Народна банка Србије

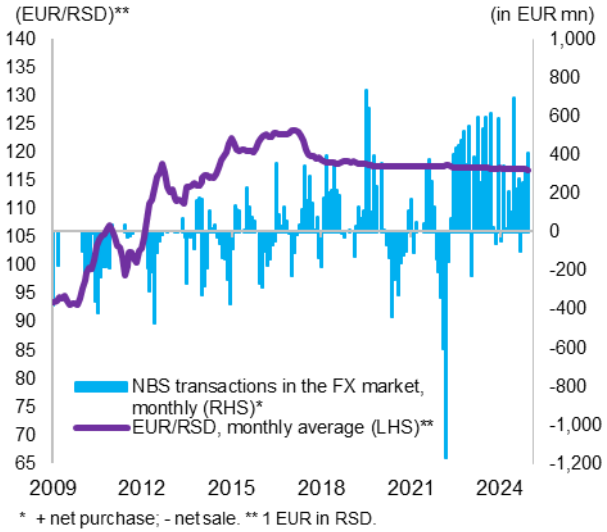
Serbia 2027: Striving towards a high-income economy

Dr Jorgovanka Tabaković,
National Bank of Serbia Governor

Kopaonik Business Forum, 3 March 2025

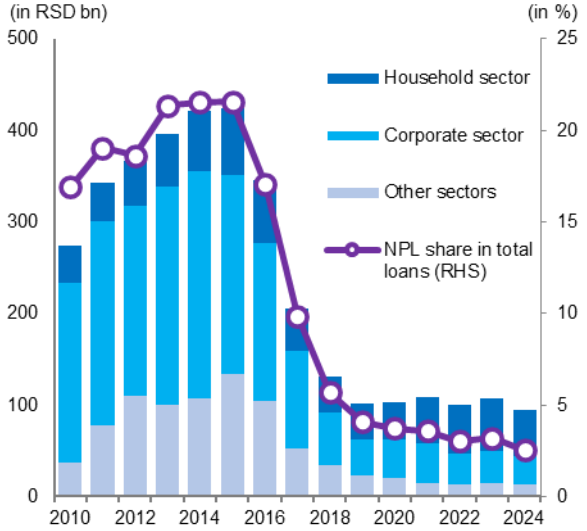
INVESTMENT GRADE CREDIT RATING

Maintained relative stability of the dinar exchange rate

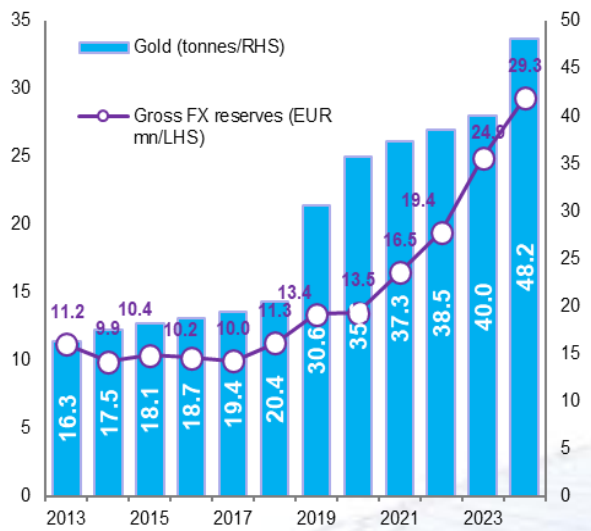


* + net purchase; - net sale. ** 1 EUR in RSD.

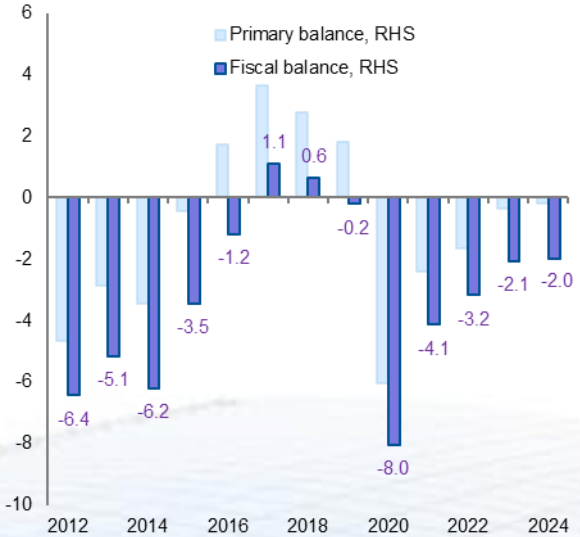
NPL ratio at lowest level (in %)



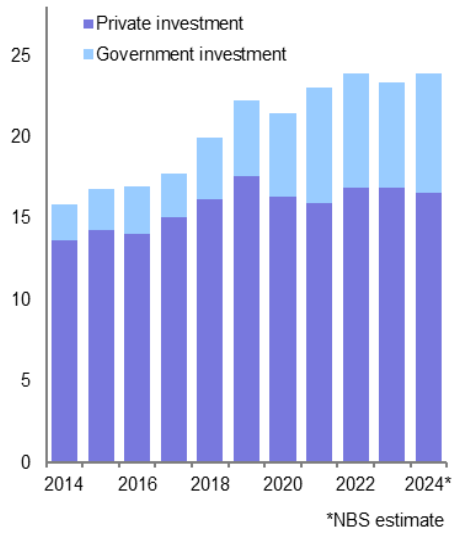
Record high FX reserves



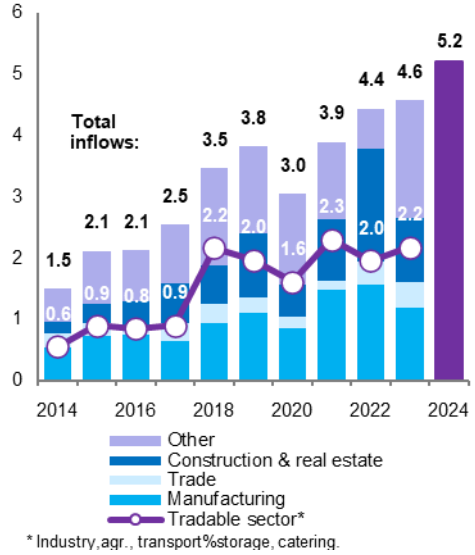
Fiscal result – sustainable public finance (in %)



Share of investment in GDP (in %)

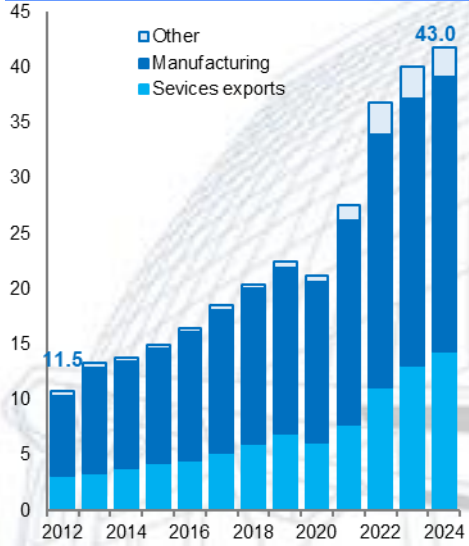


Record high inflow and good structure of FDI (in EUR bn)

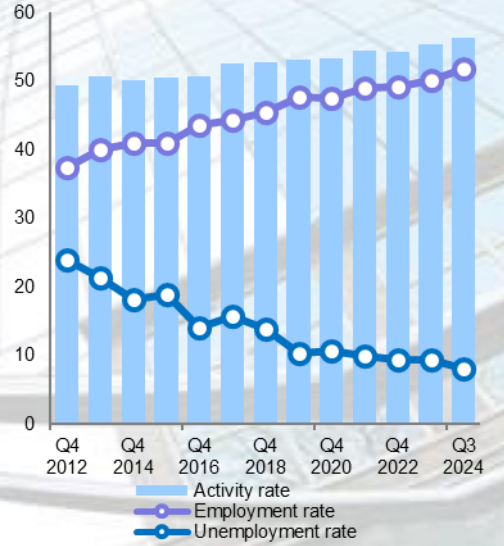


* Industry,agr., transport%storage, catering.

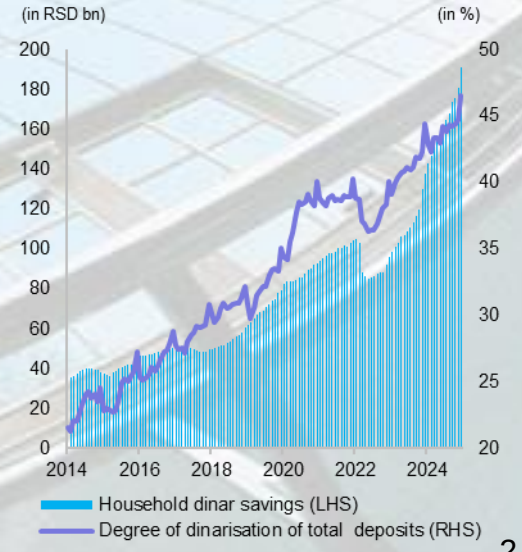
Exports of goods and services – 3.7 times higher than in 2012 (in EUR bn)



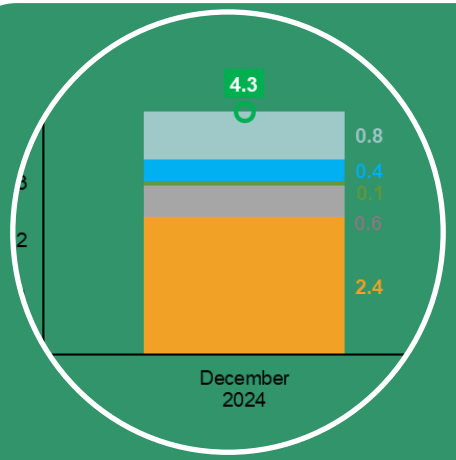
Labour market indicators – lowest unemployment rate (in %)



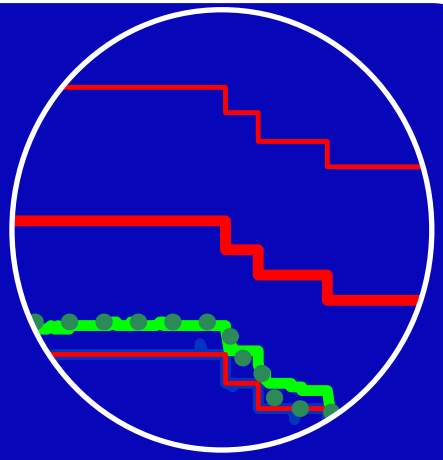
Robust growth in household dinar savings



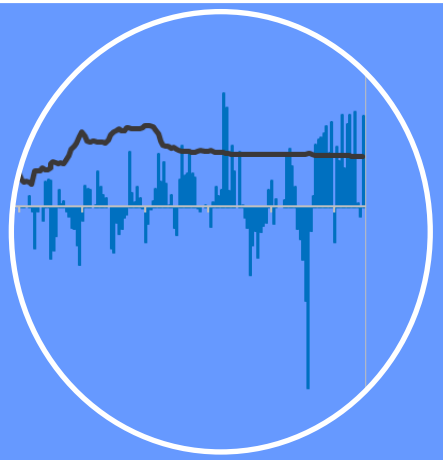
TOPICS



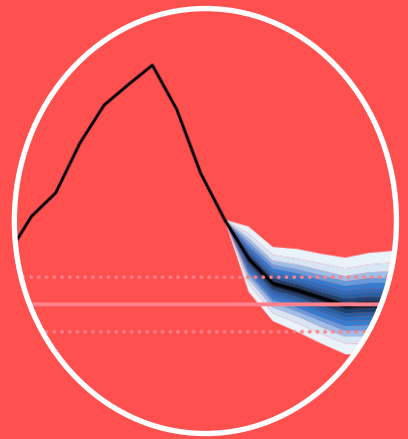
Inflation factors in 2024 – **inflation in the target band**



Monetary policy response and results



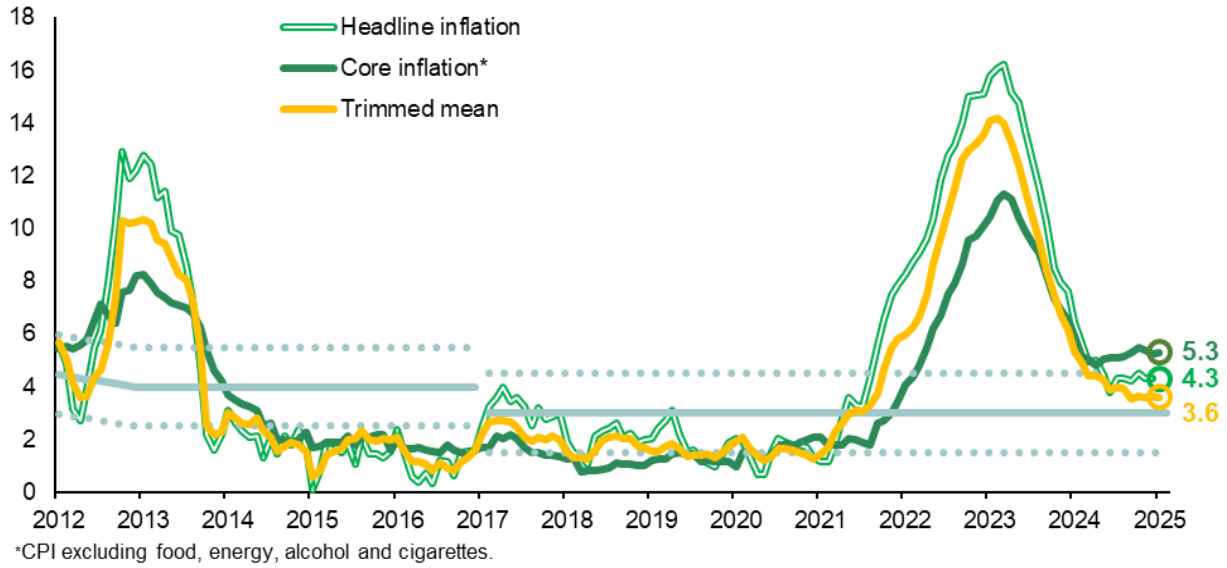
Proven resilience of the Serbian economy



Outlook and risks

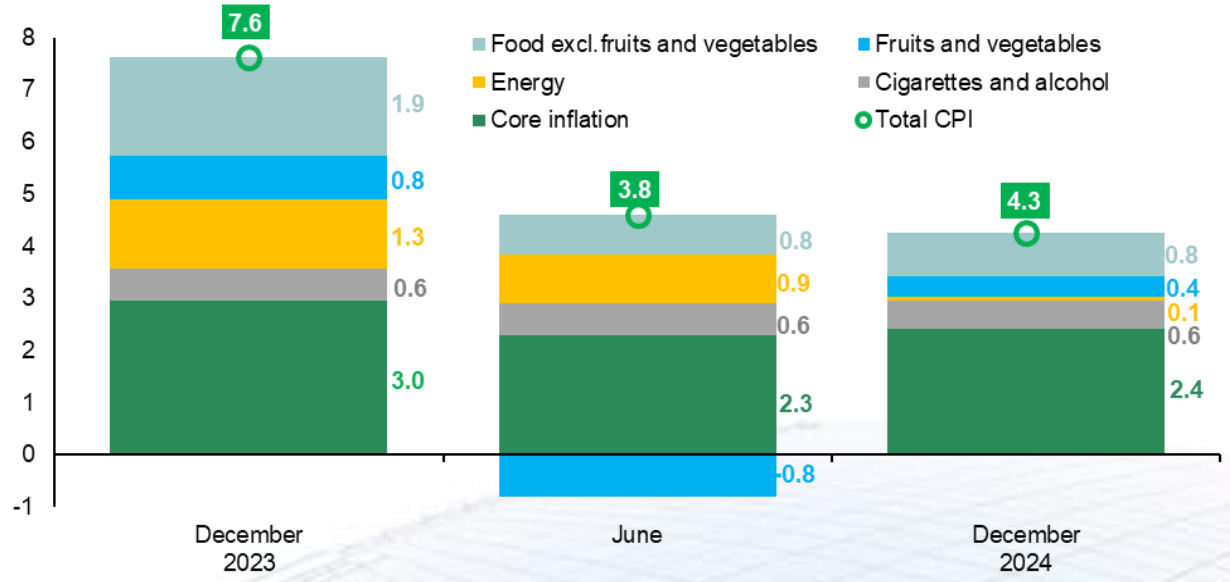
1 INFLATION FACTORS (1/3)

Sharp decline in headline and core inflation in Serbia (in %)

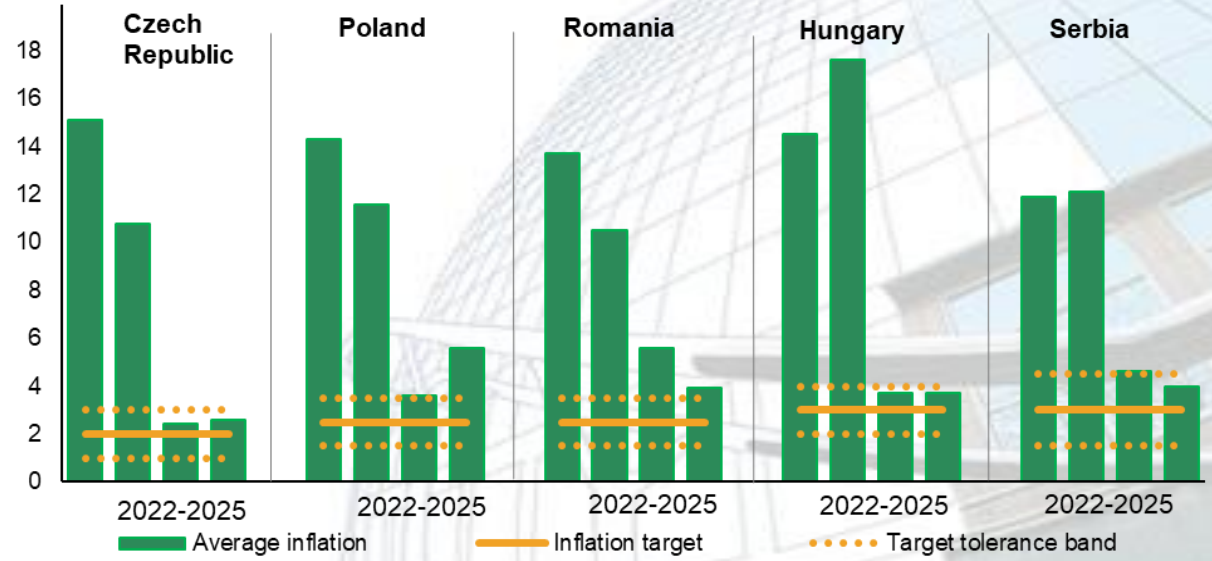


*CPI excluding food, energy, alcohol and cigarettes.

Contributions of key inflation components in Serbia (in pp)

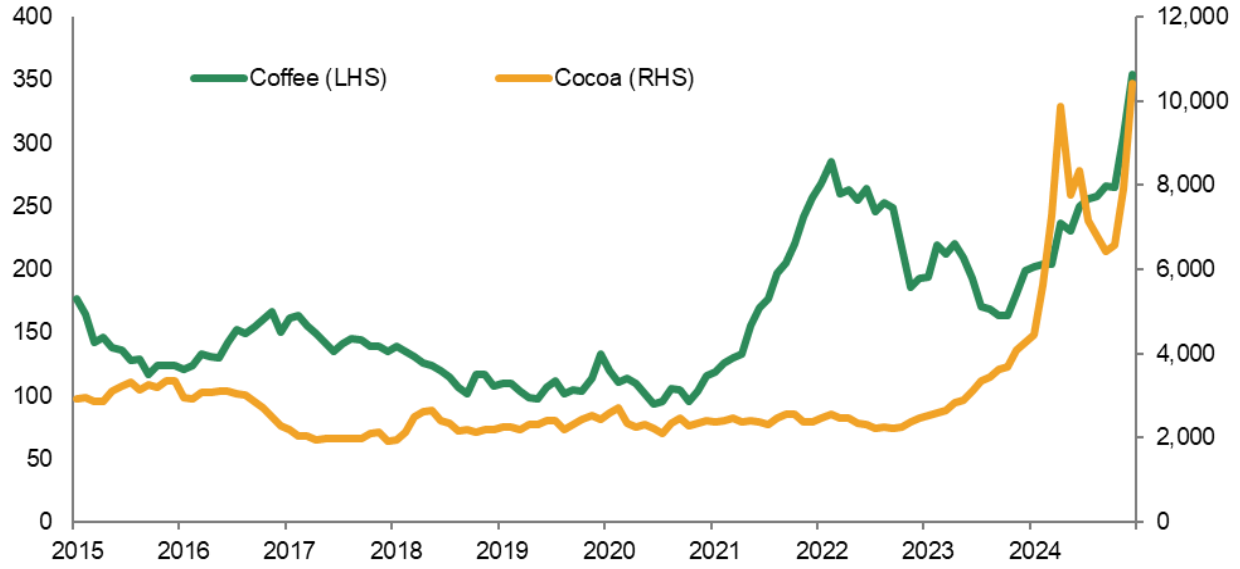


CPI movements for selected CESEE countries (average annual growth rates, in %)

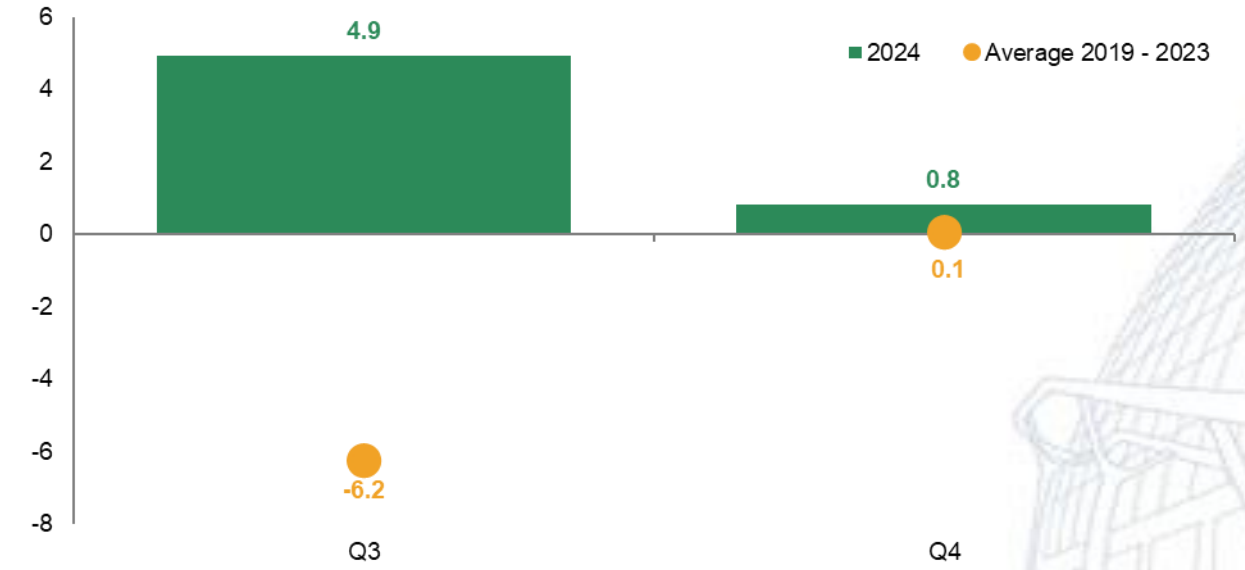


1 INFLATION FACTORS (2/3)

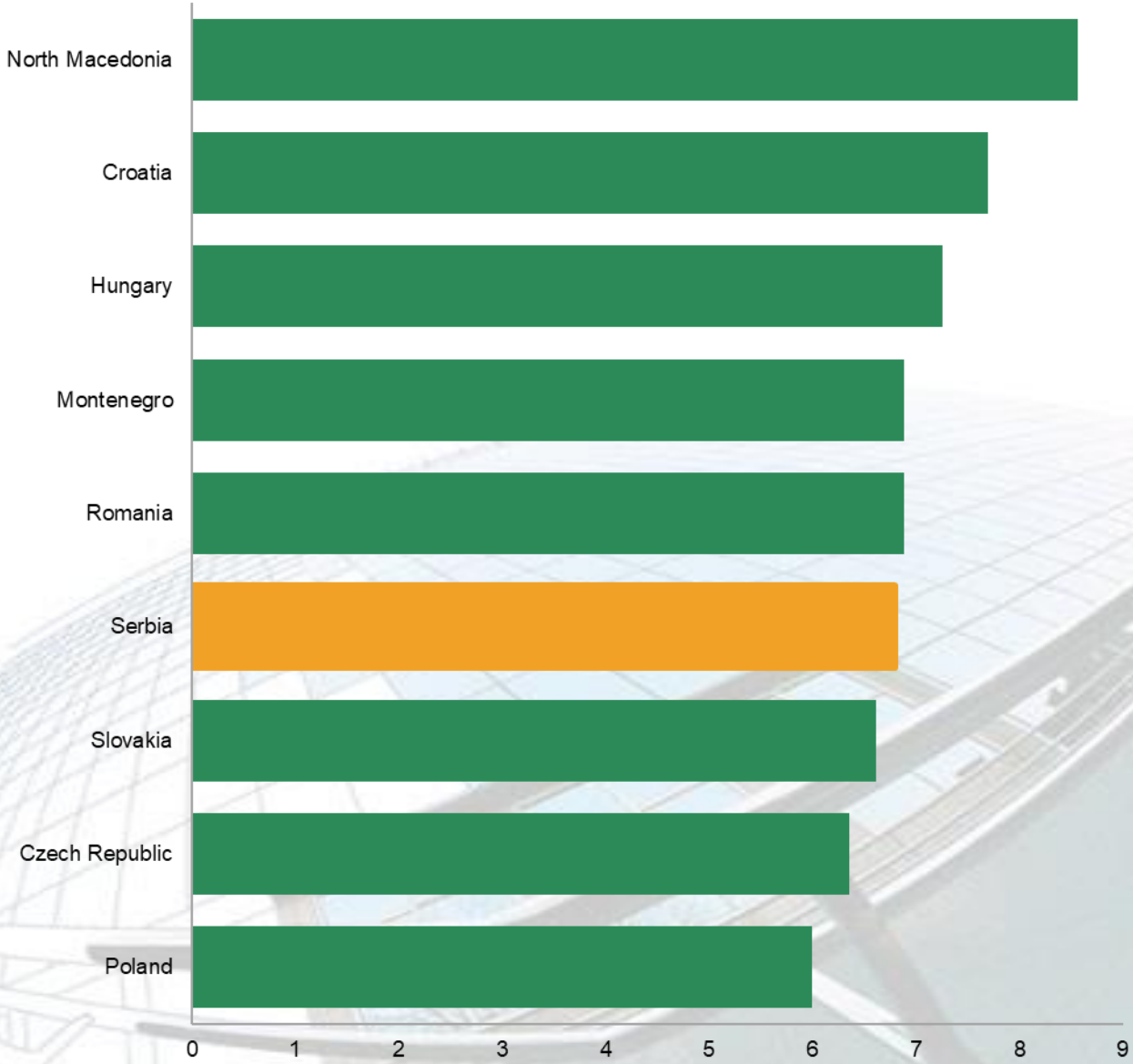
Coffee and cocoa prices in the global market (USD/lbs and USD/t)



Drought effect in 2024 – quarterly growth rates of fruit and vegetable prices (in %)

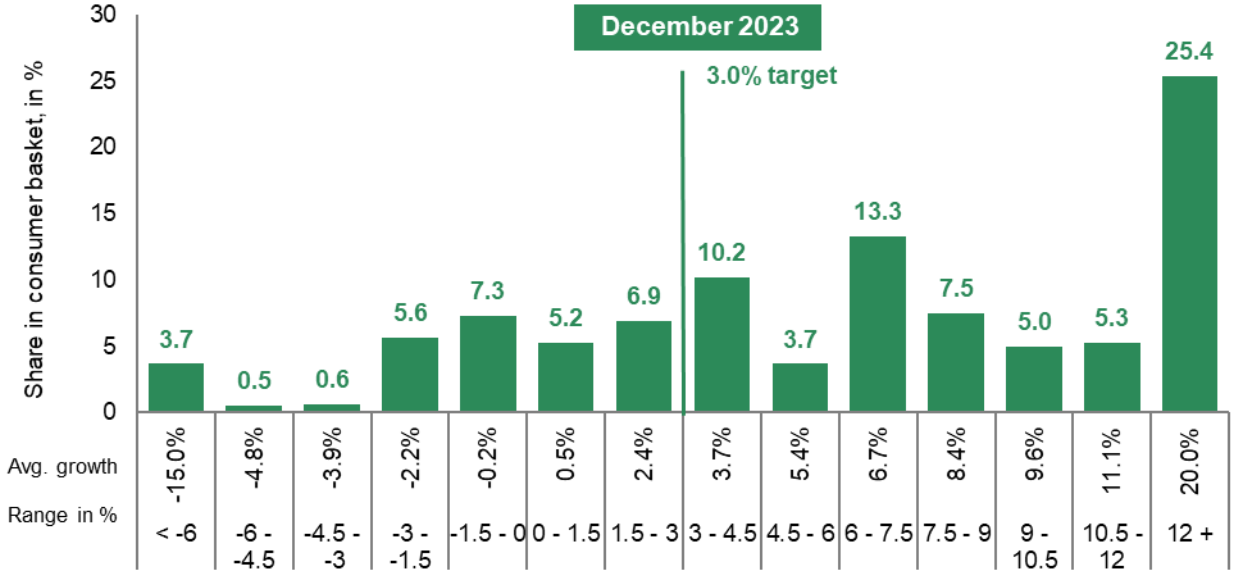


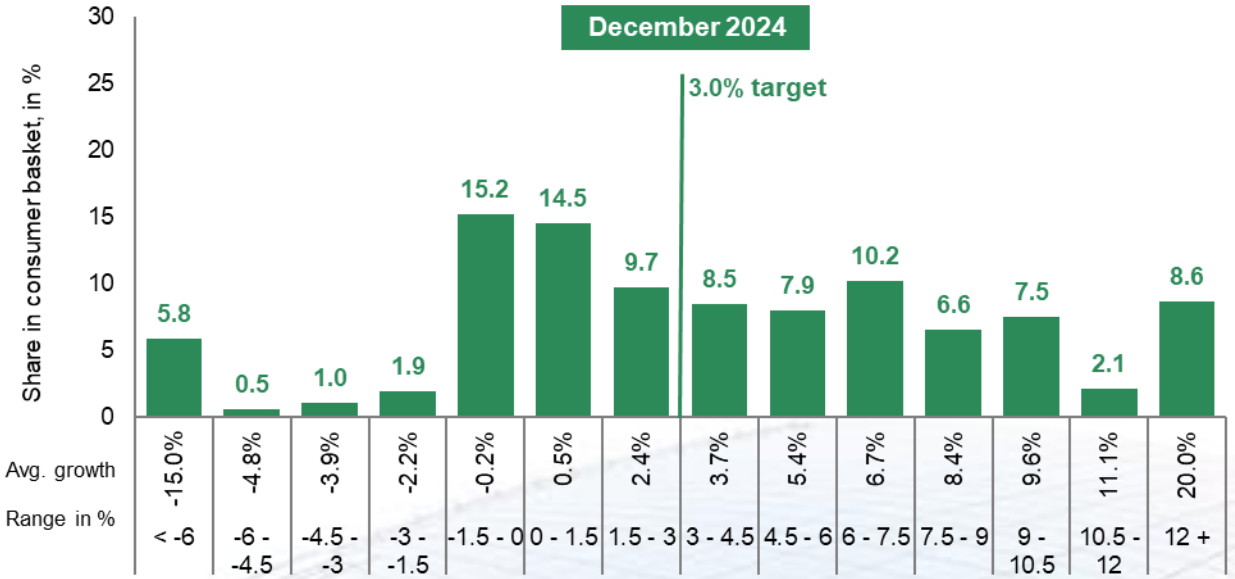
Annual service price growth in 2024 by country (in %)



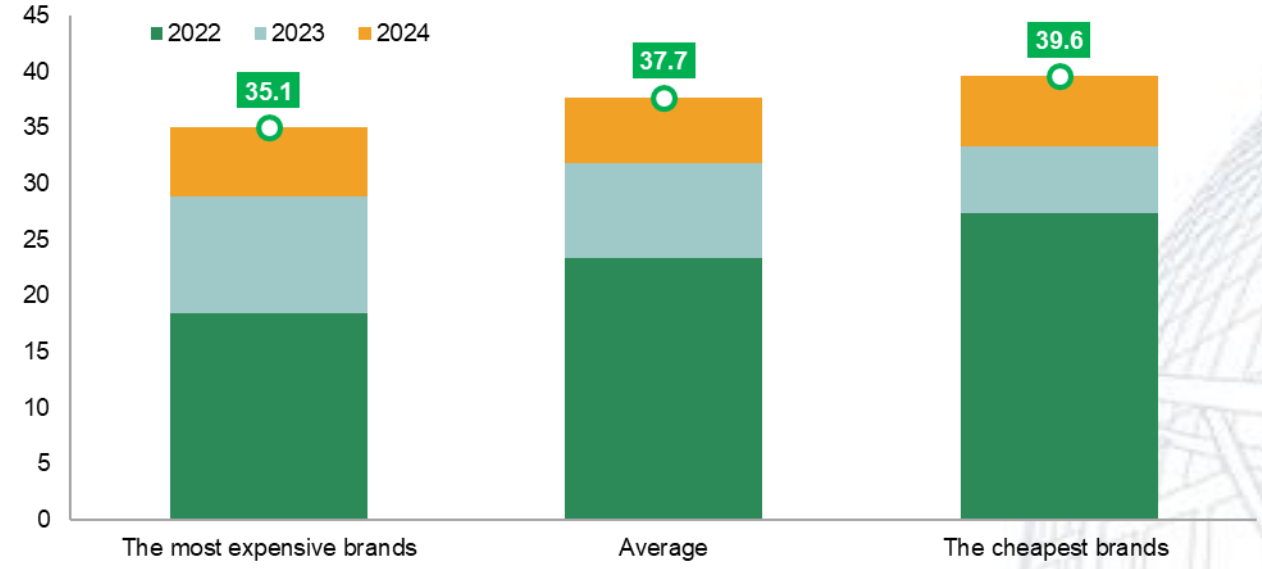
1 INFLATION FACTORS (3/3)

Distribution of y-o-y CPI growth rates in December 2023 and December 2024

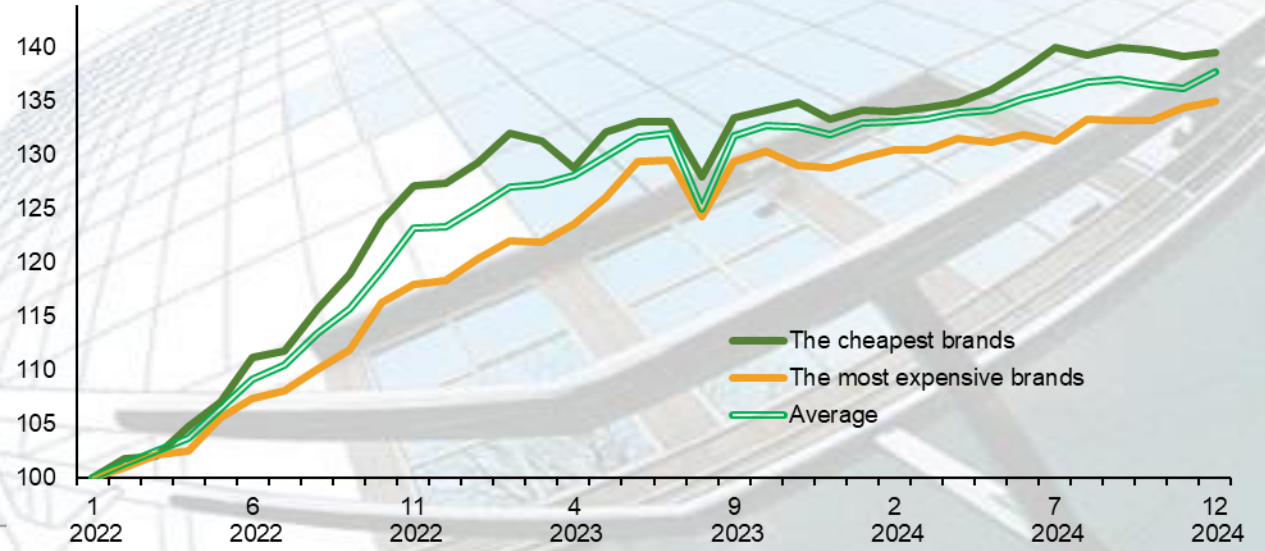




Cumulative price growth of selected categories of industrial-food products (in %)

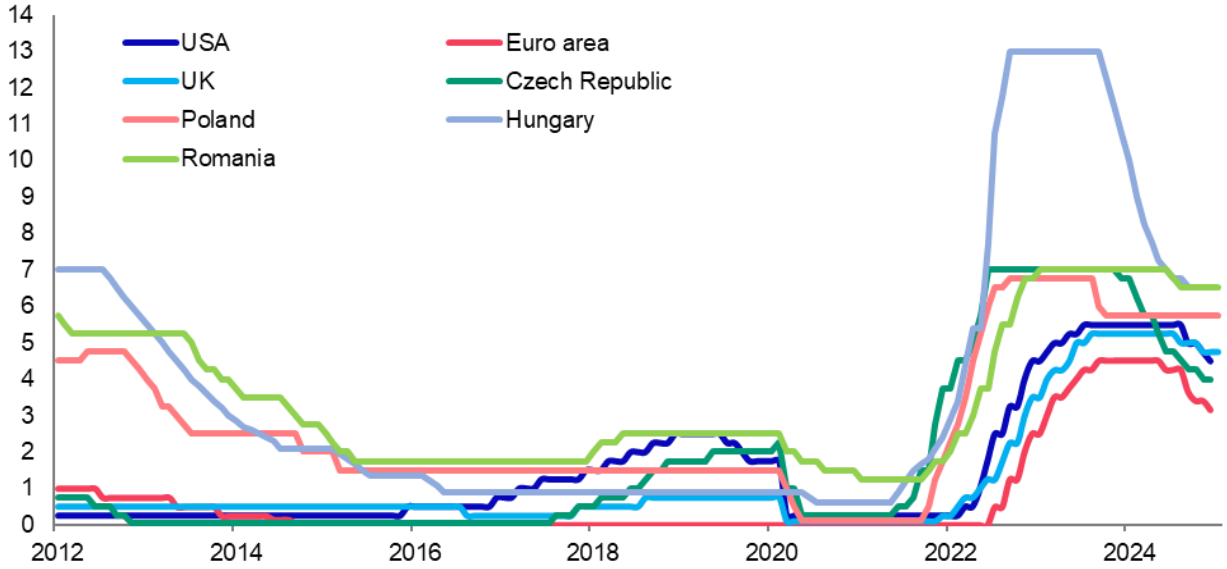


Gap between cumulative price growth of the cheapest and most expensive brands

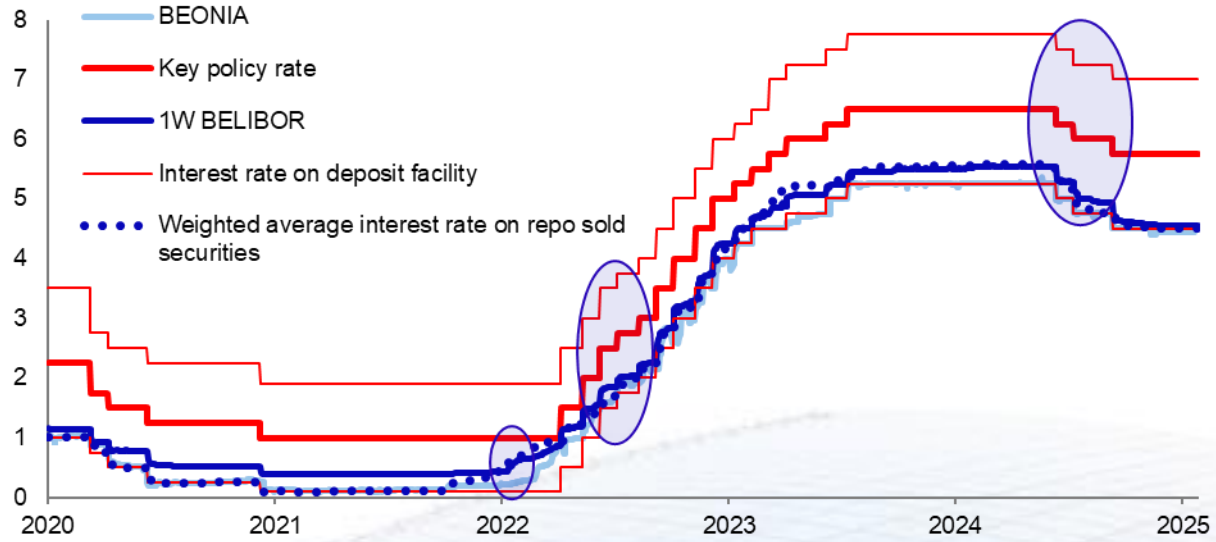


2 MONETARY AND MACROPRUDENTIAL POLICY RESPONSE

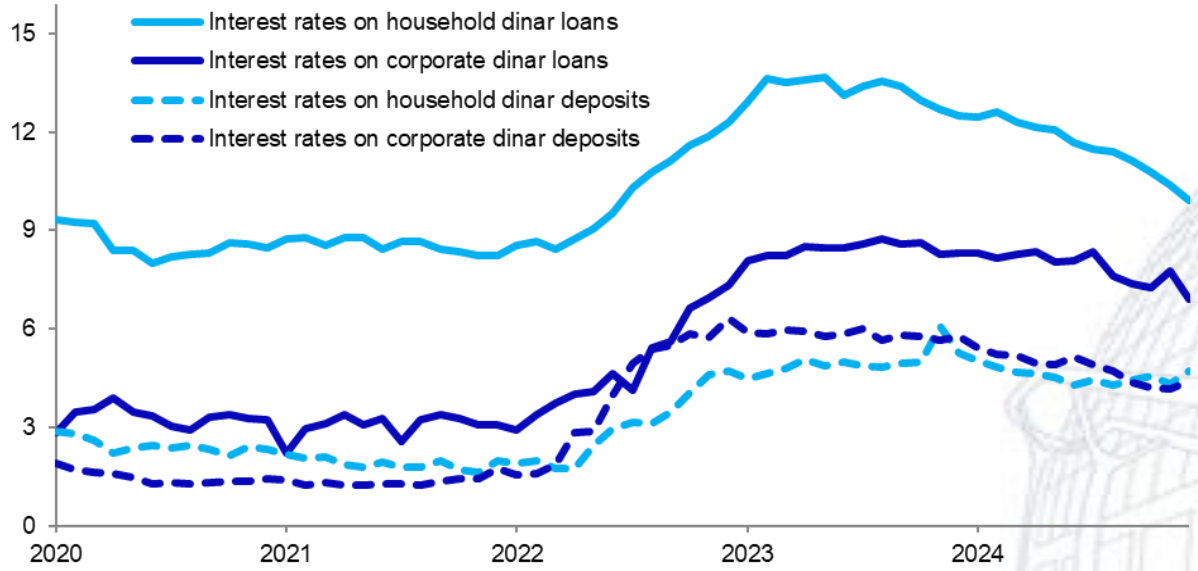
Policy rates across countries (annual, in %)



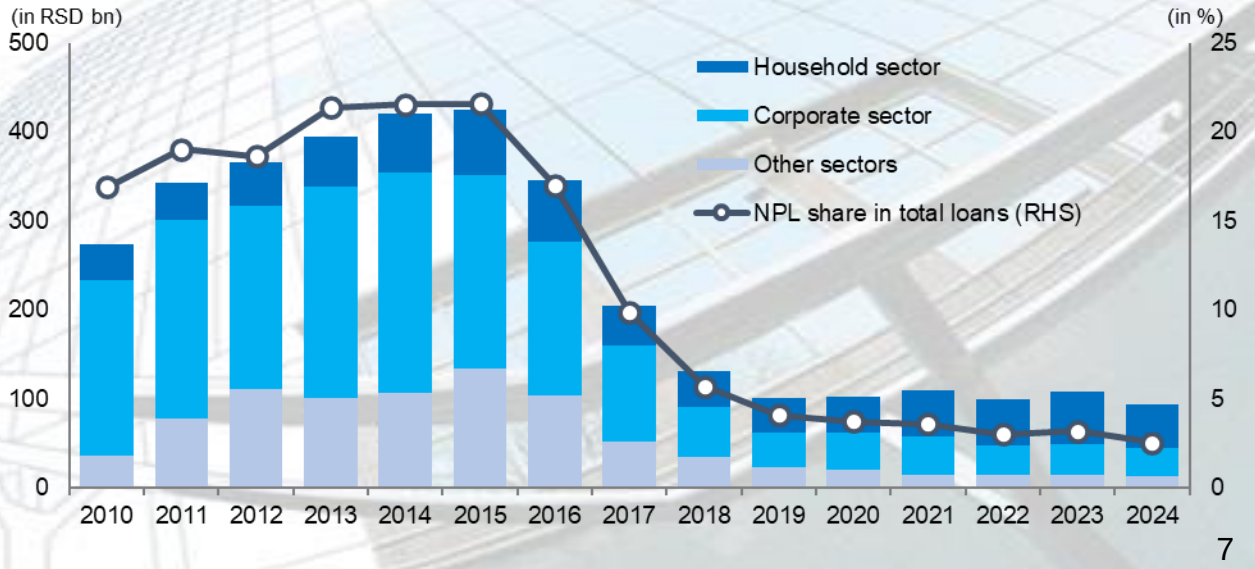
NBS monetary policy response – continued cautious approach (in %)



Interest rates on dinar loans and deposits, new business (in %)

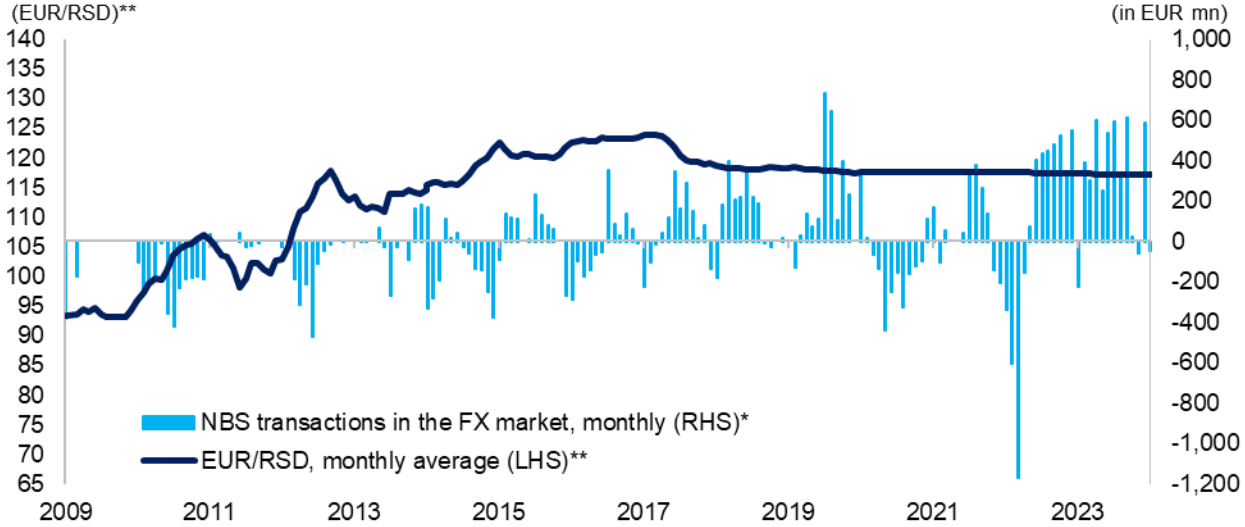


NPL ratio at lowest level (in %)



3 RESILIENCE OF THE SERBIAN ECONOMY (1/2)

Exchange rate movements and NBS interventions – maintained relative exchange rate stability



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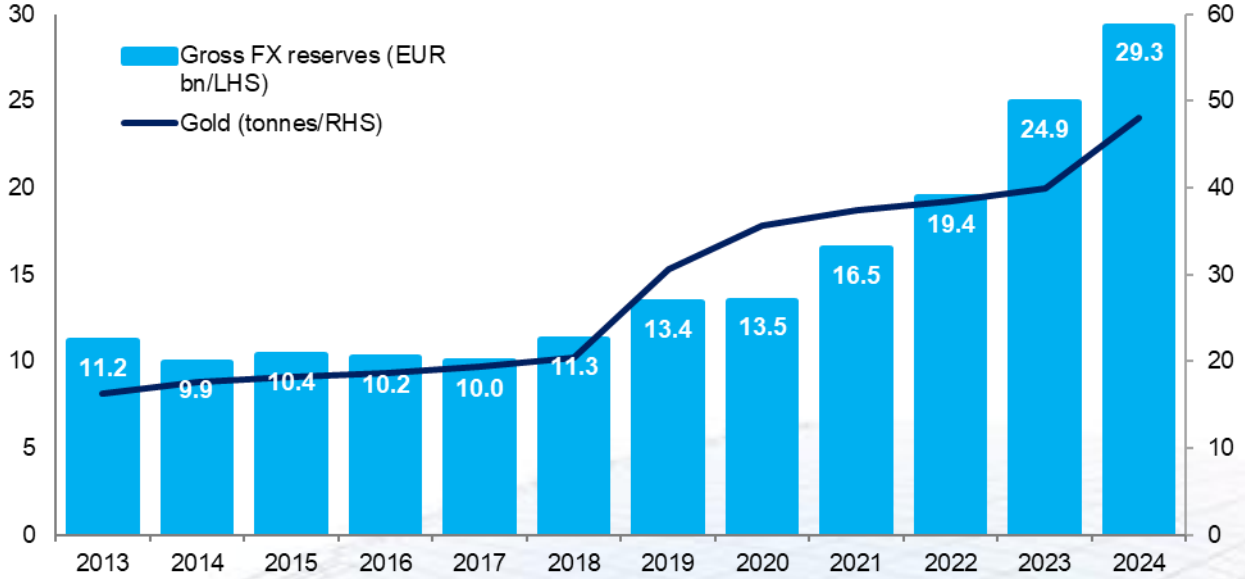
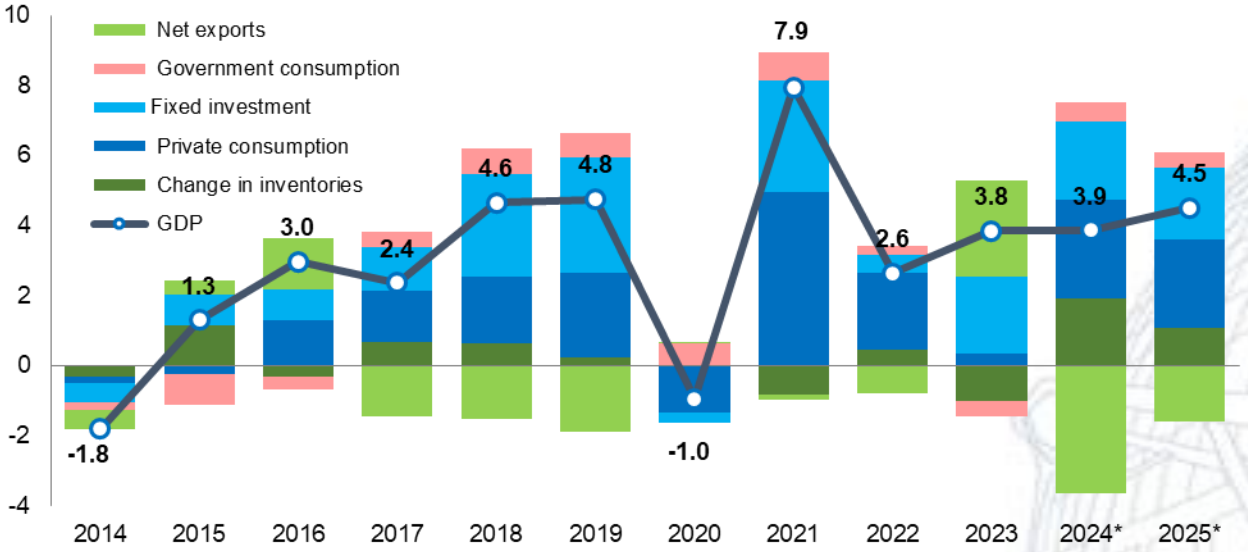
Record high FX reserves and growing share of gold holdings



Structure of GDP growth (in % and pp)

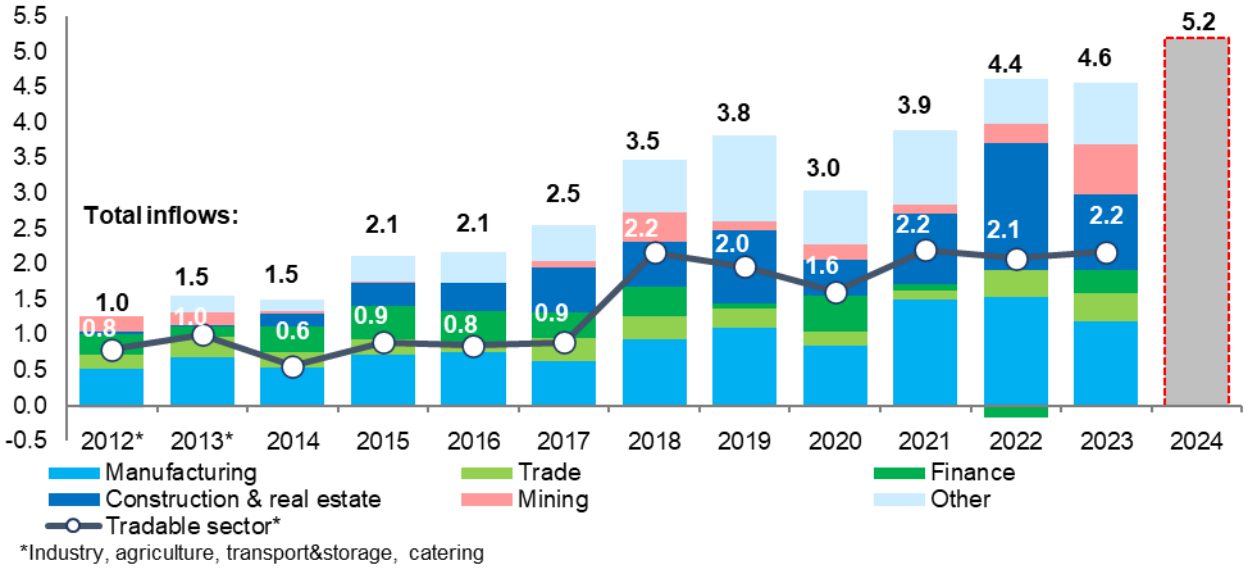


* NBS estimate

Vibrant growth in exports of goods and services (in EUR bn)

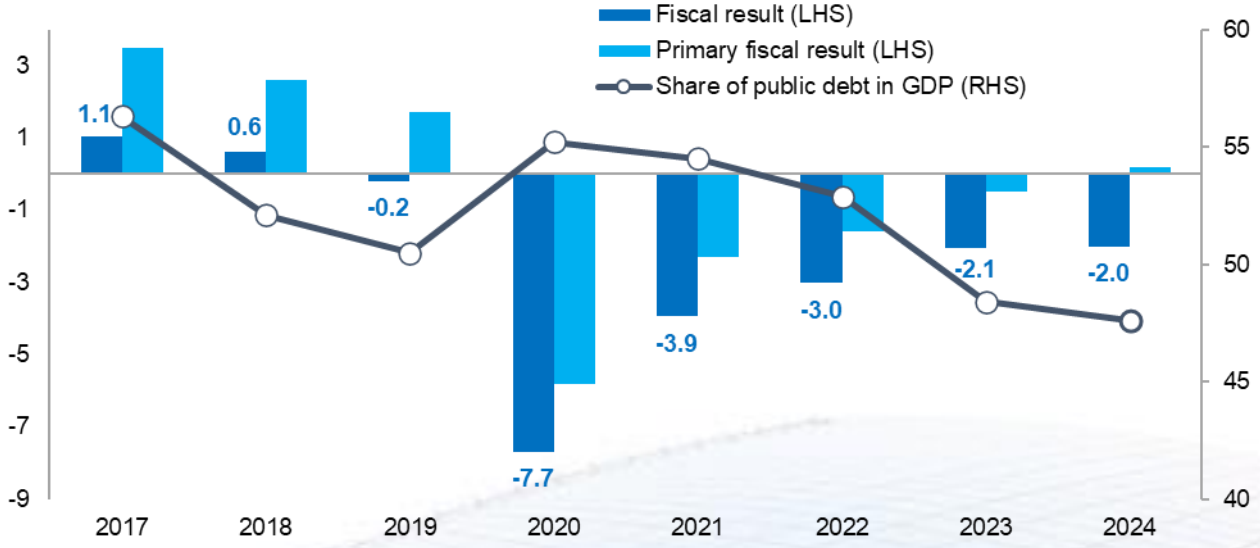
3 RESILIENCE OF THE SERBIAN ECONOMY (2/2)

Total FDI inflow and sector structure (in EUR bn)

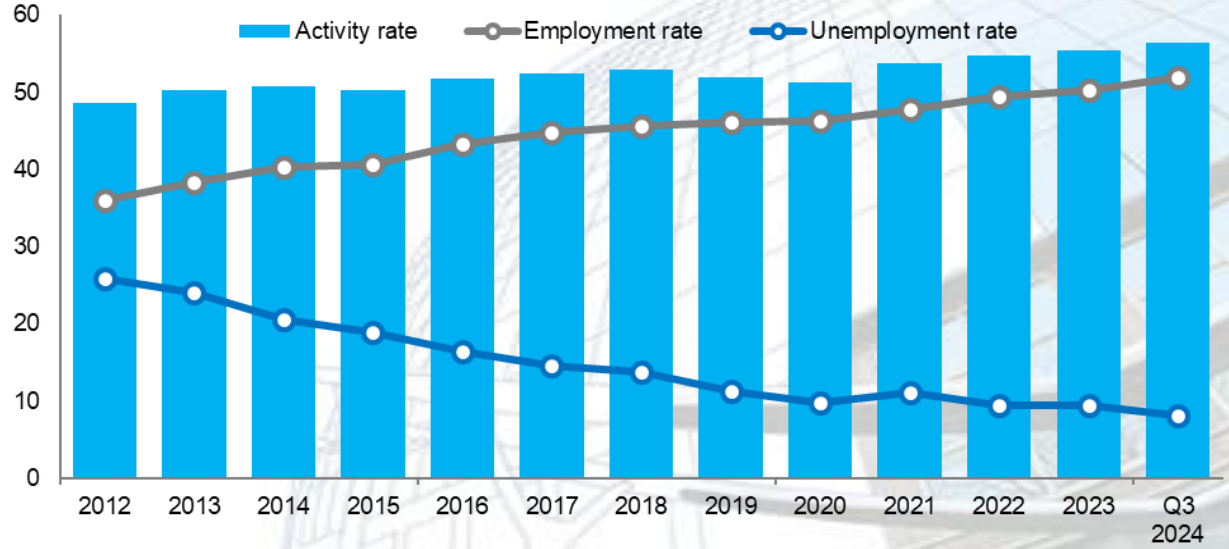


*Industry, agriculture, transport&storage, catering

Fiscal deficit and public debt (as % of GDP)

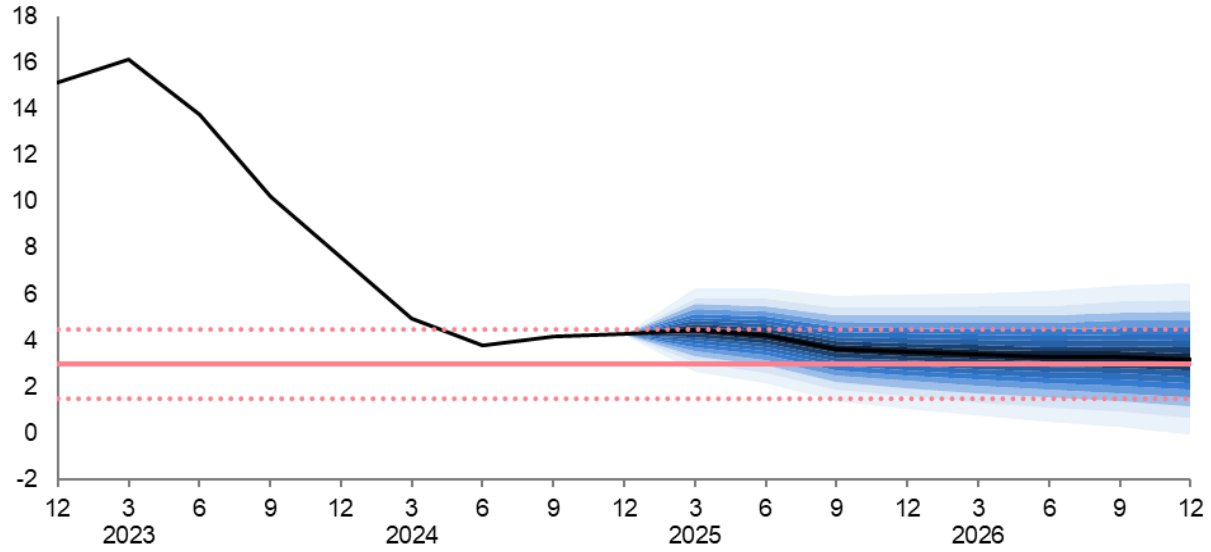


Labour market indicators (in %)

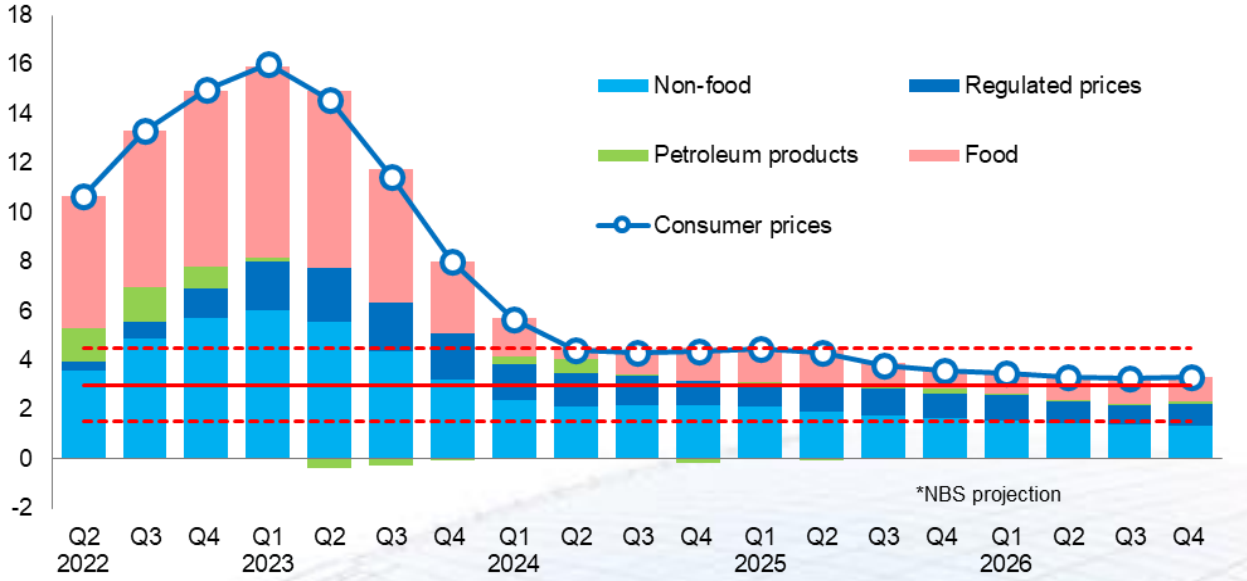


4 PROJECTIONS

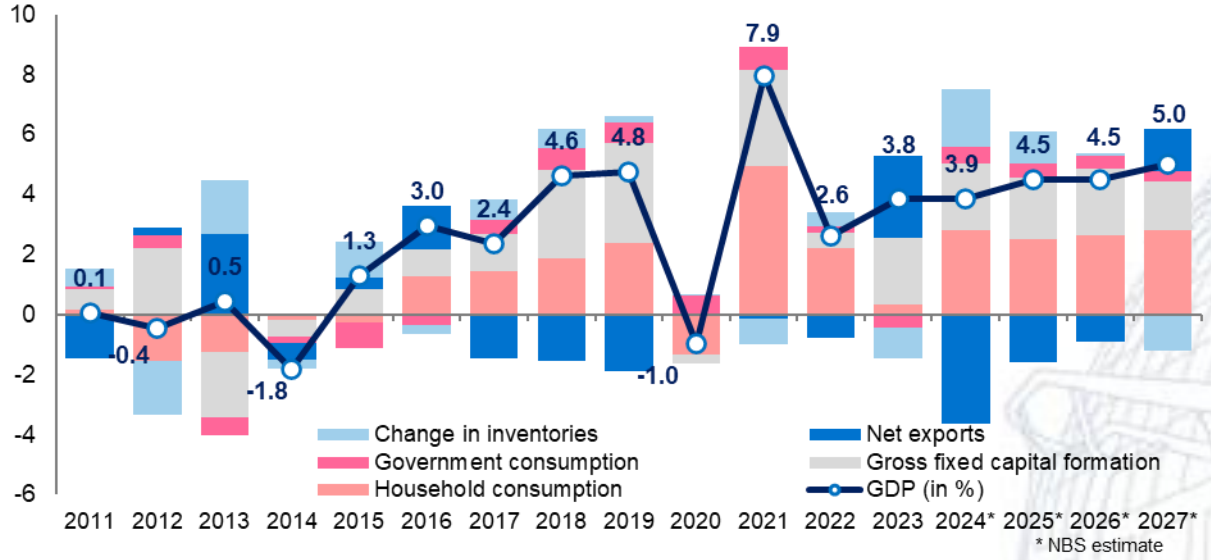
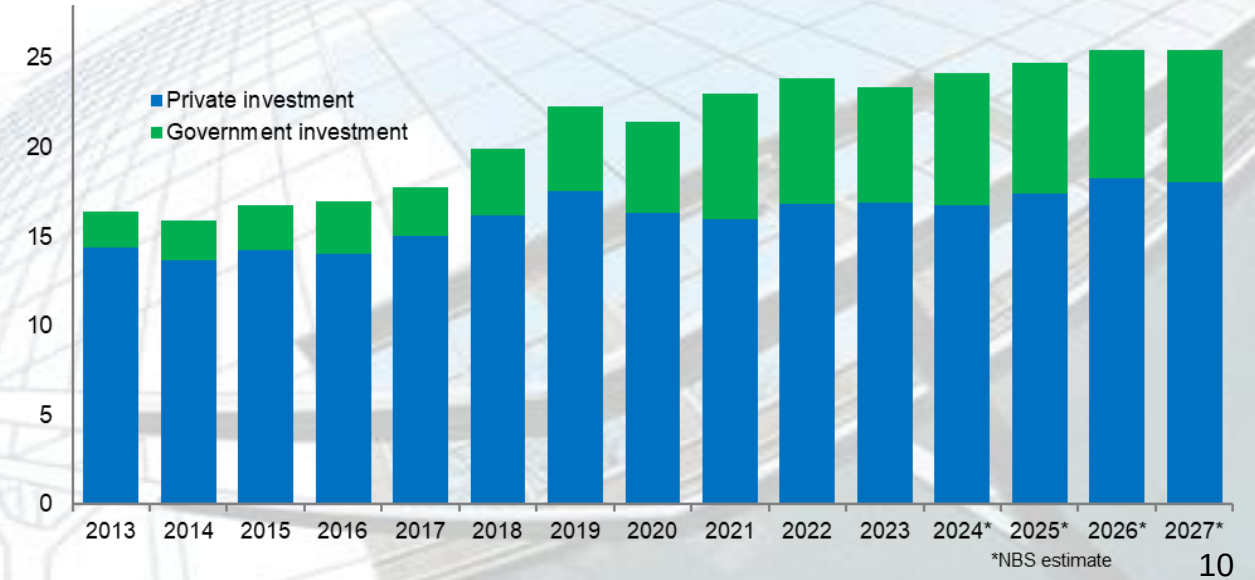
Inflation projection (y-o-y rates, in %)



Contributions to inflation (y-o-y rates, in %)



Contributions to expected high real GDP growth, expenditure side (in pp)



Growing share of investment in GDP (in %)