


Transforming the Western Balkans through Nearshoring and Decarbonisation

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Insights and recommendations on leveraging decarbonization and CBAM to enhance investor attraction and increase global competitiveness of the Western Balkans

The COVID-19 pandemic and recent geopolitical tensions, have impacted global supply chains. This has led to expectations that German companies may move their production facilities closer to their home markets, a trend known as nearshoring. This study examines whether this trend has taken place in the Western Balkans (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia) since the last survey in 2021 and how it can be linked to current efforts to decarbonize, i.e. reduce CO2 emissions.

How can nearshoring trends and decarbonization efforts be used synergistically? What impact do nearshoring and decarbonization have on local companies in the Western Balkans and how can they foster cooperation between local and foreign companies in the region?

The study results are based on surveys conducted with 65 foreign companies in the Western Balkans, 382 local companies, and interviews with 12 German investors in the Western Balkans, one potential German investor, one local company and three experts.

Key recommendations from the study

For Investors

1. Collaborate with local suppliers that are advancing decarbonisation to meet sustainability goals.
2. Increase investments in decarbonising firms in the Western Balkans to optimize supply chains and leverage skilled labor.
3. Share technical expertise to help local companies meet global production standards and enhance mutual decarbonisation efforts.

For Suppliers in the Western Balkans

1. Invest in green technologies to reduce emissions and become more attractive to foreign investors.
2. Obtain necessary certifications to meet international standards and integrate into global supply chains.
3. Seek financial and technical support to decarbonise and improve competitiveness.

For Decision-Makers

1. Provide financial incentives and technical support to help local companies decarbonise and meet international standards.
2. Enhance governance, institutions, and infrastructure to attract more investment.
3. Invest in renewable energy to align with global sustainability trends and attract FDI.

The study was conducted in 2024 within the framework of the Chamber Partnership Project by the WB6 Chamber Investment Forum (WB6 CIF) and the six national chambers of commerce in the Western Balkans, in cooperation with the Vienna Institute for International Economic Studies (wiiw).

For more insights on the study, please follow the link: [Transforming the Western Balkans through Near-shoring and Decarbonisation](#).