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RESEARCH REPORT

EU CANDIDATES STANDING | THROUGH FIVE MACRO LENSES

Convergence Under *Pressure*

Accession momentum, twin deficits, inflation, monetary policy, labour markets and growth across the seven formal candidate countries.

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Disclaimer

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Preamble

GDP per capita (in PPS) in candidate countries varies between 33% in Albania and 69% in Turkiye, showing that they sit at very different stages of convergence. By comparison, the Central and Eastern European countries that acceded to the EU in 2004 had GDP per capita in PPS ranging from 45% (Latvia) to 86% (Slovenia) of the EU average, while in Bulgaria and Romania, which acceded in 2007, it stood at 40% and 44% respectively. The thirty-year EU membership experience of Central and Eastern Europe shows that the convergence process requires well-functioning institutions able to implement economic policies that keep internal and external balances in check. How do the candidate countries fare?

> This report covers the eight formal EU candidate countries — Albania, Bosnia and Herzegovina, Moldova, Montenegro, North Macedonia, Serbia, Turkiye and Ukraine — plus Kosovo as a potential candidate. Chapter and cluster data in this edition refer to Albania, Bosnia and Herzegovina, Moldova, Montenegro, North Macedonia, Serbia and Turkiye.

Key findings at a glance

What our five macro lenses reveal, August 2026

9% **Combined GDP, % of EU GDP** 2025, all candidate countries	**33–69%** **GDP per capita (PPS)** % of EU average, Albania to Turkiye
18/33 **Chapters closed** Montenegro, accession frontrunner	**1.8–3.3%** **GDP growth range** 2026f, Bosnia and Herzegovina to Albania

KEY FINDINGS

- **Frontrunners keep separating from the pack.** Montenegro and Albania continue to pull ahead as accession frontrunners, both entering or nearing the concluding phase of talks.
- **Moldova's breakthrough comes with fresh uncertainty.** Its negotiations went from zero to seven of thirty-five chapters open in a single month, but a snap change of government injects new political risk.

- **Serbia and Bosnia and Herzegovina are the clearest political risk stories.** Serbia's presidential resignation pledge and Bosnia and Herzegovina's stalled reform record are the two to watch into next quarter.
- **Twin deficits split the cohort in two.** Montenegro and Moldova struggle to hold both fiscal and external balances, while Turkiye, Albania and Bosnia and Herzegovina come closer to maintaining equilibrium on both fronts.
- **Inflation has broadly converged — except in Turkiye.** Most of the cohort has moved back toward central bank targets despite renewed energy-price pressure, but Turkiye's disinflation has stalled and the credibility of its official inflation series is in question.
- **Falling unemployment often hides emigration, not strength.** In several economies, headline unemployment is falling mainly because the labour force is shrinking through emigration, while youth unemployment stays structurally high.
- **Growth is converging on the headline, diverging on quality.** 2026 growth clusters in a narrow 2.4–4% band, but Turkiye buys the cohort's highest growth rate with its highest inflation and least stable external financing.

01 **Frontrunners separating**
Montenegro · Albania · Concluding phase

02 **Moldova — breakthrough + uncertainty**
0 → 7/35 chapters · New government · New political risk

03 **Political risk to watch**
Serbia — resignation pledge · Bosnia and Herzegovina — stalled reforms

04 **Twin deficits split the cohort**
Struggling: Montenegro, Moldova · Closer to balance: Turkiye, Albania, Bosnia and Herzegovina

05 **Inflation converged — except Turkiye**
Most: back near target · Turkiye: disinflation stalled · Credibility questions

06 **Falling unemployment ≠ strength**
Driven by emigration · Youth unemployment: still high

07 **Growth: converging headline, diverging quality**
Range: 2.4–4% (2026f) · Turkiye: highest growth, weakest stability

01 ACCESSION NEGOTIATION TRACKER

Chapter and cluster movement across the candidate cohort

The recent period has been unusually eventful, with the frontrunners accelerating even as two of the largest candidates were hit by domestic political upheaval. Both Serbia and Moldova changed leadership mid-quarter — Serbia's president pledged to resign amid mass protests, and Moldova's prime minister quit over a corruption scandal — while Bosnia and Herzegovina and North Macedonia remain structurally stuck (no negotiating framework, and a blocked constitutional precondition, respectively) and Turkiye's talks remain frozen with no chapter movement. Montenegro (18 of 33 chapters closed) and Albania (entered the concluding phase) continued to pull ahead, while Moldova saw its first-ever chapters open.

TABLE 1 · ACCESSION NEGOTIATION TRACKER, BY COUNTRY

Country	Opened	Prov. closed	Movement this quarter	Next expected milestone
Albania	33 / 33 (all open)	3 (Ch. 25, 26, 30)	Entered concluding phase; IBAR passed for Cluster 1; first 3 chapters closed 14 Jul	Continued closure of Cluster 1 (Fundamentals) chapters
Bosnia and Herzegovina	— (no framework yet)	—	None of 113 reform commitments delivered as of Jun 2026; RS entity (not state) parliament passed its own election law	October 2026 elections at state level and within each entity
Moldova	7 / 35	0	Opened Cluster 1 (15 Jun) then Cluster 6 (14 Jul); new Tofan government sworn in 22 Jul after PM resignation	Remaining 4 clusters targeted for opening "before end of summer"
Montenegro	33 / 33 (all open)	18	Closed Ch. 8 (Competition) and 29 (Customs Union) 14 Jul; cross-party deal on judicial/security oversight reforms	Continued closures; government targets all 33 closed by end-2026
North Macedonia	0 (blocked)	0	European Parliament report (17 Jun) again urged constitutional amendment; government still refuses to move without anti-veto guarantees	Adoption of constitutional amendment recognising Bulgarians — no timeline set
Serbia	22 / 35	2	Commission recommended opening Cluster 3 (Jul); political crisis after Vučić's resignation pledge	Member-state decision on Cluster 3; early elections (≈Sep–Oct 2026)
Turkiye	16 / 35 (frozen 2018)	1	No formal accession activity; Erdoğan hosted NATO summit while Imamoğlu prosecution and CHP crackdown continued	None scheduled; track political trajectory, not chapters

Note: Turkiye's negotiations have been on hold since 2018; track political signalling rather than chapter movement. Source: European Commission.

02 MACRO LENS 1 — TWIN DEFICITS

Fiscal and external balances against the Maastricht thresholds

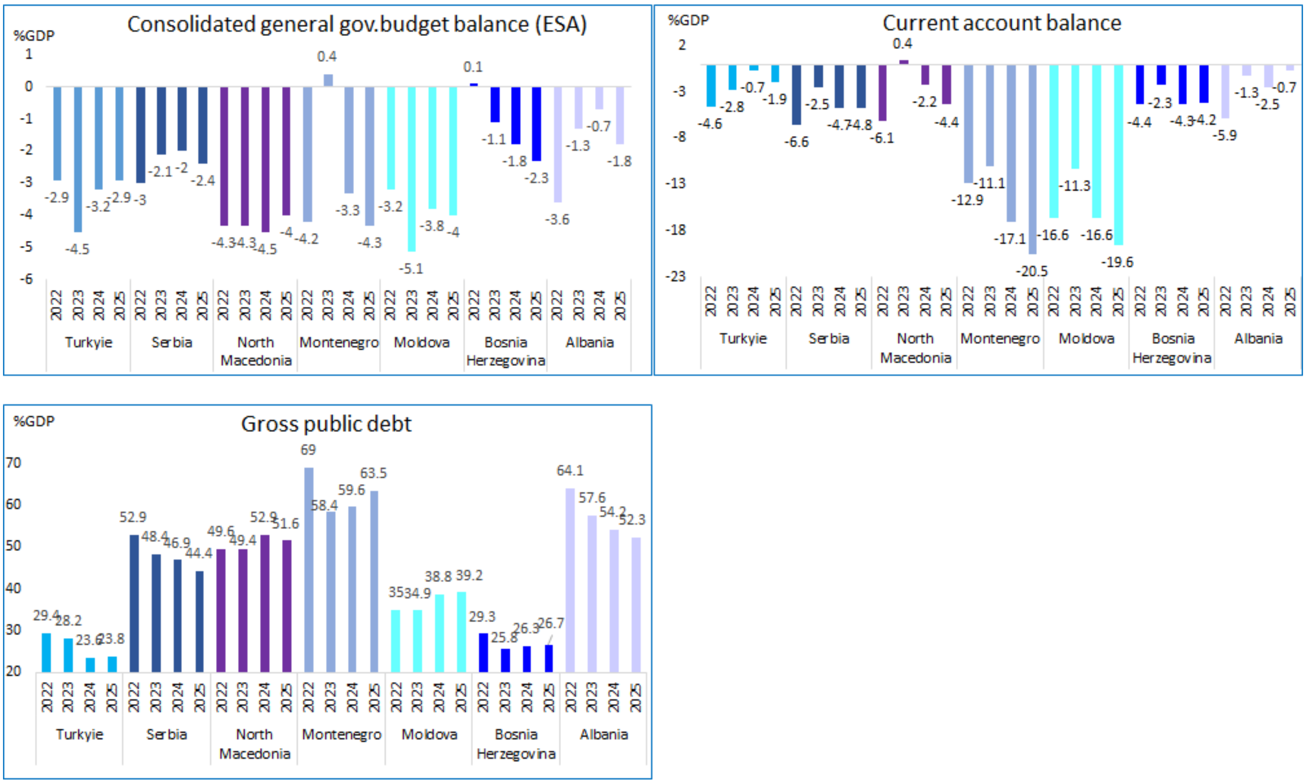
◆ **KEY ASSESSMENT**

EU candidate countries face a range of situations between two extremes: on one hand, countries struggling with twin deficits (Montenegro, Moldova); on the other, countries succeeding in maintaining internal and external equilibrium (Turkiye, Albania, Bosnia and Herzegovina).

KEY FACTS

- **Budget deficits above the Maastricht threshold.** The consolidated general government budget deficit exceeded the 3% of GDP threshold in North Macedonia, Montenegro and Moldova in 2025. European Commission forecasts show it staying above this threshold in all countries except Bosnia and Herzegovina and Albania.
- **Current account gaps are widespread.** The current account deficit exceeded the 4% of GDP macro-imbalance threshold in all countries except Turkiye and Albania in 2025, a situation expected to persist through 2026 and 2027.
- **Montenegro's public debt breaches Maastricht.** Gross public debt exceeded the 60% of GDP threshold in Montenegro in 2025 and is expected to stay above it in 2026 and 2027.

FIGURE 1 · BUDGET BALANCE, CURRENT ACCOUNT AND PUBLIC DEBT, 2022–2025



Source: European Commission Spring Forecast 2026.

TABLE 2 · FORECASTS 2026–2027, % OF GDP

Indicator	Year	Turkiye	Serbia	N. Maced.	Monten.	Moldova	Bos.-Herz.	Albania
Budget deficit	2026	−3.5	−3.2	−3.8	−3.8	**−5.2**	−2.8	−1.9
	2027	−3.0	−3.0	−3.5	−3.3	**−4.7**	−2.7	−1.5
Current account deficit	2026	−3.0	−6.1	−4.9	**−19.4**	**−21.3**	−4.1	−1.4
	2027	−3.1	−4.9	−4.3	**−18.5**	**−30.3**	−4.0	−1.8
Gross public debt	2026	25.4	45.8	52.5	**69.4**	41.3	27.5	52.3
	2027	26.7	45.0	53.3	**64.3**	42.4	26.3	50.3

Source: European Commission Spring Forecast 2026. Shaded cells breach the relevant Maastricht or macro-imbalance threshold.

03 MACRO LENS 2 — INFLATION

Price pressures against central bank targets

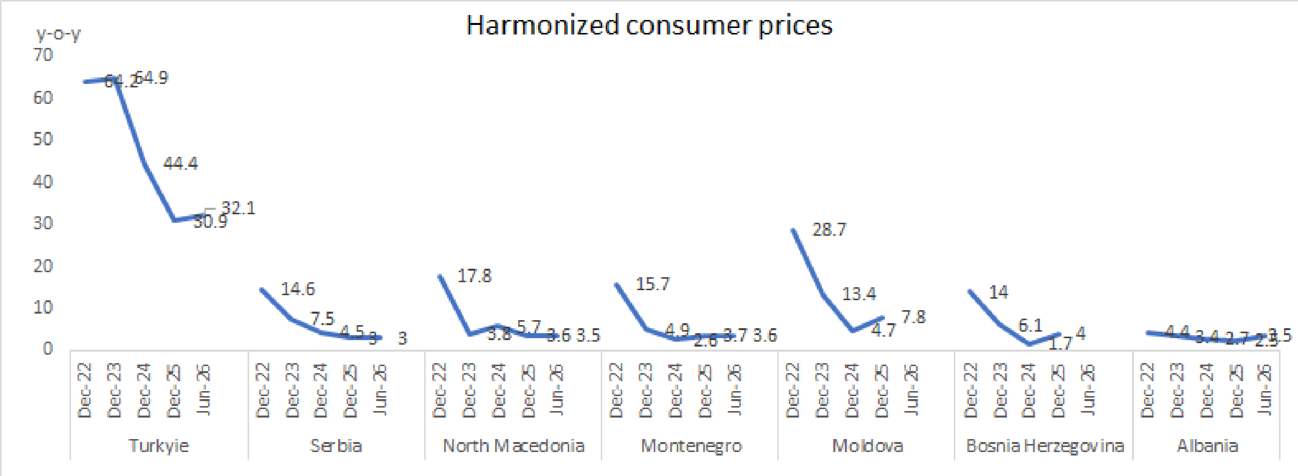
◆ **KEY ASSESSMENT**

Inflation across the six Western Balkan candidates has broadly converged toward central bank targets after the 2022–23 shock, but the Middle East conflict's energy-price effects reopened upward pressure in most of the cohort during 2026. Turkiye is in a different category entirely: its disinflation process has stalled, and the persistent, large gap between official and independently estimated inflation raises questions about the credibility of the official series itself.

KEY FACTS

- **In practice most of the cohort is euro-anchored.** Five of the six Balkan candidates are inflation-anchored to the euro area, whether through hard pegs, euroisation, or inflation-targeting regimes that shadow ECB conditions — meaning their inflation outlook is now driven mainly by energy and food shocks rather than domestic monetary slippage.
- **Moldova had the sharpest reversal this year.** It moved from a near-target inflation reading in early 2026 to a central bank forecast of roughly double its target by year-end, which explains the start of the tightening cycle in May 2026.
- **Currency performance diverges sharply.** The national currencies of Moldova and Serbia stayed relatively stable compared to 2019, while the Turkish lira depreciated massively and the Albanian lek appreciated.
- **Consumer-basket weights are shifting.** In the change from 2025 to 2026, the weight of unprocessed food declined, while total food (processed and unprocessed) ranged from 27% in Turkiye to 47% in North Macedonia — compared with 35% in Romania.
- **Prices keep climbing across all five basket categories.** Annual harmonised prices for processed food, unprocessed food, energy, industrial non-energy goods and services are all higher in June 2026 than in December 2020, in every country covered.

FIGURE 2 · HARMONISED CONSUMER PRICES, Y-O-Y, DEC 2022 – JUN 2026



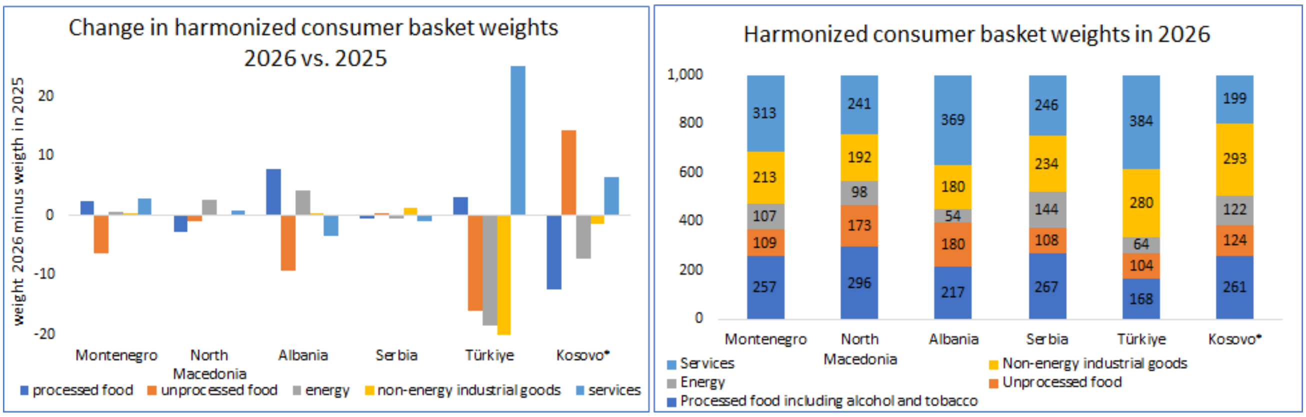
Source: Eurostat; national statistical institutes.

TABLE 3 · LATEST CPI INFLATION (Y-O-Y) AND CENTRAL BANK INFLATION TARGETS

Country	Annual CPI, % (Jun 2026)	Inflation target	Notes
Turkiye	**32.1**	CBRT guiding to ≈24% by end-2026 (from 16%)	The scale of the official/independent gap is itself a policy-credibility problem, not just a measurement quirk; disinflation has stalled and been pushed further out.
Serbia	2.7	3% ±1.5pp (NBS)	Comfortably within target band; NBS has held rates steady since September 2024 and expects a temporary, energy-driven uptick rather than a durable breakout.
North Macedonia	4.6	Soft peg to euro (no explicit target)	Fell from a 4.8% peak in mid-2025 before turning back up on energy costs; the VAT cut on fuel is a temporary offset, not a structural fix.
Moldova	6.5	5% ±1.5pp (NBM)	Sharpest deterioration in the cohort: inflation had fallen toward target by early 2026 before the Middle East energy shock pushed the NBM's 2026 forecast up sharply.
Montenegro	3.9	No independent target (euroised)	Inflation tracks the euro area plus a domestic wage/tourism-demand premium; no monetary lever to respond directly.
Bosnia and Herzegovina	4.2	No independent target (currency board)	Inflation is largely imported via the euro peg; the 2025 removal of profit-margin caps on staple goods added a one-off boost.
Albania	2.8	3% (BA)	Inflation has stayed below target for most of 2025–26; domestic pressure from wages and demand is now the main upside risk, not imported costs.

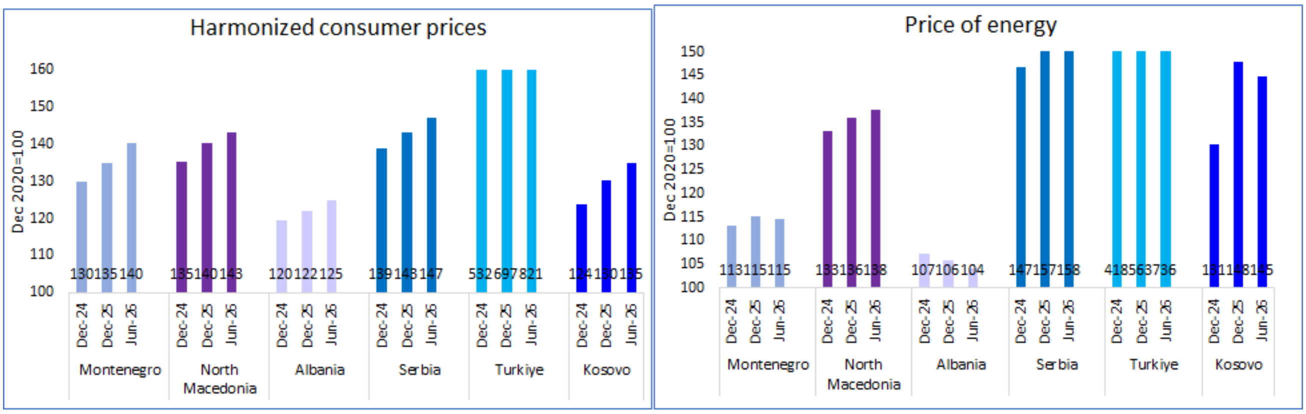
Notes: Central Bank of the Republic of Turkiye (CBRT), National Bank of Serbia (NBS), National Bank of Moldova (NBM), Bank of Albania (BA). Source: national central banks.

FIGURE 3 · HARMONISED CONSUMER BASKET WEIGHTS, 2026 AND CHANGE ON 2025



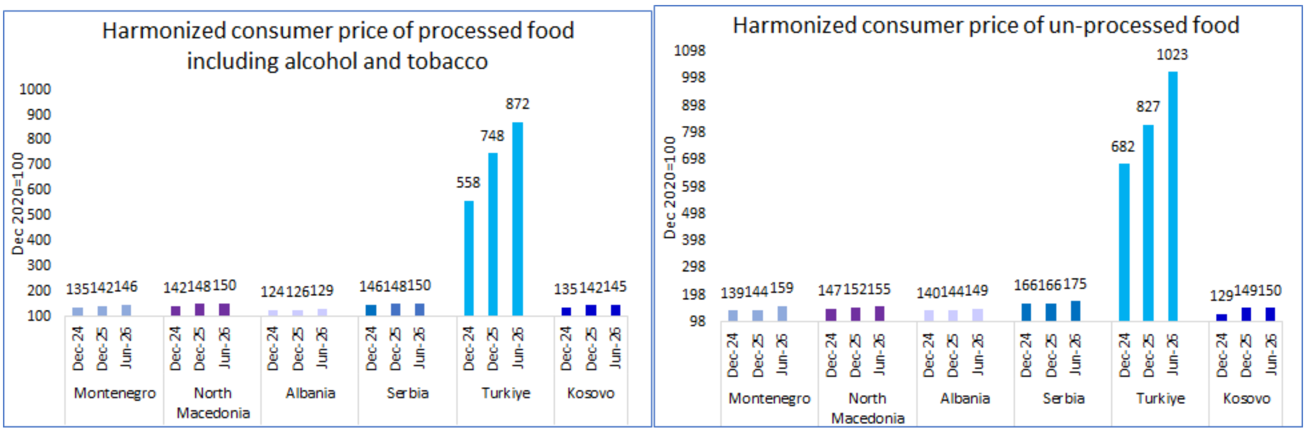
Source: Eurostat.

FIGURE 4 · HEADLINE PRICES AND ENERGY PRICES, INDEX DEC 2020 = 100



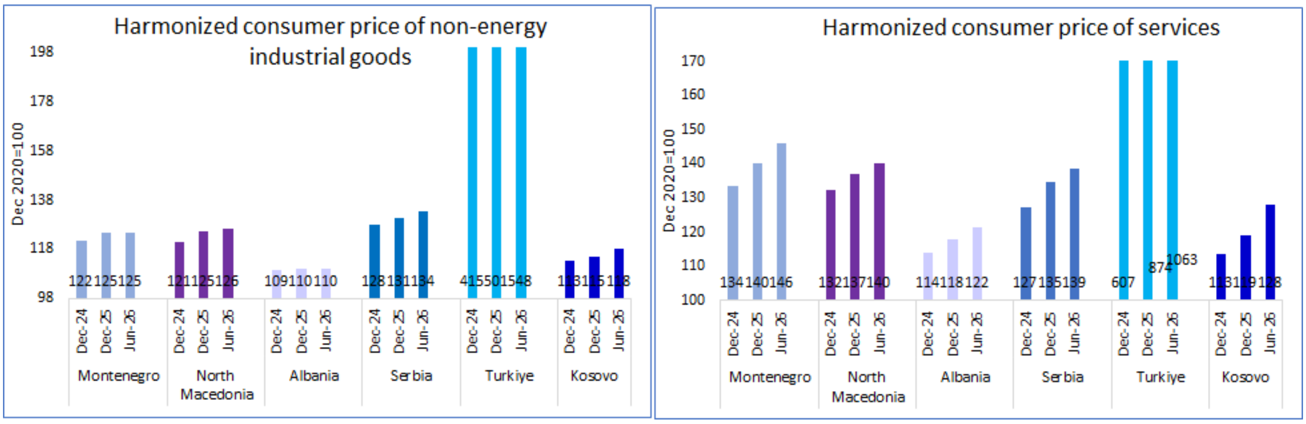
Source: Eurostat.

FIGURE 5 · PROCESSED AND UNPROCESSED FOOD PRICES, INDEX DEC 2020 = 100



Source: Eurostat.

FIGURE 6 · NON-ENERGY INDUSTRIAL GOODS AND SERVICES PRICES, INDEX DEC 2020 = 100



Source: Eurostat.

04 MACRO LENS 3 — MONETARY POLICY

Exchange-rate regimes and policy stances

◆ **KEY ASSESSMENT**

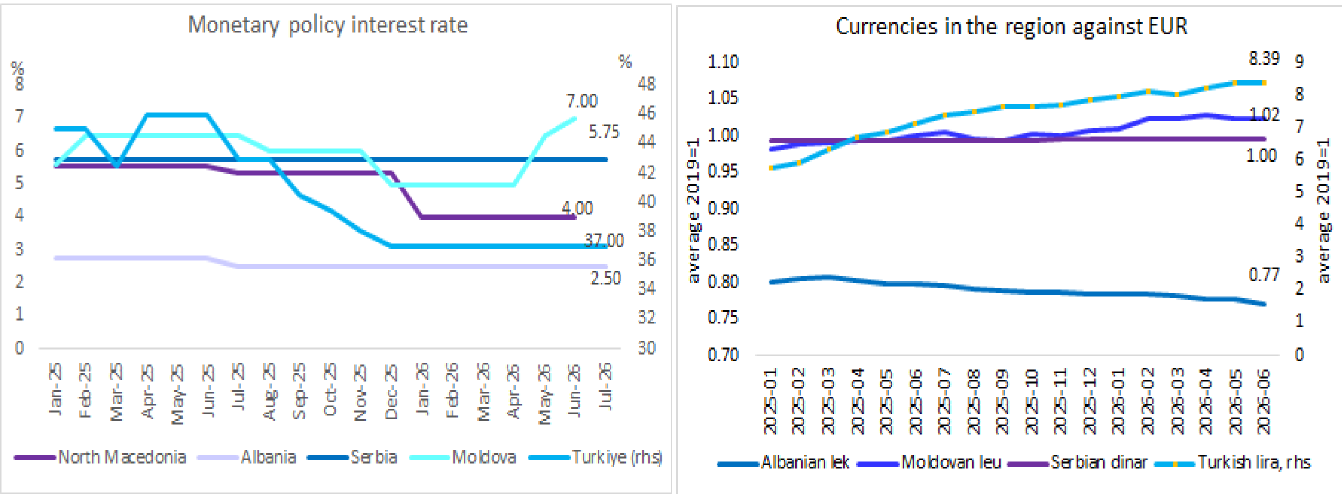
Candidate countries operate under a range of monetary policy regimes. Montenegro uses the euro as legal tender and has no monetary policy of its own, following instead the monetary policy of the ECB. Bosnia and Herzegovina and North Macedonia run currency boards targeting the nominal exchange rate against the euro, and Bosnia and Herzegovina does not perform open market operations. Moldova, Serbia, Albania and Turkiye have their own currencies and their own monetary policy.

KEY POINTS

- Three of the seven candidates — Bosnia and Herzegovina, Montenegro, and (in practice) North Macedonia — have already surrendered most or all independent monetary policy to a euro anchor, which simplifies their eventual euro-area entry but leaves fiscal policy as their only lever against shocks.
- Albania, Serbia, and Moldova run genuine inflation-targeting regimes; of the three, Moldova's is currently the most active, tightening twice in two months to counter the energy-driven inflation surge.
- Turkiye sits in a category of its own: nominal rates near 37% reflect the scale of the disinflation task, and the central bank's credibility remains under question given the gap between official and independent inflation readings.

Country	Regime	Current Stance	Notes
Albania	Independent — floating lek, inflation targeting (3%)	Accommodative; policy rate ~2.5–2.75%	One of the few candidates conducting genuine, functioning independent monetary policy.
Bosnia and Herzegovina	Currency board — BAM rigidly pegged to euro since 1997	None (fully passive)	Zero monetary autonomy; imports the ECB's stance wholesale, with fiscal policy as the only domestic shock absorber.
Moldova	Independent — managed float leu, inflation targeting (5% ±1.5pp)	Actively tightening: base rate raised from 5% to 6.5% (May 2026), with a further hike in June	The most actively engaged central bank in the cohort right now, responding directly to the energy-driven inflation shock.
Montenegro	Unilaterally euroised (uses the euro without ECB membership)	None (fully passive)	No lender-of-last-resort function or independent policy lever of any kind; fiscal policy alone must absorb shocks.
North Macedonia	Soft/de facto peg of the denar to the euro	Minimal independent room	Retains its own central bank and reserves, unlike Bosnia and Montenegro, but exchange-rate stability is the overriding policy objective.
Serbia	Independent — managed float dinar, inflation targeting (3% ±1.5pp)	On hold at 5.75% since September 2024	The most conventional, functioning inflation-targeting regime in the cohort alongside Albania; cautious given global uncertainty.
Turkiye	Independent — free-floating lira	Policy rate held near 37%	Extremely high nominal rates reflect an ongoing disinflation effort that has repeatedly stalled; credibility undermined by the gap between official and independent inflation estimates.

FIGURE 7 · POLICY RATES AND CURRENCIES AGAINST THE EURO, 2025 – JUL 2026



Source: national central banks of Moldova, Turkiye, Albania, Serbia and North Macedonia; Eurostat.

05 MACRO LENS 4 — LABOUR MARKET

Unemployment, emigration and structural slack

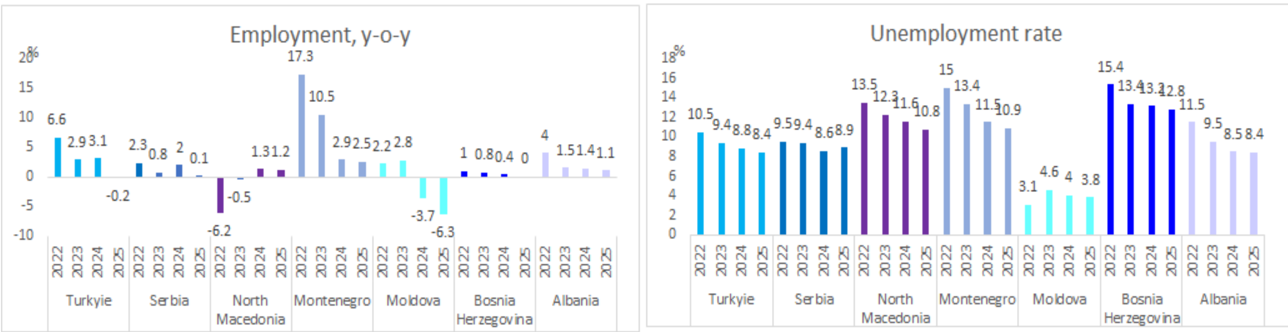
◆ **KEY ASSESSMENT**

Headline unemployment has fallen across most of the cohort over the past decade, but in several cases — Moldova above all — this reflects a shrinking labour force through emigration rather than genuine labour-market strength. Youth unemployment remains structurally high almost everywhere, and emigration of skilled younger workers toward the EU is now a more binding constraint on growth in several economies than the unemployment rate itself.

UNEMPLOYMENT RATE AND EMPLOYMENT DYNAMICS

- **Emigration, not joblessness, is the defining story.** Shrinking, ageing populations mean low unemployment can coexist with — and even mask — serious labour shortages, as in Albania and Moldova.
- **Youth unemployment stays stubbornly high.** It remains at roughly a quarter of the youth labour force or more in Bosnia and Herzegovina, Montenegro and North Macedonia, feeding the same outward-migration cycle.
- **Serbia and Turkiye post the most conventionally healthy figures.** This reflects larger, more diversified manufacturing and services bases rather than demographic shrinkage.

FIGURE 8 · EMPLOYMENT GROWTH AND UNEMPLOYMENT RATE, 2022–2025



Source: European Commission Spring Forecast 2026.

06

MACRO LENS 5 — GROWTH

Headline rates and the composition behind them

◆ **KEY ASSESSMENT**

Headline growth across the cohort clusters in a fairly narrow 2.4–4% band for 2026, but the composition differs sharply — and matters more than the headline number for assessing durability. Consumption, often wage- and remittance-fuelled, is the common driver across the Western Balkans; investment plays an outsized role in Montenegro and North Macedonia; and Turkiye's higher headline growth is achieved despite, not because of, macroeconomic stability.

TABLE 4 · GROWTH COMPOSITION BY COUNTRY, 2026F–2027F

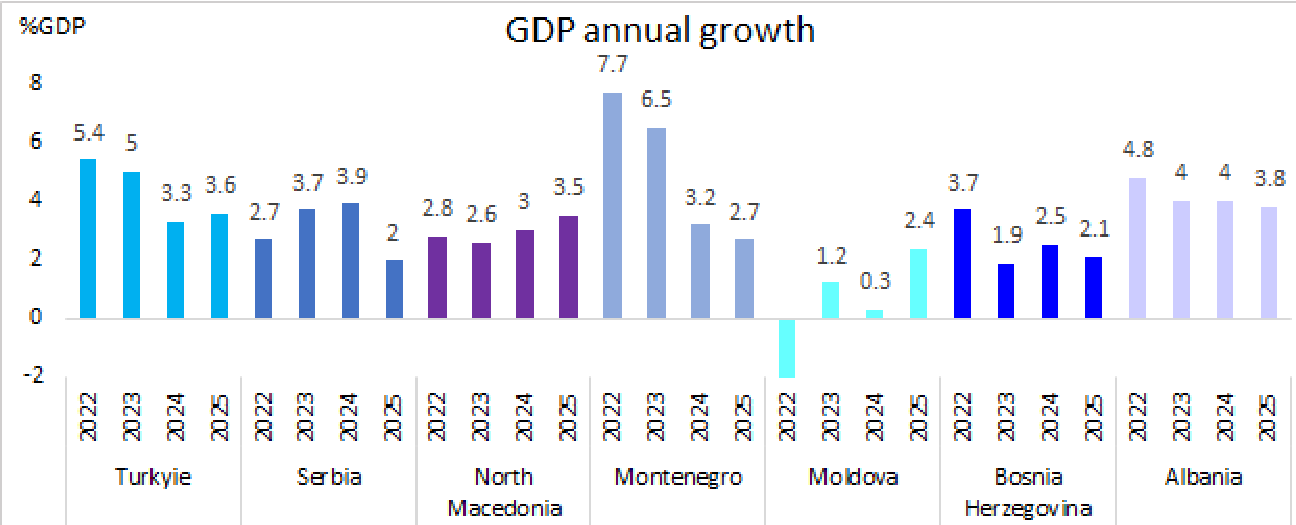
Country	2026f–2027f	Primary driver(s)	Notes
Albania	3.3–3.3%	Tourism services exports, consumption, FDI	Growth stabilises as tourism matures; 2026 budget still assumes 4% growth, above most independent forecasts.
Bosnia and Herzegovina	1.8–2.2%	Domestic consumption, minimum-wage increases	Weakest and most fragile growth profile in the cohort, compounded by political fragmentation already limiting reform-linked investment.
Moldova	2–3.5%	Domestic demand, remittance-supported consumption	Growth remains consumption-led and vulnerable to the external financing needed to cover its very large current account deficit. In Q1 2026 a reversal occurred: net exports were the main engine of growth.
Montenegro	2.8–3%	Tourism, construction/investment	Growth composition is investment-heavy relative to peers, but also the most debt-financed, with public debt above 60% of GDP. In Q1 2026 the main engines remained consumption and gross fixed capital formation.
North Macedonia	3.2–3.1%	Construction investment, private consumption (wage- and credit-fuelled)	Growth is running above the country's own estimated potential, a combination the IMF flagged as raising competitiveness and overheating concerns. In Q1 2026 net exports made a positive contribution.
Serbia	2.8–3.9%	Capital investment, consumption; net exports from 2027	The region's largest economy and the main driver of the 2026 regional slowdown; growth is expected to reaccelerate in 2027 around the Belgrade Expo. In Q1 2026 growth accelerated on Q1 2025, led by consumption and net exports.
Turkiye	**3–4%**	Domestic demand, exports; achieved despite high real rates	The cohort's highest headline growth rate, but delivered alongside its highest inflation and most volatile external financing — a growth/stability trade-off, not a clean success story.

Sources: EBRD Regional Economic Prospects; World Bank Western Balkans Regular Economic Report; IMF Article IV consultations; European Commission Spring Forecast 2026.

REGIONAL DYNAMICS

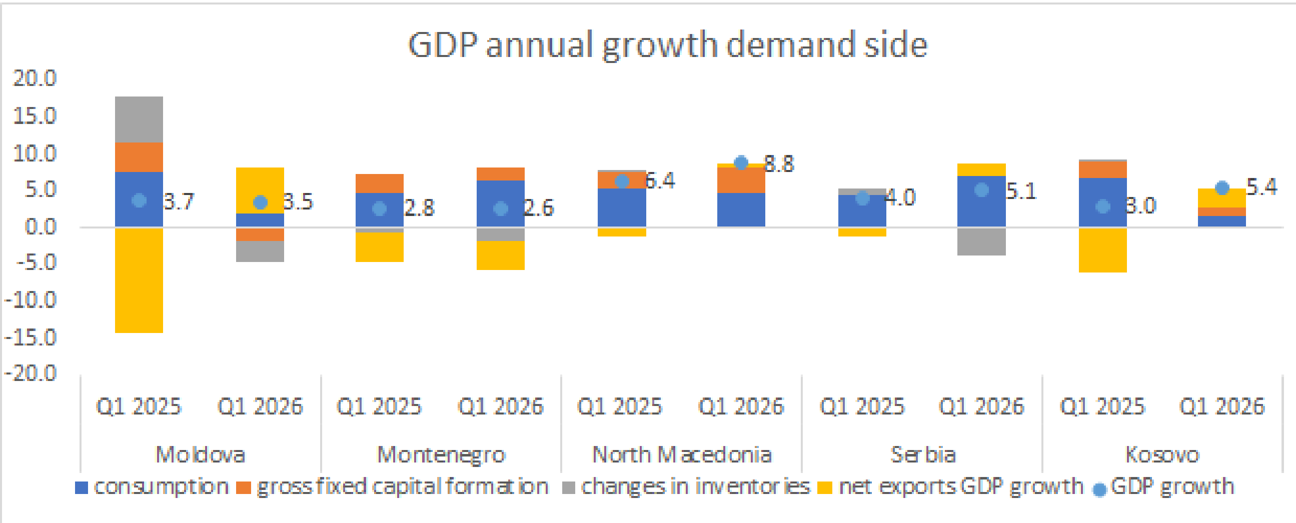
- **Serbia's slowdown dragged down the regional average.** Serbia's 2025 slowdown was large enough to pull the whole Western Balkans regional growth average down from 3.6% to 2.6%, even though Serbia is expected to reaccelerate sharply in 2027 around Expo 2027.
- **Montenegro and North Macedonia lead on investment intensity.** Both show the most investment-heavy growth composition in the cohort — a potential positive for productivity, but also the source of their debt and overheating risks, respectively.
- **Turkiye trades stability for quantity.** Its headline growth is the strongest in the cohort, but it is growth purchased at the cost of the highest inflation and the least stable external financing profile — arguably the weakest quality of growth despite the best quantity.

FIGURE 9 · GDP ANNUAL GROWTH, 2022–2025



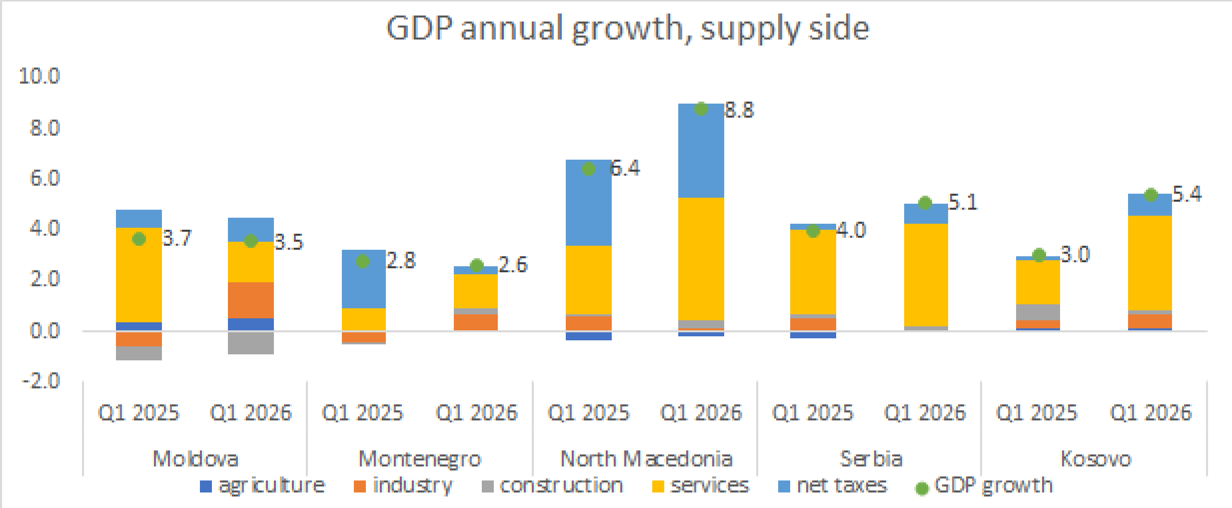
Source: European Commission Spring Forecast 2026.

FIGURE 10 · GDP GROWTH, DEMAND-SIDE CONTRIBUTIONS, Q1 2025 VS Q1 2026



Source: Eurostat; national statistical offices.

FIGURE 11 · GDP GROWTH, SUPPLY-SIDE CONTRIBUTIONS, Q1 2025 VS Q1 2026



Source: Eurostat; national statistical offices.

07 ROMANIA'S TRADE EXPOSURE

Romania's goods trade with the candidate cohort, 2025

The five lenses above look at the candidate countries themselves; this section turns the lens around to Romania's own economic stake in them, as reflected in bilateral trade.

Romania's goods trade with the candidate cohort is modest relative to its total trade, but concentrated in a few product categories and partners. In 2025, Romanian exports of goods to the seven candidate countries covered in this report amounted to EUR 8.8 billion, or 9.1% of total exports; nearly a third of this — the largest single category — was machinery and transport equipment, shipped mainly to Turkiye, Serbia and Moldova. Imports of goods from the same countries amounted to EUR 9.9 billion, or 8% of total imports; roughly a third of this was manufactured goods classified mainly by raw materials, sourced mainly from Turkiye, Serbia, Moldova and North Macedonia.

KEY FACTS

- **Turkiye dominates trade in both directions.** Turkiye alone accounts for EUR 3,899mn of exports (44% of the candidate total) and EUR 7,194mn of imports (73% of the candidate total) — by far the largest partner in the cohort, in both directions.
- **Romania runs an overall deficit with the cohort, driven entirely by Turkiye.** The EUR 1,083mn overall deficit with the seven candidates is more than explained by the EUR 3,295mn deficit with Turkiye alone; Romania runs a trade surplus with every other candidate in the cohort.
- **Moldova is a one-sided trade relationship.** Romania exports nearly three times more to Moldova (EUR 2,911mn) than it imports (EUR 998mn), a EUR 1,913mn surplus — the largest in the cohort — driven mainly by mineral fuel exports (EUR 1,654mn, Moldova's single largest import category from Romania by far).

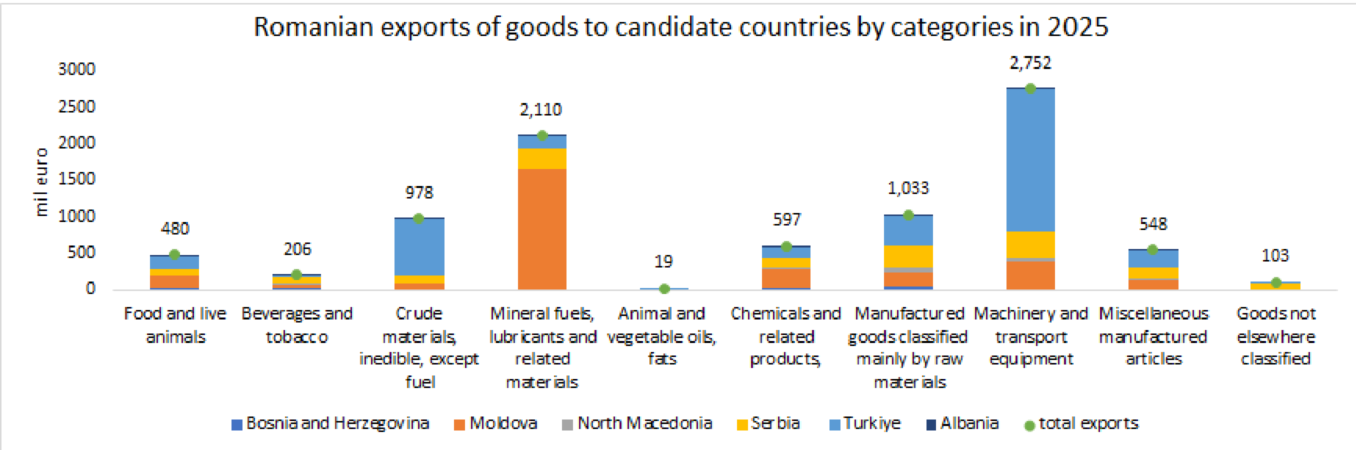
- **Machinery and transport equipment is the leading two-way category.** It is Romania's largest export category to the cohort (EUR 2,752mn, 31%) and second-largest import category (EUR 2,484mn, 25%), pointing to meaningful intra-industry trade — most visible with Turkiye, where exports (EUR 1,950mn) and imports (EUR 2,047mn) are almost balanced.
- **Manufactured goods classified mainly by raw materials is import-heavy and Turkiye-concentrated.** It is the largest single import category from the cohort (EUR 3,180mn, 32%), and Turkiye alone supplies EUR 2,466mn of it — 78% of the category total.
- **The candidate cohort matters far more for some Romanian export categories than others.** More than a third of all Romanian mineral fuel exports worldwide (36.8%) go to the candidate countries, and nearly a quarter of crude material exports (24.3%); but the cohort absorbs only 6.1% of Romania's machinery and transport equipment exports — its largest export category overall.

TABLE 5 · ROMANIA'S TRADE BALANCE WITH THE CANDIDATE COHORT, BY COUNTRY, 2025

Country	Exports (EUR mn)	Imports (EUR mn)	Balance (EUR mn)
Albania	99	33	+66
Bosnia and Herzegovina	154	115	+39
Moldova	2,911	998	+1,913
North Macedonia	193	187	+6
Serbia	1,572	1,382	+190
Turkiye	3,899	7,194	−3,295
Total candidate cohort	8,827	9,910	−1,083

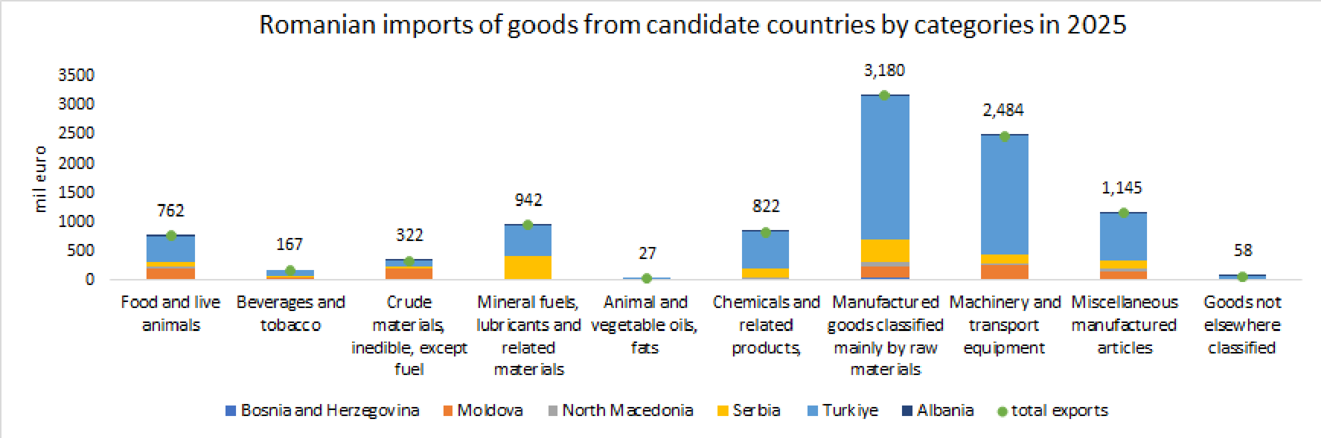
Source: Romanian National Institute of Statistics.

FIGURE 12 · ROMANIAN EXPORTS OF GOODS TO EU CANDIDATE COUNTRIES, BY CATEGORY, 2025



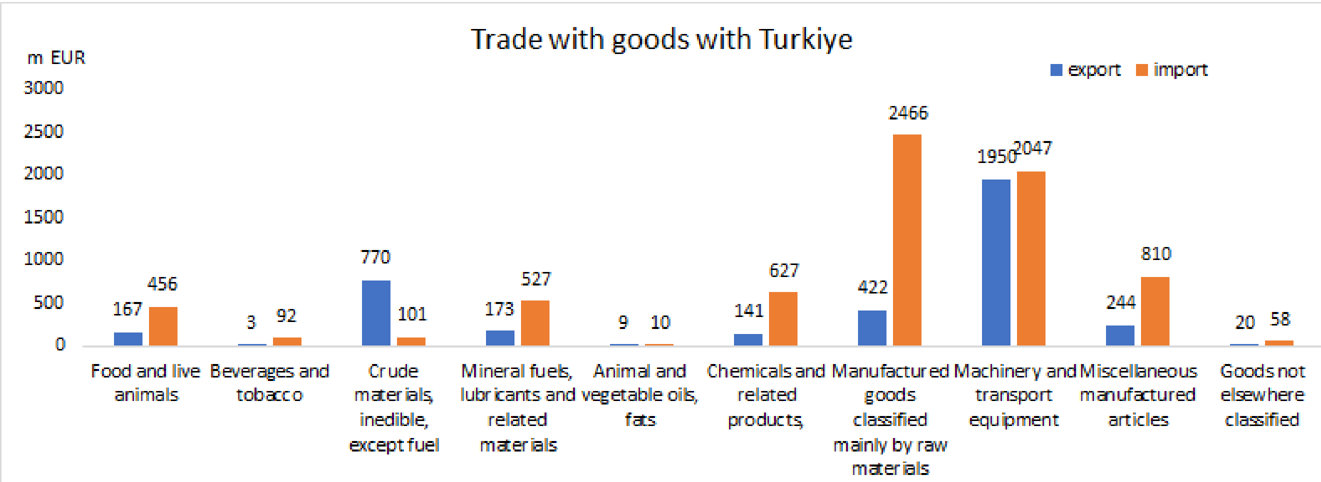
Source: Romanian National Institute of Statistics.

FIGURE 13 · ROMANIAN IMPORTS OF GOODS FROM EU CANDIDATE COUNTRIES, BY CATEGORY, 2025



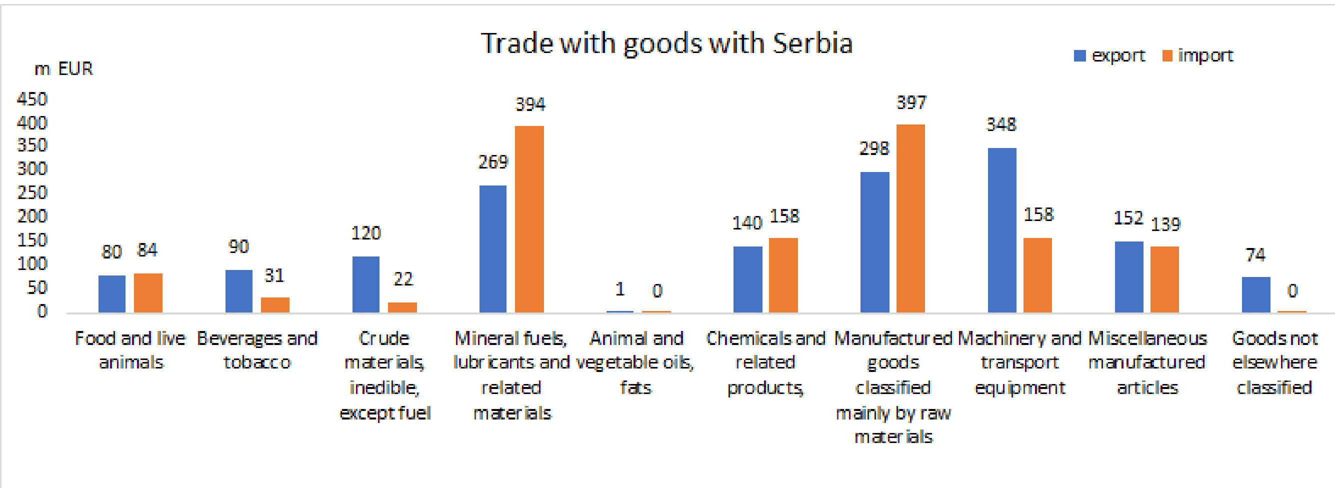
Source: Romanian National Institute of Statistics.

FIGURE 14 · ROMANIA'S TRADE IN GOODS WITH TURKIYE, BY CATEGORY, 2025



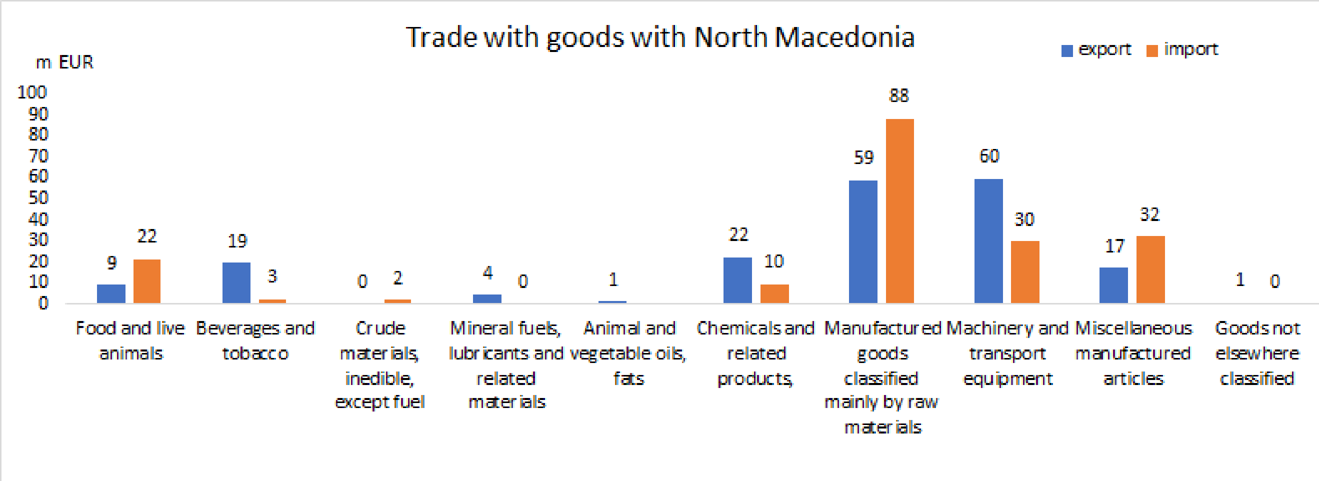
Source: Romanian National Institute of Statistics.

FIGURE 15 · ROMANIA'S TRADE IN GOODS WITH SERBIA, BY CATEGORY, 2025



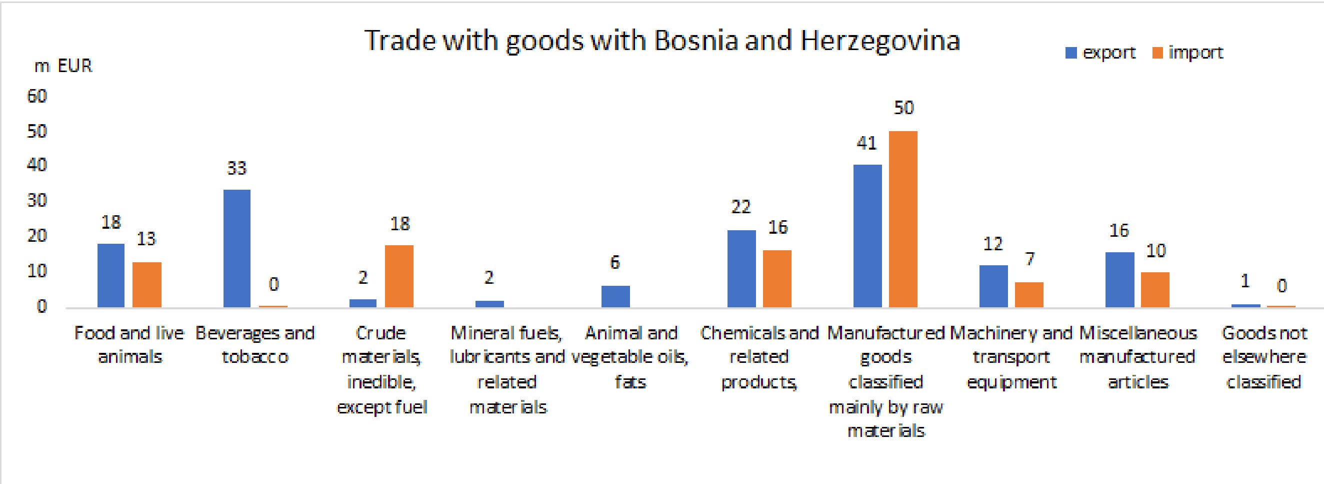
Source: Romanian National Institute of Statistics.

FIGURE 16 · ROMANIA'S TRADE IN GOODS WITH NORTH MACEDONIA, BY CATEGORY, 2025



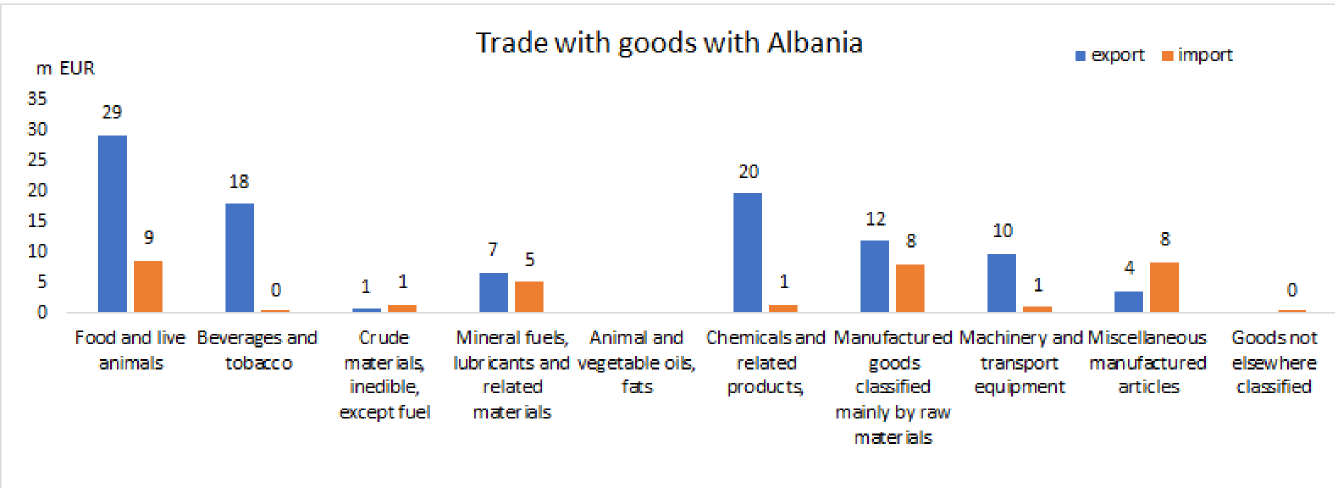
Source: Romanian National Institute of Statistics.

FIGURE 17 · ROMANIA'S TRADE IN GOODS WITH BOSNIA AND HERZEGOVINA, BY CATEGORY, 2025



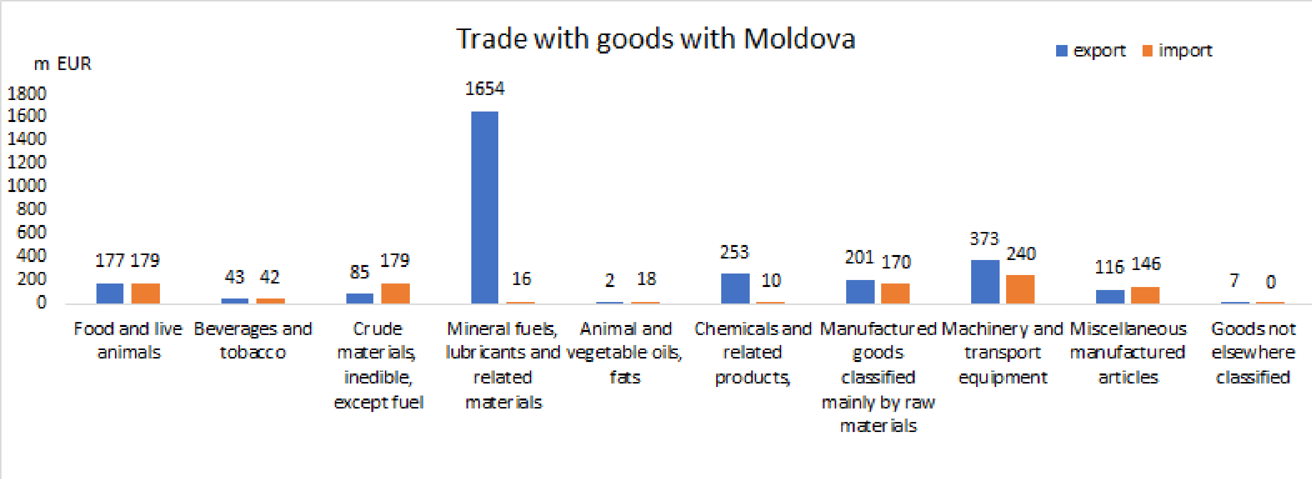
Source: Romanian National Institute of Statistics.

FIGURE 18 · ROMANIA'S TRADE IN GOODS WITH ALBANIA, BY CATEGORY, 2025



Source: Romanian National Institute of Statistics.

FIGURE 19 · ROMANIA'S TRADE IN GOODS WITH MOLDOVA, BY CATEGORY, 2025



Source: Romanian National Institute of Statistics.

08 CONCLUSION

Synthesis across the five macro lenses

- **Accession momentum and macro resilience are not the same thing.**
  - Montenegro and Albania lead on chapters closed, yet Montenegro carries the cohort's largest twin-deficit and public-debt exposure — accession progress does not by itself signal macro-financial strength.
  - Albania and Serbia combine the most conventional macro profiles — moderate deficits, on-target inflation, functioning independent monetary policy, and steady if unspectacular growth — making them the two candidates best placed to absorb a further external shock.
  - Moldova and Montenegro sit at the other extreme: very large twin deficits financed by remittances, tourism, or debt rather than competitiveness, alongside little or no independent monetary policy to respond with.
  - Bosnia and Herzegovina and North Macedonia fall in between, constrained less by any single indicator than by structural weaknesses — political fragmentation in Bosnia's case, a large informal economy and persistent overheating risk in North Macedonia's.
  - Turkiye remains sui generis: the cohort's largest and fastest-growing economy, but also its least stable, with an inflation and monetary credibility problem that has no real parallel among the Western Balkan candidates.
- **Macroeconomic performance and negotiating progress do not move in lockstep.**
  - Montenegro is the clear accession frontrunner despite carrying the cohort's most precarious external position;
  - Bosnia and Herzegovina's macro profile, while weak, is not obviously worse than North Macedonia's, yet the two face very different negotiating obstacles (institutional fragmentation versus a single blocked precondition). Economic convergence with the EU and political readiness

for membership are related but distinct tracks, and this report's tracker (political/negotiating) and this analysis (economic) should be read side by side rather than substituted for one another.

- **Political risk is now concentrated in Serbia, Moldova and Bosnia and Herzegovina.** Serbia's presidential crisis, Moldova's snap government change, and Bosnia and Herzegovina's stalled reform record are the three developments most likely to reshape the accession and macro picture over the next quarter.
- **Turkiye remains the outlier on every lens.** Frozen accession talks, stalled disinflation, the highest headline growth and the least stable external financing all set Turkiye apart from the six Western Balkan candidates.
- **Emigration is quietly becoming a bigger constraint than unemployment.** In Albania and Moldova especially, a shrinking labour force flatters the unemployment rate while eroding the growth potential it is meant to signal.

◆ ECONOMIC STAKES

Montenegro and Moldova's twin deficits, and Serbia's and Bosnia and Herzegovina's political fragility, are the clearest near-term vulnerabilities in the candidate cohort. For a region converging toward EU membership, the institutional capacity to manage internal and external balances simultaneously — not the pace of chapter closures alone — will determine which candidates arrive at accession macro-financially prepared.

01 Momentum ≠ resilience

— Chapters closed ≠ macro strength
— Frontrunners: Montenegro, Albania
— Montenegro: largest twin-deficit & debt exposure

Accession speed alone does not signal macro strength

02 Political risk concentrated

— Serbia — presidential crisis
— Moldova — snap government change
— Bosnia and Herzegovina — stalled reforms

Serbia · Moldova · Bosnia and Herzegovina

03 Turkiye is the outlier

— Accession talks — frozen
— Disinflation — stalled
— Growth — highest, least stable financing

Highest growth bought at the cost of stability

04 Emigration > unemployment

— Shrinking labour force, not job creation
— Most exposed: Albania, Moldova
— Masks real labour shortages

Low unemployment can mask real labour shortages

Methodological note

This report draws on official and multilateral sources only: the European Commission's Spring Forecast 2026 and enlargement reporting, Eurostat, the national statistical institutes and central banks of the candidate countries, the EBRD Regional Economic Prospects, the World Bank Western Balkans Regular Economic Report, and IMF Article IV consultations. Figures are the latest available as of July 2026 and are not independently re-estimated by CPAG.

Sources and references

EU INSTITUTIONS

- European Commission: Spring Forecast 2026; enlargement package and country reports.
- Eurostat: harmonised consumer prices, candidate country statistics.
- European Parliament: enlargement resolutions and country reports.

INTERNATIONAL FINANCIAL INSTITUTIONS

- EBRD: Regional Economic Prospects.
- World Bank: Western Balkans Regular Economic Report.
- IMF: Article IV consultations.

NATIONAL SOURCES

- Central banks of Turkiye, Serbia, Moldova and Albania, and the monetary authorities of Montenegro, North Macedonia and Bosnia and Herzegovina.
- National statistical institutes of all seven countries covered.

Disclaimer

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