

Country Overview

➤ SERBIA



General information

Capital:	Belgrade
Population (excl. Kosovo):	7.058.322
Land area (excl. Kosovo):	77.589 km ²
Official language:	Serbian
Currency:	Serbian dinar (RSD)

Politics

Government type:

Unitary parliamentary constitutional republic

Legislature:

National Assembly

Head of state:

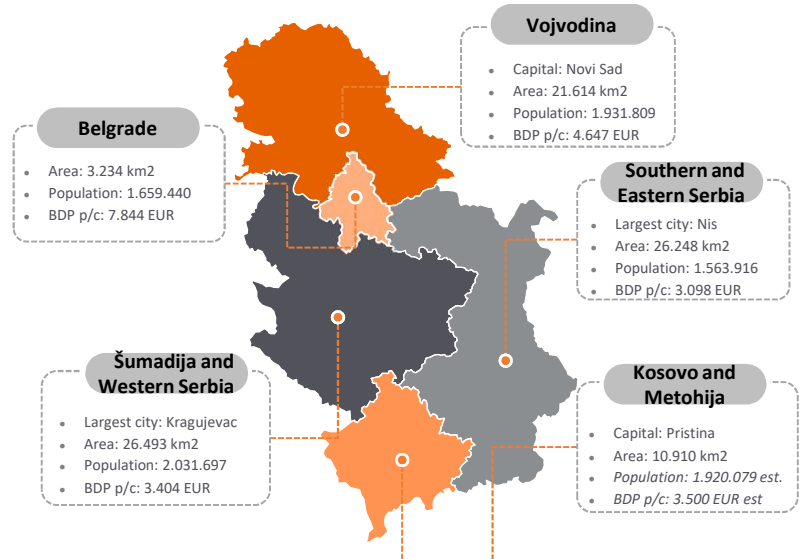
Aleksandar Vučić

Head of Government:

Ana Brnabić

Legal system:

Civil law system



- **Republics of Serbia and Montenegro** declared a new **Federal Republic of Yugoslavia (FRY)** in April 1992. In 2003, the FRY became the **State Union of Serbia and Montenegro**, a loose federation of the two republics.
- In June 2006, **Montenegro declared itself an independent nation**, while in 2008 **Kosovo declared itself independent of Serbia** - an action Serbia refuses to recognize.
- Unicameral **National Assembly** or **Narodna Skupstina** (250 seats; members directly elected by party list proportional representation vote in a single nationwide constituency to **serve 4-year terms**).

Economic indicators

	2012	2013	2014	2015	2016	2017
Nominal GDP (EURm)	27.914	27.400	36.627	26.594	26.566	36.795
Real GDP growth (%)	-0,3	-1,0	0,3	0,6	0,0	1,8
Annual inflation (%)	7,3	7,9	2,1	1,4	1,1	3,2
Unemployment rate (%)	23,9	22,1	19,2	17,7	15,3	13,5
Fiscal Balance (% of GDP)	-7,8	-6,8	-8,3	-4,6	-1,7	1,2
Current account balance (% of GDP)	-13,2	-7,7	-7,5	-5,9	-4,0	-5,7

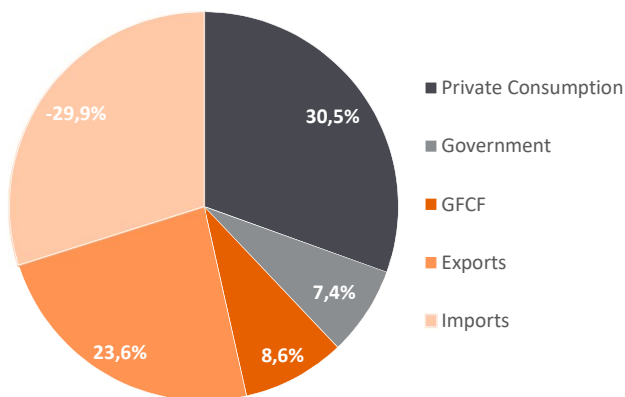
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- Serbia has a **transitional economy** largely dominated by market forces, but the state sector remains significant in certain areas. The economy relies on **manufacturing and exports, driven largely by foreign investment**. Serbia has made some progress towards **EU membership** and as of December 2017, **Serbia had opened 12 negotiating chapters**.
- Major economic challenges ahead include: stagnant household incomes; the need for private sector job creation; structural reforms of state-owned companies; strategic public sector reforms; the need for new foreign direct investment; inefficient judicial system, high levels of corruption, and an aging population.
- Factors favorable to Serbia's economic growth include the **economic reforms it is undergoing as part of its EU accession process and IMF agreement**, its **strategic location**, a relatively **inexpensive and skilled labor force**, and **free trade agreements with the EU, Russia, Turkey, and countries that are members of the CEFTA**.

Share of GDP (2017)



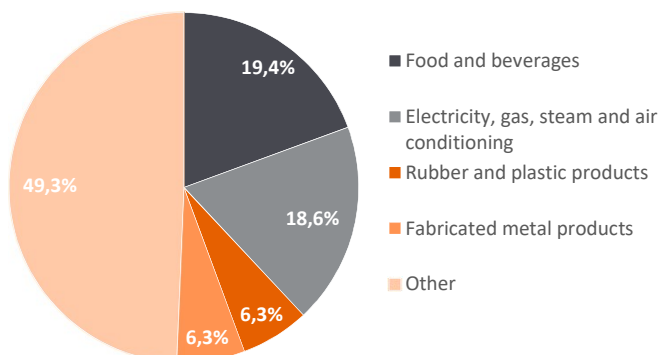
Ease of doing business (2018)

Rank (best 1, worst 190)

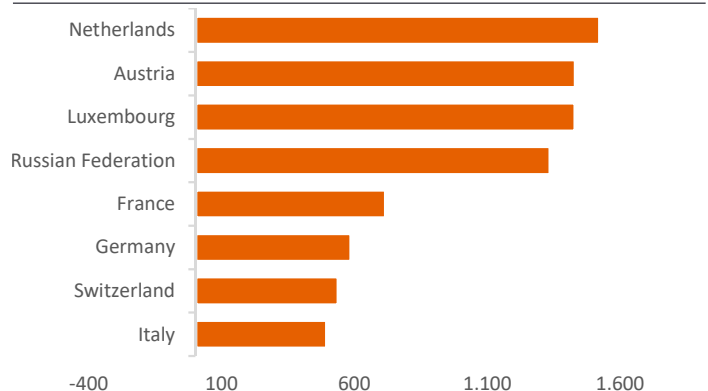
Ease of doing Business	43
<i>Starting a business</i>	32
<i>Dealing with construction permits</i>	10
<i>Getting electricity</i>	96
<i>Getting credit</i>	55
<i>Paying taxes</i>	82
<i>Trading across border</i>	23
<i>Enforcing contracts</i>	60
<i>Resolving insolvency</i>	48

Industry, trade and investments

Industry share by KD (% , 2016)



Investment inflow by the country of origin(2010-2016, EURm)



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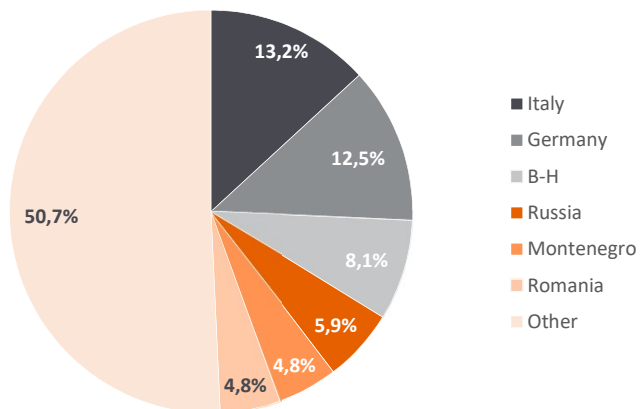
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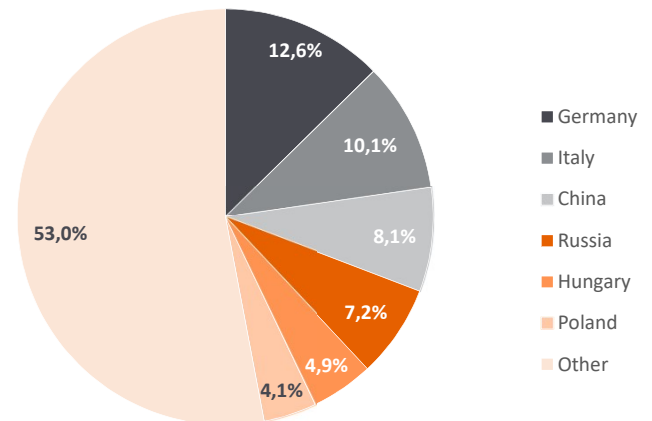
Foreign trade

EURm	2012	2013	2014	2015	2016	2017
Exports	8.738	10.996	11.159	12.039	13.432	15.047
Imports	14.712	15.468	15.491	16.087	17.068	19.419
Trade deficit	-5.974	-4.472	-4.332	-4.048	-3.636	-4.372
Import Coverage	59,39	71,10	72,04	74,84	78,80	77,49

Main export partners (% , 2017)



Main import partners (% , 2017)



Major Exports Products (2017)

	USDm
Wiring sets for planes, vehicles and ships	784,0
Cars, diesel, up to 1500cm3	444,9
New external pneumatic tires for cars	427,5
Refined copper	349,6

Major Import Products (2017)

	USDm
Crude oil and bituminous minerals	935,7
Other parts for motor vehicles	839,7
Pharmaceutical products for retail sale	569,3
Natural gas in gaseous state	443,6

Credit rating

BB / stable outlook	Ba3/ stable outlook	BB / stable outlook
Standard & Poors	Moody's	Fitch
December 15, 2017	March 17, 2017	December 15, 2017