



IIB Chief Economist gives his overview on the COVID-19 effect and 2021 outlook for the economies of Central and Eastern Europe member states of the Bank

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Following the practice of the past years International Investment Bank's **Chief Economist Elliott Auckland** shared his views on the impact of COVID-19 pandemic and the outlook for 2021 globally and specifically on the economies of IIB member states based in the region of Central and Eastern Europe.

According to Elliott Auckland's analysis, the current crisis caused by the pandemic has been incredibly atypical, and not just because of the unique nature of the Covid-19 itself, but because of the immediate and powerful response of fiscal and monetary policy makers globally. One area this is most visible is unemployment; today EU unemployment stands at 7.5% only 1% higher than the low seen in January 2020. That compares to the 4% jump from 7% to more than 11% during the Global Financial Crisis and then Euro-Zone Debt Crisis.

IIB Chief Economist predicts that despite the costs of Covid-19, the future will be bright for CEE countries. Irrespective of a recent flare-up in Coronavirus across Central & Eastern Europe and corresponding restrictions, the region will outperform the EU in 2020 and in the subsequent recovery period. The key economic theme of Central & Eastern Europe remains a strong integration into the European manufacturing supply chain (particularly although not limited to the auto sector). Manufacturing as a segment has not suffered as much as services in part driving the outperformance of the region vis-à-vis economies such as Spain and Italy.

Additionally, the close linkage between many of the region's economies to Germany (who also have been an outperformer in Europe) has been a positive supporting factor. Indeed, a key supporting factor despite the second wave has been the unexpectedly strong performance across CEE in Q3, which indicate that the recovery post Second Wave will be equally impressive.

[Full report of Elliott Auckland can be found here.](#)

The analysis has already drawn attention of business media in the region and was published in several outlets in Hungary, Romania and Czech Republic.

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