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SCHOOL OF ECONOMICS AND BUSINESS

MASTER'S THESIS

**DETERMINANTS OF FDI INFLOWS: A COMPARISON OF
VISEGRÁD FOUR WITH THE WESTERN BALKAN**

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ABSTRACT

Attracting foreign direct investment (FDI) has become one of the most effective strategies for stimulating economic growth, transferring knowledge and technology, and fostering competitiveness in national economies. This thesis investigates the determinants, dynamics, and comparative aspects of FDI inflows in two distinct European regions: the Visegrád Four (Czech Republic, Hungary, Poland, and Slovakia) and the Western Balkans (North Macedonia, Serbia, Montenegro, Bosnia and Herzegovina, Albania, and Kosovo). The research is structured around the analysis of so-called „pull“ factors shaping FDI attractiveness, as well as the constraints and opportunities that influence the ability of these countries to compete for global investment.

KEYWORDS: foreign direct investment (FDI); Visegrád Four (V4); Western Balkans (WB); push and pull factors; economic development; European Integration; comparative analysis.

SUSTAINABLE DEVELOPMENT GOALS: Decent Work and Economic Growth; Industry, Innovation and Infrastructure; Peace, Justice and Strong Institutions.

POVZETEK

Privabljanje neposrednih tujih naložb (NTI) je postalo ena najučinkovitejših strategij za spodbujanje gospodarske rasti, prenos znanja in tehnologije ter spodbujanje konkurenčnosti v nacionalnih gospodarstvih. Ta diplomatska naloga raziskuje determinante, dinamiko in primerjalne vidike prilivov NTI v dveh različnih evropskih regijah: višegrajski četverici (Češka, Madžarska, Poljska in Slovaška) in Zahodnem Balkanu (Severna Makedonija, Srbija, Črna gora, Bosna in Hercegovina, Albanija in Kosovo). Raziskava je strukturirana okoli analize dejavnikov „privlačnosti“, ki oblikujejo privlačnost NTI, ter omejitev in priložnosti, ki vplivajo na sposobnost teh držav, da konkurirajo za globalne naložbe.

KLJUČNE BESEDE: neposredne tuje naložbe (NTI); Višegrajska četverica (V4); Zahodni Balkan (ZB); dejavniki potiska in privlačnosti; gospodarski razvoj; Evropska integracija; primerjalna analiza.

CILJI TRAJNOSTNEGA RAZVOJA: Dostojno Delo in Gospodarska Rast; Industrija, Inovacije in Infrastruktura; Mir, Pravičnost in Močne Institucije.

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1 INTRODUCTION

When it comes to stimulating growth and achieving higher levels of national economic development, attracting foreign direct investment is one of the most comprehensive strategies that can be used. For this reason, countries compete to attract global investors. This entails amending domestic laws, waiving taxes, granting specific benefits, reimbursing certain costs and paying out subsidies to businesses. Foreign direct investments (FDI) facilitate the transfer of knowledge, management skills, marketing strategies, modern technology and increased exports, thus creating a favourable impact on employment (OECD, 2022).

The Visegrád Group countries – the cultural and political alliance of four Central European countries: the Czech Republic, Hungary, Poland, and Slovakia - also known as the Visegrád Four, the V4, or the European Quartet strives to enhance cooperation in the field of defence, economy, culture and energy. Economic change and development have played a key role in terms of country welfare, as well as political, social and cultural transitions. The main policy to promote development and technological enhancement following the end of Communism in these countries has been attracting foreign direct investment. Even though the specific policy tools have changed, since the transition, promoting foreign investment remains a key element in these countries' development and industrial policies. In spite of a good economic performance, the economies are faced with drawbacks in key areas such as quality of business environment, inefficient government administration, education and research and development. All of these elements impact the flow of foreign direct investment that has an important part to play in national economies' GDP.

The Western Balkan countries – the geographical region that consists of Republic of North Macedonia, Republic of Serbia, Montenegro, Bosnia and Herzegovina, Republic of Albania, and Republic of Kosovo - endeavour greatly to draw in foreign investors in order to achieve the following: the inflow of capital; the promotion of economic growth and development; the replacement of obsolete technology; the acquisition of new management expertise; the improvement of workforce skills and knowledge; integration into the global economy; heightened competition in the host nation; and the development and restructuring of domestic enterprises (Trpeski, Cvetanoska, & Kozheski, 2021. pp.23–31).

The primary sources of investment in this region are from European countries and from member states of the European Union, due to key factors such as the advantageous geographic locations, the affordable domestic labour costs for investors and the low transportation expenses these six countries offer, however the instability and political

crises that impede the attraction of foreign direct investments, conversely, are the main reasons why this region receives far less foreign direct investments than its investors. Therefore, with the limited influx of foreign direct investment not achieving the desired development objectives, more efforts need to be made in each country to promote and attract foreign investors, which are becoming more interested in the Western Balkans as a region every year, due to the dynamics of the process of integration in the European Union, the gradual increase in productivity, increased legal certainty, improved economic conditions and government actions and policies.

The main objective of this master's thesis is to analyse foreign direct investment „pull“ factors for the Visegrád Four and Western Balkan countries, as well as to compare the two regions with respect to their strengths and weaknesses for attracting foreign direct investments.

This analysis examines a topic that involves the use of qualitative research. Examination of already published work, regulations and statistics will be an essential tool for the purpose of conducting supplementary research. The methodology applies qualitative research, comparative analysis and synthesis of statistical data from sources such as UNCTAD, the World Bank, the EBRD Transition Report, and the Vienna Institute for International Economic Studies (wiiw). Quantitative indicators were processed and visualized to identify trends and highlight key differences between the regions.

Net inward FDI flows (annual net inflows), expressed in USD millions, are calculated by subtracting foreign disinvestment (outflows) from foreign direct investment inflows for a given year. This definition aligns with the methodologies applied by UNCTAD, the International Monetary Fund (IMF) under both the Balance of Payments Manual (BPM5 and BPM6), the European Bank for Reconstruction and Development (EBRD), and national central banks (UNCTADstat, 2024; IMF, 2009; IMF, 2013; World Bank, 2024; EBRD, 2020). The averages are calculated for each continuous 5-year period, with the exception of the last time period;. However, due to missing data, some periods may represent 2-, 3-, or 4-year averages. See Appendices for detailed tables. The percentage of GDP is calculated with the formula $(\text{FDI inflows} / \text{GDP}) \times 100$, where FDI inflows of each year are divided by the GDP of the same year and the sum is calculated for the available years in the 5-year period, adjusting for any shorter periods due to missing data, to obtain the average.

Sectoral FDI values were calculated using the proportional allocation rule: $(\text{Sector FDI} = \text{Total FDI} \times \text{Sector share})$. In other words, to allocate the FDI across these sectors, total FDI is multiplied by the percentage share for each sector. Essentially, sectoral FDI equals

total FDI multiplied by the sector's share. The total FDI sector allocation corresponds to the total net FDI inflow for a given year. In simpler terms, this means that all the FDI flowing into a specific sector during a year is part of the total inward FDI that has entered the country during that period. In cases where total FDI is negative (indicating disinvestment), the sectoral allocation reflects net disinvestment. This ensures that the data set remains mathematically consistent across all country-years. The average sectoral distribution of FDI is calculated by using the same data (in millions) for each sector, providing the share of the sectors over a 5-year period, adjusting for any shorter periods due to missing data. These shares are then expressed as percentages of 100%, recalculated across sectors, ensuring that the total always sums to 100%.

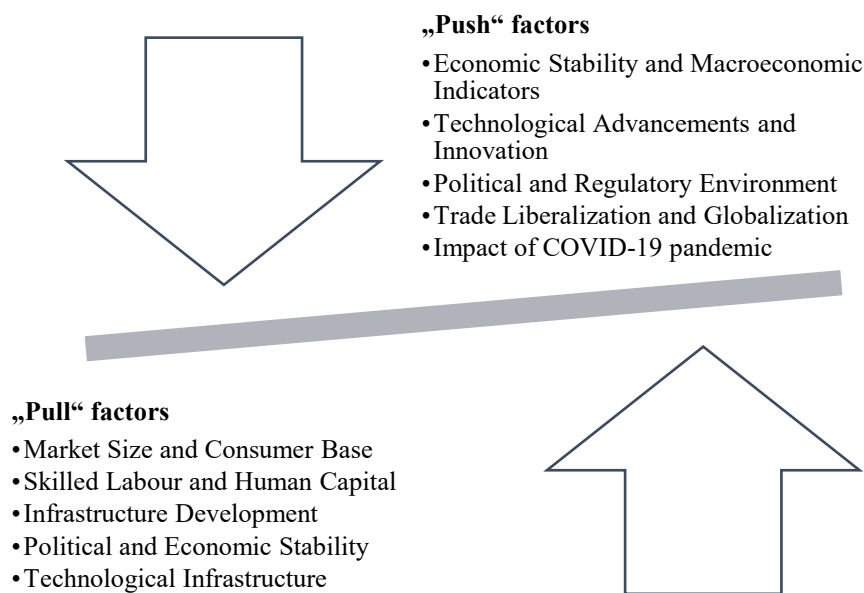
To structure this analysis, the study is guided by three central research questions. First, what are the main determinants of FDI inflows in the Visegrád Four (V4) and Western Balkans (WB), focusing on key pull factors. Second, how these determinants differ between the two regions, highlighting comparative advantages and limitations. Finally, what are policy implications and recommendations for the Western Balkans to enhance FDI attractiveness. Together, these questions establish a clear framework for analysing FDI determinants, regional differences, and strategies to promote investment inflows.

In addition to Introduction and Conclusions, the thesis consists of four chapters. The first chapter provides a conceptual framework of foreign direct investment's „push“ and „pull“ factors. In the following two chapters, the two regions – Visegrad Four and Western Balkan – are presented only through the lenses of foreign direct investment „pull“ factors, i.e., factors attracting foreign direct investment inflow into their respective regions. The fourth chapter provides a comparative analysis of the pull factors the two regions.

2 DETERMINANTS OF FOREIGN DIRECT INVESTMENTS

The key factors that prompt foreign direct investments (FDI) are classified in two main groups: „push“ factors and „pull“ factors, as shown in Figure 1. The factors are having the crucial influence of the process of decision making from the companies in order to invest in international markets. The structure and components of these key factors are particularly important for the stakeholders and their understanding of the dynamical nature of FDIs.

Figure 1. „Push“ and „Pull“ Factors of FDIs



Source: Own work.

In the following text, the above-mentioned „push“ and „pull“ factors are analysed in detail in order to better understand the scheme of FDI in this paper.

2.1 Overview of „push“ factors

The „push“ factors point to contingencies in the country that stimulate companies to look up for possibilities in foreign countries. There are many particular „push“ factors which influence the business to examine FDI (Dunning, 1977). One of the main „push“ factors is the business environment in the home market. As companies emerge, the need for new opportunities on the market always plays a crucial role. FDI is a part of the strategic management as an answer to the need of growth and profitability (Caves, 1996).

The stability of the economies in which the companies work is also an important push factor. Each instability and challenges in the decisions of policy making variation in currencies and political changes can interfere with the decision of investing in the home country. FDI's offer a strategy for diversification that is permitting business to alleviate casualties, which are connected with the instability of the economic environment (Hymer, 1960). Meanwhile, the growth of the technological sector and the advances in the information technology, together with the innovation sector are the main factors for exploring and investing in foreign markets. Nowadays, companies have the opportunity to obtain the new, advanced technologies and with their help, to cooperate and team up with the companies in foreign countries. Therefore, this implies their competitiveness in using the advanced technologies and innovative techniques to acquire FDI's (Dunning, 1988). Also, the dependence of previously chosen markets can influence the companies to research FDI's. Economic diversification is a main part of the strategy decision making, whereas the point of view is from the risk management of specific markets and sectors. Businesses are making FDI's in order to symmetry their incomes and minimize the risk of failure in each specific market (Wells, 1983).

In summary, „push“ factors stem from internal conditions within a home country, such as market saturation, economic instability, the pursuit of technological advancements and the need for economic diversification (Dunning, 1993). Understanding these „push“ factors is crucial for companies contemplating FDI's as it helps them assess the strategic imperatives guiding their internationalization efforts.

Economic Stability and Macroeconomic Indicators - „Push“ factors are influencing many economic factors, such as components connected to the economic stability, inflation, GDP and the environment in which a business works, which motivate the foreign countries for FDI's (Blonigen & Wang, 2005). The connection between the macroeconomic factors and FDI's has a large empirical literature which implies that there is a positive dependence between the stability and FDI's in foreign countries.

Technological Advancements and Innovation - The development of the IT sector and its technologies is also a „push factor“, especially in the sectors where there is a large field of innovative projects. Businesses that want to pursue a competitive advantage can make FDI's in those markets in order to gain access to innovative technologies which provide the possibility of creating ecosystems in which the innovation has its own capabilities (Görg & Greenaway, 2004). This „push“ factor, is evident in industries such as electronic devices and telecommunication.

Political and Regulatory Environment - The political and regulatory environment can also be a „push“ factor in the countries that are characterized with stability issues, criminal behaviours such as corruption and regulations that are not well structured and implemented in the law. This can motivate companies to search for another market that is characterized with political stability and environment where the risk of regulation misbehaves (Wei, 2000). There is research that shows how much important this „push“ factor is in order to predict the behaviour of the stakeholders on the market.

Trade Liberalization and Globalization - Internationalization happens when trade liberalization and globalization of the markets arises as one of the important „push“ factor. When this occurs, the business „opens their doors“ to FDI with which the economy presents with new possibilities, eliminating the barriers of the trade and presenting appearance in different sectors of the market (Helpman et al., 2004). Those „push“ factors are important when countries start to make agreements on bilateral or multilateral levels.

Impact of COVID-19 pandemic - In the period when the COVID-19 pandemic has happened in the world, there were changes in the FDI determinants, whereas the countries showed prominent level of adjustment to the new situation. Important in this period was the implementation of the option to work from home as remote workers, transformations in digital strategies and the quality of the health sector, making them the main determinants that guided the FDI decision-making in the COVID-19 pandemic.

2.2 Overview of „pull“ factors

„Pull“ factors are shown in terms when the country is starting to cause foreign companies to provide interest in FDI in the country (Dunning, 1977). The latent potential of the market in the host country is prominent to attract foreign companies. A wide range of opportunities for expansion and extension for the foreign businesses arises here, since the customer base is reaching new levels of growth (Dunning, 1998). Economies and its sectors that are classified as markets where the income level is going up as well as the demand, are nowadays a significant pull factor for FDI. Multinational enterprises (MNEs) can use this „pull“ factor in order to get and create more capital from these possibilities and develop their international market share (Caves, 1996).

Market Size and Consumer Base - „Pull“ factors are the characteristics of the host country which are the base for attracting FDI. The market-size and the customer base are important „pull“ factors which have a significant role in the FDI processes. The markets which are larger and have a loyal base of customers are characterized with FDI that can bring

positive impact of the profits made from sales, influencing the business to do investments in order to improve their profit margins (Markusen & Venables, 1999).

Skilled Labour and Human Capital is also a „pull“ factor for FDI, whereas its significance can be shown in the level at which the labour is educated, trained and its skills of doing job tasks which will be needed for the FDI project (Caves, 1996). MNEs are searching for countries where the labour is effective and efficient in satisfying the needs of the FDI. This can be a main factor for sectors where specific skills are needed in doing work tasks (Dunning, 1993). The advancement of technology and IT, influenced by the nature of the business ecosystem, and the level of applied and implemented innovation, also acts as a „pull“ factor of key importance in attracting FDI (Cantwell, Dunning & Lundan, 2020). Countries which are oriented toward innovation ecosystems and environments, in which the innovation is appreciated and implemented, are nowadays magnet countries for FDI. As previously mentioned the education, training and skills of the labour is an important „pull“ factor for FDI. Businesses search for countries where its labour has those characteristics, especially if their business is specific and specialized and in this country the labour can answer to the FDI requirements (Barro & Lee, 1997).

Infrastructure Development is also a „pull“ factor that has effects on the decision-making related to FDI. (Dunning, 1980). The infrastructure should be characterized with a base where the supply chain management will have the opportunity to use developed communication channels, energetic supply and transport system, where the multinational businesses can do effective business activities. The investors are searching for countries where they can achieve the highest level of developed logistics, including all its components such as production, distribution, transport and communication (Cantwell & Janne, 1999). The logistics and the supply management are the main components that can attract investors, according to the level of development to the transport systems, energy supply and communication systems (Asiedu, 2006). Therefore, the host country which can provide this to investors will be more attractive than other countries, because the investors see the infrastructure development as key factor to cost reduction and production effectiveness.

Political and Economic Stability is an important „pull“ factor for FDI for countries (Dunning, 1993). The economy that is characterized with worthwhile investment conditions, fiscal and monetary policies, which are not expected to be changed in the near future, can limit the risk for the FDI. In order to achieve that, the economies should create regulations that are „friendly“ to the foreign business, to provide protection in the legislative for the investors by implementing prospects in which the foreign investor will feel protected and welcomed in the host country (Wells, 1983).

Technological Infrastructure - Also, an important „pull“ factor for FDI is when the investors are looking for countries where the advanced technology is already familiar, implemented and used from the labour. The host country that can provide innovation ecosystem with facilities in which the technology can be used will be likely chosen for further FDIs. (Branstetter, 2006).

In summary, „pull“ factors are external conditions in a host country that attract foreign businesses. These include market potential, economic stability, favourable regulatory environments, infrastructure development, availability of skilled labour and technological capabilities (Dunning, 1988). Host countries strategically positioning themselves as attractive investment destinations often exhibit a combination of these „pull“ factors to stimulate FDI inflows.

3 VISEGRÁD COUNTRIES AS HOST COUNTRIES FOR FOREIGN DIRECT INVESTMENTS

The Visegrad Group (V4) refers to a regional cooperation format comprising four Central European countries—the Czech Republic, Hungary, Poland, and Slovakia—formed to foster collaboration in areas of common interest and to support European integration, including within the framework of European Union policies and coordination (Visegrad Group, 2025).

Since their establishment in 1991, the V4 countries had a transformational change in the economic and political sphere and following the post-Soviet era, the V4 countries have experienced reforms which affected the global economy. In 2004, the V4 countries joined the EU and as a result, this membership provided them new possibilities for attracting FDIs from other countries.

The V4 countries have a different outlook in the processes of production and sales, making them an appealing target for FDI investors seeking competitive advantages in this region. The history shows a dynamic development of FDIs influenced by political, economic and social transitions in the V4 countries.

Before the 1990s, the V4 countries were a division of the Eastern Bloc, and they were not fully integrated into the global market. During the communist era, the V4 countries' economies were centrally controlled, and the FDIs were at their minimum. State control, not enough privatization, and the limited access to the global market did not attract foreign investors. At this time, FDIs were almost non-existing, and the business environment was not conducive to attract any (Kornai, 1992).

In the 1990s, the V4 countries had started the liberalization of their economies by doing many reforms to attract FDIs. The state-owned companies were privatized, which created possibilities for FDIs in the whole industry and its sectors. Moreover, the liberalization of the policies, with the law framework had the main influence in attaining FDIs (Campos & Coricelli, 2002).

V4 countries accessed the EU in 2004 as member states, which was a new crossroad in the economic growth and development of the region and their access to the global markets. After the membership in the EU, the V4 countries have emerged with FDIs due to several factors (Bevan & Estrin, 2004) including market access, regulatory alignment, and structural funds.

In the last two decades, the V4, with the influence of their geographic location, educated labour and competitive costs, have achieved even more FDIs. Although the structure of the FDI has changed, due to the latest trends and reforms in the countries policies (OECD, 2020) such as sectoral shifts, technological upgrading, and green investments.

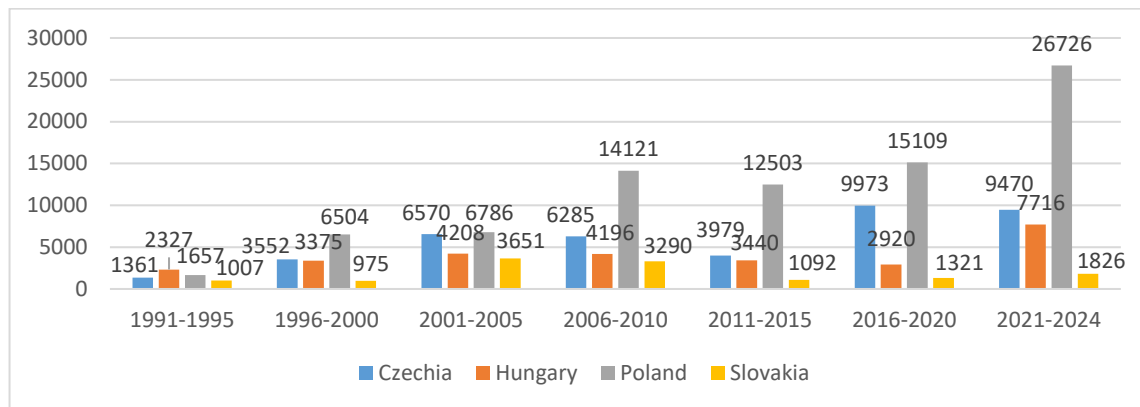
From the beforementioned, we can conclude that the FDI in the V4 countries had many periods of transition, firstly with the communist regime, when they were almost non-existent to market-oriented economies with an access to the global market. The reforms, the accession to the EU, and the policies have implemented changes in the business environment, making it more desirable for FDIs.

3.1 Volume and structure of foreign direct investments since accession to the EU

In this chapter, an analysis is made of the volume and structure of FDIs of V4 countries.

As shown below in Figure 2, the evolution of foreign direct investment (FDI) inflows in the Visegrád Four (V4) countries—Czechia, Hungary, Poland, and Slovakia—between 1991 and 2024 illustrates both the transformative effects of economic transition, and the integration of these economies into global markets. In the early 1990s, FDI inflows were modest, reflecting initial post-socialist reforms and cautious foreign investor interest. Hungary emerged as an early leader, attracting significant inflows in the first half of the decade due to its liberalized investment policies and rapid privatization process. By contrast, Slovakia and Poland initially lagged but began to attract increasing volumes of capital by the mid-1990s as structural reforms deepened.

Figure 2. Average annual FDIs inflow in the V4 countries from 1991 to 2024, per period (in million \$)¹



Source: UNCTAD (2025).

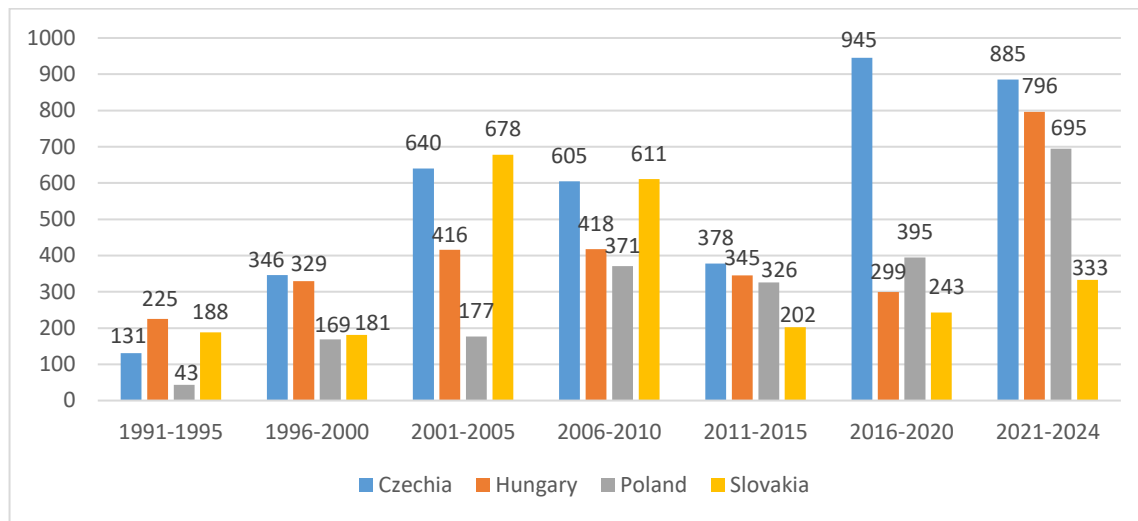
From the late 1990s to mid-2000s, FDI surged across the V4, with Poland consistently receiving the largest inflows. The country's large domestic market, combined with political stability and EU accession in 2004, positioned it as a primary investment destination in Central Europe. Czechia also experienced robust growth, peaking in years such as 2005 and 2007, while Slovakia's inflows were more volatile, but showed pronounced spikes in years linked to major privatization projects, and industrial investments, particularly in the automotive sector (see Appendix 1).

Hungary's trajectory, however, was less linear. After strong inflows in the 1990s, the country experienced notable fluctuations, including negative values in 2015 and 2016, which may be attributed to disinvestment and profit repatriation by multinational firms. Slovakia similarly recorded negative figures in certain years, reflecting both its smaller market size and sensitivity to capital movements (see Appendix 1).

As we can observe from Figure 2, in the most recent period (2020–2024), Poland consolidated its role as the region's FDI leader, with inflows surpassing \$30 billion in 2021, and exceeding \$35 billion in 2022. Meanwhile, Czechia maintained stable and high inflows, while Hungary and Slovakia displayed more volatility.

¹ The averages are calculated for each continuous 5-year period; however, due to missing data, some periods may represent 2-, 3-, or 4-year averages. See Appendix 1 for detailed tables.

Figure 3. Average annual Per capita FDI inflow in the V4 countries from 1991 to 2024, per period (in \$)²



Source: UNCTAD (2025).

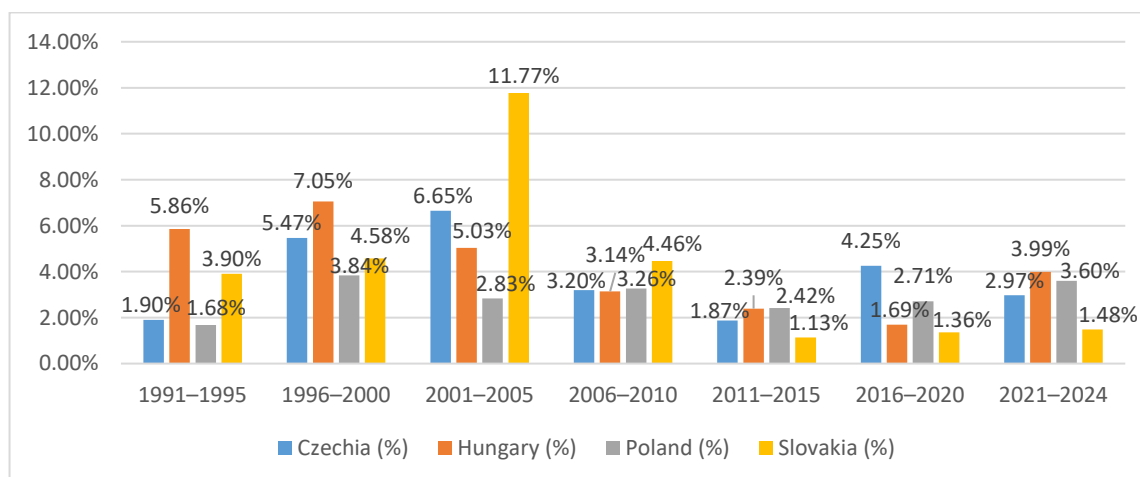
As shown above in Figure 3, the per capita perspective on foreign direct investment (FDI) inflows provides a more nuanced understanding of the distributional effects of capital across the V4 countries. While aggregate inflows highlight Poland's dominant role as the largest recipient of FDI in absolute terms, per capita figures reveal that smaller economies, particularly Czechia and Hungary, often absorbed proportionally larger amounts of investment relative to their population size. This perspective underscores the differential impact of FDI on economic development and convergence within the region.

In the early transition years, Hungary was the clear leader in attracting FDI per person, benefiting from early liberalization policies, transparent privatization processes and a strategic position as an investment gateway to Central and Eastern Europe. Czechia followed closely after 1993, with consistently strong inflows per capita, reflecting the country's industrial restructuring and high investor confidence. By contrast, Poland, despite receiving the largest aggregate volumes, ranked lower in per capita terms due to its significantly larger population base, which diluted the relative scale of investment. Slovakia, while initially lagging, displayed sharp fluctuations, with exceptionally high per capita values during periods of concentrated investment projects, especially in the early 2000s when major automotive industry plants were established (see Appendix 2).

² The averages are calculated for each continuous 5-year period; however, due to missing data, some periods may represent 2-, 3-, or 4-year averages. See Appendix 2 for detailed tables.

As seen in Figure 3, the data reveal substantial volatility across all four economies. Hungary and Slovakia even recorded negative values in certain years (e.g., 2015 and 2016 for Hungary and 2009, 2013, 2014 for Slovakia) (see Appendix 2), indicative of capital withdrawal or profit repatriation exceeding new inflows. Such episodes highlight the vulnerability of smaller, open economies to external shocks and investor sentiment. In recent years, Czechia has maintained stable high inflows per capita, while Hungary and Slovakia remain more volatile. Poland's per capita figures have improved steadily, but remain moderate relative to its neighbours, reflecting the structural challenge of translating aggregate inflows into broad-based per capita gains.

Figure 4. Average annual FDIs inflow in the V4 countries from 1991 to 2024, per period (as % of GDP)³



Source: UNCTAD (2025).

As depicted in Figure 4, clear cross-country differences emerge when examining average FDI inflows as a share of GDP across multi-year periods. Hungary stands out as the most prominent case in the earlier decades, recording the highest average ratios in the 1990s and early 2000s, particularly in 1996–2000 (7.05%) and 2001–2005 (5.03%). These elevated averages indicate a strong reliance on foreign capital during the transition and EU-accession phases, reflecting both aggressive privatization strategies and a high degree of openness to cross-border investment (Bevan and Estrin, 2004; UNCTAD, 2003). However, Hungary's averages decline in later periods, especially in 2011–2015 (2.39%) and 2016–2020 (1.69%), before recovering somewhat in 2021–2024 (3.99%). This pattern highlights a shift from exceptionally high inflow dependence toward a more volatile and

³ The averages are calculated for each continuous 5-year period; however, due to missing data, some periods may represent 2-, 3-, or 4-year averages. See Appendix 3 for detailed tables.

less FDI-driven growth model, consistent with evidence of increasing policy uncertainty and sectoral concentration of investment (OECD, 2019a; World Bank, 2022a).

The Czech Republic exhibits a comparatively stable but still substantial FDI profile over time. Average inflows rise steadily from 1.90% in 1991–1995 to a peak of 6.65% in 2001–2005, reflecting successful economic restructuring, strong integration into global value chains and increased investor confidence surrounding EU accession (Dunning, 1993; Bevan and Estrin, 2004). Although the averages moderate in subsequent periods, the Czech Republic maintains relatively consistent inflows, particularly in 2016–2020 (4.25%), underscoring its continued attractiveness as a destination for efficiency-seeking and export-oriented foreign investment (OECD, 2020a) (see Appendix 3).

Slovakia displays a distinctly concentrated pattern, with exceptionally high average inflows in 2001–2005 (11.77%), far exceeding those of the other countries. This peak reflects large-scale, sector-specific investments—most notably in the automotive industry—that dominated the early 2000s and were closely linked to greenfield projects by multinational corporations (Pavlínek, 2015; UNCTAD, 2006). In later periods, Slovakia’s averages fall sharply and stabilize at much lower levels after 2010, suggesting a reduced intensity of new foreign investment once major production capacities had been established and expansion shifted toward incremental reinvestment rather than new entry (OECD, 2018b) (See Appendix 3).

By contrast, Poland presents the most stable profile across all periods. Its average FDI-to-GDP ratios remain relatively low but consistent, ranging between 1.68% and 3.84% in the earlier periods and increasing slightly in the most recent years to 3.60% in 2021–2024 (See Appendix 3). This stability reflects Poland’s large and diversified economy, where the relative importance of foreign investment is moderated by strong domestic demand and a broad production base (World Bank, 2020d). As a result, Poland’s growth appears less sensitive to fluctuations in FDI inflows compared to the other Central European economies, aligning with findings that larger host economies tend to exhibit lower relative exposure to external capital shocks (UNCTAD, 2019).

As shown below in Table 1, the sectoral distribution of foreign direct investment (FDI) in Slovakia between 1991 and 2024 reveals both the concentration of inflows and the structural transformation of the Slovak economy. From the outset of transition, the manufacturing sector has dominated FDI attraction, consistently receiving the largest share of inflows across the period. This reflects Slovakia’s specialization in industrial production, particularly in the automotive and electronics industries, which have positioned the country as a key production hub within European and global value chains.

The automotive cluster developed since the mid-1990s, accounts for much of the sustained growth in manufacturing-related FDI, explaining the peaks observed in the early 2000s and again in the mid-2010s.

Table 1. Average annual FDIs sectoral distribution in Slovakia from 1991 to 2024, per period (in %)⁴

Sector	1991-1995 ⁵	1996-2000	2001-2005	2006-2010	2011-2015	2016-2020	2021-2024
Agriculture, forestry & fishing	1.4	1.7	1.6	1.7	1.8	1.6	1.7
Mining & quarrying (incl. oil & gas)	1.3	1.3	1.4	1.3	1.5	1.5	1.2
Manufacturing	45.1	39.8	41.0	39.9	36.2	39.1	37.7
Electricity, gas & water (Utilities)	1.6	1.7	1.7	1.7	1.5	1.5	1.6
Construction	5.0	5.0	4.5	4.6	4.8	4.6	5.0
Wholesale & retail trade	5.2	5.5	5.9	5.7	5.8	6.0	5.7
Transport & storage (logistics)	6.6	8.0	6.4	6.6	7.5	7.1	7.1
Accommodation & food services (tourism)	3.8	4.0	4.1	4.4	4.0	4.4	4.0
Information & Communication (ICT)	6.5	7.7	7.3	7.3	10.2	9.0	9.6
Financial & insurance activities	4.5	4.9	5.2	5.1	5.1	4.5	5.1
Real estate activities	10.1	10.1	10.1	10.6	9.5	9.9	10.3
Professional, scientific & other services	8.9	10.3	10.8	11.1	12.1	10.8	11.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Own calculations based on data and methodology from UNCTAD (2025); wiiw (2025); EBRD (2025).

Although traditional sectors such as agriculture, mining, and construction have attracted only marginal levels of foreign capital. Their contribution remains negligible throughout the period, confirming the limited role of primary industries in the modern Slovak economy. By comparison, utilities (electricity, gas, and water), transport & storage show moderate inflows, particularly in the early 2000s, reflecting investments in infrastructure modernization and energy networks during EU integration (see Appendix 4).

Service-related sectors demonstrate a gradual rise in importance over time. Financial and insurance activities, real estate, and professional services consistently attracted moderate but stable flows, indicating Slovakia's growing integration into service-based segments of

⁴ The averages are calculated for each continuous 5-year period; however, due to missing data, some periods may represent 2-, 3-, or 4-year averages. See Appendix 4 for detailed tables.

⁵ The average is calculated from 1993 to 1995. There is no data available for 1992 to 1992.

the European market. ICT and wholesale & retail trade also show sustained inflows, though on a smaller scale, pointing to the diversification of FDI into knowledge-intensive and consumer-driven activities in the post-accession period.

Table 1 above illustrates the volatility of flows, with negative values recorded during periods such as 2009, 2013–2014, and 2020 (see Appendix 4) and highlights the exposure of Slovakia’s FDI structure to global crises and cyclical disinvestment. Nevertheless, the persistent concentration in manufacturing underlines Slovakia’s continued dependence on industrial FDI as the backbone of its external capital inflows, while the gradual emergence of services indicates an ongoing, albeit limited, diversification of the investment base.

Table 2. Average annual FDI sectoral distribution in Czech Republic from 1991 to 2024, per period (in %)⁶

Sector	1991-1995⁷	1996-2000	2001-2005	2006-2010	2011-2015	2016-2020	2021-2024
Agriculture, forestry & fishing	1.5	1.5	1.6	1.7	1.8	1.8	1.7
Mining & quarrying (incl. oil & gas)	1.4	1.3	1.4	1.3	1.3	1.3	1.5
Manufacturing	44.3	42.1	40.1	42.7	35.0	38.5	36.2
Electricity, gas & water (Utilities)	1.6	1.6	1.7	1.5	1.5	1.5	1.8
Construction	5.0	5.4	5.2	5.2	5.2	5.2	5.2
Wholesale & retail trade	5.0	6.0	6.1	5.6	6.5	6.0	6.3
Transport & storage (logistics)	6.5	6.4	7.3	6.5	7.0	6.6	6.9
Accommodation & food services (tourism)	3.9	4.3	4.3	3.8	4.8	4.1	4.4
Information & Communication (ICT)	6.7	6.6	7.0	8.0	10.1	8.9	9.3
Financial & insurance activities	4.6	4.8	4.6	4.4	4.9	5.0	5.5
Real estate activities	10.3	10.3	10.7	9.9	10.0	9.3	10.5
Professional, scientific & other services	9.2	9.7	10.0	9.4	11.9	11.8	10.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Own calculations based on data and methodology from UNCTAD (2025); wiiw (2025); EBRD (2025).

As depicted in Table 2, the sectoral distribution of foreign direct investment (FDI) in the Czech Republic from 1991 to 2024 highlights the dominant role of manufacturing and the gradual diversification of capital inflows into services and knowledge-based industries. Manufacturing consistently emerges as the leading sector, absorbing the largest share of investment throughout the period. This pattern aligns with the Czech Republic’s industrial

⁶ The averages are calculated for each continuous 5-year period; however, due to missing data, some periods may represent 2-, 3-, or 4-year averages. See Appendix 5 for detailed tables.

⁷ The average is calculated from 1993 to 1995. There is no data available for 1992 to 1992.

base and its strategic integration into European production chains, particularly in automotive, machinery, and electronics. The sector's prominence reflects both the cost advantages and the skilled labour force that attracted multinational corporations during the transition period and subsequent EU accession.

From the early 2000s onwards, financial and real estate investments expanded significantly, indicating the growing maturity of the Czech financial system, and a rising demand for commercial and residential property. Similarly, ICT (Information & Telecommunication) - related inflows surged in recent years, signalling a shift toward digitalization and knowledge-driven growth. These trends underscore the country's evolving position from a purely industrial hub toward a more diversified, service-oriented economy (see Appendix 5).

Conversely, sectors such as agriculture, mining, and tourism received only marginal FDI inflows, reflecting limited comparative advantages and lower profitability in these areas. Utilities and construction occasionally attracted notable investments, but these remained secondary compared to manufacturing and services. The data also suggest cyclical fluctuations around major global events, such as the 2008 financial crisis and the COVID-19 pandemic in 2020, which temporarily reduced inflows across multiple sectors (see Appendix 5).

From Table 2 we can observe that the sectoral distribution of FDI in the Czech Republic illustrates a dual trajectory: persistent reliance on manufacturing as a growth engine, complemented by a gradual, but steady expansion of investment into financial, real estate and ICT sectors. This structural evolution highlights the country's transition from an industrial transition economy to a more balanced and competitive investment destination within Central Europe.

From Table 3 below, we can observe the service-oriented sectors that gained increasing importance over time, particularly their financial and insurance activities, real estate, and information and communication technologies distribution of foreign direct investment (FDI) in Hungary from 1991 to 2024, highlighting the country's evolving economic structure and investment attractiveness. The data show that manufacturing has consistently represented the dominant sector for FDI inflows, absorbing the largest share of foreign capital across the three decades. This reflects Hungary's role as a regional hub for automotive, electronics, and machinery production, particularly following its transition to a market economy, and subsequent integration into the European Union.

Table 3. Average annual FDIs sectoral distribution in Hungary from 1991 to 2024, per period (in %)⁸

Sector	1991-1995	1996-2000	2001-2005	2006-2010	2011-2015	2016-2020	2021-2024
Agriculture, forestry & fishing	1.7	1.8	1.7	1.8	1.7	1.7	1.7
Mining & quarrying (incl. oil & gas)	1.3	1.6	1.4	1.4	1.5	1.3	1.5
Manufacturing	44.2	42.3	40.7	42.8	38.1	35.8	37.9
Electricity, gas & water (Utilities)	1.7	1.6	1.7	1.5	1.7	1.6	1.5
Construction	5.0	5.0	5.1	4.6	4.8	5.4	4.7
Wholesale & retail trade	5.6	5.5	6.3	5.7	6.1	6.5	6.3
Transport & storage (logistics)	6.3	6.7	6.6	6.2	6.4	7.3	6.3
Accommodation & food services (tourism)	3.6	4.0	3.6	4.0	4.2	3.9	3.9
Information & Communication (ICT)	6.8	6.4	7.5	8.1	10.1	10.2	10.5
Financial & insurance activities	4.9	5.6	5.0	4.7	5.4	4.8	4.4
Real estate activities	9.5	10.0	9.8	9.7	9.9	10.0	10.8
Professional, scientific & other services	9.4	9.5	10.6	9.5	10.1	11.5	10.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Own calculations based on data and methodology from UNCTAD (2025); wiiw (2025); EBRD (2025).

Alongside manufacturing, services—especially wholesale and retail trade, financial and insurance activities, and professional and scientific services—gradually became significant destinations for FDI. The expansion of these sectors aligns with Hungary’s post-2000 shift toward a more diversified economy, where services gained in importance alongside industrial production. Notably, the financial sector’s steady growth underscores the importance of banking liberalization and the role of multinational institutions in consolidating Hungary’s financial market.

Utilities (electricity, gas, and water) and real estate also attracted considerable foreign capital, particularly during the mid-2000s, a period marked by privatization and large-scale infrastructure investments. By contrast, traditional sectors such as agriculture, forestry, and fishing remained marginal in FDI inflows, reflecting limited investor interest in primary industries (see Appendix 6).

The table also highlights volatility, with negative values in 2015–2016, indicating divestments, particularly within manufacturing and services. These reversals can be linked to a global financial turbulence, corporate restructuring, and shifting investor strategies.

⁸ The averages are calculated for each continuous 5-year period; however, due to missing data, some periods may represent 2-, 3-, or 4-year averages. See Appendix 6 for detailed tables.

However, the recovery after 2017 suggests resilience and renewed investor confidence (see Appendix 6).

As we can see from Table 3, Hungary's FDI trajectory illustrates a transition from heavy industrial and manufacturing reliance toward greater sectoral diversification, while maintaining a strong industrial base. This pattern is consistent with broader regional trends, but also reflects Hungary's specific policy environment, its integration into global value chains, and its attractiveness to multinational corporations seeking both production and service-sector opportunities.

Table 4. Average annual FDIs sectoral distribution in Poland from 1991 to 2024, per period (in %)⁹

Sector	1991-1995	1996-2000	2001-2005	2006-2010	2011-2015	2016-2020	2021-2024
Agriculture, forestry & fishing	1.7	1.7	1.7	1.6	1.7	1.9	1.9
Mining & quarrying (incl. oil & gas)	1.4	1.3	1.5	1.3	1.3	1.4	1.3
Manufacturing	40.7	42.7	40.7	42.1	36.6	38.9	37.1
Electricity, gas & water (Utilities)	1.7	1.5	1.5	1.5	1.6	1.5	1.6
Construction	5.0	4.6	5.4	4.5	4.8	5.0	5.2
Wholesale & retail trade	6.1	5.1	5.7	5.1	6.2	6.2	6.0
Transport & storage (logistics)	7.2	7.2	6.6	7.2	7.0	6.7	6.6
Accommodation & food services (tourism)	4.3	4.2	4.0	4.0	4.7	4.6	4.3
Information & Communication (ICT)	7.2	6.6	7.5	7.9	9.0	8.6	10.6
Financial & insurance activities	5.5	4.6	5.0	4.5	5.4	5.2	4.6
Real estate activities	9.7	10.7	10.8	9.6	10.1	9.6	10.4
Professional, scientific & other services	9.5	9.8	9.6	10.7	11.6	10.4	10.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Own calculations based on data and methodology from UNCTAD (2025); wiiw (2025); EBRD (2025).

As shown in Table 4 above, the sectoral distribution of FDI inflows in Poland from 1991 to 2024 highlights a dynamic structural transformation of the Polish economy under the influence of foreign investment. In the early 1990s, FDI volumes were negligible across all sectors, reflecting the transitional phase of the Polish economy and the gradual liberalization of markets. The manufacturing sector rapidly emerged as the primary recipient of foreign capital, absorbing the bulk of inflows throughout the 1990s and early 2000s. This concentration illustrates Poland's role as a competitive production hub within

⁹ The averages are calculated for each continuous 5-year period; however, due to missing data, some periods may represent 2-, 3-, or 4-year averages. See Appendix 7 for detailed tables.

Central Europe, benefiting from relatively low labour costs, EU accession prospects, and strategic geographic positioning. From the mid-2000s onward, diversification of FDI becomes evident, with significant inflows directed toward financial and insurance activities, real estate, wholesale and retail trade, and information and communication technologies (ICT). The growing weight of finance and real estate reflects the maturation of domestic markets, while ICT investments underscore Poland's increasing integration into the digital economy. Similarly, steady inflows into logistics and utilities signal infrastructural modernization, necessary for sustaining industrial competitiveness and cross-border trade.

The period after 2010 shows cyclical fluctuations, but a notable upward trend reappears after 2015, particularly in ICT, finance, and professional services, sectors that are associated with higher value-added activities. The COVID-19 pandemic in 2020 appears to have tempered overall inflows, yet by 2021–2022, investment surged again, with manufacturing, ICT, and finance consolidating their positions as leading destinations. By 2024, however, a decline across most sectors suggests the impact of global uncertainties and potential investor caution (see Appendix 7).

Overall, Poland's FDI distribution illustrates a transition from reliance on industrial production toward a more diversified, service- and knowledge-based economy. This shift not only reflects broader structural changes, but also positions Poland as a balanced investment environment, combining manufacturing strengths with emerging high-value sectors.

As shown below in Table 5, the sectoral distribution of foreign direct investments (FDIs) in the Visegrád (V4) countries reflects the structural transformation of their economies as they integrated into the global market over the past three decades. The data indicate that manufacturing has consistently attracted the largest share of FDIs, underscoring the centrality of industrial production in the region's growth model. Beginning in the mid-1990s, the manufacturing sector experienced a steady rise in inflows, peaking in the early 2000s, when V4 countries consolidated their roles as competitive hubs for automotive, electronics, and machinery industries within global value chains.

Alongside manufacturing, services sectors such as wholesale and retail trade, finance, ICT, and professional activities have gradually expanded their share, particularly from the 2000s onward. This diversification illustrates the broader economic shift from reliance on industrial production towards service-oriented growth, linked to the modernization of consumer markets, banking, and digital infrastructure. Financial and insurance activities, in particular, became key magnets for FDI during the years of EU accession and post-

2004 integration, signalling increased investor confidence in the regulatory and institutional frameworks of the V4 region.

Table 5. Average annual FDIs sectoral distribution in V4 countries from 1991 to 2024, per period (in %)¹⁰

Sector	1991-1995	1996-2000	2001-2005	2006-2010	2011-2015	2016-2020	2021-2024
Agriculture, forestry & fishing	1.6	1.7	1.6	1.7	1.8	1.8	1.7
Mining & quarrying (incl. oil & gas)	1.4	1.4	1.4	1.3	1.4	1.4	1.4
Manufacturing	43.6	41.7	40.6	41.9	36.5	38.1	37.2
Electricity, gas & water (Utilities)	1.6	1.6	1.7	1.6	1.6	1.5	1.6
Construction	5.0	5.0	5.1	4.7	4.9	5.1	5.0
Wholesale & retail trade	5.5	5.5	6.0	5.5	6.1	6.2	6.1
Transport & storage (logistics)	6.6	7.1	6.7	6.6	7.0	6.9	6.7
Accommodation & food services (tourism)	3.9	4.1	4.0	4.0	4.4	4.2	4.1
Information & Communication (ICT)	6.8	6.8	7.3	7.8	9.8	9.2	10.0
Financial & insurance activities	4.9	5.0	5.0	4.7	5.2	4.9	4.9
Real estate activities	9.9	10.3	10.4	10.0	9.9	9.7	10.5
Professional, scientific & other services	9.2	9.8	10.2	10.2	11.4	11.0	10.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Own calculations based on data and methodology from UNCTAD (2025); wiiw (2025); EBRD (2025).

Conversely, primary sectors such as agriculture, forestry, and fishing, as well as mining and quarrying, consistently remained marginal recipients of FDI throughout the period. This limited attractiveness reflects both the declining role of these sectors in national GDPs and the relatively low profitability for foreign investors compared to manufacturing and services. Construction and utilities, while attracting moderate inflows, mainly reflected cyclical investment trends tied to infrastructure development and EU-funded projects.

The post-2008 financial crisis introduced volatility across sectors, with a visible slowdown in inflows; however, recovery was relatively swift, particularly in services. The pandemic period (2020–2021) brought further fluctuations, yet by 2022–2024, a renewed rise in ICT and knowledge-intensive services signalled ongoing digital transformation and regional competitiveness in high-value sectors (see Appendix 8).

¹⁰ The averages are calculated for each continuous 5-year period; however, due to missing data, some periods may represent 2-, 3-, or 4-year averages. See Appendix 8 for detailed tables.

From Table 5, we can observe that the V4 countries' FDI patterns reveal a dual trajectory: an early reliance on manufacturing as a driver of integration into global production networks, followed by a gradual pivot toward services and knowledge-based industries. This transition not only reflects structural convergence with advanced EU economies but also highlights the evolving role of the region as both a production base, and an emerging hub for innovation and financial intermediation.

3.2 Main determinants of foreign direct investments' inflow

The apprehension of the main determinants of FDI in V4 countries is important for the stakeholders, including the country policymakers and foreign investors, in order to have a comprehensive view of the environment in which they are doing business (Dunning, 2014). In the following text, the main determinants of FDI inflow are analysed, in order to better understand the viewpoint from both sides: the host country and the country investor. The business environment for FDIs in V4 countries consists of determinants which are defined as „pull“ factors in this text and they are of great importance to foreign investors.

1. Market Size and Consumer Base

Market size and consumer base are also determinants that impact the FDIs in the V4 countries. This region has a large market with a favourable location, which secures access to EU markets, making the V4 countries attractive for FDIs. Foreign investors use this determinant to proceed or extend their business operations in the V4 countries.

The FDI investors see this region as a “business bridge” between the non-EU and EU market which is more appealing to them (Eurostat, 2022). The V4 countries hold a competitive advantage in terms of market size and consumer base, as main determinants for FDI. On a country basis, their strategic location enhances their appeal, but still their markets are not as large as those of the major EU states. Their location has a positive impact on FDIs, as it provides access to Western and Eastern Europe, making them attractive for foreign investors (UNCTAD, 2021). The V4 countries have engaged in many regional agreements, which provided them with cooperation and coordination of economic activities, by eliminating the barriers between them and allowing them mutual access to their markets (OECD, 2020).

This integration was meaningful for the EU market as well, where the foreign investors saw this as a potential for pursuing more FDIs. The V4 countries' location in Europe, combined with their EU membership, has opened new opportunities for FDIs in the region. The investors now have access to a new market where they can increase their profit

margins by offering already established and altered business to extend their market share through accepting FDIs (Markusen & Venables, 1999; Eurostat, 2022).

2. Skilled Labour and Human Capital

The V4 countries are attracting FDIs with the scope of labour, which is well educated and trained for doing their work tasks in the FDI projects. A positive factor is also the cost of the workforce, which is lower compared to other EU countries. With their labour landscape, the V4 countries are offering the investors a well skilled and educated workforce, with reducing costs (Eurostat, 2022). Labour is a significant determinant for FDI inflows in the V4 countries, whereas it is known that the workforce is educated and skilled, and as a result it can bring the foreign investors a competitive advantage on the market. The cost of the labour is lower than in Western Europe, which is another determinant that makes the V4 region a desirable destination for FDIs.

The Czech Republic has made investments in the pursuit of better technical and vocational education and training (TVET) programs in order to answer the new advanced technologies, which FDIs have brought to the market (OECD, 2018a). Now, the workforce in this country is skilled and can answer to the requirements of the FDIs, especially in the production and information technology sectors. The V4 countries have recognized that the support of labour development is a main factor in receiving more FDIs.

Poland is an example, which constitutes training centres for the workforce in the most common sectors where FDIs are mostly interested (World Bank, 2020b). These activities have made the V4 region even more attractive for FDIs (Barro & Lee, 1996; Eurostat, 2022). The V4 countries have educated labour, but in several sectors there were shortages in the employment of well-trained workforce. Many reforms were made, including implementing training and education for overseeing the advanced technologies, which help attract foreign investors in the region. Moreover, there are demographic problems, such as overaged population, which is also a topic of discussion regarding FDI inflows (OECD, 2020).

3. Infrastructure Development

One of the main determinants is the development of infrastructure, transportation systems, and digital transformation in the institutions. FDIs have been used in order to develop road and rail transportation systems, which ensured the V4 countries integration with the EU market and also with Eastern and Western Europe.

A significant step was the digital transformation and the use of advanced technologies that brought economic growth and development of the V4 countries (EBRD, 2020). Supply chain management and the level of logistics infrastructure in the V4 countries

include developed transportation systems that can answer the needs of the FDI (World Bank, 2019). The connection within the V4 countries and their closeness to the EU market is also a factor for attraction of FDIs, which can provide them competitive advantages (UNCTAD, 2020). Infrastructure and transport systems with logistics are important determinants for FDIs in the V4 countries.

Poland has financed many projects for road infrastructure development, by constructing expressways and motorways, which has been a major step in reducing the cost and time frame for doing many business operations by foreign investors (European Commission, 2020b).

On the other hand, Hungary has made investments in the railway sector in order to integrate with other countries from the V4 and the EU (OECD, 2021a). Investments were made in the energy sector in order to make the energy supply effective and efficient. Slovakia has invested in natural gas and systems for electrical power, attaining FDIs in these sectors (International Energy Agency, 2019).

Furthermore, the V4 countries integrated in the European energy grid, which provided them with FDIs in their infrastructure. Although, the infrastructure in the V4 countries is a developed one, there is still the need for further FDIs in order to improve the system and address the existing gaps. Areas in which FDIs are needed are the technology sector and the digitalization of the regions that are less developed, in terms of economic growth. This is of immense importance in order to gain competitive advantage and maintain the FDI inflows (EBRD, 2020).

4. Political and Economic Stability

Stability in politics and economics are determinants in achieving FDIs in the V4 countries, where governments demonstrated enormous potential in conducting many reforms to eliminate vulnerabilities and minimize the risks for foreign investors. There were reforms in the economic policies, law and conditions for FDI which all impacted the decision-making process for foreign investors (Estrin & Uvalic, 2014).

Upon accession to the EU, the V4 countries have gained improved levels of political stability, which enabled them to transform their economic landscape that attracts FDIs even more (Galgóczi et al., 2011). Joining the EU has provided allegiance with the democratic norms of the EU, and institutionalization of the law and legal rights, which is also a factor for attracting more investors in the V4 region (UNCTAD, 2021).

The political and economic stability of the V4 countries is one of the main determinants for attracting FDI, where the countries have made critical changes to increase the stability

on both levels. Their democratic system, along with previous reforms in the economic environment made it an attractive region for FDIs. Political stability is on prominent level in the Czech Republic that has brought the country more FDIs after joining the EU (OECD, 2018a).

Meanwhile, the reforms that were made and driven by the new government policies in Hungary, improved the political environment and stability, which has attracted FDIs and increased foreign investors' confidence (European Commission, 2021a). Here, we can highlight Poland as a country that incorporated robust economic growth rates, as important determination for FDI (World Bank, 2020b).

5. Technological Infrastructure

The V4 countries have many potentials for implementing advanced technologies and pursuing innovations, which is also a key factor for receiving FDI (Eurostat, 2022). The strategy of the V4 countries was to generate an innovation ecosystem which will welcome the recent technologies, educate the labour to use them, and advance them further (Dunning, 2014). The value chain of the V4 countries provides high-technology sectors as a determinant for FDI (Dunning, 2014).

Participation in global value chains (GVCs) has been widely recognized as an important factor shaping foreign direct investment decisions, as multinational firms increasingly locate production segments across borders to access intermediate inputs, integrate into international production networks and benefit from regional market linkages (Fernandes, Kee & Winkler, 2021; World Bank, 2021b). Empirical research shows that countries with deeper involvement in GVCs tend to attract higher levels of FDI because integration into global production networks enhances access to international markets, facilitates technology transfer and creates a more competitive business environment that appeals to foreign investors (World Bank, 2021b; Adarov & Stehrer, 2021). In the case of the V4 economies, participation in GVCs has enabled them to obtain FDI in production, advanced technologies and services by leveraging their strategic geographic location within European and transnational value chains, upgrading industrial capabilities and linking domestic suppliers to multinational enterprises (Fernandes, Kee & Winkler, 2021; Adarov & Stehrer, 2021).

The Czech Republic is the main actor in the integration to GVCs allowing FDI in the electronic and automotive sector. Important for this country is their location, educated labour and the availability of infrastructure, which makes it a perfect business environment for foreign investors to create and pursue business operations in production (OECD, 2020a). This factor has contributed in FDI attractiveness of the region of the V4.

Hungary's participation in GVCs is also a strong determinant for attracting FDI. This country characterizes with a developed automotive sector, with domestic producers and infrastructure with facilities that can be further developed from obtaining FDIs. Hungary has an educated workforce, a strong industry, and a geographic location that can improve further the integration of GVCs and make it a desirable destination for FDIs (European Commission, 2021).

Poland is also an actor in the GVCs and is using them as a determinant for attracting FDI. Similar to the other V4 countries, this country has developed sectors of automotive parts and electronics, but machinery parts as well. Poland has increased the investments in its infrastructure making it more developed, has educated its labour and it has access to a large market which attracts more FDIs from investors who are looking to make profit from these advantages (UNCTAD, 2020).

Slovakia is a participant in GVCs, and the country is popular for its industries where global companies with production operations in the automotive and electronics sectors effort. Its location, supply chain management, and educated workforce, have improved the country's integration to GVCs, improving the FDI inflows (World Bank, 2020b).

4 WESTERN BALKAN AS HOST COUNTRIES FOR FOREIGN DIRECT INVESTMENTS

According to the European Union, the Western Balkans consist of six non-EU countries—Albania, Bosnia and Herzegovina, North Macedonia, Kosovo (the designation is without prejudice to status, in line with UNSCR 1244/1999 and the ICJ opinion), Montenegro, and Serbia—all of which are partners in the EU's enlargement process with a perspective toward future EU membership (European Commission/EEAS, 2025).

The Western Balkan, including North Macedonia, Albania, Bosnia and Herzegovina, Kosovo, Montenegro and Serbia are also desirable region for FDI. The region of the Western Balkan countries is characterized with complicated history, which represents many war conflicts and problems on bilateral and multilateral level. Following the Wars from the previous Federative Republic of Yugoslavia, consequently many political and economic activities were made in order to gain stability in the region and collaboration between the countries. Since then, the economic development has risen from the business reforms and the ambition of accessing the EU as members.

Before the 1990s, many of the countries were a part of Yugoslavia, except for Albania, but this country also had a communist regime. Under the communistic system, the

economic environment was centrally controlled from the governments, where production, distribution and investments were controlled.. FDI was minimal and the trade was mostly made with the Eastern Bloc.

The 1990s was a period of transition for the countries of the Western Balkans. The fall of Yugoslavia brought war conflicts, such as the Bosnian War (1992-1995) and the Kosovo War (1998-1999), which resulted in economic instability, damages to the infrastructure and other negative impacts. The region had hyperinflation, unemployment and reduced GDP rates (Estrin & Uvalic, 2014).

The end of the war conflicts brought transformation to the countries in Western Balkan, re-establishing them into market-oriented economies. This transformation led many reforms such as privatization, deregulation and liberalization. The main transformation period resulted with impacts on the stability of the politics, weakness of the institutions, and not enough expertise to manage the market-oriented systems (Bartlett, 2008).

In the early 2000s the Western Balkan countries had made endeavours for further economic and political stabilization. With the help of the International Monetary Fund (IMF), the World Bank and the EU, many reforms and financial aids were executed and the countries in Western Balkan began to foster stability. The EU's Stabilization and Association Process (SAP) promoted cooperation and coordination as the first step in the countries' future assessment process to the EU.

In the mid-2000s, the countries in Western Balkan were characterized by economic development, as a result of the previous reforms and the new mechanisms of management in the economic fields which improved the political stability. As a consequence, FDI's began to gain greater recognition, with foreign investors attracted by the geographical location, low workforce costs, and the nature of their markets. Many FDI were directed toward production, real estate and services, especially in the finance sector and telecommunications.

Serbia had many FDI's in the automotive sector and started producing automotive parts, while Albania had FDI's in its natural resources, mainly in oil and mining (UNCTAD, 2020).

The Western Balkan countries have made many efforts to recover from the global financial crisis whose attention was driven to increase the political and economic stability, business environment and accessing the EU as member states. In this period, EU funds were vital for the countries, providing financial assistance for the development of the institutions and infrastructure. Foreign investors' confidence was restored, and the WB countries started

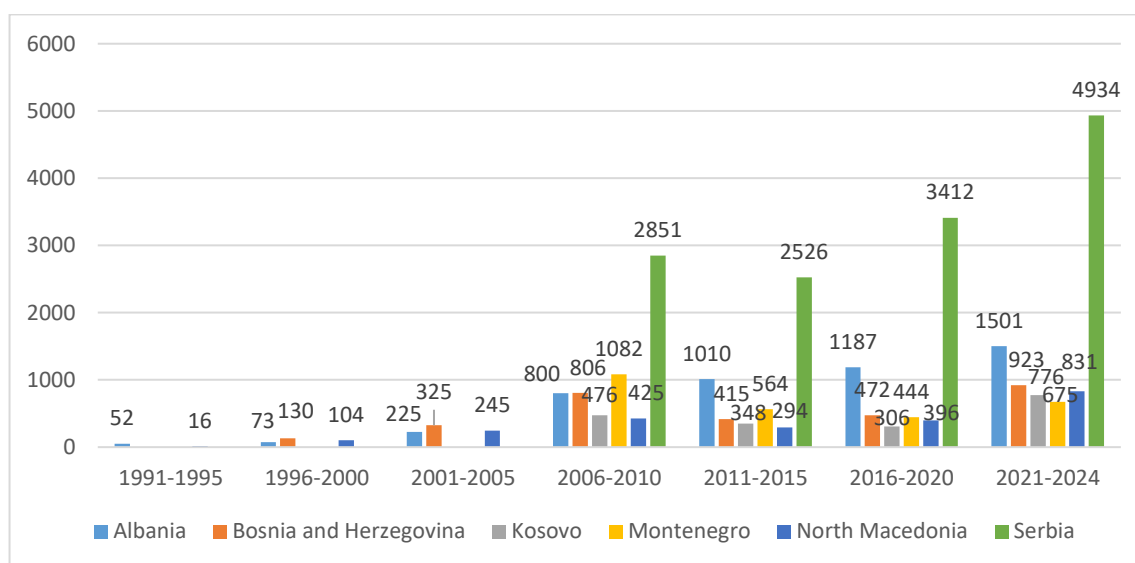
to attract FDIs again. Many projects were made, including the transportation systems, to improve integration into highways, railways and energy networks for which the countries gained FDIs and that contributed to the regions' competitive advantage (European Commission, 2021).

In recent years, the Western Balkan countries have continued to attract FDIs, mainly in the sectors of production, energy and IT. The geographical location of the Western Balkan countries and the low workforce costs remain crucial factors for FDIs.

4.1 Volume and structure of foreign direct investments

In the following text, an analysis is made of the volume and structure of FDIs of WB countries

Figure 5. Average annual FDIs inflow in the WB countries from 1991 to 2024, per period (in million \$)¹¹



Source: UNCTAD (2025).

As shown in Figure 5, Foreign Direct Investment (FDI) inflows in the Western Balkans from 1991 to 2024 reveal a trajectory of delayed, but gradually intensifying integration into global capital flows, in contrast to the earlier dynamics observed in Central European countries.

¹¹ The averages are calculated for each continuous 5-year period; however, due to missing data, some periods may represent 2-, 3-, or 4-year averages. See Appendix 9 for detailed tables.

The data indicate that most Western Balkan economies had negligible or inconsistent FDI inflows during the early 1990s, reflecting the political instability, conflicts and institutional weaknesses that characterized the region during this period. Albania emerges as one of the earliest recipients, albeit at modest levels, while Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia only begin to register substantial inflows in the late 1990s and particularly after 2000 (see Appendix 9).

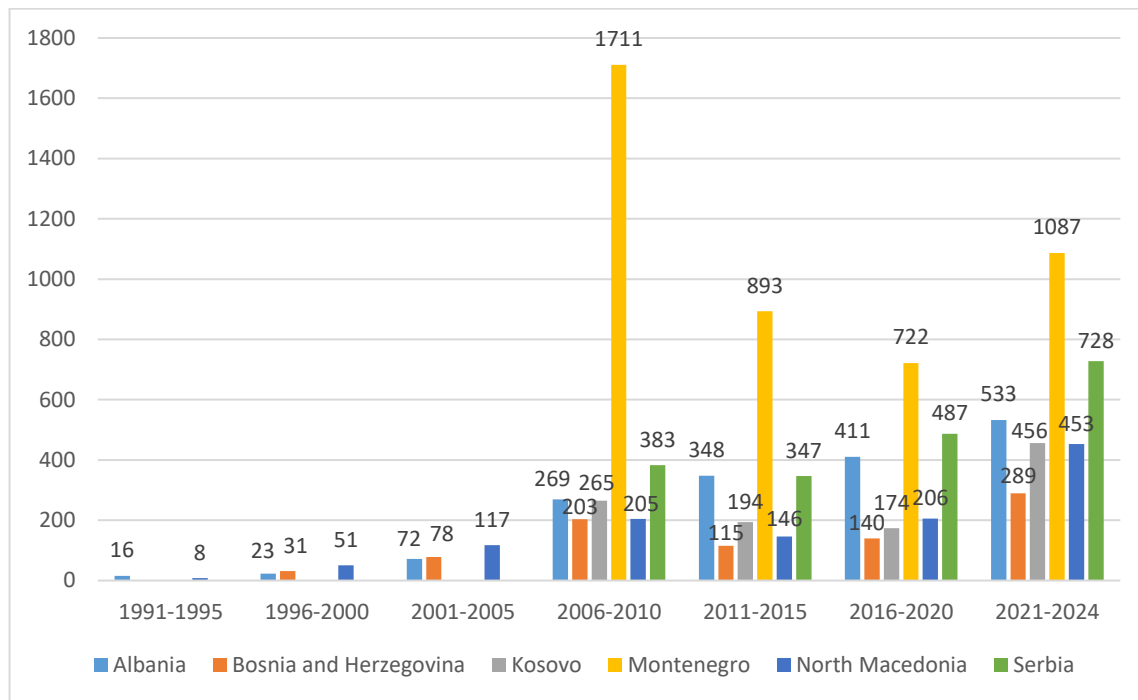
The turning point is clearly observable around 2007–2008, when inflows into several countries—particularly Serbia (\$3.9 billion in 2008), Bosnia and Herzegovina (\$1 billion), and Montenegro (\$960 million)—expanded significantly. This reflects both regional stabilization and the acceleration of privatization processes, which attracted foreign investors into telecommunications, banking, and energy sectors (see Appendix 9).

Despite the global financial crisis in 2009, which temporarily reduced inflows in some cases, Serbia and Montenegro still managed to secure relatively high volumes, underscoring their stronger attractiveness compared to smaller economies like Kosovo and North Macedonia (see Appendix 9).

In the 2010s, FDI became more evenly distributed across the region, although Serbia consistently remained the dominant recipient, reaching over \$4.9 billion in 2023 and \$5.6 billion in 2024. Albania also shows a remarkable growth trajectory, rising from below \$1 billion annually in the mid-2000s to \$1.7 billion in 2024, driven largely by infrastructure and energy projects. Bosnia and Herzegovina and Kosovo recorded smaller, though steady rise, inflows, reflecting the gradual strengthening of institutions and regulatory frameworks. North Macedonia, despite being the smallest market, maintained relatively stable inflows, which intensified in the 2020s with the rise of manufacturing and service-sector investments (see Appendix 9).

As depicted in Figure 5, two critical features of the Western Balkan FDI experience: the delayed onset of significant inflows due to regional instability, and the pronounced dominance of Serbia as the regional hub for foreign capital. While the growth trajectory of other countries demonstrates increasing investor confidence, persistent disparities in institutional quality, market size and political risk continue to shape the uneven distribution of FDI across the region.

Figure 6. Average annual Per capita FDIs inflow in the WB countries from 1991 to 2024, per period (in \$)¹²



Source: UNCTAD (2025).

As shown above in Figure 6, the dynamics of FDI inflows per capita in the Western Balkan countries from 1991 to 2024 reveal strong variations both across countries and over time, reflecting differences in economic size, institutional stability and stages of transition. Albania and Bosnia and Herzegovina show early and relatively modest FDI inflows per capita during the 1990s, consistent with their delayed transition and political instability. By contrast, Montenegro emerges as an outlier from the mid-2000s onward, with exceptionally high per capita values (e.g., over 1,500 USD in 2008 and 2,400 USD in 2009), largely driven by privatization processes and the small population base that magnifies inflows relative to population size (see Appendix 10).

Serbia demonstrates relatively stable and gradually increasing per capita inflows after 2000, with notable peaks in 2011 (almost 670 USD per capita) and again after 2018, surpassing 700 USD per capita in 2023–2024. This trajectory aligns with Serbia's deeper integration into European supply chains and its attractiveness for manufacturing FDI. North Macedonia follows a more modest pattern, with moderate inflows per capita (generally below 300 USD) until 2022, when inflows accelerated, exceeding 400 USD per

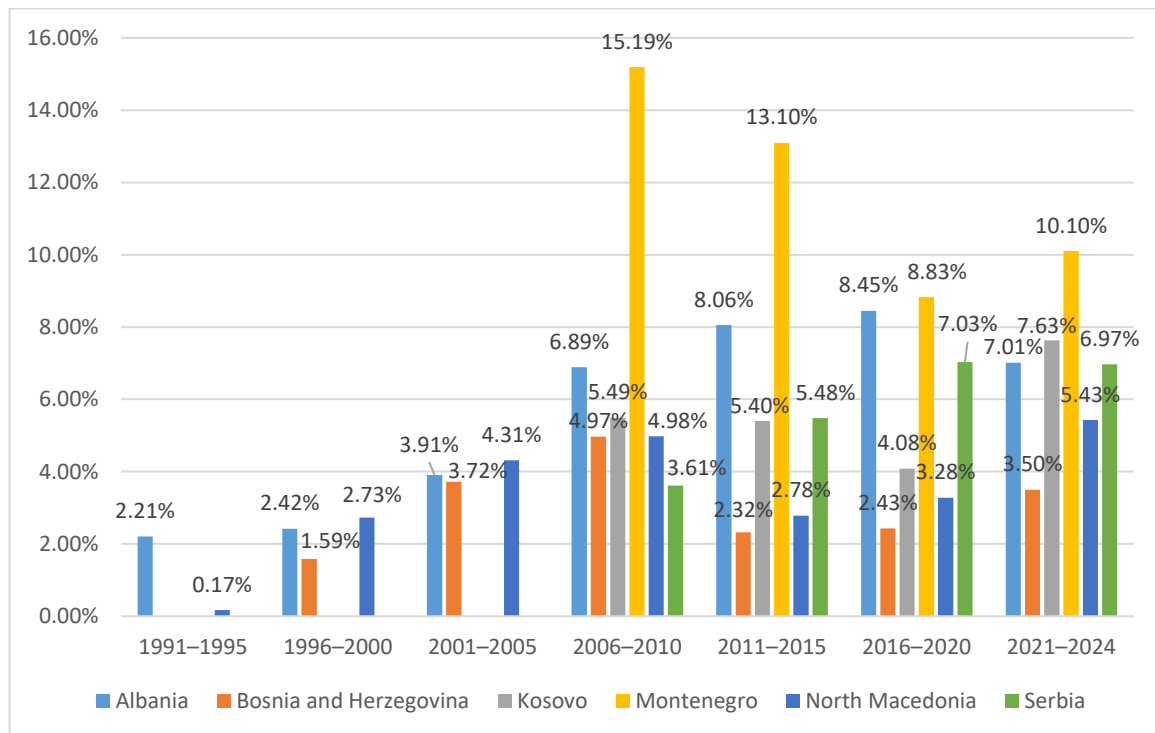
¹² The averages are calculated for each continuous 5-year period; however, due to missing data, some periods may represent 2-, 3-, or 4-year averages. See Appendix 10 for detailed tables.

capita in 2022 and 744 USD in 2024, pointing to recent improvements in the investment climate and regional competitiveness (see Appendix 10).

Kosovo, for which data becomes available after its independence, shows gradual but increasing per capita inflows, surpassing 500 USD by 2024, signalling improving investor confidence despite structural challenges.

From Figure 6, we can observe that evidence suggests, that while all Western Balkan economies experienced an upward trend in per capita FDI inflows, the scale and sustainability vary significantly. Montenegro's figures are exceptional but volatile, while Serbia and, more recently, North Macedonia and Kosovo appear to be consolidating more stable investment inflows, underscoring the differentiated pace of integration and institutional reforms in the region.

Figure 7. Average annual FDIs inflow in the WB countries from 1991 to 2024, per period (as % of GDP)¹³



Source: UNCTAD (2025).

¹³ The averages are calculated for each continuous 5-year period; however, due to missing data, some periods may represent 2-, 3-, or 4-year averages. See Appendix 11 for detailed tables.

Figure 7 illustrates the evolution of average FDI inflows as a percentage of GDP in the Western Balkans between 1991 and 2024, by highlighting both the increasing importance of foreign capital and the substantial cross-country heterogeneity in the region's integration into global investment flows. The period averages reveal a clear intensification of FDI reliance from the early transition years to the mid-2000s, followed by more differentiated trajectories in the subsequent periods, reflecting uneven reform progress and institutional development across countries (Estrin & Uvalić, 2014; UNCTAD, 2018).

Albania demonstrates a relatively stable and gradually strengthening reliance on FDI. Average inflows rise from just over 2% of GDP in the early 1990s to nearly 4% in 2001–2005, before increasing further to around 7–8% in the post-2010 periods (See Appendix 11). This pattern reflects sustained liberalization efforts, privatization initiatives, and the growing role of foreign investment in supporting economic development, particularly in infrastructure and energy sectors (World Bank, 2019b; UNCTAD, 2020). The moderation observed after 2020 suggests a move toward a more balanced, though still FDI-dependent, growth model.

Bosnia and Herzegovina exhibits a more uneven trajectory. After negligible inflows in the early 1990s, average FDI increases markedly in the late 1990s and early 2000s, reaching nearly 5% of GDP in 2006–2010. However, averages decline in subsequent periods, stabilizing at around 2–3% of GDP. This evolution underscores the importance of post-conflict reconstruction and privatization in the early 2000s, followed by persistent structural, political and institutional constraints that continue to limit the scale and stability of foreign investment (Estrin & Uvalić, 2014; World Bank, 2020c).

Kosovo displays a distinct pattern, with meaningful inflows emerging only in later periods. Average FDI remains negligible prior to the mid-2000s but rises to around 5–7% of GDP from 2006 onward, peaking in 2021–2024 (See Appendix 11). These sustained averages reflect Kosovo's small economic base and the importance of diaspora-related and regional investments, which contribute to relatively high FDI-to-GDP ratios despite modest absolute volumes (Krasniqi & Mustafa, 2016; UNCTAD, 2019).

Montenegro stands out as the most FDI-intensive economy in the region. Period averages surge to exceptionally high levels in 2006–2010 (over 15% of GDP) and remain elevated thereafter, consistently exceeding 8–13% in subsequent periods (See Appendix 11). These figures are closely linked to Montenegro's small domestic market and the concentration of large-scale investments in tourism, real estate and energy (Bartlett & Prica, 2017; OECD, 2018a). While such inflows have played a critical role in driving growth, they also

highlight vulnerabilities associated with heavy reliance on foreign capital and exposure to external shocks.

North Macedonia follows a more moderate and stable trajectory. Average FDI inflows increase steadily from negligible levels in the early 1990s to around 4–5% of GDP in the 2000s, before stabilizing at approximately 3–5% in later periods (See Appendix 11). This pattern reflects episodic investment surges linked to structural reforms, investment incentives and EU-oriented investment projects, combined with underlying constraints related to market size and institutional capacity (OECD, 2019b).

Serbia, as the largest economy in the Western Balkans, records a delayed but increasingly significant role for FDI. While inflows are negligible prior to the mid-2000s, period averages rise to around 5–7% of GDP from 2011 onward. This evolution reflects Serbia's ability to attract substantial foreign investment volumes while maintaining a comparatively more stable FDI-to-GDP ratio, supported by market size, industrial diversification and targeted investment incentives (World Bank, 2021a; UNCTAD, 2022a).

Overall, the period-average evidence shown in Figure 7 confirms that while all Western Balkan countries rely on FDI as a key component of their growth strategies, the degree of exposure varies considerably. Montenegro exemplifies high dependence and volatility, Serbia combines scale with relative stability and Albania, Bosnia and Herzegovina, North Macedonia and Kosovo display more gradual and differentiated integration paths shaped by their structural characteristics and institutional frameworks (Estrin & Uvalić, 2014; UNCTAD, 2020a).

Table 6 below demonstrates that the data for Albania reveals a gradual, but steady expansion of foreign direct investment (FDI) across nearly all sectors of the economy since the early 1990s. In the initial years following transition (1991–1995), FDI inflows were minimal, reflecting both the structural challenges of a post-socialist economy and the lack of institutional frameworks to attract international capital. From the mid-1990s onwards however, investment volumes began to increase modestly, particularly in manufacturing and mining & quarrying (including oil and gas), which became central drivers of inflows (see Appendix 12).

A key feature of Albania's FDI pattern is the dominance of manufacturing, which consistently absorbed the largest share of inflows throughout the period. Its share grew sharply from the early 2000s, reaching notable peaks in 2007–2009, and again in the post-2015 period, underlining the sector's role as the backbone of Albania's industrial base and its attractiveness to international investors. Alongside manufacturing, mining and

quarrying registered significant inflows, reflecting Albania's abundant natural resources and the importance of extractive industries, particularly oil and gas, in shaping the country's external investment profile (see Appendix 12).

Table 6. Average annual FDIs sectoral distribution in Albania from 1991 to 2024, per period (in %)¹⁴

Sector	1991-1995¹⁵	1996-2000	2001-2005	2006-2010	2011-2015	2016-2020	2021-2024
Agriculture, forestry & fishing	2.1	2.3	2.2	2.3	2.4	2.2	2.2
Mining & quarrying (incl. oil & gas)	3.3	4.0	3.6	3.7	3.5	3.3	3.6
Manufacturing	29.2	25.9	24.3	24.2	21.3	22.4	22.7
Electricity, gas & water (Utilities)	2.5	2.6	2.5	2.3	2.6	2.5	2.6
Construction	9.1	9.8	9.1	9.6	9.5	10.4	10.0
Wholesale & retail trade	7.3	7.8	7.2	7.0	8.1	8.0	7.9
Transport & storage (logistics)	7.6	8.3	7.6	8.1	7.9	7.3	7.5
Accommodation & food services (tourism)	5.0	5.3	5.5	5.2	5.8	5.7	5.2
Information & Communication (ICT)	4.1	4.8	5.7	6.2	7.0	7.4	8.2
Financial & insurance activities	3.9	3.9	4.0	4.2	4.1	3.8	3.8
Real estate activities	12.3	12.4	13.4	12.3	12.4	12.9	12.5
Professional, scientific & other services	13.6	12.9	14.9	14.9	15.4	14.1	13.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Own calculations based on data and methodology from UNCTAD (2025); wiiw (2025); EBRD (2025).

The utilities sector (electricity, gas and water) also experienced growing inflows, particularly from the mid-2000s, aligning with large-scale infrastructure and energy projects. This reflects Albania's efforts to improve its domestic energy capacity and integrate into regional energy markets. Likewise, construction, wholesale and retail trade, transport and storage began to attract consistent levels of FDI after the early 2000s, with peaks around periods of broader economic expansion and EU-oriented reforms (see Appendix 12).

Service sectors have steadily gained importance. Financial and insurance activities, real-estate and professional services show consistent growth, particularly from the late 2000s onwards, reflecting Albania's gradual financial deepening and the increasing demand for business-related services.

¹⁴ The averages are calculated for each continuous 5-year period; however, due to missing data, some periods may represent 2-, 3-, or 4-year averages. See Appendix 12 for detailed tables.

¹⁵ The average is calculated from 1992-1995, there is no data available for 1991.

Tourism (accommodation and food services) has also emerged as an important sector, though inflows are smaller compared to manufacturing or extractives; its growth aligns with Albania's rising profile as a Mediterranean tourist destination. Notably, information and communication technologies (ICT), while initially minor, have shown accelerating inflows in the last decade, mirroring digitalization trends and the expansion of Albania's knowledge-based economy (see Appendix 12).

From Table 6, we can observe that Albania's FDI trajectory illustrates a dual structure: strong and sustained inflows into resource-based and industrial sectors, complemented by a growing orientation toward services and modern infrastructure. This reflects both Albania's comparative advantages in natural resources and low-cost production, as well as its efforts to align with European investment patterns. By 2024, the data suggest a more diversified FDI structure, where traditional sectors remain dominant, but emerging areas such as ICT and financial services gain increasing weight, underscoring Albania's gradual economic transformation.

Table 7. Average annual FDIs sectoral distribution in Bosnia and Herzegovina from 1991 to 2024, per period (in %)¹⁶

Sector	1991-1995 ¹⁷	1996-2000 ¹⁸	2001-2005	2006-2010	2011-2015	2016-2020	2021-2024
Agriculture, forestry & fishing	-	2.0	2.3	2.0	2.2	2.1	2.4
Mining & quarrying (incl. oil & gas)	-	3.2	3.2	3.3	3.4	3.4	3.5
Manufacturing	-	25.9	28.0	27.2	22.0	21.6	22.4
Electricity, gas & water (Utilities)	-	2.8	2.5	2.6	2.5	2.5	2.5
Construction	-	9.5	10.2	9.5	10.6	10.7	9.9
Wholesale & retail trade	-	7.9	7.4	7.9	7.9	8.6	8.4
Transport & storage (logistics)	-	7.4	7.1	8.1	8.5	7.9	8.1
Accommodation & food services (tourism)	-	5.8	5.1	4.9	5.5	6.1	5.4
Information & Communication (ICT)	-	5.1	5.1	5.9	7.4	7.6	7.2
Financial & insurance activities	-	4.1	3.8	3.5	4.4	3.6	4.2
Real estate activities	-	13.5	12.1	11.4	11.4	12.4	11.6
Professional, scientific & other services	-	12.8	13.2	13.7	14.2	13.5	14.4
Total	-	100.0	100.0	100.0	100.0	100.0	100.0

Source: Own calculations based on data and methodology from UNCTAD (2025); wiiw (2025); EBRD (2025).

¹⁶ The averages are calculated for each continuous 5-year period; however, due to missing data, some periods may represent 2-, 3-, or 4-year averages. See Appendix 13 for detailed tables.

¹⁷ No data available for this period.

¹⁸ The average is calculated from 1998-2000, there is no data available for 1996 and 1997.

The sectoral distribution of foreign direct investment (FDI) in Bosnia and Herzegovina between 1991 and 2024 reveals a gradual, but uneven pattern of capital inflows, with substantial growth after the country's post-war transition. From 1991 to 1997, there is no record of measurable FDI inflows, reflecting the instability of the war and immediate post-war reconstruction period. A turning point occurs in 1998, when initial inflows, though small, are registered across multiple sectors, with manufacturing, agriculture, mining, and basic services receiving modest investments (see Appendix 13).

The early 2000s marked a phase of gradual FDI expansion. Manufacturing consistently attracted the largest share of investment, emerging as the key driver of Bosnia and Herzegovina's FDI profile. Complementary inflows were also directed toward construction, trade, and transport, reflecting the rebuilding of infrastructure and the growth of domestic and regional market integration. Between 2002 and 2006, inflows steadily increased across all major industries, with particularly notable expansion in manufacturing, electricity and utilities and wholesale and retail trade.

The year 2007 represents a peak, when FDI volumes across nearly all sectors surged significantly, particularly in manufacturing, construction and services, such as transport and accommodation. This expansion coincided with improved macroeconomic stability, privatisation and the anticipation of closer EU integration. However, the global financial crisis of 2008–2009 disrupted this momentum, resulting in a sharp contraction of FDI inflows across sectors, with particularly severe reductions in construction, wholesale and retail and tourism-related activities (see Appendix 13).

In the following decade (2010–2019), FDI inflows stabilised, but did not regain the dynamism of 2007. The distribution remained broad, with manufacturing, construction, and financial services continuing to dominate, while information and communication technologies (ICT) and professional services gradually gained importance. From 2020 onwards, despite the economic shocks of the COVID-19 pandemic, Bosnia and Herzegovina demonstrated resilience, with FDI maintaining positive levels, especially in manufacturing, real estate and financial activities (see Appendix 13).

As shown in Table 7, by 2024, the structure of FDI reflects a moderately diversified economy. Manufacturing remains the principal recipient, followed by construction, real estate, financial services, and trade-related sectors. Agriculture, mining, and utilities continue to attract comparatively smaller shares. Overall, Bosnia and Herzegovina's FDI profile shows a trajectory from negligible inflows during the 1990s to more structured and sectoral diversified investments in the 2000s and 2010s, with signs of further consolidation and sectoral rebalancing in the 2020s.

Table 8. Average annual FDIs sectoral distribution in Kosovo from 1991 to 2024, per period (in %)¹⁹

Sector	1991-1995 ²⁰	1996-2000 ²¹	2001-2005 ²²	2006-2010 ²³	2011-2015	2016-2020	2021-2024
Agriculture, forestry & fishing	-	-	-	4.4	9.0	7.8	12.0
Mining & quarrying (incl. oil & gas)	-	-	-	10.8	5.6	10.0	8.6
Manufacturing	-	-	-	12.1	13.0	6.1	10.1
Electricity, gas & water (Utilities)	-	-	-	9.9	8.6	7.3	10.6
Construction	-	-	-	7.7	9.8	8.8	5.6
Wholesale & retail trade	-	-	-	5.4	10.9	9.0	9.7
Transport & storage (logistics)	-	-	-	9.0	8.5	8.7	5.6
Accommodation & food services (tourism)	-	-	-	6.7	3.6	7.7	5.0
Information & Communication (ICT)	-	-	-	11.0	9.8	7.3	11.4
Financial & insurance activities	-	-	-	9.1	9.5	9.3	9.3
Real estate activities	-	-	-	6.5	5.1	7.9	8.7
Professional, scientific & other services	-	-	-	7.4	6.6	10.1	3.4
Total	-	-	-	100.0	100.0	100.0	100.0

Source: Own calculations based on data and methodology from UNCTAD (2025); wiiw (2025); EBRD (2025).

As seen in Table 8, the sectoral distribution of Foreign Direct Investment (FDI) in Kosovo since 2004 highlights both structural vulnerabilities and emerging opportunities within its economy. The early years, particularly 2004–2006, show modest, but diversified inflows, with manufacturing, construction, and real estate standing out as major recipients. This reflects the country’s post-conflict reconstruction needs, where housing, infrastructure and basic industries attracted the largest share of foreign capital. From 2007 onwards, FDI inflows expanded significantly across multiple sectors, particularly in manufacturing, real estate, and professional services, suggesting an increased investor confidence in Kosovo’s long-term potential (see Appendix 14).

Notably, the manufacturing sector has consistently dominated, reaching peaks above 150 million in the late 2000s and surpassing 190 million by 2023. This trajectory underscores

¹⁹ The averages are calculated for each continuous 5-year period; however, due to missing data, some periods may represent 2-, 3-, or 4-year averages. See Appendix 14 for detailed tables.

²⁰ No data available for this period.

²¹ No data available for this period.

²² No data available for this period.

²³ The average is calculated for 2008 to 2010. There is no data available for 2006 and 2007.

Kosovo's gradual integration into regional and European supply chains, albeit from a relatively low base. Real estate and construction also remained prominent, reflecting ongoing urbanization and high demand for housing and infrastructure development. Meanwhile, financial services and professional activities demonstrated moderate, but steady growth, pointing to the gradual institutional strengthening of Kosovo's market economy.

The period after 2015 reveals an even broader expansion of FDI, with tourism (accommodation and food services), ICT and logistics showing steady inflows. This diversification signals a gradual shift toward a service-oriented economy, although these sectors still lag behind traditional ones. The steep rise in 2022 and 2023, across almost all categories, highlights Kosovo's growing attractiveness despite structural challenges, such as a small domestic market and persistent political uncertainties (see Appendix 14).

Kosovo's FDI profile reflects a dual dynamic: on the one hand, heavy reliance on construction, real estate, and manufacturing; on the other, a gradual but important diversification toward services and knowledge-based sectors. Sustaining this trajectory will require continued institutional reforms, improvements in energy and transport infrastructure, and policies to attract higher value-added investments that could foster long-term economic competitiveness.

The sectoral distribution of Foreign Direct Investment (FDI) inflows into Montenegro, shown in Table 9, expressed in millions of U.S. dollars, highlights both the small scale of the economy and the concentration of external capital in a limited set of activities. From the early 2000s onwards, the data reveal an incremental rise in FDI, with manufacturing, construction, real estate, and tourism-related services absorbing the largest shares. Even though the absolute values remain relatively modest compared to larger economies, these inflows played a disproportionately significant role in financing Montenegro's growth model, given the economy's size and reliance on foreign capital (see Appendix 15).

The mid-2000s mark a notable surge across multiple sectors, particularly construction, real estate and accommodation, which reflects Montenegro's positioning as a tourism-driven economy and its policy orientation toward attracting property investment and infrastructure projects. However, the heavy dominance of non-tradable sectors indicates that much of the inflows were linked to short-term speculative and consumption-driven activities rather than to export-oriented industries. This structural imbalance left Montenegro vulnerable to external shocks, a reality clearly demonstrated during the global financial crisis of 2008–2009, when FDI inflows contracted across most categories (see Appendix 15).

Table 9. Average annual FDIs sectoral distribution in Montenegro from 1991 to 2024, per period (in %)²⁴

Sector	1991-1995 ²⁵	1996-2000 ²⁶	2001-2005 ²⁷	2006-2010 ²⁸	2011-2015	2016-2020	2021-2024
Agriculture, forestry & fishing	-	-	-	2.0	2.2	2.3	2.1
Mining & quarrying (incl. oil & gas)	-	-	-	3.1	3.4	3.4	3.8
Manufacturing	-	-	-	27.2	23.5	22.2	20.6
Electricity, gas & water (Utilities)	-	-	-	2.7	2.4	2.3	2.4
Construction	-	-	-	9.4	9.6	9.1	9.2
Wholesale & retail trade	-	-	-	7.5	8.0	8.8	7.9
Transport & storage (logistics)	-	-	-	8.5	7.9	8.5	7.9
Accommodation & food services (tourism)	-	-	-	5.3	5.9	5.7	6.1
Information & Communication (ICT)	-	-	-	5.2	8.0	8.0	7.8
Financial & insurance activities	-	-	-	3.6	3.8	4.2	3.9
Real estate activities	-	-	-	11.1	11.3	11.8	13.4
Professional, scientific & other services	-	-	-	14.4	14.0	13.7	14.9
Total	-	-	-	100.0	100.0	100.0	100.0

Source: Own calculations based on data and methodology from UNCTAD (2025); wiiw (2025); EBRD (2025).

Over the following decade, inflows became more diversified, with modest but consistent contributions to financial services, transport, and professional activities, although manufacturing and agriculture continued to play a marginal role. Tourism, real estate, and construction remained the main anchors of FDI, reflecting both investor confidence in the country's natural comparative advantages and the absence of large-scale industrial absorption capacity. By 2022–2023, the data indicate renewed increases in inflows, coinciding with recovery in global capital markets and the rebound of tourism, yet the reliance on cyclical and volatile sectors remains a structural challenge (see Appendix 15).

As depicted in Table 9, while FDI has been a vital growth driver for Montenegro, its concentration in non-tradable sectors underscores the need for strategic policies to redirect investment toward productivity-enhancing and export-oriented industries. Enhancing institutional frameworks, encouraging innovation, and strengthening links between FDI

²⁴ The averages are calculated for each continuous 5-year period; however, due to missing data, some periods may represent 2-, 3-, or 4-year averages. See Appendix 15 for detailed tables.

²⁵ No data available for this period.

²⁶ No data available for this period.

²⁷ No data available for this period.

²⁸ The average is calculated for 2008 to 2010. There is no data available for 2006 and 2007.

and local value chains are essential steps if Montenegro is to transform inflows into a sustainable foundation for long-term economic resilience.

Table 10. Average annual FDIs sectoral distribution in North Macedonia from 1991 to 2024, per period (in %)²⁹

Sector	1991-1995 ³⁰	1996-2000	2001-2005 ³¹	2006-2010	2011-2015	2016-2020	2021-2024
Agriculture, forestry & fishing	1.9	2.0	2.1	2.2	2.4	2.1	2.2
Mining & quarrying (incl. oil & gas)	3.8	3.4	3.4	3.2	3.6	3.4	3.2
Manufacturing	27.4	27.3	27.7	24.7	22.5	24.2	21.0
Electricity, gas & water (Utilities)	2.4	2.4	2.6	2.7	2.3	2.4	2.3
Construction	10.7	9.3	9.3	9.8	10.5	9.7	10.1
Wholesale & retail trade	7.9	7.0	6.7	7.3	8.3	8.7	8.2
Transport & storage (logistics)	8.5	8.1	8.0	8.4	7.4	8.5	8.6
Accommodation & food services (tourism)	5.4	5.0	5.4	5.0	5.5	6.0	5.5
Information & Communication (ICT)	4.3	5.0	5.1	6.0	6.9	7.1	8.0
Financial & insurance activities	3.5	4.1	3.5	4.4	4.0	3.6	4.2
Real estate activities	12.1	13.1	12.5	11.3	11.6	11.5	13.2
Professional, scientific & other services	12.1	13.3	13.7	15.0	15.0	12.8	13.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Own calculations based on data and methodology from UNCTAD (2025); wiiw (2025); EBRD (2025).

As shown in Table 10 above, Foreign Direct Investment (FDI) in North Macedonia shows a clear sectoral concentration, reflecting both the country's industrial strategy and its structural limitations as a small open economy. The data reveals that from the early 1990s until the mid-2000s, inflows were negligible, only beginning to gain significance after privatization and market liberalization policies took hold. Manufacturing consistently emerges as the most significant sector for foreign capital, demonstrating the country's attractiveness as a low-cost production base, especially for export-oriented industries such as automotive components, textiles and light manufacturing. This long-term dominance of manufacturing reflects the government's efforts to develop Technological Industrial Development Zones (TIDZs) and to integrate North Macedonia into regional and European production networks.

²⁹ The averages are calculated for each continuous 5-year period; however, due to missing data, some periods may represent 2-, 3-, or 4-year averages. See Appendix 16 for detailed tables.

³⁰ The average is calculated from 1994-1995. No data available for 1991-1993.

³¹ The average is calculated from 2001, then from 2003 to 2005. No data available for 2002.

Alongside manufacturing, services have gradually attracted greater FDIs, particularly wholesale and retail trade, financial services and real estate activities. The growth in finance and insurance since the early 2000s is closely tied to banking sector reforms and the entry of foreign-owned financial institutions. Similarly, real estate and construction received rising inflows in the post-crisis period, boosted by infrastructure investments and residential development. More recently, ICT and professional services have gained momentum, pointing toward a gradual diversification of the FDI structure into higher-value-added sectors (see Appendix 16).

Other sectors, such as agriculture, mining and utilities, have remained relatively marginal, although utilities occasionally received higher inflows linked to energy projects. Transport, logistics and accommodation (tourism) also show modest, but consistent growth, supporting the country's broader role as a regional transit hub. Notably, the post-2010 period highlights the resilience of manufacturing, but also the rising importance of ICT, logistics and real estate, indicating a more balanced FDI structure (see Appendix 16).

As depicted in Table 10, the spike in 2024 across nearly all sectors reflects renewed dynamism, likely associated with stabilization in political and economic conditions, as well as ongoing EU integration processes. Nevertheless, while North Macedonia has succeeded in attracting FDI to diversify beyond basic industries, the concentration in manufacturing and reliance on external demand remain structural vulnerabilities. Future policy effectiveness will depend on sustaining institutional reforms, boosting human capital and ensuring that inflows translate into sustainable long-term development rather than sectoral imbalances.

As shown below in Table 11, Foreign Direct Investment (FDI) in Serbia demonstrates a gradual, but consistent sectoral diversification since the late 1990s, reflecting both post-socialist economic reforms and integration into European and global markets. The data shows that manufacturing has been the dominant sector, consistently absorbing the largest share of inflows. Already in 1997, its proportion was markedly higher compared to other industries, and over time it became the backbone of Serbia's FDI landscape, surpassing 0.001 units by the mid-2010s. This highlights Serbia's positioning as a regional production hub, especially in automotive, machinery and processing industries, supported by export-oriented policies and foreign partnerships.

Table 11. Average annual FDIs sectoral distribution in Serbia from 1991 to 2024, per period (in %)³²

Sector	1991-1995³³	1996-2000³⁴	2001-2005³⁵	2006-2010³⁶	2011-2015	2016-2020	2021-2024
Agriculture, forestry & fishing	-	-	-	1.9	2.2	2.4	2.3
Mining & quarrying (incl. oil & gas)	-	-	-	3.5	3.6	3.9	3.3
Manufacturing	-	-	-	26.0	21.7	22.5	21.1
Electricity, gas & water (Utilities)	-	-	-	2.3	2.6	2.5	2.7
Construction	-	-	-	9.4	10.3	9.1	10.2
Wholesale & retail trade	-	-	-	7.5	8.2	7.8	8.5
Transport & storage (logistics)	-	-	-	8.4	7.7	7.8	8.3
Accommodation & food services (tourism)	-	-	-	5.9	5.7	6.3	5.6
Information & Communication (ICT)	-	-	-	4.9	8.0	7.5	8.7
Financial & insurance activities	-	-	-	4.2	4.2	4.4	3.8
Real estate activities	-	-	-	12.9	12.3	11.1	12.0
Professional, scientific & other services	-	-	-	13.1	13.5	14.7	13.5
Total	-	-	-	100.0	100.0	100.0	100.0

Source: Own calculations based on data and methodology from UNCTAD (2025); wiiw (2025); EBRD (2025).

Alongside manufacturing, construction, wholesale & retail trade, financial services emerge as strong secondary recipients of investment. Their steady expansion signals rising investor confidence in Serbia's domestic market potential and infrastructure development, particularly after 2000. Construction reflects large-scale infrastructure projects, while retail and financial services embody consumer-driven growth and modernization of the banking sector. Real estate activities also steadily increased, indicating demand for commercial and residential projects as Serbia's urban centres expanded. (see Appendix 17).

A noteworthy trend is the rise of information and communication technologies (ICT) and professional services after the mid-2000s, though their shares remain smaller relative to traditional industries. This mirrors global patterns of digitalization and the growth of knowledge-based services, pointing to Serbia's gradual shift toward higher-value-added sectors. Meanwhile, agriculture and mining, despite Serbia's natural resource base, have

³² The averages are calculated for each continuous 5-year period; however, due to missing data, some periods may represent 2-, 3-, or 4-year averages. See Appendix 17 for detailed tables.

³³ No data available for this period.

³⁴ No data available for this period.

³⁵ No data available for this period.

³⁶ The average is calculated for 2008 to 2010. There is no data available for 2006 and 2007.

consistently attracted a relatively marginal portion of FDI compared to industrial and service sectors (see Appendix 17).

Overall, the data reflects Serbia's economic transformation into a semi-industrialized, service-oriented economy, with manufacturing at the forefront and increasing contributions from modern services and construction.

Table 12. Average annual FDIs sectoral distribution in WB countries from 1991 to 2024, per period (in %)³⁷

Sector	1991-1995³⁸	1996-2000³⁹	2001-2005⁴⁰	2006-2010	2011-2015	2016-2020	2021-2024
Agriculture, forestry & fishing	2.0	2.1	2.2	2.5	3.4	3.2	3.9
Mining & quarrying (incl. oil & gas)	3.6	3.5	3.4	4.6	3.8	4.6	4.3
Manufacturing	28.3	26.4	26.7	23.6	20.7	19.8	19.7
Electricity, gas & water (Utilities)	2.5	2.5	2.5	3.8	3.5	3.2	3.8
Construction	9.9	9.6	9.5	9.2	10.0	9.6	9.2
Wholesale & retail trade	7.6	7.6	7.1	7.1	8.6	8.5	8.4
Transport & storage (logistics)	8.0	8.0	7.6	8.4	8.0	8.1	7.7
Accommodation & food services (tourism)	5.2	5.4	5.3	5.5	5.3	6.2	5.5
Information & Communication (ICT)	4.2	5.0	5.3	6.5	7.8	7.5	8.5
Financial & insurance activities	3.7	4.0	3.8	4.8	5.0	4.8	4.9
Real estate activities	12.2	13.0	12.7	10.9	10.7	11.3	11.9
Professional, scientific & other services	12.8	13.0	13.9	13.1	13.1	13.2	12.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Own calculations based on data and methodology from UNCTAD (2025); wiiw (2025); EBRD (2025).

As shown in Table 12 above, the aggregate data for the Western Balkans shows a dynamic, but uneven trajectory of sectoral FDI inflows over the 2004–2023 period. Manufacturing consistently dominates the regional FDI structure, rising from just under 14 million USD in 2004 to nearly 199 million USD in 2023 (see Appendix 18). This long-term expansion indicates that production remains the most attractive sector for foreign investors, driven by low labour costs, proximity to EU markets, and ongoing regional integration processes. Complementing manufacturing, construction and wholesale & retail trade also emerge as major recipients, particularly in post-2010 years, reflecting the region's infrastructure

³⁷ The averages are calculated for each continuous 5-year period; however, due to missing data, some periods may represent 2-, 3-, or 4-year averages. See Appendix 18 for detailed tables.

³⁸ The averages includes only countries for which there is data.

³⁹ The averages includes only countries for which there is data.

⁴⁰ The average is calculated from 2004-2005. No data available from 2001 to 2003.

development, real estate expansion, and growing consumer markets. Services-related sectors also register significant inflows, with financial & insurance activities, real estate, and professional services steadily increasing since the mid-2000s.

Real estate in particular more than quadrupled between 2004 and 2023, underlining the impact of tourism growth and speculative investment in urban centres. Tourism (accommodation & food services) and ICT, while smaller in absolute terms, show accelerated growth after 2015, aligning with diversification efforts and the increasing role of knowledge-based services. Despite these positive trends, volatility is evident. The 2008–2009 global financial crisis triggered declines across nearly all sectors, and a similar contraction appears in 2012–2014, suggesting the region’s sensitivity to external shocks. Recovery after 2015 is clear, with renewed investor confidence culminating in record-high FDI inflows in 2022–2023, when manufacturing, real estate and logistics (transport & storage) all surpassed historical averages (see Appendix 18).

Overall, the Western Balkans display a transition toward a more diversified FDI profile, but with manufacturing and construction retaining primacy. The sustained growth of services, especially finance, ICT and tourism, suggests a gradual convergence with broader European investment patterns. Nonetheless, the persistence of volatility underscores the need for structural reforms, institutional stability, and improved regional cooperation to secure a more resilient FDI landscape.

4.2 Main determinants of foreign direct investments’ inflow

The West Balkan is a region that consists of the following countries: North Macedonia, Albania, Bosnia and Herzegovina, Serbia and Kosovo, all of them being countries in development with a transformative nature as main characteristic of their economic environment (Estrin & Uvalic, 2014). The Western Balkan countries have a location that the foreign investors can use to enter the markets in both Europe and Asia, where there are advantages in the transport systems, logistic and supply chain management, as well as with the governments infrastructure investments, the region has become attractive for FDIs (UNCTAD, 2020). Understanding the main determinants of attracting FDI in the countries of Western Balkan can be identified as „pull factors“ for attractiveness of the region for foreign investors.

1. Market Size and Consumer Base

Market size and consumer base are also determinants for FDIs, where the markets in Western Balkan are characterized with a convenient location and the opportunity to integrate with the global market, but relatively they are all small. Albania has access to

the EU and the Mediterranean market through the sea, which makes it a desirable environment for foreign investors (OECD, 2019). One of the most important determinants for FDI is the market size and its accessibility, whereas the Western Balkan countries can offer key advantages, bearing in mind their strategic location and access to Western Europe, Eastern Europe and the Mediterranean (UNCTAD, 2022b). Due to their strategic location and the size of the market, there are opportunities for foreign investors to pursue FDI and outsource their production and distribution among the region. Over the last two decades, the CEFTA trade agreement is of great importance, helping Western Balkan countries improve their market access on a regional level. With this agreement, the barriers between the countries were eliminated and regulations were established to govern exports and imports among the countries (OECD, 2020). As a result, market access has improved, and foreign investors gained more confidence to invest. On an individual level, the Western Balkan countries' markets are small, but on a collective level, they represent a large market, characterized by regional integration improvements, which has attracted greater FDI inflows. Western Balkans have the potential to conduct effective supply chain management between the countries, which has enhanced their attractiveness for FDI inflows and foreign investors who want to extend their presence on the market in this region (World Bank, 2020b).

2. Skilled Labour and Human Capital

The availability of a skilled workforce is a key determinant of FDI in the Western Balkans. Efforts to invest in education and vocational training contribute to the development of a qualified labour force. As businesses increasingly seek labour with specialized skills, the Western Balkans' emphasis on human capital becomes a competitive advantage in attracting foreign investors (EBRD, 2022). This region has a skilled workforce, capable of answering the FDI's demands, and the foreign investors are also willing to offer competitive payments in order to employ these workers in their businesses and train them. Unemployment in the countries of Western Balkan is one of the main economic issues, which persists in the last two decades. Even though the countries have made reforms in the educational system and training programs, in order to accelerate alignment with EU standards, the unemployment rates still remain on an unsatisfying level (OECD, 2020). Significant reforms were made in the educational institutions and training centres in the Western Balkan countries, where the accent was on improving the skills of the labour in order to respond to the needs of foreign investors. Serbia has implemented technical and vocational education and training (TVET) in order to satisfy the demands of the FDI (World Bank, 2020a). The labour in Western Balkan countries is trained and have the needed skills to answer to the needs of FDI in sectors like production, informational technology and services. Furthermore, the countries in Western Balkan offer costs of workforce, which is very differentiated from the developed countries, in a positive way

for the foreign investors. Wages in the Western Balkan countries are lower than in EU, which provides a competitive advantage for the foreign investors (OECD, 2020). This determinant has attracted a great level of FDIs in the textile, automotive and electronic sector. Workforce costs is an important factor for attracting FDI. Bosnia and Herzegovina has attracted many FDIs in the textile and productions sectors due to this key factor (European Bank for Reconstruction and Development, 2020).

3. Infrastructure Development

Investments in infrastructure development are critical determinants of FDIs in the Western Balkans. Improved transportation networks, energy supply, and digital connectivity enhance the region's attractiveness for foreign investors. As the Western Balkans focus on upgrading their infrastructure, they create an environment conducive to businesses looking for efficient logistics and operational capabilities (World Bank, 2022c; EBRD, 2022). The development of infrastructure is an important determinant in attracting more FDIs in the counties of Western Balkan. Efforts were made in the transport system, energy sector and digital transformation of the infrastructure. There were many investments made on the road and rails in order to integrate the countries with the regional markets, meanwhile sustainability in infrastructure is sustained with FDIs in the energy sectors (EBRD, 2020). The Western Balkans countries are facing numerous issues with their infrastructure, including transportation system challenges and their integration, shortcomings in the energy sector and restricted access to globally recognized advanced technologies. The above-mentioned, has created uncertainty for the foreign investors operating in the region. Still, the countries are gradually improving by implementing reforms and making investments in this field (EBRD, 2020). The countries of Western Balkan have contributed to the development of their infrastructure and transportation connectivity with the rest of Europe. Some of those developments are part of the government programs and consist of building transportation systems and networks, highways and railways, intended to ease the export and import between countries (European Bank for Reconstruction and Development, 2020). North Macedonia has developed the Pan-European Corridor X which has connected the country with Serbia and Greece (European Commission, 2021). Countries in the Western Balkans have also managed to develop their energy infrastructure, particularly by modernizing the energy sector and power plants, as these are key determinants for FDIs. Albania, in this case, has made significant investments in hydro centrals across the country, achieving a prominent level of FDI in the energetic sector (World Bank, 2020a). An important initiative for the transport network in the Western Balkans was the WB6 Connectivity Agenda, which linked the transport and energy markets with those of the EU countries (European Commission, 2020a). This initiative has driven infrastructural development and aligned

the regions' legislatures with EU standards, making the Western Balkan an even more desirable destination for FDIs.

4. Political and Economic Stability

The countries in Western Balkans have faced challenges related to the political and economic stability, including risks stemming from conflicts between the countries, which have made the investors uncertain to commit to FDIs. There were other issues, such as debt levels and budget deficits, for which the Western Balkan countries have made many reforms to minimize or to eliminate them (Estrin & Uvalic, 2014). The region works on establishing stability of government structures. By implementing resolutions and bilateral agreements between the countries in order to resolve their issues and creating policies, which can increase interest of foreign investors, resulting in more FDIs (UNCTAD, 2021). The countries in Western Balkan are committed to join the EU as member states, and as a result they have made many economic reforms to align their legal, economic and institutional framework with EU standards. This is the main determinant, which has led to improvements in the business environment, with economic stability as the factor that is important for foreign investors the most (World Bank, 2020a). A progress was seen in the legislative and law of countries like Serbia, Montenegro and North Macedonia, which adapted to the EU legislative and agreement, and as a result, the FDI inflows have increased and expanded in the sectors, meanwhile the trust of the foreign investors was on the highest level (European Commission, 2020). The IPA programs or Instruments for Pre-accession Assistance have created opportunities to attract FDIs in projects in the infrastructure and logistics sector, whereas this financial support yielded positive results by increasing FDI (European Commission, 2021a). There are differences in the institutional structure among the countries in Western Balkans, but all of their activities are made in order to align with the EU standards, simultaneously reducing the main issue in the countries – corruption. Serbia has created policies for transparent and effective working of the institutions. Those economic activities have enhanced the legislative and expanded the trust in the public sector and judiciary (World Bank, 2020a). Montenegro has also implemented reforms to combat corruption, by introducing new laws on an institutional level, which has enhanced the investments. However, there are still challenges in the Western Balkan countries related to government quality and the work of their institutional structure. There are still problems like bureaucracy, unclear legal and law provisions and the main issue of corruption. Albania has undertaken reforms in order to eliminate or minimize these negative impacts in its institutional structure and governance politics (OECD, 2019). Reforms in tax laws were implemented by the countries in Western Balkans as measures to attract more FDIs. These countries have provided tax holidays, reduced the tax rate for corporations in order to increase their attractiveness for foreign investors (OECD, 2020). Serbia offers tax incentives for FDIs

in the production industry, maintaining a positive climate for innovation as a strategic approach to attract investments in the country (UNCTAD, 2021). Special economic zones (SEZ) have been established in Western Balkan countries, offering privileged conditions to attract more FDI. SEZ have a positive impact on the tax regulation, simplify administrative procedures and promote infrastructural improvements. Albania, for example, has implemented SEZ in production, supply chain management and logistics, successfully attracting FDIs (European Bank for Reconstruction and Development, 2020).

5. Technological Infrastructure

Western Balkan countries have improvement in advanced technologies, but they are still lagging behind the developed EU countries. The governments in Western Balkan implemented policies and activities in order to create an environment in which the accessibility to technological infrastructure is the key factor for FDIs. The activities include changes in the tax law, grants and change in the administration procedures for foreign investors. In Serbia innovation and technology institutions were created with several funds in order to reinforce the establishment of new businesses, while implementing advanced technologies in them with the support of FDIs (European Commission, 2022). In North Macedonia, there were also seen developments in informational technology, changes in the tax law and support for innovation (OECD, 2020). The above-mentioned efforts created an innovational eco-system in which the global value chain is characterized with improvements in manufacturing and competitive advantages for the countries in the Western Balkan. Moreover, the countries in the Western Balkan are still working on challenges such as training of the labour and restricted access to high-tech technologies (World Bank, 2021a).

5 COMPARISON OF VISEGRAD FOUR AND WESTERN BALKAN AS HOSTS FOR FOREIGN DIRECT INVESTMENTS

This chapter undertakes a comprehensive analysis of the Visegrád Four (V4) and the Western Balkan countries as hosts for Foreign Direct Investments (FDIs). The analysis is based on „pull“ factors that influence the decisions of multinational enterprises (MNEs) to invest in these regions.

The „pull“ factors that influence investment decisions in a region can be broadly categorized into several key areas, each assessed through specific indicators. Market size and Consumer Base are measured by Gross Domestic Product (GDP) and GDP per capita, which provide insights into the overall economic output and the average income levels within a country, respectively. Skilled labour and Human Capital are evaluated by the percentage of the workforce with tertiary education and labour productivity.

Infrastructural development is assessed through the Logistics Performance Index (LPI), which measure the quality of physical infrastructure and the efficiency of logistics services. Political and Economic Stability are captured by the World Bank Political Stability Index and inflation rate. Finally, the strength of technological infrastructure is reflected in internet penetration and research and development (R&D) expenditure, indicating the degree of digital connectivity and the investment in innovation and technological advancement. Together, these indicators provide a holistic understanding of the factors that make a region attractive to foreign direct investment.

Table 13. Average annual values of indicators of key „pull“ factors in V4 countries from 1991 to 2024, per period⁴¹

Factor	Indicator	1991-1995	1996-2000	2001-2005	2006-2010	2011-2015	2016-2020	2021-2024
MARKET SIZE AND CONSUMER BASE	GDP (in millions of dollars)	59525	75637	113868	215960	238893	262394	355551
	GDP per capita (in dollars)	3470	4856	7709	14950	16248	17785	23470
SKILLED LABOUR AND HUMAN CAPITAL	Workforce with tertiary education (% of population)	-	78.6 ⁴²	78.1	75.0	76.0	76.0	79.0
	Labour productivity (GDP per employment; in dollars per worker)	20894	24811	29931	35422	38112	40455 ⁴³	-
INFRASTRUCTURAL DEVELOPMENT	LPI ⁴⁴ (from 1-low to 5-high)	-	-	-	3.1	3.2	3.3	3.2
POLITICAL AND ECONOMIC STABILITY	World Bank ⁴⁵ Political Stability Index (percentile rank)	-	76.6	74.2	77.6	80.0	72.0	69.2
	Inflation rate (annual %)	28.4	10.7	4.2	3.5	1.7	2.0	8.5
TECHNOLOGICAL DEVELOPMENT	Internet penetration (% of population)	0.4	4.2	29.7	59.1	71.8	80.1	87.9
	R&D expenditures (% of GDP)	-	0.8	0.8	0.9	1.2	1.3	1.5 ⁴⁶

Source: World Bank (2025)⁵³.

⁴¹ The averages are calculated for each continuous 5-year period, with the exception of the last time period; however, due to missing data, some periods may represent 2-, 3-, or 4-year averages.

⁴² Due to data availability, averages are based on a four-year period.

⁴³ Due to data availability, averages are based on a three-year period.

⁴⁴ Averages for time periods: 2006-2010; 2011-2015 and 2016-2020 are based on two years of data. For 2021-2024 there is data for only one year.

⁴⁵ Averages for time periods: 1996-2000 and 2021-2024 are based on three years of data and for 2001-2005 on four years of data.

⁴⁶ Due to data availability, averages are based on a two-year period.

Understanding the distinct „pull“ factors influencing FDI in the Visegrád Four (V4) and the Western Balkan (WB) countries requires a comparative analysis of their structural characteristics and development trajectories over the period 1991–2024. The indicators presented in Tables 13 and 14 capture the evolution of market size, human capital, infrastructure, technological development and political and economic stability across both regions. Based on these indicators, Table 15 below summarizes the relative strength of each „pull“ factor.

Table 14. Average annual values of indicators of key „pull“ factors in WB countries from 1991 to 2024, per period⁴¹

Factor	Indicator	1991-1995	1996-2000	2001-2005	2006-2010	2011-2015	2016-2020	2021-2024
MARKET SIZE AND CONSUMER BASE	GDP (in millions of dollars)	2624	3714	6406	13798	16204	17656	25134
	GDP per capita (in dollars)	936	1304	2094	4324	5201	6012	8583
SKILLED LABOUR AND HUMAN CAPITAL	Workforce with tertiary education (% of population)	-	-	70.4 ⁴⁷	77.4	74.8	76.1	77.2
	Labour productivity (GDP per employment; in dollars per worker)	8177	10802	13519	16223	17444	17674 ⁴⁸	-
INFRASTRUCTURAL DEVELOPMENT	LPI ⁴⁹ (from 1-low to 5-high)	-	-	-	2.3	2.6	2.4	2.6
POLITICAL AND ECONOMIC STABILITY	World Bank Political Stability Index ⁵⁰ (percentile rank)	-	23.8	29.0	38.3	41.4	42.7	43.6
	Inflation rate (annual %)	105.3 ⁵¹	22.6	10.8	4.2	2.5	1.1	6.3
TECHNOLOGICAL DEVELOPMENT	Internet penetration (% of population)	0.1 ⁵²	0.5	11.2	34.3	54.9	72.5	84.3
	R&D expenditures ⁵³ (% of GDP)	-	0.6	0.3	0.4	0.6	0.6	0.7

Source: World Bank (2025).⁵⁴

⁴⁷ Due to data availability, averages are based on a three-year period.

⁴⁸ Due to data availability, averages are based on a three-year period.

⁴⁹ Averages for time periods: 2006-2010; 2011-2015 and 2016-2020 are based on two years of data. For 2021-2024 there is data for only one year.

⁵⁰ Averages for time periods: 1996-2000 and 2021-2024 are based on three years of data and for 2001-2005 on four years of data.

⁵¹ Due to data availability, averages are based on a four-year period.

⁵² For time period 1991-1995 there is data for only one year.

⁵³ Averages for time period 1991-1995 are based on four years of data. For 2021-2024 there is data for three years.

⁵⁴ Data for both Table 13 and Table 14 is from the *World Bank's World Development Indicators database* (Last updated: 12/19/2025). Available at: <https://data.worldbank.org/indicator?tab=all>.

The following legend categorizes the different level of influence each factor has:

++ = *very strong*

+ = *strong*

0 = *neither strong nor weak*

- = *weak*

-- = *very weak*

Table 15. Comparison of „pull“ factors of V4 and Western Balkan Countries

Factor	V-4	WB
Market Size and Consumer Base	++	0
Skilled Labour and Human Capital	++	+
Infrastructure Development	+	-
Political and Economic Stability	0	-
Technological Infrastructure	++	+

Source: Own work.

As shown in Table 15 above, there are noticeable disparities in investment attractiveness between the two regions.

Market Size and Consumer Base constitute a very strong „pull“ factor for the Visegrád Four (V4) countries, but it remains neutral for the Western Balkans (WB). Market size is primarily captured by Gross Domestic Product (GDP), which reflects the total market value of goods and services produced within an economy and serves as a key indicator of overall economic activity and demand potential (UN et al., 2009; World Bank, 2024). Across all sub-periods, the V4 countries consistently record higher average GDP levels than the WB (see Table 13 and Table 14). GDP per capita complements this measure by indicating average income levels and purchasing power, which are critical determinants of market-seeking foreign direct investment (FDI) (World Bank, 2024). The V4 countries benefit from substantially higher GDP levels and GDP per capita, reinforced by full access to the EU single market. This combination enables foreign investors to serve not only

domestic consumers, but also a broader European market through integrated trade and production networks. Poland stands out as the largest economy in the V4 region, while the Czech Republic combines a relatively large GDP with high GDP per capita. Hungary and Slovakia, although smaller in absolute economic size, still exhibit income levels well above those of WB economies. Higher GDP per capita across the V4 signals stronger purchasing power, deeper consumer demand and greater market depth, creating stable conditions for market-seeking FDI (UNCTAD, 2022b; World Bank, 2024). In contrast, the WB countries are characterized by smaller domestic markets and lower GDP per capita, which constrain internal demand. Although Serbia represents the largest economy within the WB, its GDP and income levels remain significantly below those of even the smaller V4 economies (World Bank, 2024). While geographical proximity to the EU allows the WB to function as a platform for export-oriented investment, domestic market size alone remains insufficient to attract large-scale market-seeking FDI. As a result, market size continues to represent a key comparative advantage of the V4 region.

Skilled Labour and Human Capital function as a very strong „pull“ factor for the V4 and as a strong factor for the WB. Human capital is reflected in the share of the workforce with tertiary education, which captures the availability of advanced skills and knowledge within the economy (OECD, 2023a; Eurostat, 2024). The V4 countries display relatively higher proportions of tertiary-educated workers, supported by sustained investment in education systems, vocational training, and workforce upskilling (see Table 13). This advantage is reinforced by higher labour productivity, measured as output per worker, which indicates more efficient labour utilization and higher value added (ILO, 2023a; OECD, 2023). High labour productivity reduces productivity-adjusted labour costs and facilitates integration into complex global value chains, thereby strengthening investor confidence and supporting efficiency-seeking and knowledge-intensive FDI (UNCTAD, 2024a). The WB countries show improving trends in tertiary education attainment (see Table 14), yet labour productivity remains comparatively weaker and more uneven, as the region faces persistent challenges related to skills mismatches, outward migration of highly educated workers and adverse demographic trends. Lower shares of tertiary-educated workers and weaker labour productivity constrain the region's capacity to attract technology-intensive and innovation-driven investment. Nevertheless, competitive labour costs and a relatively young, adaptable workforce continue to attract labour-intensive and efficiency-seeking FDI. Overall, while both regions benefit from human capital, the V4 maintains a clear structural advantage in workforce quality and productivity (OECD, 2021a).

Infrastructural Development is assessed as a strong „pull“ factor for the V4 and a weak „pull“ factor for the WB. The V4 countries benefit from well-developed transport,

logistics, and energy networks, which are reflected in higher scores in the Logistics Performance Index (LPI) (see Table 13). The LPI captures logistics efficiency through indicators such as customs performance, infrastructure quality, shipment reliability, tracking, and timeliness (World Bank, 2023). In contrast, the WB countries record lower LPI values across comparable periods (see Table 14), as they continue to face infrastructure deficits, particularly in transport and logistics (EIB, 2023). Despite increased investment supported by the EU and international financial institutions, infrastructure quality and connectivity remain uneven and insufficient to fully support large-scale, production-oriented FDI (EIB, 2023). Lower logistics performance raises transaction costs and limits integration into regional and global value chains, thereby constraining investment attractiveness (World Bank, 2023).

Political and Economic Stability is assessed as a neutral factor for the V4 and a weak factor for the WB. Political stability and absence of violence are captured by the World Bank's Political Stability Index, which measures perceptions of the likelihood of government destabilization (World Bank, 2025). The World Bank Political Stability Index indicates stronger and more predictable institutional environments in the V4 (see Table 13), underpinned by EU membership and regulatory harmonization, although governance and rule-of-law concerns in some member states, such as Hungary and Poland have moderately weakened investor perceptions (OECD, 2023). In the WB, political uncertainty, weaker institutions and corruption significantly increase perceived investment risk. Lower scores in the Political Stability Index further constrain FDI inflows (Transparency International, 2022). Inflation rates, measured by changes in consumer prices and GDP growth volatility are key indicators of macroeconomic stability and investment risk (IMF, 2022; IMF, 2023; World Bank, 2024). The V4 countries generally exhibit relatively stable inflation creating a predictable macroeconomic environment conducive to long-term investment decisions. Although periods of external shocks have affected the region, overall macroeconomic stability remains comparatively strong (IMF, 2023). By contrast, in the WB, lower political stability scores and greater exposure to external shocks, increase macroeconomic uncertainty and perceived investment risk (see table 14). These conditions contribute to more volatile FDI inflows and limit sustained investor confidence.

Technological Infrastructure represents a very strong „pull“ factor for the V4 and a strong factor for the WB. Internet penetration, defined as the share of the population using the internet, serves as a key indicator of digital access and technological readiness (World Bank, 2024; ITU, 2023). The V4 countries exhibit high internet penetration rates, reflecting advanced digital connectivity. This is complemented by higher expenditure on research and development (R&D) as a share of GDP, indicating strong innovation capacity

and integration into EU research and innovation frameworks (OECD, 2023; UNCTAD, 2022b). These conditions support innovation-driven and technology-intensive FDIs, particularly in sectors such as automotive manufacturing, electronics, ICT, and business services. In the WB, internet penetration has increased since the mid-2000s (see Table 14), narrowing the digital access gap due to digitalization reforms and EU-supported initiatives (World Bank, 2024). However, persistently low R&D expenditure limits the region's ability to generate and absorb advanced technologies, reducing its attractiveness for high-value FDI. Consequently, technological infrastructure in the WB supports investment in selected sectors but does not yet function as a strong catalyst for innovation-based FDI, unlike in the V4.

The empirical FDI data for the period 1991–2024 shows that the V4 countries achieved higher and more stable FDI inflows relative to GDP, reflecting stronger performance across market size, human capital, technological infrastructure and macroeconomic stability indicators (UNCTAD, 2024a). Hungary and the Czech Republic recorded notable FDI peaks linked to privatization waves and reinvestment by multinational enterprises (UNCTAD, 2024b). In contrast, WB FDI inflows have been more volatile and often associated with privatization and infrastructure-related projects. Higher GDP growth volatility and weaker institutional quality partly explain uneven performance across WB economies, with Serbia and Montenegro outperforming Kosovo and Bosnia and Herzegovina (UNCTAD, 2024b).

Overall, the V4 have transitioned from being cost-driven FDI destinations toward higher value-added investment ecosystems. The WB remains in a phase of convergence, with future FDI performance increasingly dependent on EU accession prospects, infrastructure upgrades, improvements in political stability and labour cost advantages (European Commission, 2024a; EIB, 2023).

6 CONCLUSION

The comparative analysis of the Visegrád Four and the Western Balkan countries provides a nuanced understanding of the business climate, as well as the „push“ and „pull“ factors that shape foreign direct investment flows in both regions. The V4 countries—Poland, Hungary, Czechia, and Slovakia—are EU member states with consolidated institutional frameworks, while the WB countries remain in various stages of EU pre-accession. This distinction strongly influences their attractiveness to investors and the dynamics of FDI inflows.

Addressing the first research question, the business climate in the V4 countries demonstrates stability, predictability, and integration into the EU single market. On the pull side, their large consumer base, strong infrastructure, and well-developed technological ecosystems have ensured a continued inflow of FDI. Yet, challenges such as labour shortages, rising wages, and political pressures in some member states remain obstacles for sustaining prominent levels of attractiveness (OECD, 2021b). Turning to the Western Balkans, the analysis shows a more mixed picture. The „pull factors“ in the WB region show growing significance: infrastructure development is advancing through regional and EU-supported projects, while the availability of skilled but comparatively cheaper labour enhances competitiveness. Market size, however, remains fragmented across small economies, limiting the scalability potential for large multinational investors.

In answering the proceeding research question, the comparative analysis reveals both opportunities and constraints for FDI. The V4 countries offer institutional stability, market integration, and technological ecosystems, but increasingly face saturation and competitive pressures from Asian economies. The WB countries, conversely, offer potential for higher returns on investment through untapped sectors, relatively lower labour costs, and a process of infrastructure modernization. Yet, the region continues to grapple with governance weaknesses and slower EU integration progress, which reduce investor confidence compared to V4 peers (Bevan & Estrin, 2004).

Finally, in terms of policy recommendations, both regions require targeted reforms to maintain or increase FDI inflows. For the V4, policies should focus on moving up the value chain, strengthening innovation and R&D incentives, and mitigating labour shortages through education and migration strategies. For the WB, priorities include strengthening governance and rule of law, accelerating EU integration reforms, and improving regional connectivity and market harmonization to overcome the limitations of small domestic markets. These strategies would not only increase investor confidence but also enhance the regions' competitiveness in the global economy.

In conclusion, while the V4 countries remain relatively more attractive to FDI due to their established EU membership and institutional maturity, the Western Balkans represents a region of emerging potential. Recognizing these comparative advantages and limitations is essential for designing effective policies to enhance FDI inflows and promote sustainable economic development in both regions.

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APPENDICES

Appendix 1: FDIs inflow in the V4 countries from 1991 – 2024 (in millions \$)⁵⁵

(in \$ millions)	Czechia	Hungary	Poland	Slovakia
1991	-	1470	359	-
1992	-	1477	678	-
1993	653	2443	1715	179
1994	868	1143	1875	255
1995	2562	5103	3658	2587
1996	1428	3300	4499	370
1997	1301	4167	4910	231
1998	3716	3335	6398	927
1999	6330	3312	7271	627
2000	4985	2764	9445	2720
2001	5642	3936	5579	2275
2002	8482	2994	4030	5865
2003	2103	2137	3982	2976
2004	4974	4266	12140	4029
2005	11653	7709	8203	3110
2006	5463	6818	14577	5803
2007	10444	3951	19836	4017
2008	6451	6019	12283	4868
2009	2927	1966	10039	-6
2010	6141	2230	13874	1770
2011	2318	6318	20694	3491
2012	7984	14385	5517	2982
2013	3639	3416	3999	-604
2014	5492	7800	16404	-513
2015	465	-14716	15901	106
2016	9815	-5646	16437	806
2017	9522	3274	10721	4017
2018	11010	6223	17266	1675
2019	10108	3972	15343	2511
2020	9411	6778	15779	-2404
2021	9051	8717	30661	1821
2022	9248	9695	35144	3460
2023	9416	6718	28362	180
2024	10165	5737	12740	1843

Source: UNCTAD (2025).

⁵⁵The numbers are in net values.

Appendix 2: Per capita FDIs inflow in the V4 countries from 1991 – 2024 (in \$)⁵⁶

\$ per person	Czechia	Hungary	Poland	Slovakia
1991	-	142	9	-
1992	-	142	18	-
1993	63	236	45	34
1994	84	111	49	48
1995	248	494	95	483
1996	139	320	117	69
1997	127	405	128	43
1998	362	325	167	172
1999	618	324	190	117
2000	487	271	247	506
2001	551	387	146	423
2002	828	295	105	1091
2003	205	211	104	554
2004	485	423	318	749
2005	1134	766	215	578
2006	530	678	383	1079
2007	1010	394	522	747
2008	622	601	323	905
2009	281	197	264	-1
2010	587	223	364	328
2011	221	635	542	647
2012	760	1451	144	552
2013	346	345	105	-112
2014	522	791	429	-95
2015	44	-1496	416	20
2016	932	-575	430	149
2017	903	335	280	739
2018	1044	637	452	308
2019	958	407	401	461
2020	892	695	413	-441
2021	859	898	806	335
2022	866	1001	916	632
2023	871	694	732	33
2024	947	593	331	335

Source: (UNCTAD, 2025).

⁵⁶The numbers are in net values.

Appendix 3: FDIs in the V4 countries from 1991-2024 (as % GDP)

	Czechia	Hungary	Poland	Slovakia
1991	-	4.21	0.41	-
1992	-	3.80	0.71	-
1993	1.58	6.06	1.77	1.27
1994	1.80	2.64	1.69	1.57
1995	4.22	10.95	2.56	12.74
1996	2.10	7.04	2.79	1.69
1997	2.08	8.79	3.07	1.04
1998	5.53	6.83	3.65	4.04
1999	9.65	6.73	4.25	3.00
2000	8.01	5.84	5.46	13.14
2001	8.28	7.31	2.90	10.64
2002	10.26	4.42	2.01	23.67
2003	2.09	2.50	1.82	8.81
2004	4.13	4.10	4.73	9.37
2005	8.48	6.81	2.67	6.36
2006	3.49	5.89	4.21	10.15
2007	5.49	2.81	4.61	5.21
2008	2.72	3.80	2.29	5.03
2009	1.41	1.50	2.27	-0.01
2010	2.90	1.69	2.90	1.94
2011	1.00	4.45	3.92	3.50
2012	3.79	11.19	1.10	3.14
2013	1.70	2.51	0.77	-0.60
2014	2.60	5.52	3.02	-0.50
2015	0.24	-11.74	3.31	0.11
2016	4.95	-4.37	3.47	0.89
2017	4.29	2.28	2.02	4.18
2018	4.36	3.86	2.90	1.57
2019	3.93	2.40	2.54	2.37
2020	3.74	4.27	2.60	-2.23
2021	3.11	4.75	4.44	1.51
2022	3.06	5.45	5.05	2.98
2023	2.74	3.15	3.50	0.13
2024	2.95	2.59	1.40	1.30

Source: UNCTAD (2025).

Appendix 4: FDI's sectoral distribution in Slovakia from 1991-2024 (in millions \$)

	Agriculture, forestry & fishing	Mining & quarrying (incl. oil & gas)	Manufacturing	Electricity, gas & water (Utilities)	Construction	Wholesale & retail trade	Transport & storage (logistics)	Accommodation & food services (tourism)	Information & Communication (ICT)	Financial & insurance activities	Real estate activities	Professional, scientific & other services
1991	-	-	-	-	-	-	-	-	-	-	-	-
1992	-	-	-	-	-	-	-	-	-	-	-	-
1993	2.9	2.5	77.0	2.9	9.0	9.7	12.5	6.8	11.6	9.0	17.9	17.4
1994	4.1	3.6	109.7	4.1	12.8	13.8	17.9	9.7	16.6	12.8	25.5	24.8
1995	41.4	36.2	1112.5	41.4	129.4	139.7	181.1	98.3	168.2	129.4	258.7	251.0
1996	5.9	5.2	159.0	5.9	18.5	20.0	25.9	14.1	24.0	18.5	37.0	35.9
1997	3.7	3.2	99.2	3.7	11.5	12.5	16.1	8.8	15.0	11.5	23.1	22.4
1998	14.8	13.0	398.5	14.8	46.3	50.1	64.9	35.2	60.2	46.3	92.7	89.9
1999	10.0	8.8	269.5	10.0	31.3	33.9	43.9	23.8	40.7	31.3	62.7	60.8
2000	45.6	37.5	1112.3	42.9	134.0	155.5	187.6	109.9	201.0	134.0	281.4	278.7
2001	38.1	31.4	930.1	35.9	112.1	130.0	156.9	91.9	168.1	112.1	235.3	233.1
2002	98.2	80.9	2398.0	92.5	288.9	335.1	404.5	236.9	433.4	288.9	606.7	600.9
2003	49.8	41.0	1216.7	46.9	146.6	170.0	205.2	120.2	219.9	146.6	307.8	304.9
2004	67.5	55.6	1647.3	63.5	198.5	230.2	277.9	162.8	297.7	198.5	416.8	412.8
2005	52.1	42.9	1271.4	49.0	153.2	177.7	214.5	125.6	229.8	153.2	321.7	318.6
2006	97.2	80.0	2372.7	91.5	285.9	331.6	400.2	234.4	428.8	285.9	600.3	594.6
2007	67.3	55.4	1642.5	63.3	197.9	229.6	277.1	162.3	296.8	197.9	415.6	411.6
2008	81.5	67.2	1990.4	76.7	239.8	278.2	335.7	196.6	359.7	239.8	503.6	498.8
2009	-0.1	-0.1	-2.5	-0.1	-0.3	-0.4	-0.4	-0.3	-0.5	-0.3	-0.6	-0.6
2010	31.5	24.5	665.9	28.0	87.6	108.6	122.7	77.1	166.5	87.6	175.2	194.5
2011	62.2	48.4	1313.6	55.3	172.8	214.3	242.0	152.1	328.4	172.8	345.7	383.7
2012	53.1	41.3	1121.8	47.2	147.6	183.0	206.7	129.9	280.5	147.6	295.2	327.7
2013	-10.8	-8.4	-227.3	-9.6	-29.9	-37.1	-41.9	-26.3	-56.8	-29.9	-59.8	-66.4
2014	-9.1	-7.1	-192.9	-8.1	-25.4	-31.5	-35.5	-22.3	-48.2	-25.4	-50.8	-56.4
2015	1.9	1.5	39.9	1.7	5.3	6.5	7.4	4.6	10.0	5.3	10.5	11.7

(table continues)

(continued)

Appendix 4: FDI sectoral distribution in Slovakia from 1991-2024 (in millions \$)

2016	14.4	11.2	303.2	12.8	39.9	49.5	55.9	35.1	75.8	39.9	79.8	88.6
2017	71.6	55.7	1511.3	63.6	198.9	246.6	278.4	175.0	377.8	198.9	397.7	441.5
2018	29.9	23.2	630.2	26.5	82.9	102.8	116.1	73.0	157.6	82.9	165.9	184.1
2019	44.7	34.8	944.6	39.8	124.3	154.1	174.0	109.4	236.2	124.3	248.6	275.9
2020	-42.3	-33.5	-884.9	-38.3	-119.6	-145.1	-167.4	-102.8	-239.2	-119.6	-251.1	-259.9
2021	32.0	25.4	670.3	29.0	90.6	109.9	126.8	77.9	181.2	90.6	190.2	196.9
2022	60.8	48.2	1273.7	55.1	172.1	208.8	241.0	148.0	344.2	172.1	361.5	374.1
2023	3.2	2.5	66.4	2.9	9.0	10.9	12.6	7.7	17.9	9.0	18.8	19.5
2024	32.4	25.7	678.6	29.4	91.7	111.3	128.4	78.9	183.4	91.7	192.6	199.3

Source: UNCTAD (2025); wiiw (2025); EBRD (2025).

Appendix 5: FDIs sectoral distribution in Czech Republic from 1991-2024 (in millions \$)

	Agriculture, forestry & fishing	Mining & quarrying (incl. oil & gas)	Manufacturing	Electricity, gas & water (Utilities)	Construction	Wholesale & retail trade	Transport & storage (logistics)	Accommodation & food services (tourism)	Information & Communication (ICT)	Financial & insurance activities	Real estate activities	Professional, scientific & other services
1991	-	-	-	-	-	-	-	-	-	-	-	-
1992	-	-	-	-	-	-	-	-	-	-	-	-
1993	10.5	9.2	281.0	10.5	32.7	35.3	45.7	24.8	42.5	32.7	65.4	63.4
1994	13.9	12.2	373.4	13.9	43.4	46.9	60.8	33.0	56.4	43.4	86.8	84.2
1995	41.0	35.9	1101.6	41.0	128.1	138.3	179.3	97.4	166.5	128.1	256.2	248.5
1996	22.9	20.0	614.2	22.9	71.4	77.1	100.0	54.3	92.9	71.4	142.8	138.6
1997	20.8	18.2	559.6	20.8	65.1	70.3	91.1	49.5	84.6	65.1	130.1	126.2
1998	59.5	52.0	1598.0	59.5	185.8	200.7	260.2	141.2	241.6	185.8	371.6	360.5
1999	101.3	88.6	2721.8	101.3	316.5	341.8	443.1	240.5	411.4	316.5	633.0	614.0
2000	83.5	68.8	2038.3	78.6	245.6	284.9	343.8	201.4	368.4	245.6	515.7	510.8
2001	94.5	77.8	2306.7	88.9	277.9	322.4	389.1	227.9	416.9	277.9	583.6	578.1
2002	142.1	117.0	3468.0	133.7	417.8	484.7	585.0	342.6	626.8	417.8	877.5	869.1
2003	35.2	29.0	859.7	33.2	103.6	120.2	145.0	84.9	155.4	103.6	217.5	215.5
2004	83.3	68.6	2033.9	78.4	245.1	284.3	343.1	200.9	367.6	245.1	514.6	509.7
2005	195.2	160.7	4764.6	183.7	574.1	665.9	803.7	470.7	861.1	574.1	1205.5	1194.0
2006	91.5	75.4	2233.5	86.1	269.1	312.2	376.7	220.7	403.6	269.1	565.1	559.7
2007	174.9	144.1	4270.1	164.6	514.5	596.8	720.3	421.9	771.7	514.5	1080.4	1070.1
2008	108.1	89.0	2637.6	101.7	317.8	368.6	444.9	260.6	476.7	317.8	667.4	661.0
2009	49.0	40.4	1196.7	46.1	144.2	167.3	201.9	118.2	216.3	144.2	302.8	299.9
2010	109.4	85.1	2310.3	97.3	304.0	377.0	425.6	267.5	577.6	304.0	608.0	674.9
2011	41.3	32.1	872.0	36.7	114.7	142.3	160.6	101.0	218.0	114.7	229.5	254.7
2012	142.3	110.7	3003.9	126.5	395.3	490.1	553.4	347.8	751.0	395.3	790.5	877.5
2013	64.9	50.4	1369.2	57.7	180.2	223.4	252.2	158.5	342.3	180.2	360.3	399.9
2014	97.9	76.1	2066.3	87.0	271.9	337.1	380.6	239.3	516.6	271.9	543.8	603.6
2015	8.3	6.5	175.0	7.4	23.0	28.6	32.2	20.3	43.8	23.0	46.1	51.1

(table continues)

(continued)

Appendix 5: FDIs sectoral distribution in Czech Republic from 1991-2024 (in millions \$)

2016	174.9	136.1	3692.7	155.5	485.9	602.5	680.2	427.6	923.2	485.9	971.8	1078.7
2017	169.7	132.0	3582.4	150.8	471.4	584.5	659.9	414.8	895.6	471.4	942.7	1046.4
2018	196.2	152.6	4142.5	174.4	545.1	675.9	763.1	479.7	1035.6	545.1	1090.1	1210.1
2019	180.2	140.1	3803.2	160.1	500.4	620.5	700.6	440.4	950.8	500.4	1000.8	1110.9
2020	165.4	131.1	3464.9	149.8	468.2	568.1	655.5	402.7	936.5	468.2	983.3	1017.6
2021	159.1	126.1	3332.1	144.1	450.3	546.3	630.4	387.2	900.6	450.3	945.6	978.6
2022	162.6	128.8	3404.9	147.2	460.1	558.3	644.2	395.7	920.2	460.1	966.3	1000.0
2023	165.5	131.2	3466.6	149.9	468.5	568.4	655.9	402.9	936.9	468.5	983.8	1018.1
2024	178.7	141.6	3742.3	161.8	505.7	613.6	708.0	434.9	1011.4	505.7	1062.0	1099.1

Source: UNCTAD (2025); wiiw (2025); EBRD (2025).

Appendix 6: FDIs sectoral distribution in Hungary from 1991-2024 (in millions \$)

	Agriculture, forestry & fishing	Mining & quarrying (incl. oil & gas)	Manufacturing	Electricity, gas & water (Utilities)	Construction	Wholesale & retail trade	Transport & storage (logistics)	Accommodation & food services (tourism)	Information & Communication (ICT)	Financial & insurance activities	Real estate activities	Professional, scientific & other services
1991	23.5	20.6	632.0	23.5	73.5	79.4	102.9	55.9	95.6	73.5	147.0	142.6
1992	23.6	20.7	635.0	23.6	73.9	79.8	103.4	56.1	96.0	73.9	147.7	143.3
1993	39.1	34.2	1050.0	39.1	122.2	131.9	171.0	92.8	158.8	122.2	244.3	237.0
1994	18.3	16.0	492.0	18.3	57.2	61.7	80.0	43.5	74.3	57.2	114.3	110.9
1995	81.7	71.5	2195.0	81.7	255.2	275.6	357.2	193.9	331.7	255.2	510.4	495.0
1996	52.8	46.2	1419.0	52.8	165.0	178.2	231.0	125.4	214.5	165.0	330.0	320.1
1997	66.7	58.3	1792.0	66.7	208.4	225.0	291.7	158.4	270.9	208.4	416.7	404.2
1998	53.4	46.7	1434.0	53.4	166.7	180.1	233.4	126.7	216.8	166.7	333.5	323.5
1999	53.0	46.4	1424.0	53.0	165.6	178.8	231.8	125.9	215.3	165.6	331.2	321.3
2000	46.3	38.1	1130.0	43.6	136.2	158.0	190.6	111.7	204.2	136.2	285.9	283.2
2001	65.9	54.3	1609.0	62.1	193.9	224.9	271.5	159.0	290.8	193.9	407.2	403.3
2002	50.1	41.3	1224.0	47.2	147.5	171.1	206.5	120.9	221.2	147.5	309.7	306.7
2003	35.8	29.5	874.0	33.7	105.3	122.1	147.4	86.3	157.9	105.3	221.1	219.0
2004	71.5	58.8	1744.0	67.2	210.1	243.8	294.2	172.3	315.2	210.1	441.3	437.1
2005	129.1	106.3	3152.0	121.5	379.8	440.5	531.7	311.4	569.6	379.8	797.5	789.9
2006	114.2	94.0	2787.0	107.5	335.8	389.6	470.2	275.4	503.8	335.8	705.3	698.6
2007	66.2	54.5	1615.0	62.3	194.6	225.8	272.5	159.6	291.9	194.6	408.7	404.8
2008	100.8	83.0	2461.0	94.9	296.5	343.9	415.1	243.1	444.7	296.5	622.6	616.7
2009	32.9	27.1	804.0	31.0	96.9	112.4	135.6	79.4	145.3	96.9	203.4	201.5
2010	39.8	30.9	839.0	35.3	110.4	136.9	154.6	97.2	209.8	110.4	220.8	245.1
2011	112.6	87.6	2377.0	100.1	312.8	387.8	437.9	275.2	594.2	312.8	625.5	694.3
2012	256.4	199.4	5412.0	227.9	712.1	883.0	997.0	626.7	1353.0	712.1	1424.2	1580.9
2013	60.9	47.4	1285.0	54.1	169.1	209.7	236.8	148.8	321.3	169.1	338.3	375.5
2014	139.0	108.1	2935.0	123.6	386.1	478.8	540.6	339.8	733.7	386.1	772.3	857.2
2015	-262.3	-204.0	-5540.0	-233.1	-728.5	-903.4	-1019.9	-641.1	-1384.2	-728.5	-1457.1	-1617.3

(table continues)

(continued)

Appendix 6: FDIs sectoral distribution in Hungary from 1991-2024 (in millions \$)

2016	-100.6	-78.3	-2120.0	-89.4	-279.5	-346.6	-391.3	-246.0	-531.0	-279.5	-559.0	-620.5
2017	58.4	45.4	1232.0	51.9	162.1	201.0	226.9	142.7	308.0	162.1	324.2	359.9
2018	110.9	86.3	2341.0	98.6	308.1	382.0	431.3	271.1	585.4	308.1	616.2	684.0
2019	70.8	55.1	1494.0	62.9	196.6	243.8	275.3	173.0	373.6	196.6	393.2	436.5
2020	119.1	94.4	2495.0	107.9	337.2	409.1	472.1	290.0	674.4	337.2	708.1	732.8
2021	153.2	121.4	3209.0	138.8	433.7	526.2	607.2	373.0	867.4	433.7	910.7	942.5
2022	170.4	135.1	3569.0	154.4	482.4	585.3	675.3	414.8	964.7	482.4	1013.0	1048.3
2023	118.1	93.6	2473.0	107.0	334.2	405.5	467.9	287.4	668.4	334.2	701.9	726.4
2024	100.9	79.9	2112.0	91.3	285.4	346.3	399.6	245.5	570.9	285.4	599.4	620.4

Source: UNCTAD (2025), wiiw (2025), EBRD (2025).

Appendix 7: FDIs sectoral distribution in Poland from 1991-2024 (in millions \$)

	Agriculture, forestry & fishing	Mining & quarrying (incl. oil & gas)	Manufacturing	Electricity, gas & water (Utilities)	Construction	Wholesale & retail trade	Transport & storage (logistics)	Accommodation & food services (tourism)	Information & Communication (ICT)	Financial & insurance activities	Real estate activities	Professional, scientific & other services
1991	5.7	5.0	154.4	5.7	18.0	19.4	25.1	13.6	23.3	18.0	35.9	34.8
1992	10.9	9.5	291.5	10.9	33.9	36.6	47.5	25.8	44.1	33.9	67.8	65.8
1993	27.4	24.0	737.5	27.4	85.8	92.6	120.1	65.2	111.5	85.8	171.5	166.4
1994	30.0	26.3	806.3	30.0	93.8	101.3	131.3	71.3	121.9	93.8	187.5	181.9
1995	58.5	51.2	1573.0	58.5	182.9	197.5	256.1	139.0	237.8	182.9	365.8	354.8
1996	72.0	63.0	1934.5	72.0	224.9	242.9	314.9	171.0	292.4	224.9	449.9	436.4
1997	78.6	68.7	2111.4	78.6	245.5	265.2	343.7	186.6	319.2	245.5	491.0	476.3
1998	102.4	89.6	2751.3	102.4	319.9	345.5	447.9	243.1	415.9	319.9	639.8	620.6
1999	116.3	101.8	3126.4	116.3	363.5	392.6	509.0	276.3	472.6	363.5	727.1	705.3
2000	158.2	130.3	3861.9	148.9	465.3	539.7	651.4	381.5	697.9	465.3	977.1	967.8
2001	93.5	77.0	2281.2	88.0	274.8	318.8	384.8	225.4	412.3	274.8	577.2	571.7
2002	67.5	55.6	1647.8	63.5	198.5	230.3	277.9	162.8	297.8	198.5	416.9	412.9
2003	66.7	54.9	1628.2	62.8	196.2	227.6	274.6	160.9	294.3	196.2	412.0	408.0
2004	203.3	167.5	4963.8	191.4	598.0	693.7	837.3	490.4	897.1	598.0	1255.9	1243.9
2005	137.4	113.2	3354.0	129.3	404.1	468.8	565.7	331.4	606.2	404.1	848.6	840.5
2006	244.2	201.1	5960.3	229.8	718.1	833.0	1005.3	588.8	1077.2	718.1	1508.0	1493.7
2007	332.2	273.6	8110.4	312.7	977.2	1133.5	1368.0	801.3	1465.7	977.2	2052.0	2032.5
2008	205.7	169.4	5022.1	193.6	605.1	701.9	847.1	496.2	907.6	605.1	1270.7	1258.6
2009	168.2	138.5	4104.8	158.3	494.6	573.7	692.4	405.5	741.8	494.6	1038.6	1028.7
2010	247.3	192.3	5220.1	219.8	686.9	851.7	961.6	604.4	1305.0	686.9	1373.7	1524.8
2011	368.8	286.9	7785.8	327.8	1024.5	1270.3	1434.2	901.5	1946.5	1024.5	2048.9	2274.3
2012	98.3	76.5	2075.5	87.4	273.1	338.6	382.3	240.3	518.9	273.1	546.2	606.3
2013	71.3	55.4	1504.7	63.4	198.0	245.5	277.2	174.2	376.2	198.0	396.0	439.5
2014	292.4	227.4	6171.9	259.9	812.1	1007.0	1136.9	714.6	1543.0	812.1	1624.2	1802.8
2015	283.4	220.4	5982.5	251.9	787.2	976.1	1102.1	692.7	1495.6	787.2	1574.4	1747.5

(table continues)

(continued)

Appendix 7: FDI sectoral distribution in Poland from 1991-2024 (in millions \$)

2016	292.9	227.8	6184.1	260.4	813.7	1009.0	1139.2	716.1	1546.0	813.7	1627.4	1806.4
2017	191.1	148.6	4033.8	169.9	530.8	658.2	743.1	467.1	1008.5	530.8	1061.5	1178.3
2018	307.7	239.3	6496.1	273.5	854.8	1059.9	1196.7	752.2	1624.0	854.8	1709.5	1897.5
2019	273.4	212.7	5772.7	243.1	759.6	941.9	1063.4	668.4	1443.2	759.6	1519.1	1686.2
2020	277.4	219.8	5809.4	251.2	785.1	952.5	1099.1	675.1	1570.1	785.1	1648.6	1706.2
2021	539.0	427.1	11288.3	488.1	1525.4	1850.9	2135.6	1311.9	3050.9	1525.4	3203.4	3315.3
2022	617.8	489.6	12938.7	559.5	1748.5	2121.5	2447.9	1503.7	3497.0	1748.5	3671.8	3800.0
2023	498.6	395.1	10441.9	451.5	1411.1	1712.1	1975.5	1213.5	2822.1	1411.1	2963.2	3066.7
2024	224.0	177.5	4690.4	202.8	633.8	769.1	887.4	545.1	1267.7	633.8	1331.1	1377.5

Source: UNCTAD (2025); wiiw (2025); EBRD (2025).

Appendix 8: FDIs sectoral distribution in V4 countries from 1991-2024 (in millions \$)

	Agriculture, forestry & fishing	Mining & quarrying (incl. oil & gas)	Manufacturing	Electricity, gas & water (Utilities)	Construction	Wholesale & retail trade	Transport & storage (logistics)	Accommodation & food services (tourism)	Information & Communication (ICT)	Financial & insurance activities	Real estate activities	Professional, scientific & other services
1991	5.7	5.0	154.4	5.7	18.0	19.4	25.1	13.6	23.3	18.0	35.9	34.8
1992	10.9	9.5	291.5	10.9	33.9	36.6	47.5	25.8	44.1	33.9	67.8	65.8
1993	27.4	24.0	737.5	27.4	85.8	92.6	120.1	65.2	111.5	85.8	171.5	166.4
1994	30.0	26.3	806.3	30.0	93.8	101.3	131.3	71.3	121.9	93.8	187.5	181.9
1995	58.5	51.2	1573.0	58.5	182.9	197.5	256.1	139.0	237.8	182.9	365.8	354.8
1996	72.0	63.0	1934.5	72.0	224.9	242.9	314.9	171.0	292.4	224.9	449.9	436.4
1997	78.6	68.7	2111.4	78.6	245.5	265.2	343.7	186.6	319.2	245.5	491.0	476.3
1998	102.4	89.6	2751.3	102.4	319.9	345.5	447.9	243.1	415.9	319.9	639.8	620.6
1999	116.3	101.8	3126.4	116.3	363.5	392.6	509.0	276.3	472.6	363.5	727.1	705.3
2000	158.2	130.3	3861.9	148.9	465.3	539.7	651.4	381.5	697.9	465.3	977.1	967.8
2001	93.5	77.0	2281.2	88.0	274.8	318.8	384.8	225.4	412.3	274.8	577.2	571.7
2002	67.5	55.6	1647.8	63.5	198.5	230.3	277.9	162.8	297.8	198.5	416.9	412.9
2003	66.7	54.9	1628.2	62.8	196.2	227.6	274.6	160.9	294.3	196.2	412.0	408.0
2004	203.3	167.5	4963.8	191.4	598.0	693.7	837.3	490.4	897.1	598.0	1255.9	1243.9
2005	137.4	113.2	3354.0	129.3	404.1	468.8	565.7	331.4	606.2	404.1	848.6	840.5
2006	244.2	201.1	5960.3	229.8	718.1	833.0	1005.3	588.8	1077.2	718.1	1508.0	1493.7
2007	332.2	273.6	8110.4	312.7	977.2	1133.5	1368.0	801.3	1465.7	977.2	2052.0	2032.5
2008	205.7	169.4	5022.1	193.6	605.1	701.9	847.1	496.2	907.6	605.1	1270.7	1258.6
2009	168.2	138.5	4104.8	158.3	494.6	573.7	692.4	405.5	741.8	494.6	1038.6	1028.7
2010	247.3	192.3	5220.1	219.8	686.9	851.7	961.6	604.4	1305.0	686.9	1373.7	1524.8
2011	368.8	286.9	7785.8	327.8	1024.5	1270.3	1434.2	901.5	1946.5	1024.5	2048.9	2274.3
2012	98.3	76.5	2075.5	87.4	273.1	338.6	382.3	240.3	518.9	273.1	546.2	606.3
2013	71.3	55.4	1504.7	63.4	198.0	245.5	277.2	174.2	376.2	198.0	396.0	439.5
2014	5.7	5.0	154.4	5.7	18.0	19.4	25.1	13.6	23.3	18.0	35.9	34.8
2015	10.9	9.5	291.5	10.9	33.9	36.6	47.5	25.8	44.1	33.9	67.8	65.8

(table continues)

(continued)

Appendix 8: FDI sectoral distribution in V4 countries from 1991-2024 (in millions \$)

2016	292.4	227.4	6171.9	259.9	812.1	1007.0	1136.9	714.6	1543.0	812.1	1624.2	1802.8
2017	283.4	220.4	5982.5	251.9	787.2	976.1	1102.1	692.7	1495.6	787.2	1574.4	1747.5
2018	292.9	227.8	6184.1	260.4	813.7	1009.0	1139.2	716.1	1546.0	813.7	1627.4	1806.4
2019	191.1	148.6	4033.8	169.9	530.8	658.2	743.1	467.1	1008.5	530.8	1061.5	1178.3
2020	307.7	239.3	6496.1	273.5	854.8	1059.9	1196.7	752.2	1624.0	854.8	1709.5	1897.5
2021	273.4	212.7	5772.7	243.1	759.6	941.9	1063.4	668.4	1443.2	759.6	1519.1	1686.2
2022	277.4	219.8	5809.4	251.2	785.1	952.5	1099.1	675.1	1570.1	785.1	1648.6	1706.2
2023	539.0	427.1	11288.3	488.1	1525.4	1850.9	2135.6	1311.9	3050.9	1525.4	3203.4	3315.3
2024	617.8	489.6	12938.7	559.5	1748.5	2121.5	2447.9	1503.7	3497.0	1748.5	3671.8	3800.0

Source: UNCTAD (2025); wiiw (2025); EBRD (2025).

Appendix 9: FDIs inflow in the WB countries from 1991 – 2024 (in millions \$)⁵⁷

(in \$ millions)	Albania	Bosnia and Herzegovina	Kosovo	Montenegro	North Macedonia	Serbia
1991	-	-	-	-	-	-
1992	20	-	-	-	-	-
1993	68	-	-	-	-	-
1994	53	-	-	-	24	-
1995	70	-	-	-	9	-
1996	90	-	-	-	11	-
1997	48	-	-	-	58	-
1998	45	67	-	-	150	-
1999	41	177	-	-	88	-
2000	144	146	-	-	215	-
2001	206	119	-	-	447	-
2002	133	265	-	-	-	-
2003	177	381	-	-	113	-
2004	346	511	-	-	324	-
2005	264	351	-	-	96	-
2006	324	555	-	-	433	-
2007	659	1819	-	-	693	-
2008	974	1002	542	960	586	3972
2009	996	250	399	1527	201	2896
2010	1051	406	488	760	213	1686
2011	876	497	534	558	479	4932
2012	855	395	294	620	143	1299
2013	1266	276	372	447	335	2053
2014	1111	550	201	498	273	1999
2015	946	361	343	699	240	2348
2016	1101	350	243	226	375	2352
2017	1149	492	289	559	205	2878
2018	1290	581	321	490	725	4091
2019	1288	458	285	416	446	4270
2020	1108	480	395	532	230	3469
2021	1234	716	498	699	556	4590
2022	1434	816	771	877	785	4598
2023	1622	1048	908	526	625	4916
2024	1716	1113	927	598	1358	5635

Source: UNCTAD (2025).

⁵⁷ The numbers are in net values.

Appendix 10: Per capita FDIs inflow in the WB countries from 1991–2024 (in \$)⁵⁸

\$ per person	Albania	Bosnia and Herzegovina	Kosovo	Montenegro	North Macedonia	Serbia
1991	-	-	-	-	-	-
1992	6	-	-	-	-	-
1993	21	-	-	-	-	-
1994	16	-	-	-	12	-
1995	21	-	-	-	5	-
1996	28	-	-	-	5	-
1997	15	-	-	-	29	-
1998	14	16	-	-	74	-
1999	13	43	-	-	43	-
2000	45	35	-	-	105	-
2001	65	28	-	-	216	-
2002	42	63	-	-	-	-
2003	57	91	-	-	54	-
2004	112	123	-	-	155	-
2005	86	86	-	-	46	-
2006	106	137	-	-	207	-
2007	218	453	-	-	333	-
2008	325	254	301	1517	283	533
2009	336	64	222	2416	98	390
2010	359	107	273	1203	104	228
2011	301	133	298	882	235	670
2012	294	108	163	978	71	177
2013	435	76	205	706	166	282
2014	383	154	111	789	137	277
2015	326	103	193	1113	121	327
2016	380	101	138	362	191	330
2017	396	143	163	902	106	407
2018	446	172	182	795	378	583
2019	446	137	162	680	235	613
2020	386	145	226	875	123	502
2021	433	221	286	1157	300	672
2022	507	255	449	1426	427	677
2023	577	329	534	830	341	726
2024	615	352	550	937	745	837

Source: UNCTAD (2025).

⁵⁸The numbers are in net values.

Appendix 11: FDIs inflow in the WB countries from 1991-2024 (as % of GDP)

	Albania	Bosnia and Herzegovina	Kosovo	Montenegro	North Macedonia	Serbia
1991	-	-	-	-	-	-
1992	1.31	-	-	-	-	-
1993	4.00	-	-	-	-	-
1994	2.81	-	-	-	0.67	-
1995	2.92	-	-	-	0.19	-
1996	2.81	-	-	-	0.23	-
1997	2.15	-	-	-	1.48	-
1998	1.76	1.57	-	-	3.98	-
1999	1.27	3.76	-	-	2.27	-
2000	4.12	2.62	-	-	5.69	-
2001	5.24	2.05	-	-	12.04	-
2002	3.05	3.93	-	-	-	-
2003	3.18	4.48	-	-	2.28	-
2004	4.82	5.03	-	-	5.70	-
2005	3.27	3.12	-	-	1.53	-
2006	3.64	4.31	-	-	6.31	-
2007	6.17	11.52	-	-	8.31	-
2008	7.56	5.24	10.41	21.03	5.91	7.61
2009	8.26	1.41	7.92	36.56	2.13	6.41
2010	8.81	2.36	9.13	18.34	2.26	4.03
2011	6.79	2.66	8.42	12.27	4.56	10.01
2012	6.93	2.29	4.77	15.16	1.46	2.99
2013	9.90	1.51	5.52	10.00	3.09	4.24
2014	8.39	2.96	2.84	10.84	2.40	4.24
2015	8.30	2.20	5.44	17.23	2.38	5.92
2016	9.28	2.04	3.63	5.16	3.51	5.77
2017	8.82	2.68	4.02	11.50	1.81	6.51
2018	8.51	2.83	4.07	8.89	5.71	8.07
2019	8.36	2.23	3.60	7.50	3.53	8.28
2020	7.30	2.37	5.10	11.12	1.86	6.50
2021	6.88	3.02	5.29	11.92	3.97	7.27
2022	7.58	3.32	8.23	14.05	5.63	7.23
2023	7.05	3.80	8.67	6.98	3.96	6.53
2024	6.51	3.87	8.32	7.44	8.15	6.84

Source: UNCTAD (2025).

Appendix 12: FDI's sectoral distribution in Albania from 1991-2024 (in millions \$)

	Agriculture, forestry & fishing	Mining & quarrying (incl. oil & gas)	Manufacturing	Electricity, gas & water (Utilities)	Construction	Wholesale & retail trade	Transport & storage (logistics)	Accommodation & food services (tourism)	Information & Communication (ICT)	Financial & insurance activities	Real estate activities	Professional, scientific & other services
1991	-	-	-	-	-	-	-	-	-	-	-	-
1992	0.4	0.7	5.6	0.5	2.0	1.5	1.6	1.0	0.9	0.8	2.4	2.6
1993	1.4	2.4	19.0	1.7	6.8	4.9	5.4	3.5	3.1	2.7	8.2	8.8
1994	1.1	1.9	14.8	1.3	5.3	3.9	4.2	2.8	2.4	2.1	6.4	6.9
1995	1.5	2.5	19.6	1.8	7.0	5.1	5.6	3.6	3.2	2.8	8.4	9.1
1996	1.9	3.2	25.2	2.3	9.0	6.6	7.2	4.7	4.1	3.6	10.8	11.7
1997	1.0	1.7	13.3	1.2	4.8	3.5	3.8	2.5	2.1	1.9	5.7	6.2
1998	0.9	1.6	12.6	1.1	4.5	3.3	3.6	2.3	2.0	1.8	5.4	5.8
1999	0.9	1.4	11.5	1.0	4.1	3.0	3.3	2.1	1.9	1.7	4.9	5.3
2000	3.1	5.0	37.7	3.6	14.2	10.9	11.4	7.8	7.8	5.7	17.8	19.4
2001	4.4	7.1	53.9	5.1	20.3	15.6	16.3	11.2	11.2	8.1	25.4	27.8
2002	2.8	4.6	34.7	3.3	13.1	10.1	10.5	7.2	7.2	5.2	16.4	17.9
2003	3.8	6.1	46.2	4.4	17.5	13.4	14.0	9.6	9.6	7.0	21.8	23.9
2004	7.4	11.9	90.3	8.5	34.1	26.1	27.3	18.7	18.7	13.6	42.6	46.5
2005	5.6	9.1	69.0	6.5	26.0	20.0	20.8	14.3	14.3	10.4	32.6	35.6
2006	6.9	11.2	84.7	8.0	32.0	24.5	25.6	17.6	17.6	12.8	40.0	43.7
2007	14.1	22.7	171.9	16.2	64.9	49.7	51.9	35.7	35.7	26.0	81.1	88.7
2008	20.8	33.6	254.4	24.0	96.0	73.6	76.8	52.8	52.8	38.4	120.0	131.2
2009	21.3	34.3	260.0	24.5	98.1	75.2	78.5	54.0	54.0	39.3	122.7	134.1
2010	23.6	36.4	239.3	26.0	104.0	83.9	83.2	60.3	78.0	41.6	124.8	149.5
2011	19.7	30.4	199.6	21.7	86.8	70.0	69.4	50.3	65.1	34.7	104.1	124.6
2012	19.2	29.6	194.8	21.2	84.7	68.3	67.8	49.1	63.5	33.9	101.6	121.7
2013	28.4	43.9	288.3	31.3	125.3	101.1	100.3	72.7	94.0	50.1	150.4	180.1

(table continues)

(continued)

Appendix 12: FDI's sectoral distribution in Albania from 1991-2024 (in millions \$)

2014	24.9	38.5	253.1	27.5	110.0	88.8	88.0	63.8	82.5	44.0	132.1	158.1
2015	21.2	32.8	215.4	23.4	93.6	75.5	74.9	54.3	70.2	37.5	112.4	134.5
2016	24.7	38.1	250.7	27.2	109.0	87.9	87.2	63.2	81.7	43.6	130.8	156.6
2017	25.8	39.8	261.6	28.4	113.8	91.8	91.0	66.0	85.3	45.5	136.5	163.4
2018	28.9	44.7	293.7	31.9	127.7	103.0	102.2	74.1	95.8	51.1	153.2	183.5
2019	28.9	44.6	293.3	31.9	127.5	102.9	102.0	74.0	95.6	51.0	153.0	183.2
2020	24.6	38.6	242.6	27.6	110.3	87.5	88.2	62.9	88.2	44.1	137.8	155.8
2021	27.4	43.0	270.1	30.7	122.8	97.4	98.2	70.0	98.2	49.1	153.5	173.5
2022	31.9	49.9	313.9	35.7	142.7	113.2	114.2	81.3	114.2	57.1	178.4	201.7
2023	36.1	56.5	355.1	40.4	161.4	128.1	129.1	92.0	129.1	64.6	201.8	228.2
2024	38.1	59.8	375.6	42.7	170.7	135.4	136.6	97.3	136.6	68.3	213.4	241.3

Source: UNCTAD (2025); wiiw (2025); EBRD (2025).

Appendix 13: FDIs sectoral distribution in Bosnia and Herzegovina from 1991-2024 (in millions \$)

	Agriculture, forestry & fishing	Mining & quarrying (incl. oil & gas)	Manufacturing	Electricity, gas & water (Utilities)	Construction	Wholesale & retail trade	Transport & storage (logistics)	Accommodation & food services (tourism)	Information & Communication (ICT)	Financial & insurance activities	Real estate activities	Professional, scientific & other services
1991	-	-	-	-	-	-	-	-	-	-	-	-
1992	-	-	-	-	-	-	-	-	-	-	-	-
1993	-	-	-	-	-	-	-	-	-	-	-	-
1994	-	-	-	-	-	-	-	-	-	-	-	-
1995	-	-	-	-	-	-	-	-	-	-	-	-
1996	-	-	-	-	-	-	-	-	-	-	-	-
1997	-	-	-	-	-	-	-	-	-	-	-	-
1998	1.4	2.3	18.7	1.7	6.7	4.9	5.3	3.5	3.0	2.7	8.0	8.7
1999	3.7	6.2	49.5	4.4	17.7	12.9	14.1	9.2	8.0	7.1	21.2	22.9
2000	3.1	5.0	38.1	3.6	14.4	11.0	11.5	7.9	7.9	5.8	18.0	19.7
2001	2.5	4.1	31.0	2.9	11.7	9.0	9.4	6.4	6.4	4.7	14.6	16.0
2002	5.7	9.1	69.2	6.5	26.1	20.0	20.9	14.4	14.4	10.5	32.7	35.7
2003	8.1	13.1	99.5	9.4	37.5	28.8	30.0	20.7	20.7	15.0	46.9	51.3
2004	10.9	17.6	133.5	12.6	50.4	38.6	40.3	27.7	27.7	20.2	63.0	68.8
2005	7.5	12.1	91.7	8.7	34.6	26.5	27.7	19.0	19.0	13.8	43.3	47.3
2006	11.8	19.1	144.8	13.7	54.7	41.9	43.7	30.1	30.1	21.9	68.3	74.7
2007	38.8	62.7	475.0	44.8	179.2	137.4	143.4	98.6	98.6	71.7	224.0	245.0
2008	21.4	34.5	261.5	24.7	98.7	75.7	79.0	54.3	54.3	39.5	123.4	134.9
2009	5.3	8.6	65.3	6.2	24.6	18.9	19.7	13.5	13.5	9.9	30.8	33.7
2010	9.1	14.1	92.5	10.1	40.2	32.4	32.2	23.3	30.2	16.1	48.3	57.8
2011	11.1	17.2	113.1	12.3	49.2	39.7	39.3	28.5	36.9	19.7	59.0	70.6
2012	8.9	13.7	89.9	9.8	39.1	31.5	31.3	22.7	29.3	15.6	46.9	56.2
2013	6.2	9.6	62.9	6.8	27.4	22.1	21.9	15.9	20.5	11.0	32.8	39.3

(table continues)

(continued)

Appendix 13: FDI's sectoral distribution in Bosnia and Herzegovina from 1991-2024 (in millions \$)

2014	12.4	19.1	125.3	13.6	54.5	43.9	43.6	31.6	40.9	21.8	65.4	78.3
2015	8.1	12.5	82.2	8.9	35.8	28.8	28.6	20.7	26.8	14.3	42.9	51.4
2016	7.9	12.1	79.7	8.7	34.6	27.9	27.7	20.1	26.0	13.9	41.6	49.8
2017	11.0	17.1	112.0	12.2	48.7	39.3	39.0	28.3	36.5	19.5	58.4	70.0
2018	13.1	20.2	132.4	14.4	57.6	46.4	46.1	33.4	43.2	23.0	69.1	82.7
2019	10.3	15.9	104.2	11.3	45.3	36.5	36.2	26.3	34.0	18.1	54.4	65.1
2020	10.7	16.7	105.0	11.9	47.7	37.9	38.2	27.2	38.2	19.1	59.7	67.5
2021	15.9	24.9	156.6	17.8	71.2	56.5	57.0	40.6	57.0	28.5	89.0	100.6
2022	18.1	28.4	178.7	20.3	81.2	64.4	65.0	46.3	65.0	32.5	101.5	114.8
2023	23.3	36.5	229.4	26.1	104.3	82.7	83.4	59.4	83.4	41.7	130.3	147.4
2024	24.7	38.8	243.7	27.7	110.8	87.9	88.6	63.2	88.6	44.3	138.5	156.6

Source: UNCTAD (2025); wiiw (2025); EBRD (2025).

Appendix 14: FDIs sectoral distribution in Kosovo from 1991-2024 (in millions \$)

	Agriculture, forestry & fishing	Mining & quarrying (incl. oil & gas)	Manufacturing	Electricity, gas & water (Utilities)	Construction	Wholesale & retail trade	Transport & storage (logistics)	Accommodation & food services (tourism)	Information & Communication (ICT)	Financial & insurance activities	Real estate activities	Professional, scientific & other services
1991	-	-	-	-	-	-	-	-	-	-	-	-
1992	-	-	-	-	-	-	-	-	-	-	-	-
1993	-	-	-	-	-	-	-	-	-	-	-	-
1994	-	-	-	-	-	-	-	-	-	-	-	-
1995	-	-	-	-	-	-	-	-	-	-	-	-
1996	-	-	-	-	-	-	-	-	-	-	-	-
1997	-	-	-	-	-	-	-	-	-	-	-	-
1998	-	-	-	-	-	-	-	-	-	-	-	-
1999	-	-	-	-	-	-	-	-	-	-	-	-
2000	-	-	-	-	-	-	-	-	-	-	-	-
2001	-	-	-	-	-	-	-	-	-	-	-	-
2002	-	-	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	11.5	18.6	140.7	13.3	53.1	40.7	42.5	29.2	29.2	21.2	66.4	72.6
2009	8.6	13.9	105.3	9.9	39.7	30.5	31.8	21.8	21.8	15.9	49.6	54.3
2010	11.0	17.0	111.6	12.1	48.5	39.1	38.8	28.1	36.4	19.4	58.2	69.7
2011	12.0	18.6	121.9	13.3	53.0	42.8	42.4	30.7	39.8	21.2	63.6	76.1
2012	6.6	10.2	66.7	7.3	29.0	23.4	23.2	16.8	21.8	11.6	34.8	41.7
2013	8.3	12.9	84.6	9.2	36.8	29.7	29.4	21.3	27.6	14.7	44.1	52.8

(table continues)

(continued)

Appendix 14: FDI sectoral distribution in Kosovo from 1991-2024 (in millions \$)

2014	4.5	6.9	45.5	4.9	19.8	16.0	15.8	11.5	14.8	7.9	23.7	28.4
2015	7.7	11.9	78.2	8.5	34.0	27.4	27.2	19.7	25.5	13.6	40.8	48.8
2016	5.5	8.4	55.5	6.0	24.1	19.5	19.3	14.0	18.1	9.7	29.0	34.7
2017	6.4	9.9	65.3	7.1	28.4	22.9	22.7	16.5	21.3	11.4	34.1	40.8
2018	7.1	11.0	72.5	7.9	31.5	25.4	25.2	18.3	23.7	12.6	37.8	45.3
2019	6.4	9.9	64.9	7.1	28.2	22.8	22.6	16.4	21.2	11.3	33.9	40.6
2020	8.8	13.7	86.4	9.8	39.3	31.2	31.4	22.4	31.4	15.7	49.1	55.5
2021	11.1	17.4	109.7	12.5	49.8	39.5	39.9	28.4	39.9	19.9	62.3	70.4
2022	17.0	26.6	167.3	19.0	76.0	60.3	60.8	43.3	60.8	30.4	95.0	107.5
2023	20.2	31.6	198.9	22.6	90.4	71.7	72.3	51.5	72.3	36.2	113.0	127.8
2024	-	-	-	-	-	-	-	-	-	-	-	-

Source: UNCTAD (2025); wiiw (2025); EBRD (2025).

Appendix 15: FDIs sectoral distribution in Montenegro from 1991-2024 (in millions \$)

	Agriculture, forestry & fishing	Mining & quarrying (incl. oil & gas)	Manufacturing	Electricity, gas & water (Utilities)	Construction	Wholesale & retail trade	Transport & storage (logistics)	Accommodation & food services (tourism)	Information & Communication (ICT)	Financial & insurance activities	Real estate activities	Professional, scientific & other services
1991	-	-	-	-	-	-	-	-	-	-	-	-
1992	-	-	-	-	-	-	-	-	-	-	-	-
1993	-	-	-	-	-	-	-	-	-	-	-	-
1994	-	-	-	-	-	-	-	-	-	-	-	-
1995	-	-	-	-	-	-	-	-	-	-	-	-
1996	-	-	-	-	-	-	-	-	-	-	-	-
1997	-	-	-	-	-	-	-	-	-	-	-	-
1998	-	-	-	-	-	-	-	-	-	-	-	-
1999	-	-	-	-	-	-	-	-	-	-	-	-
2000	-	-	-	-	-	-	-	-	-	-	-	-
2001	-	-	-	-	-	-	-	-	-	-	-	-
2002	-	-	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	20.5	33.1	250.8	23.7	94.6	72.5	75.7	52.0	52.0	37.9	118.3	129.3
2009	32.6	52.7	398.7	37.6	150.5	115.4	120.4	82.8	82.8	60.2	188.1	205.6
2010	17.1	26.4	173.2	18.8	75.3	60.7	60.2	43.7	56.5	30.1	90.4	108.2
2011	12.5	19.3	127.1	13.8	55.3	44.6	44.2	32.1	41.4	22.1	66.3	79.4
2012	13.9	21.5	141.1	15.3	61.4	49.5	49.1	35.6	46.0	24.5	73.6	88.2
2013	10.0	15.5	101.9	11.1	44.3	35.7	35.4	25.7	33.2	17.7	53.2	63.7

(table continues)

(continued)

Appendix 15: FDI sectoral distribution in Montenegro from 1991-2024 (in millions \$)

2014	11.2	17.3	113.3	12.3	49.3	39.8	39.4	28.6	37.0	19.7	59.1	70.8
2015	15.7	24.2	159.3	17.3	69.2	55.9	55.4	40.2	51.9	27.7	83.1	99.5
2016	5.1	7.9	51.6	5.6	22.4	18.1	17.9	13.0	16.8	9.0	26.9	32.2
2017	12.5	19.4	127.2	13.8	55.3	44.6	44.2	32.1	41.5	22.1	66.4	79.5
2018	11.0	17.0	111.5	12.1	48.5	39.1	38.8	28.1	36.4	19.4	58.2	69.7
2019	9.4	14.4	94.8	10.3	41.2	33.3	33.0	23.9	30.9	16.5	49.5	59.2
2020	11.8	18.5	116.5	13.2	53.0	42.0	42.4	30.2	42.4	21.2	66.2	74.9
2021	15.5	24.3	153.0	17.4	69.5	55.2	55.6	39.6	55.6	27.8	86.9	98.3
2022	19.5	30.5	191.9	21.8	87.2	69.2	69.8	49.7	69.8	34.9	109.1	123.3
2023	11.7	18.3	115.2	13.1	52.4	41.5	41.9	29.9	41.9	20.9	65.5	74.0
2024	13.3	20.8	130.9	14.9	59.5	47.2	47.6	33.9	47.6	23.8	74.4	84.1

Source: UNCTAD (2025); wiiw (2025); EBRD (2025).

Appendix 16: FDIs sectoral distribution in North Macedonia from 1991-2024 (in millions \$)

	Agriculture, forestry & fishing	Mining & quarrying (incl. oil & gas)	Manufacturing	Electricity, gas & water (Utilities)	Construction	Wholesale & retail trade	Transport & storage (logistics)	Accommodation & food services (tourism)	Information & Communication (ICT)	Financial & insurance activities	Real estate activities	Professional, scientific & other services
1991	-	-	-	-	-	-	-	-	-	-	-	-
1992	-	-	-	-	-	-	-	-	-	-	-	-
1993	-	-	-	-	-	-	-	-	-	-	-	-
1994	0.5	0.8	6.7	0.6	2.4	1.7	1.9	1.3	1.1	1.0	2.9	3.1
1995	0.2	0.3	2.7	0.2	1.0	0.7	0.8	0.5	0.4	0.4	1.1	1.2
1996	0.2	0.4	3.1	0.3	1.1	0.8	0.9	0.6	0.5	0.5	1.4	1.5
1997	1.2	2.0	16.3	1.5	5.8	4.2	4.6	3.0	2.6	2.3	7.0	7.5
1998	3.1	5.3	42.1	3.8	15.1	10.9	12.0	7.8	6.8	6.0	18.1	19.5
1999	1.8	3.1	24.8	2.2	8.8	6.4	7.1	4.6	4.0	3.5	10.6	11.5
2000	4.6	7.4	56.2	5.3	21.2	16.2	17.0	11.7	11.7	8.5	26.5	29.0
2001	9.5	15.4	116.7	11.0	44.1	33.8	35.2	24.2	24.2	17.6	55.1	60.2
2002	-	-	-	-	-	-	-	-	-	-	-	-
2003	2.4	3.9	29.6	2.8	11.2	8.6	8.9	6.1	6.1	4.5	14.0	15.3
2004	6.9	11.2	84.5	8.0	31.9	24.5	25.5	17.5	17.5	12.8	39.9	43.6
2005	2.1	3.3	25.1	2.4	9.5	7.3	7.6	5.2	5.2	3.8	11.8	12.9
2006	9.2	14.9	112.9	10.7	42.6	32.7	34.1	23.4	23.4	17.1	53.3	58.3
2007	14.8	23.9	180.8	17.1	68.2	52.3	54.6	37.5	37.5	27.3	85.3	93.2
2008	12.5	20.2	152.9	14.4	57.7	44.3	46.2	31.7	31.7	23.1	72.1	78.9
2009	4.3	6.9	52.6	5.0	19.8	15.2	15.9	10.9	10.9	7.9	24.8	27.1
2010	4.8	7.4	48.4	5.3	21.0	17.0	16.8	12.2	15.8	8.4	25.3	30.2
2011	10.7	16.6	109.0	11.9	47.4	38.2	37.9	27.5	35.6	19.0	56.9	68.1
2012	3.2	5.0	32.5	3.5	14.2	11.4	11.3	8.2	10.6	5.7	17.0	20.3
2013	7.5	11.6	76.3	8.3	33.2	26.8	26.5	19.2	24.9	13.3	39.8	47.7

(table continues)

(continued)

Appendix 16: FDI sectoral distribution in North Macedonia from 1991-2024 (in millions \$)

2014	6.1	9.4	62.1	6.8	27.0	21.8	21.6	15.7	20.2	10.8	32.4	38.8
2015	5.4	8.3	54.8	6.0	23.8	19.2	19.1	13.8	17.9	9.5	28.6	34.2
2016	8.4	13.0	85.3	9.3	37.1	29.9	29.7	21.5	27.8	14.8	44.5	53.3
2017	4.6	7.1	46.8	5.1	20.3	16.4	16.3	11.8	15.2	8.1	24.4	29.2
2018	16.3	25.1	165.2	18.0	71.8	57.9	57.4	41.7	53.9	28.7	86.2	103.2
2019	10.0	15.5	101.7	11.1	44.2	35.7	35.4	25.6	33.2	17.7	53.0	63.5
2020	5.1	8.0	50.4	5.7	22.9	18.2	18.3	13.1	18.3	9.2	28.6	32.4
2021	12.4	19.4	121.8	13.8	55.4	43.9	44.3	31.6	44.3	22.2	69.2	78.3
2022	17.4	27.3	171.7	19.5	78.1	61.9	62.5	44.5	62.5	31.2	97.6	110.3
2023	13.9	21.8	136.8	15.5	62.2	49.3	49.7	35.4	49.7	24.9	77.7	87.9
2024	30.2	47.3	297.4	33.8	135.2	107.2	108.1	77.0	108.1	54.1	169.0	191.0

Source: UNCTAD (2025); wiiw (2025); EBRD (2025).

Appendix 17: FDIs sectoral distribution in Serbia from 1991-2024 (in millions \$)

	Agriculture, forestry & fishing	Mining & quarrying (incl. oil & gas)	Manufacturing	Electricity, gas & water (Utilities)	Construction	Wholesale & retail trade	Transport & storage (logistics)	Accommodation & food services (tourism)	Information & Communication (ICT)	Financial & insurance activities	Real estate activities	Professional, scientific & other services
1991	-	-	-	-	-	-	-	-	-	-	-	-
1992	-	-	-	-	-	-	-	-	-	-	-	-
1993	-	-	-	-	-	-	-	-	-	-	-	-
1994	-	-	-	-	-	-	-	-	-	-	-	-
1995	-	-	-	-	-	-	-	-	-	-	-	-
1996	-	-	-	-	-	-	-	-	-	-	-	-
1997	-	-	-	-	-	-	-	-	-	-	-	-
1998	-	-	-	-	-	-	-	-	-	-	-	-
1999	-	-	-	-	-	-	-	-	-	-	-	-
2000	-	-	-	-	-	-	-	-	-	-	-	-
2001	-	-	-	-	-	-	-	-	-	-	-	-
2002	-	-	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	84.8	137.0	1037.0	97.8	391.3	300.0	313.1	215.2	215.2	156.5	489.1	534.8
2009	61.8	99.9	756.1	71.3	285.3	218.8	228.3	156.9	156.9	114.1	356.7	390.0
2010	37.8	58.4	384.0	41.7	166.9	134.7	133.6	96.8	125.2	66.8	200.3	239.8
2011	110.7	170.9	1123.2	122.1	488.3	393.9	390.7	283.2	366.3	195.3	586.0	701.6
2012	29.1	45.0	295.7	32.1	128.6	103.7	102.9	74.6	96.4	51.4	154.3	184.7
2013	46.1	71.2	467.5	50.8	203.3	164.0	162.6	117.9	152.5	81.3	243.9	292.0

(table continues)

(continued)

Appendix 17: FDI's sectoral distribution in Serbia from 1991-2024 (in millions \$)

2014	44.9	69.3	455.2	49.5	197.9	159.6	158.3	114.8	148.4	79.2	237.5	284.3
2015	52.7	81.4	534.6	58.1	232.4	187.5	186.0	134.8	174.3	93.0	278.9	333.9
2016	52.8	81.5	535.6	58.2	232.9	187.9	186.3	135.1	174.7	93.2	279.5	334.6
2017	64.6	99.7	655.5	71.2	285.0	229.9	228.0	165.3	213.7	114.0	342.0	409.4
2018	91.8	141.8	931.5	101.3	405.0	326.7	324.0	234.9	303.8	162.0	486.0	581.9
2019	95.8	148.0	972.3	105.7	422.8	341.0	338.2	245.2	317.1	169.1	507.3	607.4
2020	77.1	120.8	759.3	86.3	345.1	273.8	276.1	196.7	276.1	138.1	431.4	487.8
2021	102.0	159.8	1004.7	114.2	456.7	362.3	365.3	260.3	365.3	182.7	570.8	645.4
2022	102.2	160.1	1006.6	114.4	457.6	363.0	366.1	260.8	366.1	183.0	572.0	646.7
2023	109.3	171.2	1076.2	122.3	489.2	388.1	391.3	278.8	391.3	195.7	611.5	691.4
2024	125.2	196.3	1233.6	140.2	560.7	444.9	448.6	319.6	448.6	224.3	700.9	792.5

Source: UNCTAD (2025); wiiw (2025); EBRD (2025).

Appendix 18: FDIs sectoral distribution in WB countries from 1991-2024 (in millions \$)

	Agriculture, forestry & fishing	Mining & quarrying (incl. oil & gas)	Manufacturing	Electricity, gas & water (Utilities)	Construction	Wholesale & retail trade	Transport & storage (logistics)	Accommodation & food services (tourism)	Information & Communication (ICT)	Financial & insurance activities	Real estate activities	Professional, scientific & other services
1991	-	-	-	-	-	-	-	-	-	-	-	-
1992	0.4	0.7	5.6	0.5	2.0	1.5	1.6	1.0	0.9	0.8	2.4	2.6
1993	1.4	2.4	19.0	1.7	6.8	4.9	5.4	3.5	3.1	2.7	8.2	8.8
1994	1.6	2.7	21.6	1.9	7.7	5.6	6.2	4.0	3.5	3.1	9.2	10.0
1995	1.7	2.8	22.3	2.0	8.0	5.8	6.4	4.1	3.6	3.2	9.6	10.3
1996	2.1	3.5	28.4	2.5	10.1	7.4	8.1	5.3	4.6	4.1	12.2	13.1
1997	2.2	3.7	29.6	2.6	10.6	7.7	8.4	5.5	4.8	4.2	12.7	13.7
1998	5.4	9.2	73.4	6.6	26.2	19.1	21.0	13.6	11.8	10.5	31.5	34.0
1999	6.3	10.7	85.8	7.7	30.6	22.3	24.5	15.9	13.8	12.3	36.8	39.7
2000	10.8	17.4	132.0	12.5	49.8	38.2	39.8	27.4	27.4	19.9	62.2	68.1
2001	16.5	26.6	201.7	19.0	76.1	58.3	60.9	41.9	41.9	30.4	95.1	104.0
2002	8.5	13.7	104.0	9.8	39.2	30.1	31.4	21.6	21.6	15.7	49.1	53.6
2003	14.3	23.2	175.3	16.5	66.2	50.7	52.9	36.4	36.4	26.5	82.7	90.4
2004	25.2	40.7	308.2	29.1	116.3	89.2	93.1	64.0	64.0	46.5	145.4	159.0
2005	15.2	24.5	185.8	17.5	70.1	53.8	56.1	38.6	38.6	28.0	87.6	95.8
2006	28.0	45.2	342.5	32.3	129.2	99.1	103.4	71.1	71.1	51.7	161.5	176.6
2007	67.7	109.3	827.7	78.1	312.4	239.5	249.9	171.8	5047.9	124.9	390.4	426.9
2008	171.5	277.0	2097.3	197.9	791.4	606.8	633.3	435.2	435.2	316.6	989.3	1081.7
2009	133.9	216.3	1638.0	154.5	618.0	474.0	494.6	339.9	339.9	247.3	772.7	844.8
2010	103.4	159.7	1049.0	114.0	455.9	367.8	364.8	264.4	342.1	182.4	547.3	655.2
2011	176.7	273.0	1793.9	195.1	780.0	629.2	623.9	452.3	585.1	312.0	935.9	1120.4
2012	80.9	125.0	820.7	89.2	357.0	287.8	285.6	207.0	267.6	142.7	428.2	512.8
2013	106.5	164.7	1081.5	117.5	470.3	379.4	376.1	272.7	352.7	188.1	564.2	675.6

(table continues)

(continued)

Appendix 18: FDI sectoral distribution in WB countries from 1991-2024 (in millions \$)

2014	104.0	160.5	1054.5	114.6	458.5	369.9	366.7	266.0	343.8	183.4	550.2	658.7
2015	110.8	171.1	1124.5	122.2	488.8	394.3	391.2	283.5	366.6	195.6	586.7	702.3
2016	104.4	161.0	1058.4	115.0	460.1	371.2	368.1	266.9	345.1	184.2	552.3	661.2
2017	124.9	193.0	1268.4	137.8	551.5	444.9	441.2	320.0	413.5	220.6	661.8	792.3
2018	168.2	259.8	1706.8	185.6	742.1	598.5	593.7	430.5	556.8	296.8	890.5	1066.3
2019	160.8	248.3	1631.2	177.4	709.2	572.2	567.4	411.4	532.0	283.7	851.1	1019.0
2020	138.1	216.3	1360.2	154.5	618.3	490.6	494.6	352.5	494.6	247.4	772.8	873.9
2021	184.3	288.8	1815.9	206.4	825.4	654.8	660.3	470.5	660.3	330.2	1031.7	1166.5
2022	206.1	322.8	2030.1	230.7	922.8	732.0	738.4	525.9	738.4	369.1	1153.6	1304.3
2023	214.5	335.9	2111.6	240.0	959.9	761.4	767.7	547.0	767.7	384.0	1199.8	1356.7
2024	-	-	-	-	-	-	-	-	-	-	-	-

Source: UNCTAD (2025); wiiw (2025); EBRD (2025).

