The European Commission has released the autumn round of macroeconomic projections, including the projections for candidate countries

The European Commission (EC) has released the report on the autumn round of projections for 2026 on 17 November 2026[1]. The assumptions for projections and preliminary projections for candidate countries are discussed with representatives of candidate countries, usually the central banks and ministries of finance, at working meetings in Brussels one month before the release of the spring and autumn rounds of medium-term macroeconomic projections. Consequently, the schedule for releasing the Central Bank of Bosnia and Herzegovina's (CBBH) medium-term macroeconomic projections is aligned with the EC release calendar.

Expert meetings at the horizontal level, on macroeconomic projections, are aimed at open discussion on the EC expectations regarding the global economy and macroeconomic trends in the EU. At bilateral meetings between representatives of the EC and candidate countries, macroeconomic trends in the candidate country and the effects of the global and the EU trends on the candidate country's economy are discussed. At bilateral meetings, preliminary projections of the EC and representatives of the candidate country’s institutions are compared, and any different views of the EC, the monetary, and fiscal authorities of the country regarding the current situation and expected trends in key macroeconomic categories are discussed. In this regard, it is important to understand that all projections across all categories are unlikely to be identical. However, alignment of the projection path is important, that differences in levels are not considerable, and that there is consistency in trends between macroeconomic variables. Essentially, they want to compare the views of the EC, monetary and fiscal policy with regard to the macroeconomic trends of the candidate country in the medium term.

Table 1 below provides an overview of projections of real GDP growth rates, GDP components, and inflation for Bosnia and Herzegovina, for the period 2026–2028, published by the EC and the CBBH[2]. Both the CBBH and the EC have revised their economic growth and inflation projections for 2026 upwards compared to the spring round of projections, and are very aligned in terms of levels. Both reports emphasise the risk that inflation could be

[1] https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/autumn-2026-economic-forecast-shows-continued-growth-amid-higher-inflation_en

[2] https://www.cbbh.ba/press/ShowNews/1824?lang=bs

further revised upwards, as well as the facts that productivity decline and labour market trends are some of the key reasons for the relatively modest expected economic growth in the medium term.

Table 1: Comparison of the autumn round of the EC projections for BH and the CBBH projections

annual changes, %

	EC			CBBH		
	2026	2027	2028	2026	2027	2028
GDP	**2,3**	**2,5**	**2,5**	**2,3**	**3,2**	**3,5**
Personal spending	3,0	2,5	2,3	2,3	2,4	1,7
Public spending	3,0	2,5	2,0	2,4	2,0	1,5
Investment	4,0	3,0	3,5	3,1	5,2	4,6
Exports	3,0	2,7	2,5	2,6	6,6	4,8
Imports	4,4	2,5	2,3	2,9	5,3	2,2
Consumer price inflation	**5,0**	**3,7**	**2,0**	**5,1**	**2,8**	**2,3**

Source: CBBH, EC.

Regarding the next two years, significant acceleration of economic growth is not expected, although the CBBH is currently somewhat more optimistic. In the model developed and used by the CBBH, which is the same type of the econometric model used by the EC, the fiscal sector is exogenised. In other words, the model does not produce projections of fiscal variables, primarily public spending and public investments (which are included in investments in the table above), but rather takes over the values from the Global Fiscal Framework, which sometimes significantly delays its publication. Consequently, the rates of annual changes in public spending, and to some extent in investments, can vary significantly. Besides expectations of somewhat stronger growth of personal spending (although it should be noted that the difference is not a single percentage point in any year of the projection horizon), the EC expects somewhat weaker investment growth compared to the CBBH projections. The CBBH, on the other hand, expects a relatively balanced inflow of foreign investments and intensification of domestic private investments, which will result in export growth, further supported by the anticipated strengthening of economic activity in the main trading partner countries. Compared to the EC, the CBBH expects somewhat stronger imports, which include imports for processing for re-export.

In short, the basic projection narratives in the EC and the CBBH do not result in divergent developments of the expected macroeconomic variables, or significant deviations in the estimated intensity of economic activity. The EC expects inflation in BH to be somewhat higher compared to the CBBH projections in 2027. In the autumn round of medium-term macroeconomic projections, the CBBH communicated that factors that could result in a revision of the 2027 inflation projection are already quite evident in the spring round of projections. With higher consumer price inflation, deflators for some GDP components will certainly be revised upwards, which could bring the CBBH economic activity projections for 2027 and 2028 closer to the levels just published by the EC. An additional factor that could result in rising producer prices in BH is further growth of nominal wages, as well as electricity costs, which could further lower the projected export growth rates in the CBBH spring round of projections. Consequently, the real GDP growth rate could further converge towards the rate just published by the EC.