, growth in % YoY	20.3%	14.4%	11.9%	13.3%	8.0%	13.5%			
Fiscal expenditures, in EUR b	25.3	28.4	31.2	35.3	38.4	9.9			
Fiscal expenditures, growth in % YoY	10.1%	12.0%	9.8%	13.0%	9.1%	21.9%			
Fiscal balance, in EUR b	-4.1	-3.2	-2.2	0.0	-2.1	-1.0			
Fiscal balance, in % of GDP	-4.6%	-3.3%	-2.2%	-2.1%	-2.5%	-4.2%			
Public debt, in % of GDP	53.9%	52.4%	48.0%	46.7%	44.4%	41.7%			
Monetary policy and financial market									
NBS rate, EOP, in %	1.00%	4.00%	6.50%	5.75%	5.75%	5.75%			
3M BELIBOR, in %	1.17%	5.47%	5.69%	4.69%	4.69%	4.70%			
Commercial banks' balance sheet, in EUR b	44.7	44.6	48.2	52.8	57.6	57.4			
o/w loans, in EUR b	25.5	27.3	27.6	30.0	34.8	35.6			
o/w deposits, in EUR b	29.2	31.3	35.3	40.2	42.8	43.3			
Lending growth rate, in % YoY	9.8%	7.0%	1.1%	8.9%	16.0%	17.6%			

EY Parthenon

4.1

Bosnia and Herzegovina highlights

Retail sales and infrastructure construction keep economic growth afloat, while industrial output remains in deep contraction.

EY Parthenon

Soaring consumption and increasingly intense public investment activity keep overall economic growth of Bosnia and Herzegovina in positive territory.

Bosnia and Herzegovina's growth remains in positive territory despite a slowdown during 2025 - as its economy expanded by 2% in 2025, and most likely by around 2-2.5% in 1Q 2026.

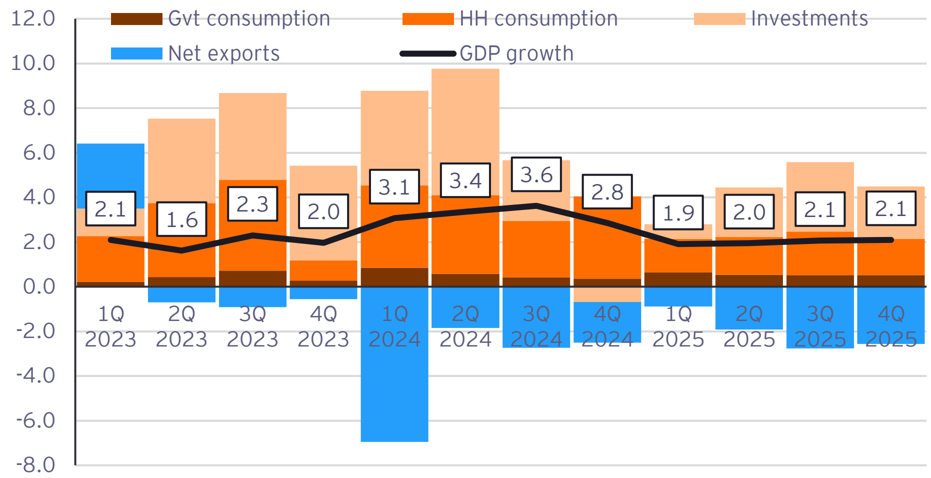
Households' spending is the key growth generator, as suggest the intensifying retail trade growth rate (+14% Y/Y in real terms in 1Q 2026, 9% Y/Y in 2025, 6% in 2024). The spending growth is seemingly fueled by the rapidly increasing wages – which have soared by more than 5% Y/Y in real terms during 2025 and kept growing by a strong rate in 2026, aided by the recent increase in minimum wage.

Investment activity is regaining momentum, driven by intensifying works on Bosnia and Herzegovina's infrastructure networks. Works on the Corridor Vc – a part of a broader Trans-European network – intensified during 2025 – such as the construction of Doboj bypass, Prenj tunnel or Banjaluka-Prijedor motorway.

Meanwhile, **net exports are making an increasingly negative impact on growth.** Exports underperform – especially in some of its strategic items, like electricity or base metals (more detailed).

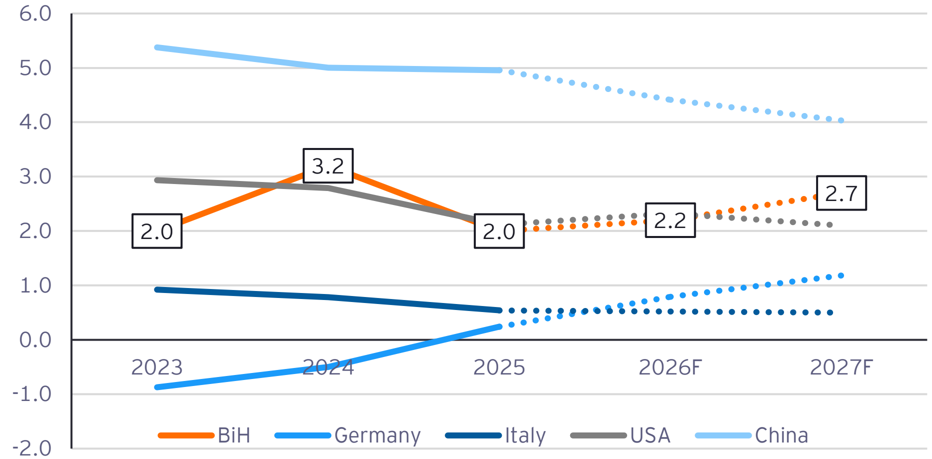
Looking ahead, **growth is expected to mildly increase to in remainder of 2026 and beyond** – as growth in Bosnia and Herzegovina's key partners in the EU stabilize.

Contribution to economic growth (in percentage points, Y/Y)



Source: Eurostat, EY

GDP growth outlook in Bosnia and Herzegovina and in major global economies



Source: IMF World economic outlook April 2026

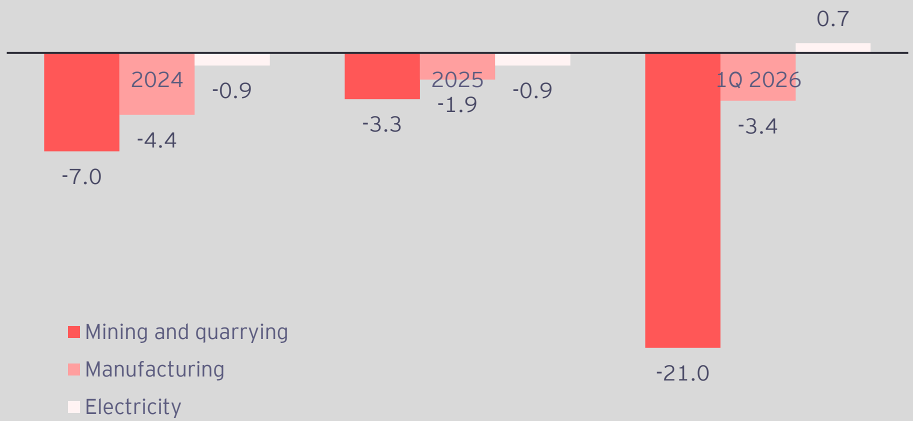
EY Parthenon

Bosnia and Herzegovina's industrial output is in deep contraction, affected by unfavorable external demand, eroding competitiveness, geopolitical circumstances, weather conditions.

Bosnia and Herzegovina's mining and energy sectors keep plummeting. Coal output is decreasing – amid significant challenges in coal mining including workers' strikes, outdated machinery and high indebtedness of key mining sites, which is deeply affecting coal-powered energy output. Adding to this is decreasing output in BiH' **hydro-power plants suffering from droughts in 2024 and 2025.**

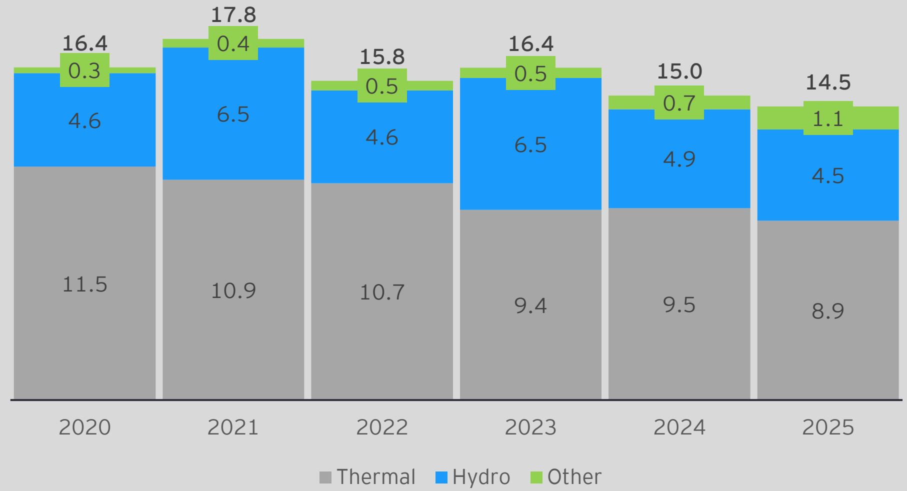
Meanwhile, manufacturing is contracting in some of the key sectors, affected by poor external demand, increasing labor and energy costs. Most notably, **Zenica steel mill** – the country's largest manufacturing company, has recently seen its previous owner Arcelor Mital leaving operations, while the new owner shutdown the plant in 2026. **Oil refining industry also underperforms**, as key assets owned by Zarubezhneft – notably Brod and Modriča –operated intermittently and often below capacity in recent years, reflecting structural inefficiencies, limited competitiveness, and persistent financial losses and indebtedness. External factors, including geopolitical constraints related to Russian ownership, further complicate the context.

Growth of industrial output (in % Y/Y)



Source: Bosnia and Herzegovina office of statistics, EY

Output of electricity in Bosnia and Herzegovina (in 000 GwH)



Source: Bosnia and Herzegovina office of statistics

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Bosnia and Herzegovina snapshots

	2023	2024	2025	1Q 2026	2026F	2027F	Source of forecast
Economic activity							
Real GDP growth rate, in % YoY	2,0%	3,2%	2,0%		2,0%	2,2%	IMF
GDP, EUR b	25,5	27,5	29,2				IMF
Labor market							
Unemployment rate, in % of population aged 15-64	13,2%	12,6%	12,6%				IMF
Average net wage, EUR	644	704	801	838			
Foreign trade and investments							
Export of goods and services, EUR b	8,5	8,4	8,7	2,1			BiH CB
Export of goods and services, growth in % YoY	-1,1%	-2%	4,3%				IMF
Import of goods and services, EUR b	14,2	14,6	15,3	3,7			BiH CB
Import of goods and services, growth in % YoY	-1,3%	4,7%	4,0%				IMF
Current account gap, EUR b	-0,5	-1,0	-0,9				IMF
Current account gap, in % of GDP	-2,1%	-3,5%	-3,2%				IMF
Net FDI, EUR b	10,1	10,8					BiH CB
Net FDI, in % of GDP	39,5%	39,4%					BiH CB
Prices and FX rate							
Inflation rate, EOP, in % YoY	4,6%	2,6%	2,7%		3,6%	2,9%	IMF
Fiscal policy							
Fiscal balance, in EUR b	-0,4	-0,5	-0,7				IMF
Fiscal balance, in % of GDP	-1,7%	-2,0%	-2,4%				IMF
Public debt, in % of GDP	29,0%	29,4%	29,9%				IMF
Monetary policy and financial market							
Commercial banks' balance sheet, in EUR b	20,3	22,2	24,2	24,6			BiH CB

4.2

Montenegro highlights

Tourism boom might be fading, but public investments and households' consumption are now adding more fuel to growth.

GDP growth is slowing down as net exports weaken (of which much related to slowing growth in tourism) but somewhat offset by speedup in consumption and investments. Upcoming EU entry might provide new impetus for growth in 2026 and beyond.

Economy slightly slows in 2025 and possibly in early 2026, with GDP expanding by 2.6% in 2025, following a strong 3.2% in 2024 and 6.1% in 2023.

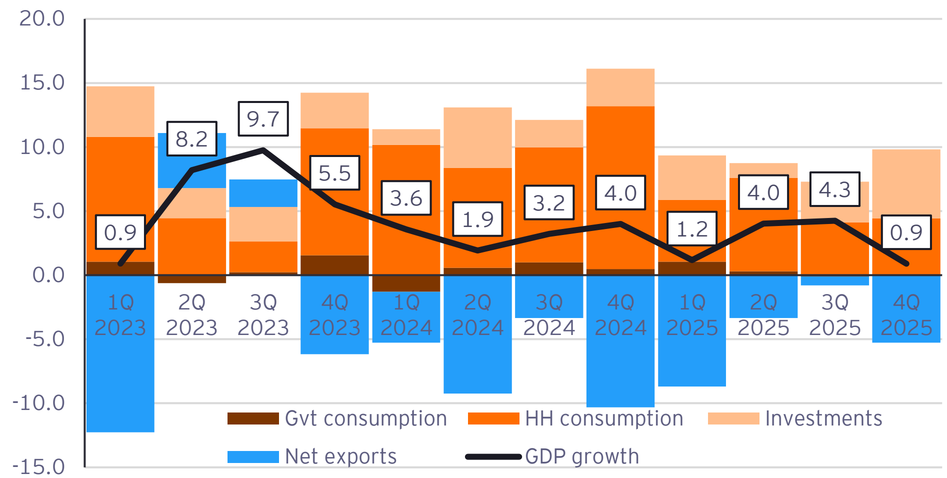
Exports of goods and services are declining. Tourism-related inflows are stagnating after a fierce tourist boom (more detailed), while exports of electricity plumets, as drought affecting output in the country's hydro plants.

However, **consumption speeds up its pace** – rising by nearly 5% Y/Y in 1Q 2026 (+4% in 2025). Most significant factor are the soaring wages, in much part supported by policy-induced increases in minimum wage.

Moreover, **investments are intensifying**, mostly related to CAPEX in major infrastructure projects (e.g. Bar-Boljare highway), while private investments – dominated by real estate investments – slightly decline but remain comparably high.

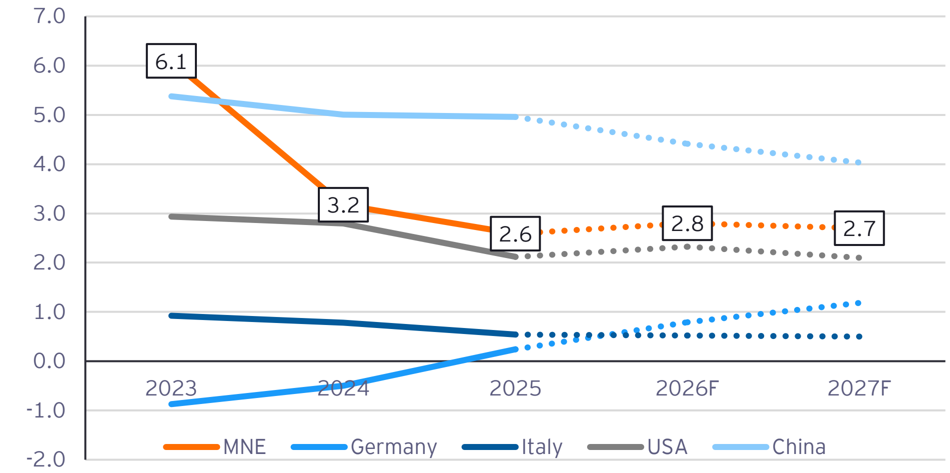
A slight speedup ahead is likely towards 3-3.5% in 2026-27, mainly driven by investments and households' spending. Montenegro's accession to the EU – widely expected in 2028 – is a major catalyst in this respect and will likely play a positive impact, especially on investment and somewhat on net exports.

Contribution to economic growth (in percentage points, Y/Y)



Source: Eurostat, EY

GDP growth outlook in Montenegro and in major global economies



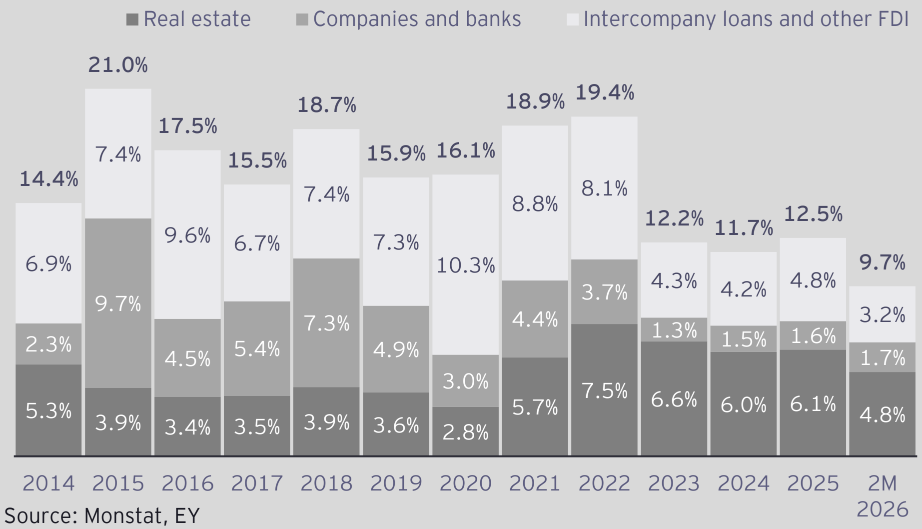
Source: IMF World economic outlook April 2026

Montenegrin's tourism grows by a slower pace after the post-pandemic boom but has considerably improved in both capacity and quality.

Massive inflows of FDIs culminated in early 2020s. During this period, Montenegro's tourist capacities both expanded and improved in quality. This **trend has been slowing in recent period**, with the FDIs, as well as number of tourist arrivals, overnight stays, and tourism-related financial inflows in 2025 and early 2026 staying even slightly below the historical high in 2022-23.

Nevertheless, **significant potential remains untapped** – as Montenegrin' tourist capacities remain dominated by individual accommodation.

Inward FDI per type (in % of GDP)

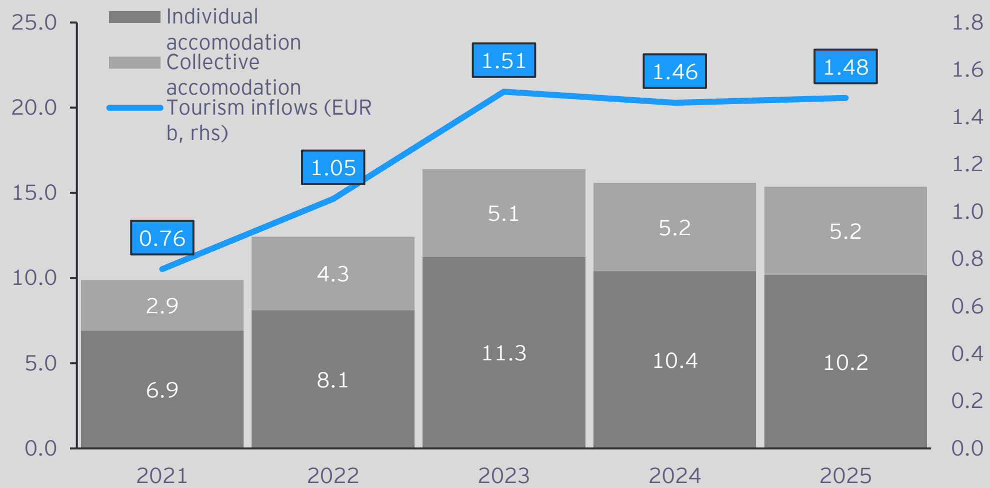


Source: Monstat, EY

Growth of nights spent in collective accommodation (in % Y/Y, 3MMA)

Source: Eurostat, EY

Tourist overnight stays (in million) and tourism inflows (in EUR b)



Source: Montenegro central bank, Monstat, EY

EY Parthenon

Montenegro snapshots

	2023	2024	2025	1Q 2026	2026F	2027F	Source of forecast
Economic activity							
Real GDP growth rate, in % YoY	2.0%	3.2%	2.0%		2.8%	2.7%	IMF
GDP, EUR b	7.1	7.6	8.2		8.7	9.2	IMF/EY
Labor market							
Unemployment rate, in % of population aged 15-64	13.1%	11.4%	10.7%				
Average net wage, EUR	792	876	1,012				
Foreign trade and investments							
Export of goods and services, EUR b	3.5	3.3	3.3				
Export of goods and services, growth in % YoY	8.3%	-6.3%	-4.3%				
Import of goods and services, EUR b	4.8	5.1	5.4				
Import of goods and services, growth in % YoY	6.7%	4.5%	7.7%				
Current account gap, EUR b	-0.8	-1.3	-1.7				
Current account gap, in % of GDP	-11.5%	-17.6%	-21.1%				
Net FDI, EUR b	0.4	0.5	0.5				
Net FDI, in % of GDP	6.1%	6.4%	6.5%				
Prices and FX rate							
Inflation rate, EOP, in % YoY	4.3%	2.1%	4.0%				
Fiscal policy							
Fiscal balance, in EUR b	0.0	-0.3	-0.3				
Fiscal balance, in % of GDP	0.4%	-3.4%	-3.6%				
Public debt, in % of GDP	59.6%	60.8%	67.1%				

4.3

North Macedonia highlights

Strong growth until recently is now starting to decelerate.

North Macedonia's growth is losing momentum, as investment slows and weakening competitiveness dampens export activity.

North Macedonia's growth sped up in 2025 to a relatively strong pace of 3.5% Y/Y, up from 2.9% in 2024, and 2.5% in 2023. However, **growth is seemingly decelerating since early 2026** as some of the key economic engines are cooling off.

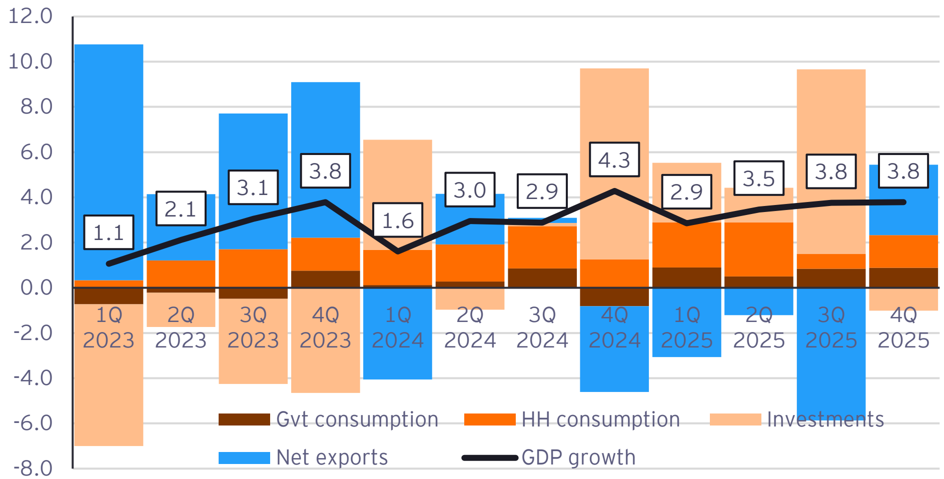
Investments drove much of broader growth in 2025 but are losing pace recently – within this, public investments keep soaring and driving the overall trend. However, private CAPEX are starting to plummet, offsetting much of the public CAPEX-induced impetus (more detailed) and even leading to a slight overall decline of investment activity in 4Q 2025.

Consumption is taking the key role in growth generation – in much part fueled by the public sector-driven increase in wages.

Net exports are providing an increasingly negative contribution to growth – much related to an eroding competitiveness in the automotive and car part output, the country's key export item. The effect is somewhat mitigated by a positive net exports of services, the latter posting a particularly strong growth rate in 4Q 2025.

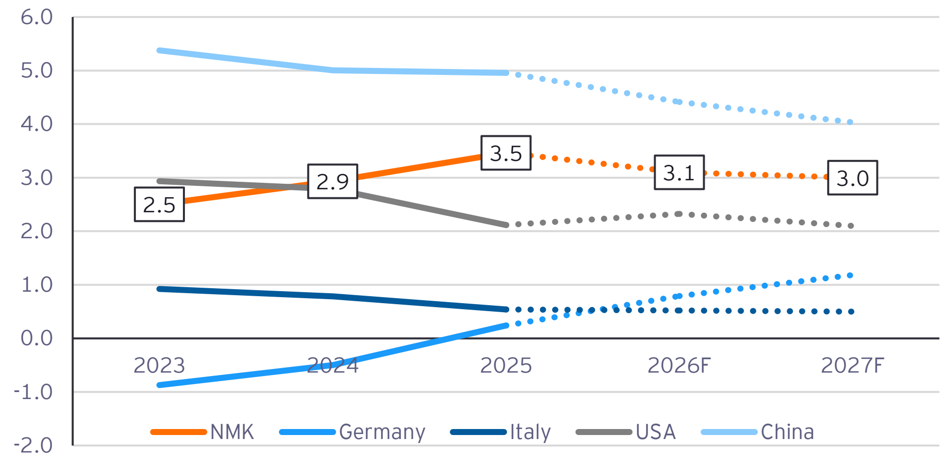
Growth is expected to slowdown to around 3% in 2026 and beyond, as competitiveness continues to erode, external demand stays weak, while private investment activity underperforms.

Contribution to economic growth (in percentage points, Y/Y)



Source: Eurostat, EY

GDP growth outlook in North Macedonia and in major global economies



Source: IMF World economic outlook April 2026

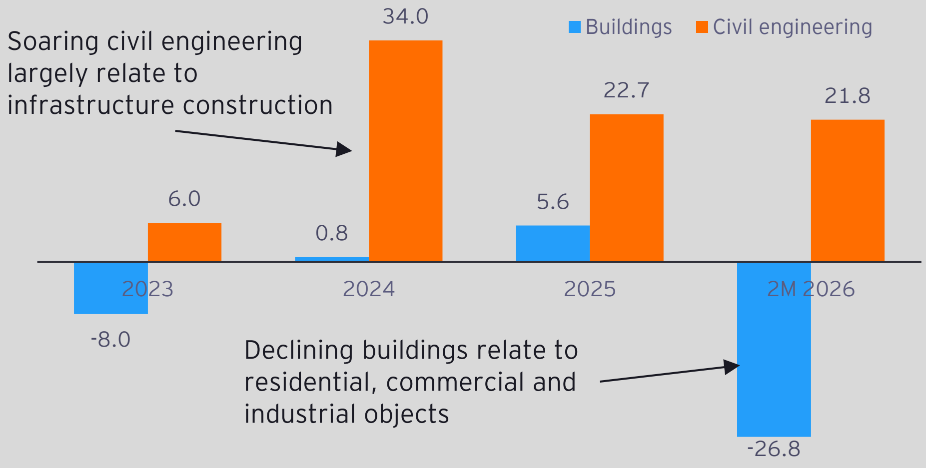
Investment activity in North Macedonia is increasingly driven by public sector projects, while private investment remains under growing pressure.

Public investment activity has ramped up strongly in 2024–2025, driven by implementation of large-scale infrastructure projects (notably Corridor VIII/X and related transport and energy investments). This is clearly reflected in the surge of civil engineering works. This trend remains the key support to overall investment and construction activity, partially offsetting weaker external demand and slowing export-oriented sectors.

However, private investment activity remains volatile and weaker in comparison. Building construction shows limited and recently negative growth, pointing to subdued activity in residential and commercial segments and softer private CAPEX dynamics. FDI inflows remain elevated in aggregate terms, but with a changing sectoral composition.

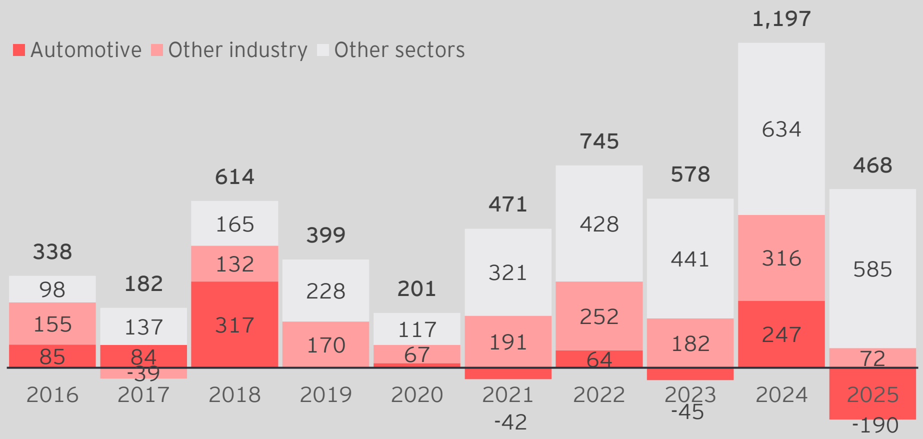
While FDI inflows remain relatively strong, automotive FDI – historically, the key investment magnet – weakened materially. This reflects recent exits and downsizing of key suppliers (e.g. Aptiv closure and Dura Automotive withdrawals), likely on soaring-wage induced erosion of competitiveness.

Growth of completed works per type of object (in % Y/Y, in real terms)



Source: Makstat, EY

Net FDIs to North Macedonia per sector (in EUR m)



Source: Central bank of North Macedonia, EY

North Macedonia snapshots

	2023	2024	2025	1Q 2026	2026F	2027F	Source of forecast
Economic activity							
Real GDP growth rate, in % YoY	2.6%	3.0%	3.5%		3.1%	3.0%	IMF
GDP, EUR b	14.8	15.8	17.1		18.5	19.8	IMF
Labor market							
Unemployment rate, in % of population aged 15-64	13.1%	12.4%	11.5%				
Average net wage, EUR	656	715	769	757			
Foreign trade and investments							
Export of goods and services, EUR b	10.0	9.7	10.2				
Export of goods and services, growth in % YoY	-3.0%	-4.0%	6.1%				
Import of goods and services, EUR b	11.9	11.8	12.6				
Import of goods and services, growth in % YoY	-10.2%	-1.4%	6.7%				
Current account gap, EUR b	0.1	-0.3	-0.7				
Current account gap, in % of GDP	0.3%	-2.2%	-4.4%				
Net FDI, EUR b	0.6	1.2	0.5				
Net FDI, in % of GDP	3.9%	7.6%	2.7%				
Prices and FX rate							
Inflation rate, EOP, in % YoY	3.6%	4.4%	4.1%		5.4%	4.0%	IMF
Fiscal policy							
Fiscal balance, in EUR b	-0.7	-0.7	-0.7				
Fiscal balance, in % of GDP	-4.6%	-4.4%	-4.0%				
Public debt, in % of GDP	50.5%	52.9%	52.5%				
Monetary policy and financial market							
NBRM rate, EOP, in %	6.30%	5.55%	4.00%	4.00%			
3M SKIBOR, in %	4.42%	4.31%	4.39%	4.36%			

5

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EY Parthenon

EY-Parthenon: who we are, what we do and why

WHAT WE HAVE

Infrastructure

- A unique global strategy and transaction consultancy with a 25,000+ professionals.
- Benefiting from EY's full spectrum of services delivered by 400,000 people globally.

WHAT WE DO

Products & services

- Transformative strategy and transactions.
- A unique combination of strategy, transactions and corporate finance to work in a world of increasing complexity.

HOW WE DO IT

Skills & approach

- Solutions that work in practice not just on paper.
- Taking an investor mindset, we combine deep functional and sector expertise, with innovative AI-powered technology. We design only what we can deliver.

WHO ARE WE

People & values

- Highly collaborative advisors invested in your success. We partner with CEOs, boards, private equity and governments every step of the way.

WHY WE DO IT

Outcomes

- To create new types of real-world value for our clients and broader stakeholders – helping them to shape the future with confidence.

EY-Parthenon: who we are, what we do and why

Transaction diligence

- Due diligence on the buyer's part
- Due diligence on the seller's part
- Improving the client's bargaining position and reducing possibility of interference
- Speeding up the completion of the transaction and helping that process goes smoothly
- Collaboration with client management to ensure the value of transactions in the crucial period after business venture

Capital & Debt Advisory

- Strategic consulting in the field of real estate
- Help with financing projects in the real estate sector
- Mergers and acquisitions in the field of real estate
- Development of real estate portfolio strategy, optimization and restructuring
- Advising in relation to non-performing loans where the asset guarantee is real estate

Mergers and Acquisitions (M&A)

- Detailed advising for mergers and acquisitions for clients who want to sell parts of their business, find a strategic partner or raise funds
- Restructuring of companies who are faced financial difficulties
- Structuring the business enterprise, planning acquisitions or purchase
- Expertise: you can rely on experienced and responsible teams throughout the whole transaction process, from the idea to the realization and conclusion

Valuation, Modelling and Economics

- Valuation (intangible assets, related parties, securities)
- Business modelling
- Planning and implementation of acquisitions and the purchase of legal entities
- Assessment of sales or purchase price for new investors or those who come out from investments
- Restructuring support team helps clients find financial, strategic and operational solutions for increasing liquidity, credit worthiness and return on investment of shareholders
- Economic advisory team provides tailor-made analyses and insights using advanced research and data science tools.

Strategy & Execution

- Development of comprehensive growth strategy, incl. corporate, business unit, portfolio and go-to-market strategy
- Execution support with focus on value creation (e.g., profitability, net working capital, capital project excellence)
- Design of target operating models, covering organizational structure, core processes, and talent
- Pre- and post-transaction advisory including target screening, commercial & operational DD, post-merger integration

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Economic Analysis and Forecasting

Private and public entities needing a clearer understanding of relevant economic trends and market development to get reliable inputs to medium to long-term strategic planning or annual business planning.

Public Policy and Regulation

Public sector reforms, local economic development initiatives, or private sector associations seeking public intervention, including regulatory changes and can provide services to Government entities at all levels, international donors and IFIs, large corporations, private sector associations

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Companies engaged in mergers and acquisitions (M&A) needing to complement their legal strategies with economic studies and econometric models assessing effects on market structure and competition.

Economic Valorization of Big Data in Decision Making

Private sector companies and public agencies looking to leverage their substantive internally generated/administrative data sets for performance improvement, internal tool development, or to create new or enhanced public services

EY Parthenon

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All in to shape the future with confidence.

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