TRENDS

Q1 Q2 Q3 Q4

Q2

TRENDS

✍ INTRODUCTION

The Statistical Office of the Republic of Serbia, main producer and disseminator of statistics, publishes a large number of releases, indicators, bulletins, etc. A multitude of publications often gives rise to confusion with users who, on the other hand, use data to assess their performances and adapt them to other economic subjects and trends.

As many users, apart from specialists, are statistically and economically illiterate, they may be confused by the diversity of data, unable to understand and prioritise them correctly, which often results in reluctance towards information.

As the statistical system is very complex and generalised, designed to meet the specific sub-sector needs for information, statistical data are often incomprehensible in modern society. Informing the users with „dry" statistical data is often not sufficient as they provide only a partial picture about macroeconomy. Namely, it has been proved that traditional concepts of data (tables, statistical releases, etc.) do not facilitate quick understanding of the socio-economic reality and fail to transmit the key message, particularly when there is a large amount of data.

Having in mind all the above and following world trends in presenting statistical data, as well as the interest shown by professionals, the redesigned Trends traditionally provide quarterly and annual data, but also use new concepts of presenting the most important economic signals via modern and advanced graphical solutions for presenting and dissemination.

The issue for the second quarter of 2024 presents a review of major economic trends in this period: Gross domestic product, Industrial production, Construction, External trade, Domestic trade, Prices, Labour market, Salaries and wages, Tourism, Economic Sentiment Indicator, Regional economic asymmetries and Agriculture. We publish for the first time in this issue of *Trends* two new chapters: Business services and Transport and telecommunication, which will be regular chapters from now on.

As always, this issue presents also the forecasts of trends in certain areas in the next period, obtained under ARIMA forecasting models (in the following sections: Industry, Domestic trade and External trade). A set of composite leading indicators, which can anticipate with high reliability the cyclical movements, and serve short-term forecasts, is presented in the section Macroeconomic forecasts.

Since 1999, the Statistical Office of the Republic of Serbia has no available data for AP Kosovo and Metohia, therefore they are not included in the data for the Republic of Serbia (total).

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1. MACROECONOMIC FORECASTS

The developed SORS system of leading composite indicators is, on average, one to two quarters at most ahead of economic activity cycles. When combined with econometric models it allows making a quantitative evaluation of the dynamics of the growth rate of economic activity in the short term. The results of the forecast of the leading indicators of consumer prices, inflation expectations, industry GVA, service GVA and construction GVA are presented below.

1.1. FORECAST OF CONSUMER PRICE TRENDS[1]

99.1%
LIKELYHOOD
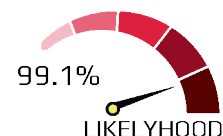
Chart 1.1. Comparison of the cycle of the SORS **consumer price leading composite indicator** (SORS CPI) and total consumer prices in the Republic of Serbia; seasonally adjusted, detrended and standardised data, deviations from the average for the period, Q1 2007 – Q4 2024 (%)
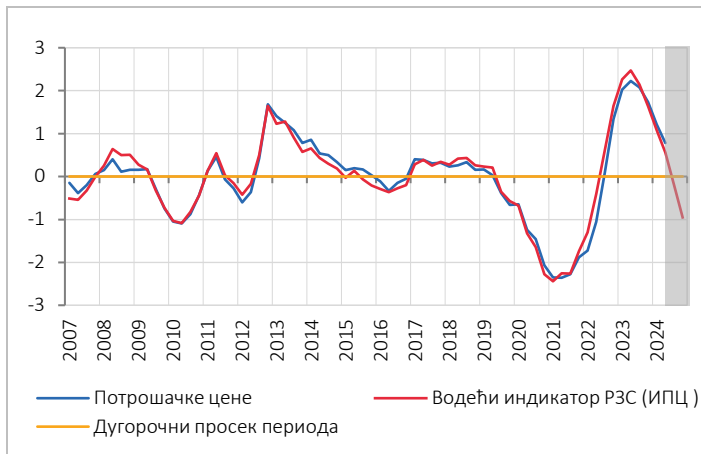
Chart 1.2. Year-on-year consumer price rates, original and estimated (forecast) values according to the **model of inflation expectations,** Q1 2019 – Q4 2024 (%)

Потрошачке цене   Водећи индикатор РЗС (ИПЦ)
Дугорочни просек периода

Original data
Model-based forecast

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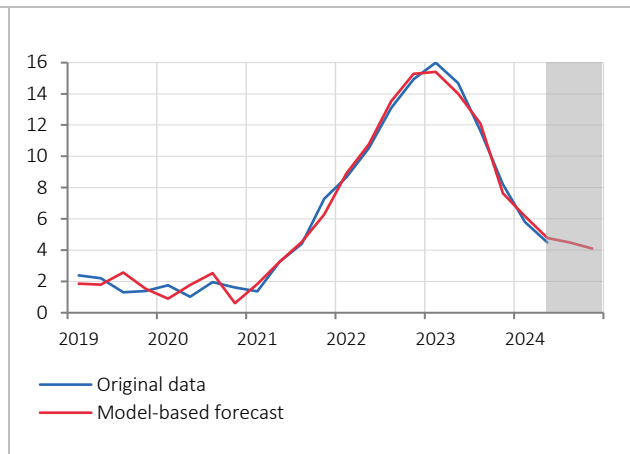
[1] The leading SORS consumer price indicator (SORS CPI) is a result of a research and analytical work by the SORS. The indicator consists of the coverage of previously developed composite food price indicators (IPC-H, i.e. CPI – F), fuel price (IPC-G,, i.e. CPI-F) and tobacco price (IPC-D, i.e. CPI-T), as the largest generators of inflation on the long-term. Taking into account the considerable change in the structure of consumer prices when generating the year-on-year growth rate (primarily, the significant growth of the influence of its energy component starting from the second half of 2022), the SORS leading indicator of consumer price indicator (SORS CPI), the existing long standing biggest strategic elements of consumer price growth (food , tobacco and fuels for passenger cars), has been modified by directly including additional factors of price growth of electricity, gas and solid fuels.

Table 1.1. Realised and forecast year-on-year consumer price growth rates, %

| Quarter | Realised | Forecast | |
	Consumer prices, year-on-year growth rates, %	Model of the leading indicator (SORS CPI)	Model of inflation expectation
2023 Q1	16.0	16.0	14.9
2023 Q2	14.5	13.5	13.9
2023 Q3	11.4	12.6	12.1
2023 Q4	8.0	9.0	9.4
2024 Q1	5.7	5.3	5.9
2024 Q2	4.4	4.0	4.7
2024 Q3	(4.1)	3.9	4.9
2024 Q4	-	3.7	4.1

🔔 Note: The forecast values of the model of the leading indicator have been published in previous issues of *Trends,* while the forecast growth rates of the model of inflation expectations for the quarters of 2023 have been produced exceptionally on a "returned sample". **The results of the forecast of the model of the leading indicator have been given one quarter in advance to the current quarter, and of the model of inflation expectations two quarters in advance (without taking into account the current quarter), however in this September issue of** *Trends* **the forecast for both indicators was given only up to Q4 2024 in order to present the balance of the forecast for the whole 2024.** The data on the realised values of consumer prices in brackets (the first column of the table) in Q3 2024 has been preliminary estimated.

The results of the model for both indicators in Q4 2024 still indicate that inflation is calming down, but much slower than in the first half of 2024. In that sense, the signals of the model of the SORS CPI leading indicator express year-on-year growth rates of consumer price growth of about 3.7%, while those of the model of inflation expectations (of an average consumer and section of retail trade[2]) indicate year-on-year growth rates to about 4.1%. It is worth mentioning that in the last five quarters (specifically Q3 2023) the model of inflation expectations provided more cautious results than the model of the leading indicator, even though, on average, the forecast error of both models is similar, but in opposite directions. Therefore, the realised inflation fitted in the range of the results of both models. Mention must be made that the **analysis of the successive monthly year-on-year inflation dynamics** revealed that the year-on-year inflation in the months of 2023 (more precisely from April when contraction began) slowed down faster than in the months of 2024, almost twice more (1.9 times), facing permanently a lower year-on-year inflation base throughout the months of 2023.

The **announced measures of the action "the best price"** are expected to contribute to faster slowdown of the rise of consumer prices, which simulated preliminary effects are included in the presented models of the forecast of both indicators. Other **extenuating circumstances** refer to the price of fuel, which will take, based on the model and indicator of fuel price (SORS CPI-F, i.e. SORS CPI-G), a downward path until the end of 2024, so that it is expected to even experience a year-on-year fall (-2.4%). It is also worth mentioning that the effect of growth from November 2023 of the level of the prices of **electricity for households** and gas in Q4 2024 (more precisely in November and December) will completely vanish. Finally, **the growth of the price of tobacco (according to the anticipated calendar July growth of excises) was registered in data for August** (not in July, as in earlier years), which made the inflation of tobacco slow down additionally for one month, which reflected also on a somehow lower year-on-year rate of the price of tobacco in the whole 2024 to 7.9% (instead of 8.2%).

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[2] **Consumers' inflation expectation model** is based on numeration of consumers' perceptions, taking into accounts: respondents' age limit, level of income, educational level, type of occupation, working hours and sex. SORS carries out the survey of inflation expectations once a month, collects and process data by the methodology of the European Commission. Every month, consumers provide answers about their expected perceptions of the inflation of consumer prices in the next period, by choosing one of the following options: „risen a lot", „risen moderately", „risen slightly", „stayed about the same", „fallen" and „don't know".

Retail inflation expectations group monthly inflation expectations in the next period: with sale of food, non-food products, motor vehicles and fuels by retail supply chains in the sample. The combined indicator of the mentioned inflation expectations precedes consumer price trends by about 2 quarters.

1.2. FORECAST OF INDUSTRY GVA

98.2% LIKELYHOOD
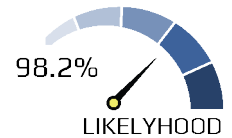
Chart 1.3. Results of the model of industry leading indicator (INDIPAS), original and model-based forecast of the annual growth rates of the physical volume of total industry, Q1 2001 – Q3 2024 (%)

Model-based data forecast — Industry, annual growth rate, %

Based on the September results of the model of the industry leading indicator, in Q3 2024 the year-on-year **GVA growth** was estimated at **about 3.0%**. Observed by purpose, it is expected that this year-on-year growth in Q3 2024 will be on the one hand generated by the growth of **manufacture of intermediate goods (except energy),** primarily in the divisions of manufacture of chemicals and chemical products, basic metals and manufacture of paper and paper products, and on the other hand by the growth of the **manufacture of capital goods,** in the divisions of manufacture of computers, electronic and optical products, motor vehicles and trailers, and manufacture of fabricated metal products, except machinery.

Chart 1.4. Comparison of realized and forecast annual industry GVA growth rates (%), Q1 2020 – Q2 2024

Realised — Forecast
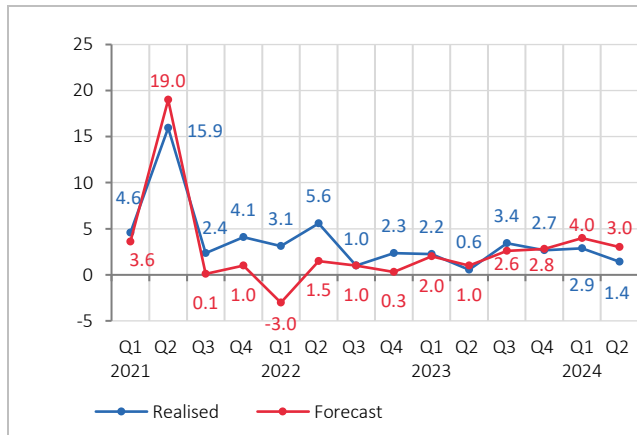
Chart 1.5. Mean Absolute Percentage Error - MAPE[3], forecasts of industry GVA growth rates (%), Q1 2020 – Q2 2024

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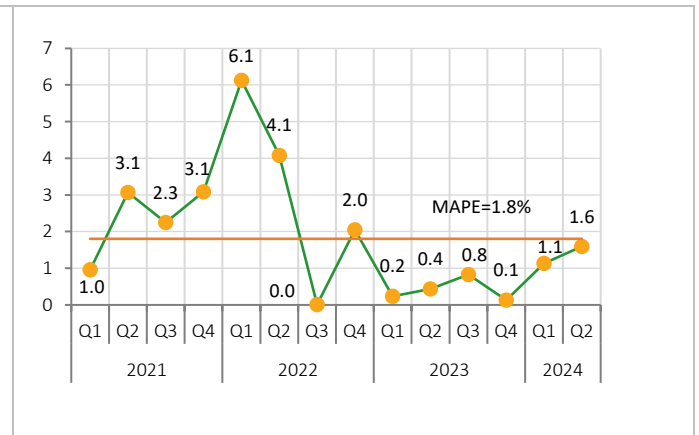
[3] Mean Absolute Percentage Error – MAPE is a measure of the simplified interpretation an error of a forecasting model in statistics. It is defined as the ratio

$$\text{MAPE} = \frac{100\%}{n} \sum_{t=1}^{n} \left| \frac{A_t - F_t}{A_t} \right|$$, where A т is the real value, and F т the forecast value. Their difference is divided by the real value A т . The absolute value of this ratio is added up for each forecast point in time and divided by the total number of time points n. **The relative deviation of the real values from the forecast ones by (+/-) 5% has been determined by the interval limit of validity of the given forecast (95-percentage indicator reliability interval), which we have defined after having derived MAPE as the likelihood of the model by the formula (v=100-(MAPE)) expressed in percentage.** Absolute values are non-negative values. The forecast values in the chart were published in the previous issues of *Trends*.

1.3. FORECAST OF SERVICE GVA TRENDS

99.0%
LIKELYHOOD
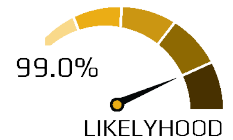
Chart 1.6. Comparison of the cycle of the service leading indicator GVA, seasonally adjusted, detrended, leveled out and standardised data, deviation from the average for the, Q1 2006 – Q2 2024 (%)

— Cycle of service GVA
— Cycle of the leading service indicator
— Long-term average for the period

The signals of the model of the service leading indicator indicate that there will be a year-on-year contraction of the service growth rate, **i.e. a growth of about 3.5% is expected in Q3 2024 and of 2.5% in Q4.** The main impulses of this growth are expected to come from the growth of **services of wholesale and retail trade** (except trade of motor vehicles), **architectural, engineering, technical testing and analysis services**, as well as in **computer programming, consultancy and related activities**. These four service activities have experienced a real rebound of activities and accounted for 53.4% of the annual service growth rate in the first half of 2024.

Chart 1.7[4] Comparison of realised and forecast annual service GVA, Q1 2020 – Q2 2024 (%)

— Realised — Forecast

Chart 1.8. Mean Absolute Percentage Error - MAPE, forecasts of service GVA growth, Q1 2020 – Q2 2024 (%)

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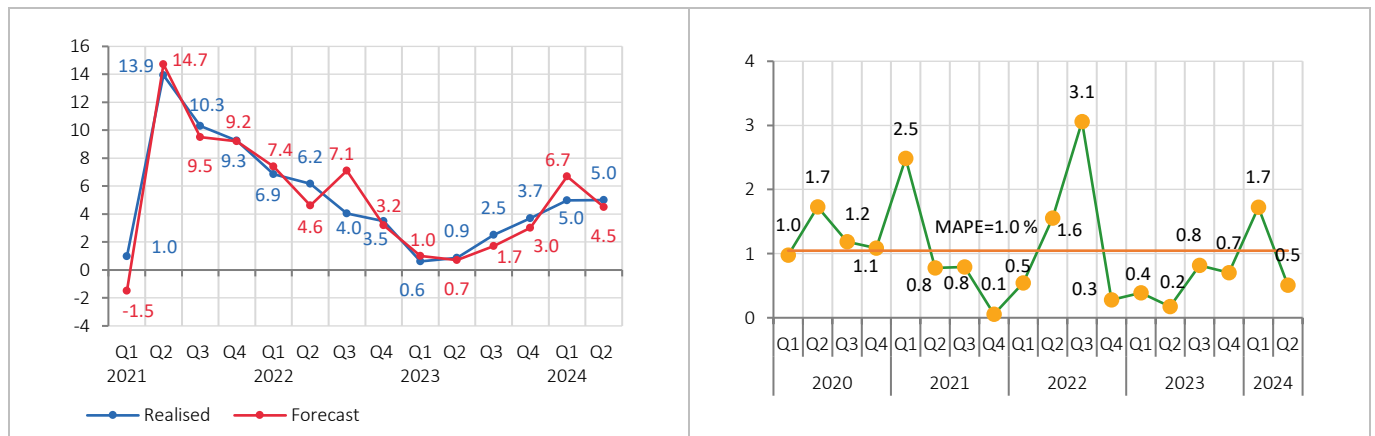
[4] The forecast values in the chart are always published one quarter before data are available, and are presented in the previous issues of Trends.

1.4. FORECAST OF CONSTRUCTION GVA TRENDS

93.8%
LIKELYHOOD
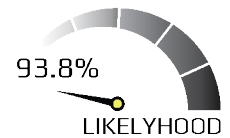
In the first half of 2024 the total construction activity (measured with the gross value added rate – GVA) amounted to 9.9%. When applying the model of construction GVA forecast a year-on-year growth rate of about 9.0% is expected in Q3 2024 (in Q4 about 14.5%), thus the expected annual construction GVA growth in 2024 would be about 11.0%. In the first half of 2024 the main driven force of the construction activity were the works on the **transport infrastructure** and **pipelines, communication and electrical power lines,** i.e.: construction of the Fruska Gora corridor (section Novi Sad – Ruma), construction of the Morava corridor and works on the modernisation of the railway line of the Hungary and Serbian railway. Added to this, there are also works on the construction of pipelines, power transformation stations, communal infrastructure, water treatment (in the scope of the project "Clean Serbia"), etc.

Table 1.2. Structure of the contribution to the annual construction GVA growth rate

	2022				2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Construction GVA, annual growth rate, % (1+2)	-5.6	-6.8	-12.1	-12.5	-1.7	14.7	13.0	7.5	13.7	7.2	-	-
1. Buildings, pp. (1a+1b)	*-5.2*	*-2.6*	*-6.3*	*-4.4*	*-10.9*	*4.9*	*3.5*	*0.5*	*3.1*	*-0.4*	*-*	*-*
1a. Residential buildings	*-5.9*	*-1.5*	*-2.0*	*-0.1*	*-3.9*	*2.2*	*2.2*	*0.9*	*2.3*	*-0.7*	*-*	*-*
1b. Non-residential buildings	*0.7*	*-1.1*	*-4.3*	*-4.3*	*-6.9*	*2.2*	*-0.5*	*-1.0*	*0.8*	*0.3*	*-*	*-*
2. Other buildings, pp. (2a+2b+2c+2d)	*-0.4*	*-4.2*	*-5.8*	*-8.1*	*9.2*	*9.9*	*9.4*	*7.0*	*10.6*	*7.6*	*-*	*-*
2a. Transport infrastructure	*4.3*	*-1.8*	*-2.7*	*-6.2*	*8.9*	*4.4*	*6.7*	*5.0*	*8.0*	*4.8*	*-*	*-*
2b. Pipelines, communication and electric power lines	*-5.5*	*-2.4*	*-3.8*	*-3.6*	*0.6*	*2.0*	*2.5*	*3.0*	*1.9*	*3.0*	*-*	*-*
2c. Complex construction on building sites	*0.0*	*-0.1*	*1.0*	*2.0*	*0.3*	*2.6*	*-0.3*	*-1.1*	*0.4*	*-0.1*	*-*	*-*
2d. Other civil engineering, not elsewhere classified	*0.8*	*0.0*	*-0.3*	*-0.3*	*-0.7*	*0.9*	*0.6*	*-0.1*	*0.3*	*-0.1*	*-*	*-*
Contribution to construction GVA growth rate, pp.	*-0.3*	*-0.4*	*-0.8*	*-0.9*	*-0.1*	*0.8*	*0.7*	*0.5*	*0.6*	*0.4*	*-*	*-*

Chart 1.9. Comparison of realized and forecast[5] annual construction GVA growth rates (%)
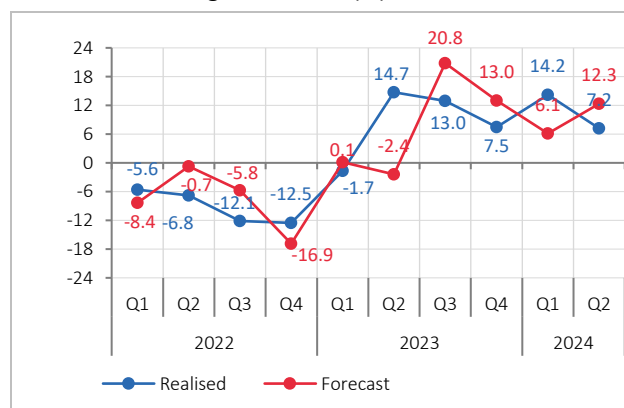
Chart 1.10. Mean Absolute Percentage Error - MAPE, forecasts of the construction GVA growth, Q1 2020 – Q2 2024 (%)
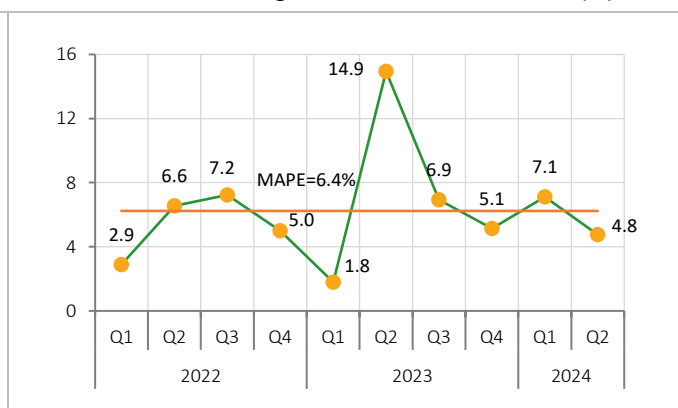
1.5. SUMMARY OF OBTAINED RESULTS OF LEADING INDICATORS BY GVA SECTOR FOR FOR FOR Q3 2024

Table 1.3. Forecast of GVA of selected sections and their estimated contribution to GDP, Q3 2024

Q3 2024	Agriculture	Net taxes	Industry	Construction	Services
Quarterly growth rates, %	-4.0	2.4	3.0	9.0	3.5
Contribution to the growth rate of GDP (pp.)	-0.2	0.4	0.6	0.5	1.8

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[5] The forecast data presented in graph 1.10 was obtained by simulating the forecast based on the returned sample from Q1 2022 (by successively repeating the forecasting procedure after each "new" data of the leading indicator of construction activity SORS GRIPAS). The data for Q4 2022 was officially published in the previous (December 2022) issue of Trends.

Macroeconomic forecasts

2. GROSS DOMESTIC PRODUCT

In the second quarter of 2024, GDP real increase of 4.0% was recorded relative to the same period last year. The dominant growth carrier in this quarter related to the section of services, excluding trade, with 1.7 p.p.

Observed by expenditure aggregates, in the second quarter of 2024, relative to the same period last year, household consumption recorded real growth of 4.7% and positively contributed to GDP trend with 3.3 p.p. Gross fixed capital formation recorded real growth of 8.5%, relative to the same period of the previous year (GDP contribution of 1.9 p.p.). Export and import increased by 4.4% and 8.5% and resulted in contribution to GDP trend with 2.6 p.p. and 5.5 p.p., respectively (Table 2.1).

Table 2.1. GDP – expenditure aggregates, real inter-annual growth rates, Q1 2022 – Q2 2024 (%)
(comparison with the same period of the previous year)

	2022				2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
GDP	**4.4**	**4.0**	**1.3**	**0.8**	**0.9**	**1.6**	**3.6**	**3.8**	**4.6**	**4.0**
Household consumption	7.0	4.2	3.5	1.5	0.0	-0.7	1.4	2.6	4.4	4.7
Government consumption	2.5	5.0	-3.8	-1.8	-5.1	-1.6	1.8	5.9	3.6	4.5
Gross fixed capital formation	3.3	4.5	0.8	-0.3	2.1	3.7	4.1	5.2	7.5	8.5
Exports	18.5	20.5	16.2	12.1	8.4	2.7	-1.0	0.3	1.3	4.4
Imports	32.9	21.2	9.5	5.1	-1.6	-5.6	-1.3	4.2	3.5	8.5

Chart 2.1. Contributions to inter – annual GDP growth rate – expenditure aggregates (p.p.)
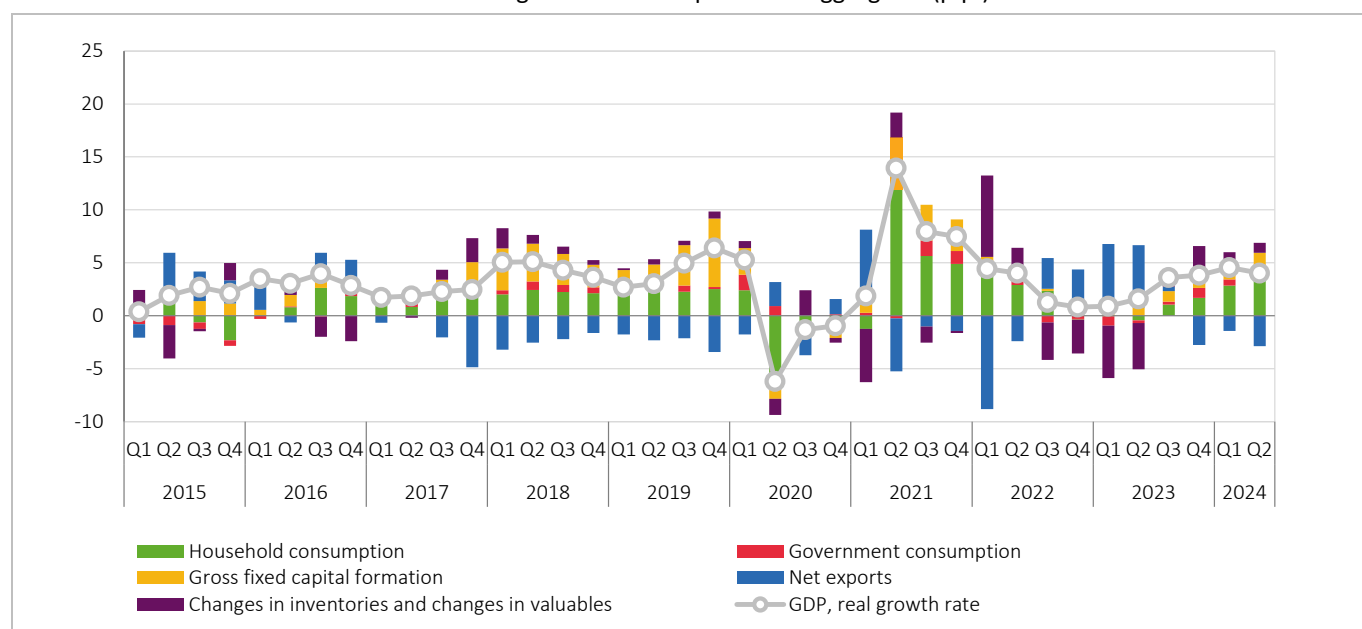
Observed from the **production side**, the greatest positive contribution to GDP increase in Q2 2024 resulted from increased activity in service section (excluding trade), 1.7 p.p.

Table 2.2. GDP– production side, real inter-annual growth rates, Q1 2022 – Q2 2024 (%)
(changes to the same period of the previous year)

	2022				2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
GDP	**4.4**	**4.0**	**1.3**	**0.8**	**0.9**	**1.6**	**3.6**	**3.8**	**4.6**	**4.0**
Agriculture	-8.3	-8.6	-8.5	-7.8	8.6	7.3	8.9	7.7	-3.7	-4.1
Industry and water supply	3.1	5.6	1.0	2.3	2.2	0.6	3.4	2.7	2.9	1.4
Construction	-5.6	-6.8	-12.1	-12.5	-1.7	14.7	13.0	7.5	13.7	7.2
Trade	7.2	4.9	2.5	-0.3	-3.0	-5.3	0.5	2.9	7.9	7.9
Services, excl. trade	6.8	6.5	4.5	4.6	1.7	2.7	3.1	3.9	4.1	4.2
Net taxes	6.7	3.9	1.4	-0.3	-1.2	0.0	0.7	1.7	3.3	3.7

Chart 2.2. Contributions to inter – annual GDP growth rate – production side (p.p.)

Gross domestic product
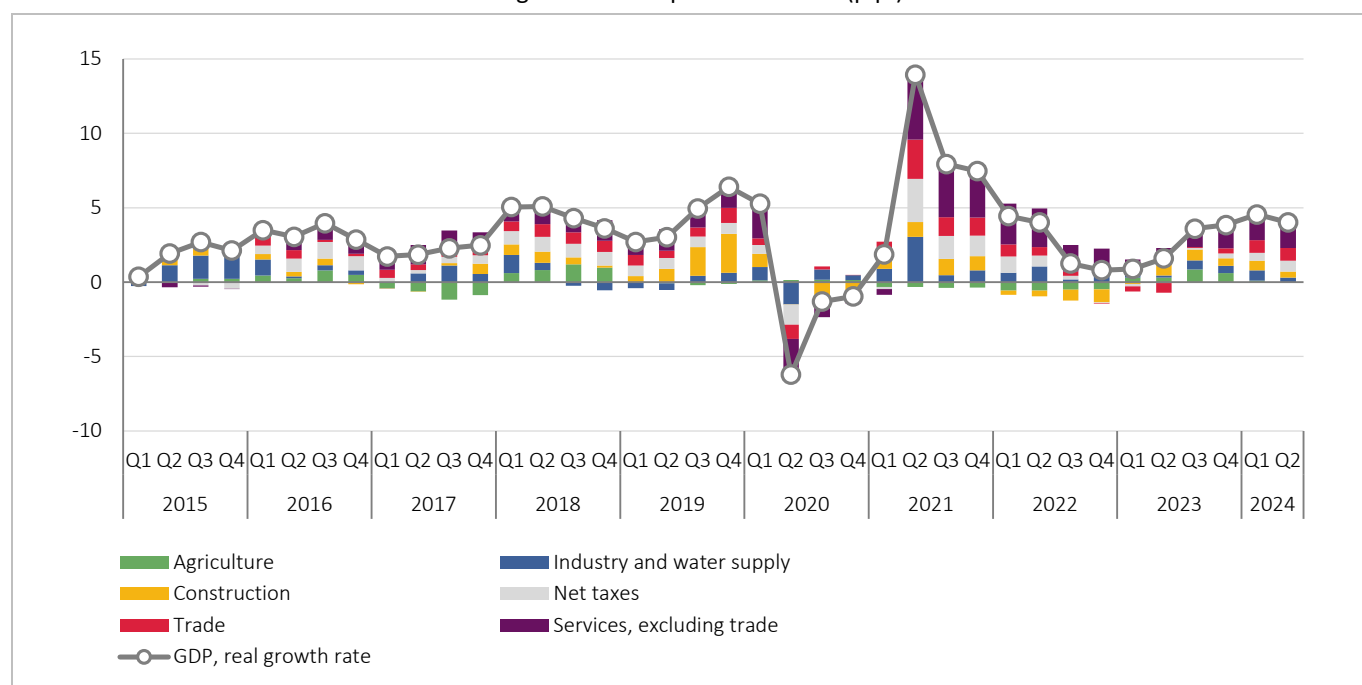
3. INDUSTRIAL PRODUCTION

3.1. TOTAL INDUSTRIAL PRODUCTION

Total industrial production in the Republic of Serbia, in the period January - June of 2024 increased by 2.1% relative to the same period of 2023. Growth was noted in the sections of *Manufacturing* (2.8%) and *Mining and quarrying* (10.5%), while *Electricity, gas, steam and air conditioning supply* recorded fall of -4.7%.

Chart 3.1. Cumulative trend of total industrial production and its sections, growth rates (%)
(January - June 2024 relative to January -June 2023)
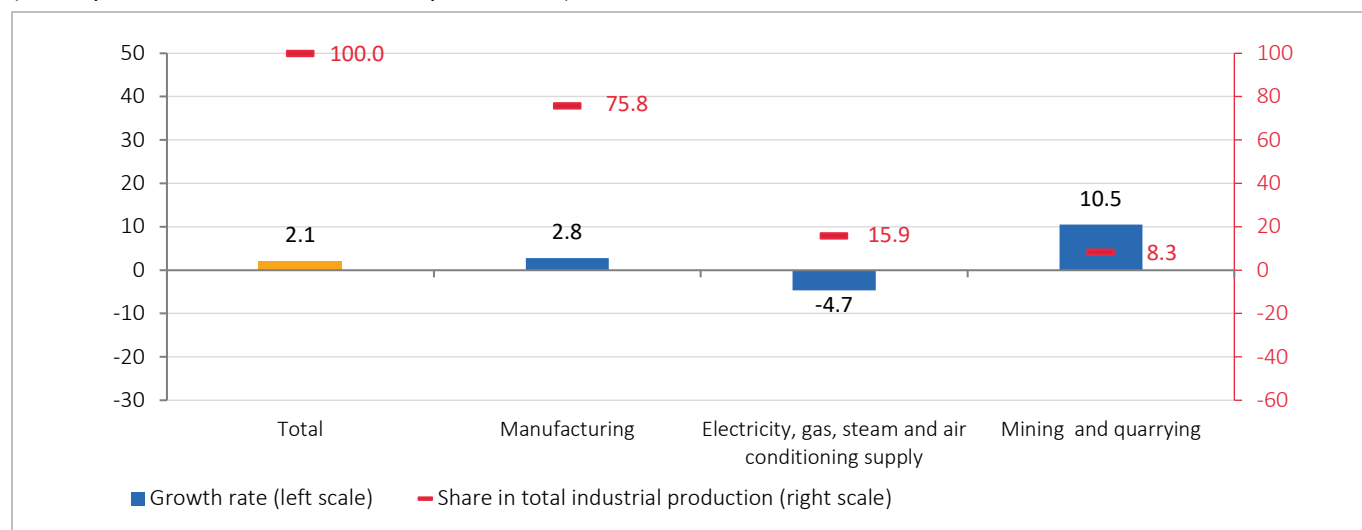
Chart 3.2. Industrial production growth rates by MIGs (%) (January - June 2024 relative to January - June 2023)
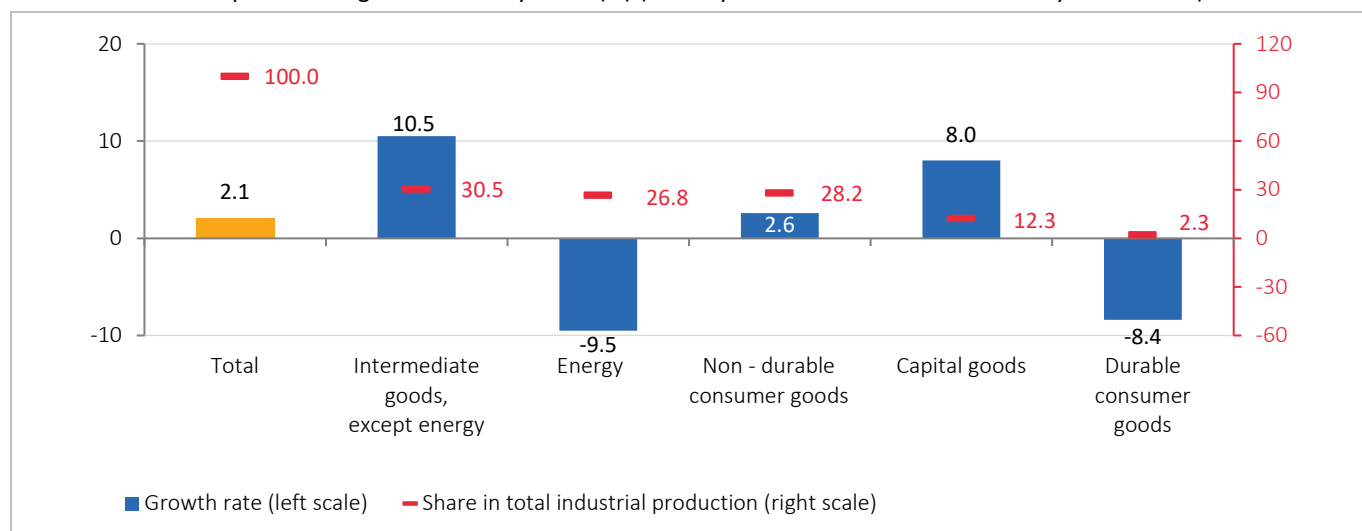
In the period January - June 2024 / January – June 2023, the section of **Manufacturing** contributed most to industry growth with 2.0 p.p., followed by **Mining and quarrying** (0.8p.p.), while **Electricity, gas, steam and air conditioning supply** recorded negative contribution to industry trend (-0.7 p.p.).

Table 3.1. Industrial production, indices (comparison with the same period of the previous year)

	2022				2023				2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q1-Q3[1]
Industrial production – total	101.9	104.8	99.4	100.7	102.5	100.9	103.7	102.8	102.9	101.3	**103.0**
Manufacturing	104.1	104.7	99.1	97.8	98.5	99.0	102.1	102.8	103.1	102.4	**103.5**
Electricity, gas, steam and air conditioning supply	80.9	91.8	95.8	106.2	118.6	114.8	111.1	106.6	100.3	89.4	...
Mining and quarrying	139.0	132.4	108.5	116.5	104.5	94.3	105.8	95.3	106.4	116.5	...

[1] Prognoses (obtained on the basis of time series analysis models).

3.2. MANUFACTURING (C) (share of 75.8% total industrial production index)

Trend-cycle component of Manufacturing in the second quarter of 2024, records increasing trend (chart 3.3).

Chart 3.3. Components of Manufacturing time series, indices (y – original series, sa – series with excluded seasonal component, t – trend-cycle component, average 2023 = 100)
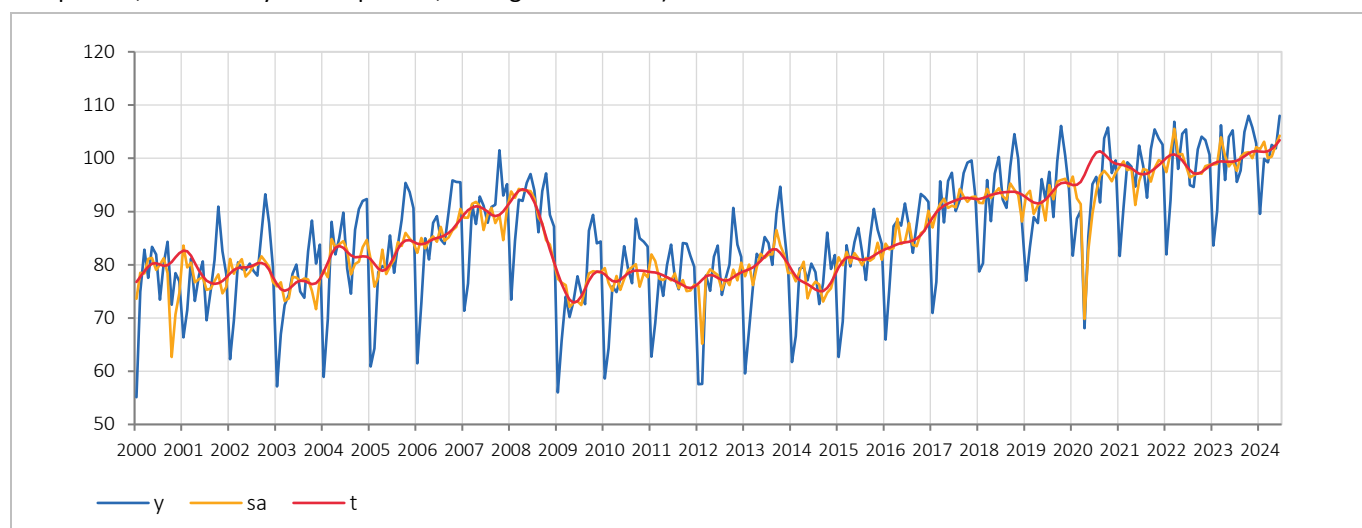
Observed by divisions, Manufacturing in the first half of 2024 increased in 13 out of 24 divisions (mutually participating with 41.6% in total industry), if compared with the same period of 2023. The most significant divisions – measured by the share in total industrial production - in which positive results were noted in the first half of 2024 were: Manufacture of food products (growth of 7.1%), Manufacture of metal products except machinery (growth of 10.5%) and Manufacture of motor vehicles and trailers (growth of 5.1%). In the division Manufacture of rubber and plastic products noted was the same increase as in the period January – June 2023.

Decrease was recorded in 10 divisions (mutually participating with 28.3% in total industry): Manufacture of coke and refined petroleum products (fall of -26.9%), Manufacture of basic pharmaceutical products and pharmaceutical preparations (fall of – 2.4%), and Manufacture of beverages (fall of -1.3%).

Chart 3.4. Manufacturing by divisions, cumulative growth rates (%) (January - June 2024 relative to January - June 2023); divisions are presented in ascending order according to shares in total industrial production)

Division	Share (%)	Cumulative growth
Repair and installation of machinery and equipment	0.6	11.3
Manufacture of leather and related products	0.7	3.0
Printing and reproduction of recorded media	0.7	5.4
Manufacture of textiles	0.8	-6.4
Other manufacturing	0.9	-5.1
Manufacture of wood and products of wood and cork, except furniture	0.9	-4.5
Manufacture of other transport equipment	0.9	8.0
Manufacture of computer, electronic and optical products	1.3	88.8
Manufacture of furniture	1.3	-3.7
Manufacture of tobacco products	1.7	2.4
Manufacture of wearing apparel	2.1	-7.1
Manufacture of paper and paper products	2.3	11.7
Manufacture of non-metallic mineral products	2.9	3.2
Manufacture of basic metals	3.1	42.9
Manufacture of chemicals and chemical products	3.3	-0.1
Manufacture of machinery and equipment n.e.c.	3.4	-12.0
Manufacture of electrical equipment	3.6	9.1
Manufacture of beverages	3.8	-1.3
Manufacture of motor vehicles, trailers and semi- trailers	3.9	5.1
Manufacture of basic pharmaceutical products and pharmaceutical preparations	5.0	-2.4
Manufacture of fabricated metal products, except machinery and equipment	5.1	10.5
Manufacture of rubber and plastic products	5.6	0.0
Manufacture of coke and refined petroleum products	6.9	-26.9
Manufacture of food products	14.9	7.1

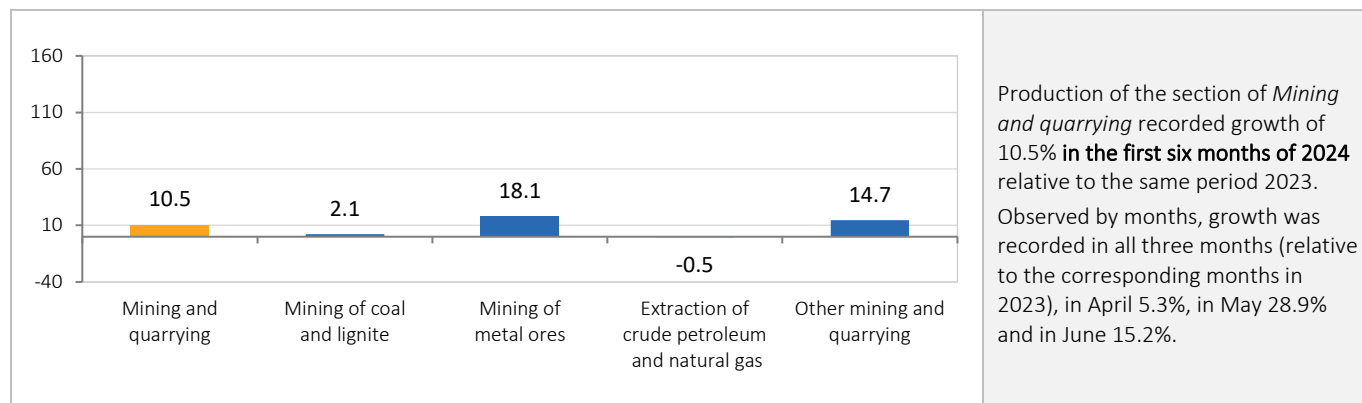## 3.3. ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY (D)
(share of 15.9% in total industrial production index)

Chart 3.5. Cumulative and year-on-year growth rates in energy section (%) (cumulative – period relative to the same period of the previous year; year-on-year – month relative to the same month of the previous year)

Section of *Electricity, gas, steam and air conditioning supply* recorded fall of 4.7% in **the first six months of 2024** relative to the same period of 2023.
In the second quarter of 2024 production decreased in all three months (relative to the same months 2023): in April (-15.0%), May (-9.1%), and in June (-7.6%).
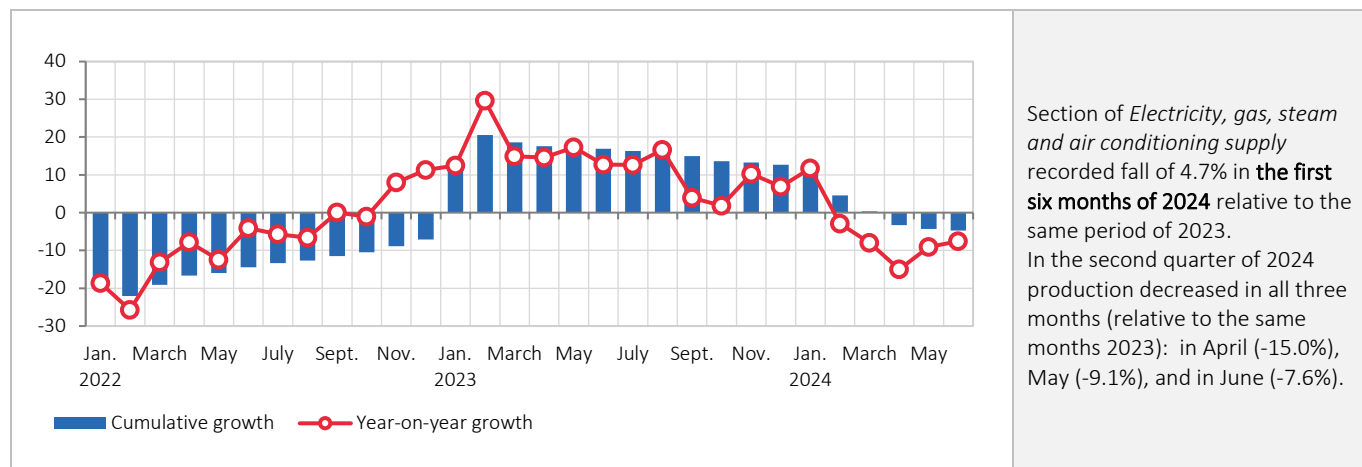
3.4. MINING AND QUARRYING (B) (share of 8.3% in total industrial production index)

Chart 3.6. Cumulative growth rates in Mining and quarrying section (%) (January - June 2024 relative to January - June 2023)

Production of the section of *Mining and quarrying* recorded growth of 10.5% **in the first six months of 2024** relative to the same period 2023.
Observed by months, growth was recorded in all three months (relative to the corresponding months in 2023), in April 5.3%, in May 28.9% and in June 15.2%.

🔊   HOW TO INTERPRET THE SERIES?

Seasonal effects can provoke distortions in time series trend, and in such way camouflaging its "real" nature and significant characteristics necessary for precise and detail analysis of the phenomena. When selecting the indicators that will be used for analysis (original, seasonally adjusted or trend), the nature of the observed series and point of the performed analysis should be taken into account. Three separate components (obtained by series' disaggregation), together with the original series, describe various aspects of a single phenomenon and are used for versatile analytic purposes – depending on the researcher's interest. Seasonally adjusted values are used for comparison of the consecutive periods and for estimation of potential value of a series when calendar effects and season effects would not exist, as is the case with industrial production.

4.   CONSTRUCTION

4.1. CONSTRUCTION ACTIVITY

In the second quarter 2024 construction activity on the territory of the Republic of Serbia, compared to the same period 2023 increased by 14.9% at current prices, while the increase at constant prices amounted to 10.2%.

Observed by type of constructions, the value of construction works on buildings decreased by -1.4%, and on civil engineering (transport infrastructure, pipelines, complex industrial constructions, etc.), increase amounted to 16.6%, at constant prices.

Table 4.1. Value of performed construction works, quarterly indices (%) (comparison with the same period of the previous year)

	2022				2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Current prices	110.3	108.4	102.7	99.9	109.2	121.1	119.3	113.9	122.0	114.9
Constant prices	94.1	91.2	86.5	86.3	99.5	117.9	115.8	111.1	118.3	110.2

Chart 4.1. Components of time series of Indices of performed construction works on the territory of the Republic of Serbia, at constant process, indices (u – original series, sa – series with excluded seasonal component, t – trend cycle component average 2021 = 100)
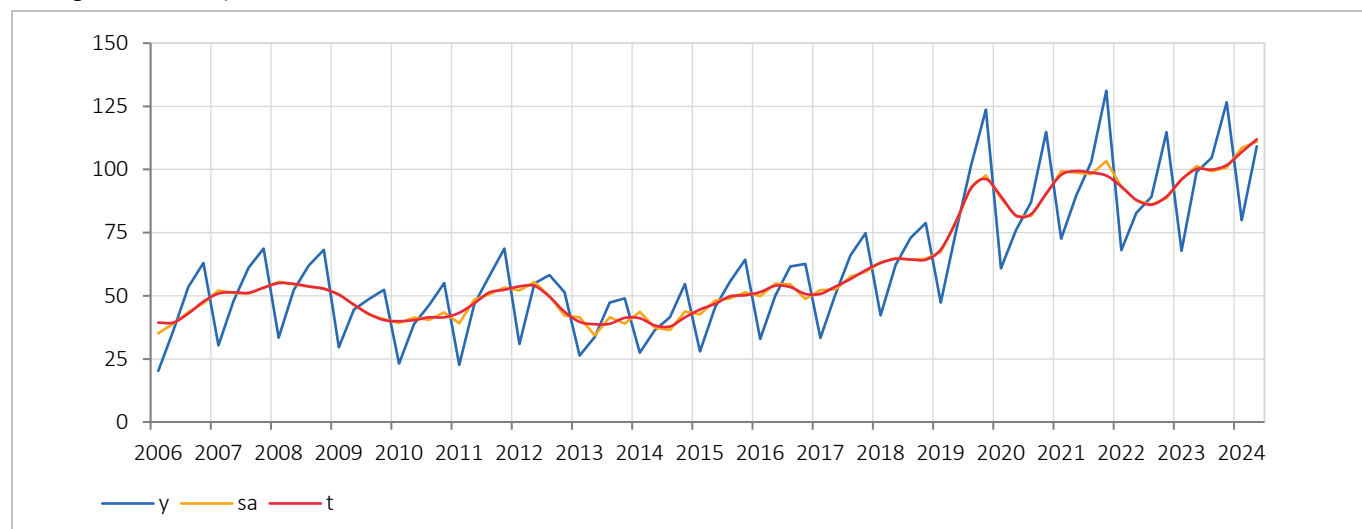
Chart 4.2. Value of performed construction works at constant prices, growth rates (%)
(quarter relative to the same quarter of the previous year)
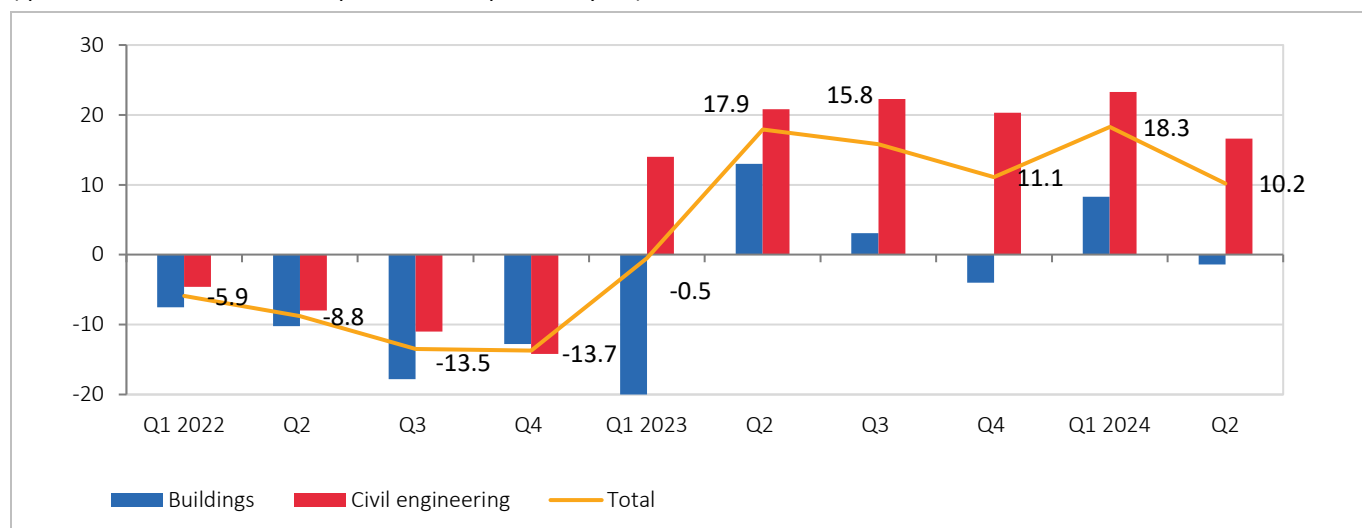
Observed by regions (chart 4.3), the highest growth rate in the second quarter of 2024 was realized in **Vojvodina Region**. The value of the performed construction works increased at constant prices by 21.0%, compared to the same period of the previous year. The most significant contribution to the growth of construction activity is the construction of the Hungarian-Serbian railway (section Novi Sad - Subotica), as well as the construction of the Fruškogorski Corridor (section Novi Sad - Ruma).

In **Region of Southern and Eastern Serbia**, the value of construction works increased by 11.6%, in constant prices. The increase was realized through the construction of transport infrastructure, primarily the high-speed road Požarevac-Golubac. Also, the construction of hospital centers in Novi Pazar, Prokuplje and Leskovac, as well as several production and storage complexes is underway, which has influenced the increase in activity on non-residential buildings. Among more important projects in this region, the *Clean Serbia* project (construction of communal and sewage infrastructure in Vranje and Svrljig), construction and reconstruction of "Konstantin Veliki" Airport in Niš and reconstruction of Niš-Dimitrovgrad railway stand out.

In **Region of Šumadija and Western Serbia**, a growth of 7.3% in construction activity was recorded compared to the same period of the previous year, in constant prices. In this quarter, very intensive works continued on the construction of the Moravian Corridor, Preljina-Požega highway and Šabac-Loznica expressway. In several municipalities of this region, implementation of *Clean Serbia* project is ongoing, and relates to the construction of communal (sewage) infrastructure and solid waste disposal infrastructure.

In **Belgrade region**, total value of construction works at constant prices increased by 1.0% compared to the second quarter of 2023. Despite the large number of construction sites in Belgrade where residential and commercial buildings are being built, the construction of buildings in this quarter is slightly less intense than in the second quarter of the previous year. Namely, in the second quarter of 2023, which is used as the basis for calculating the index, extremely high construction activity on residential and non-residential buildings was recorded, so a slight decline in building construction activity in this quarter is expected.

Chart 4.3. Value of performed construction works by regions, at constant prices, growth rates (%)
(quarter relative to the same quarter of the previous year)
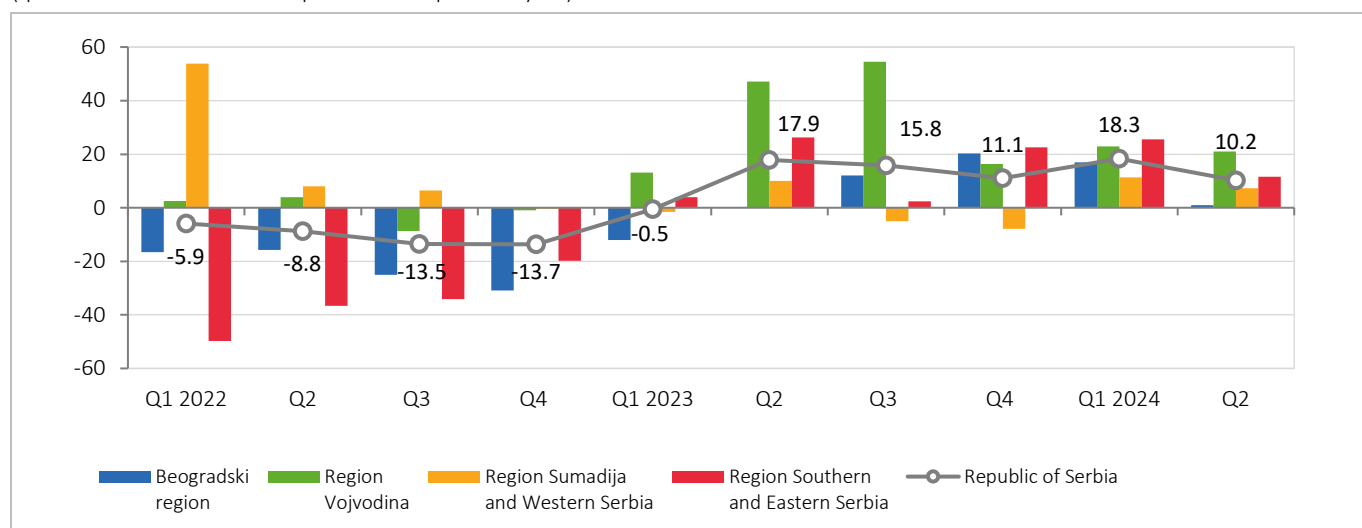
Chart 4.4. Value of performed construction works and hours of work on construction sites, comparative overview, indices
(quarter compared to the same quarter of the previous year)
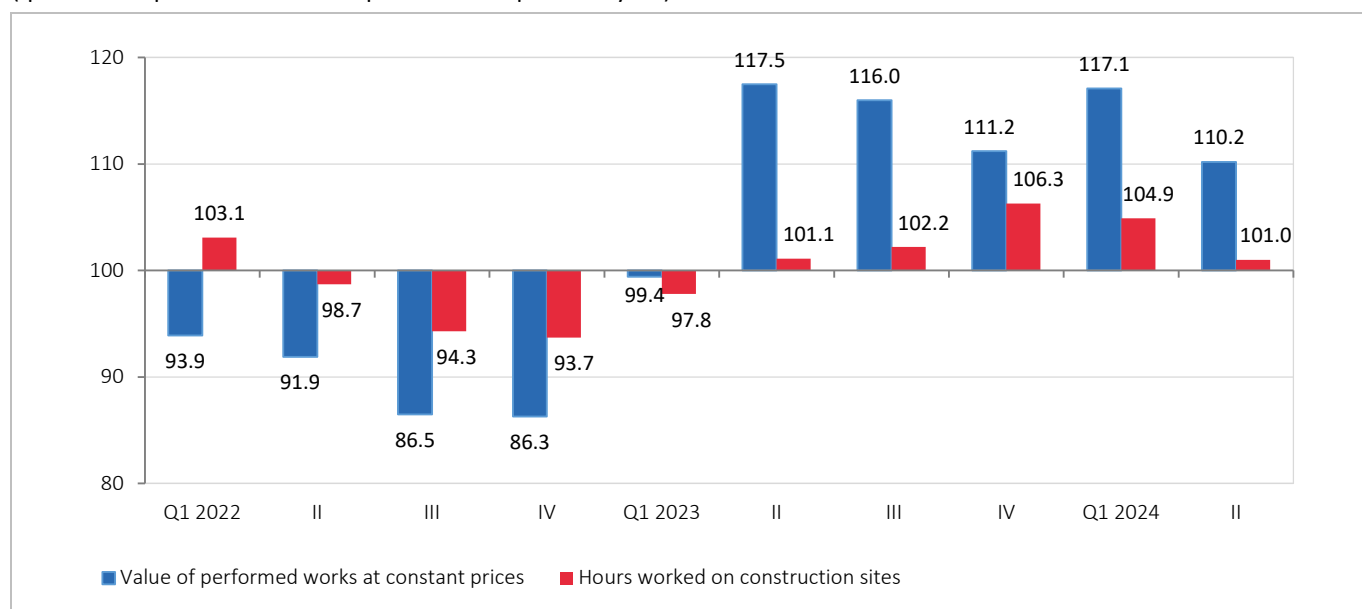
Chart 4.4 shows a comparative overview of the movement of working hours and the value of works performed on construction sites. Effective working hours have been increasing since the second quarter of 2023, which is in line with the increase in the value of the performed works. In the observed period, working hours decreased only in the first quarter of 2023 (-2.2%), and the highest growth (6.3%) was recorded in the fourth quarter of 2023. In the first and second quarters of 2024, growth was also recorded in the value of performed construction works and hours worked on construction sites.

2. BUILDING PERMITS

In addition to the value of works performed and hours of work on construction sites, the statistics of construction keep a monthly record of the issued **building permits and decisions**, which approve the implementation of construction works in the Republic of Serbia and which show the future trend of construction activity.

In **the second quarter 2024,** 7 540 building permits were issued. The greatest part of permits (6 136) related to construction works on buildings, while the rest (1 404) related to transport infrastructure works, pipelines, complex industrial structures, etc. Total number of issued permits in the second quarter 2023 increased by 8.4% related to the same period of the previous year.

Chart 4.5. Number of issued building permits for buildings and civil engineering
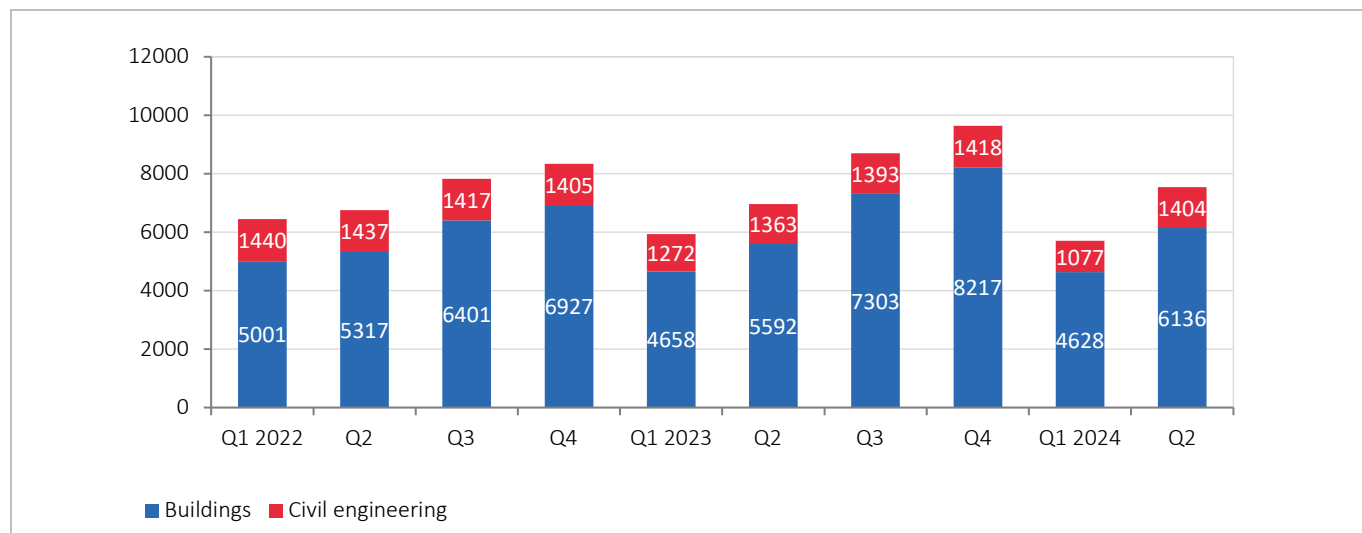
The anticipated value of works, according to the issued permits, in the second quarter, amounts to RSD 253 723 million, which represents a decrease of 5.9% compared to the same quarter of the previous year.

The greatest share in estimated value in the second quarter is seen in Vojvodina region (35.2%), followed by Belgrade region (23.0%), Šumadija and Western Serbia region (26.9%) and Southern and Eastern Serbia region (14.9%).

Chart 4.6. Anticipated value of works according to issued permits, by regions; share in %
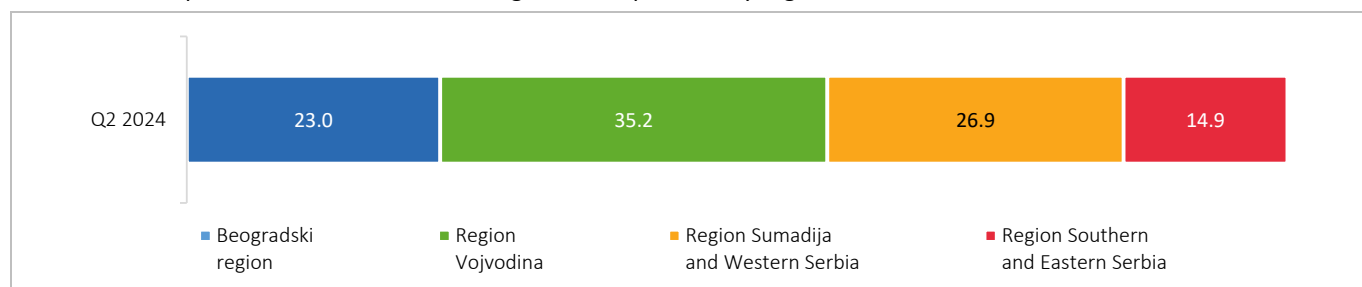
🔊 GLOSSARY

Value of performed construction works – the most significant indicator of construction activity trend in Serbia. It presents the value of performed works on construction that the reporting unit performed with workers directly engaged for execution of works.

Value of performed works includes: value of work, value of built in material and finished products for incorporating, consumed energy commodities and other expenditures related to performing works on construction. Value of performed works excludes: value of subcontractors' works, expenditures of land purchase, design, supervision and VAT.

According to *Classification of Types of Constructions*, applied since 2004, which is completely harmonized with the same Classification of Eurostat, all constructions can be classified into: buildings and civil engineering.

Value on buildings includes value of performed works, both on residential and non-residential buildings.

Civil engineering, besides transport infrastructure (roads, railways, bridges, etc.) involves also works carried out on pipelines, complex industrial structures and other civil engineering n.e.c. (e.g. sport constructions).

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5. EXTERNAL TRADE

5.1. EXPORTS OF GOODS (EUR current exchange rate)

Total value of goods export in the Republic of Serbia in the period January – June 2024 increased by 0.1%, relative to the same period 2023. Total export results were mostly influenced by manufacturing increase of 2.4%, as it presents 87.1% of total export, followed by mining and quarrying share od 5.6%, recording cummulative growth of 4.7%.

Chart 5.1. Components of export's time series, indices
(u – original series, sa – series with excluded seasonal component, t – trend cycle component, average 2023 = 100)
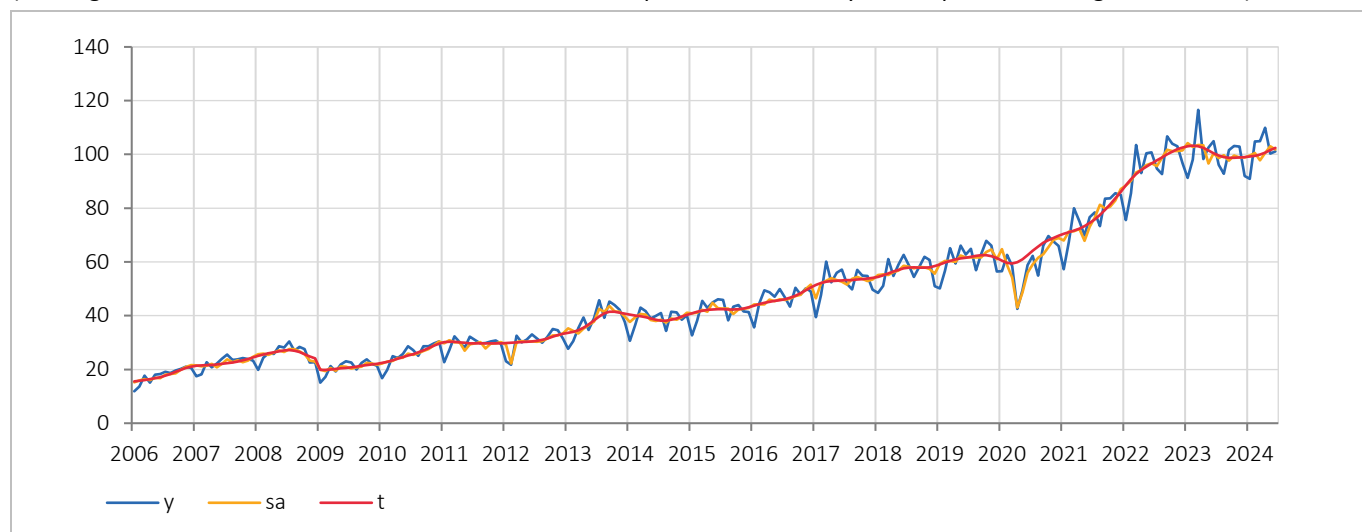
Table 5.1. Export of goods by CA (2010) sections, quarterly indices (comparison with the same period of the previous year)

	2022				2023				2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q1-Q3[1]
Export – total	128.5	132.7	122.9	119.5	115.8	103.5	98.4	98.0	98.4	101.1	**102.0**
Manufacturing	125.9	126.3	122.3	117.5	112.0	107.4	101.8	101.1	103.9	101.7	…
Agriculture, forestry and fishing	76.3	117.6	98.0	95.6	72.4	56.1	72.1	115.6	141.3	159.9	…
Mining and quarrying	1129.0	330.3	160.1	122.2	129.4	56.9	81.0	65.1	70.9	136.6	…

[1] Prognosis (obtained on the basis of a time series analysis model).

Chart 5.2. Cumulative growth rates of export by CA (2010) sections and sections' share in export (%)
(January – June 2024 relative to the same period 2023)

Growth rates ■ Share in total export ▬
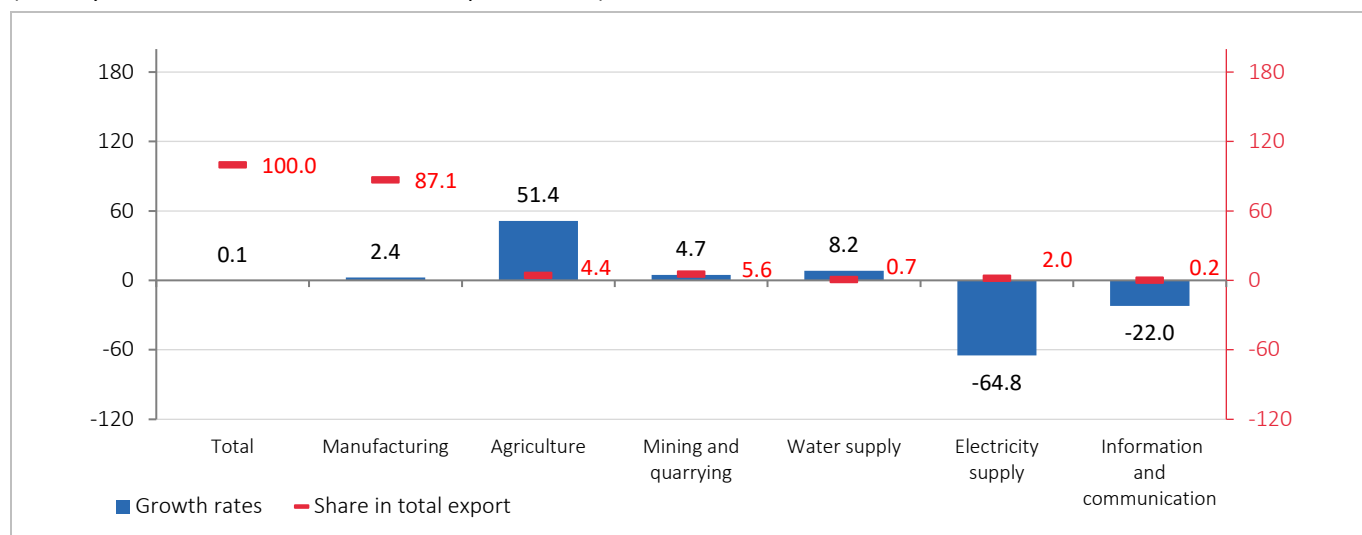
Observed by economic purpose, total export results in the period January – June 2024 were mostly influenced (contribution of 2.0 p.p.) by increased exports of **intermediate products** (share of 43.5% and increase of 4.8%) and **unclassified products by the economic purpose of the EU** (share of 5.3%, increase of 38.2% and contribution of 1.5 p.p.).

Chart 5.3. Cumulative growth rates of exports according to the economic purpose of the European Union (%)
(January – June 2024 relative to the same period 2023)

Cumulative index ■ Share in total export ▬
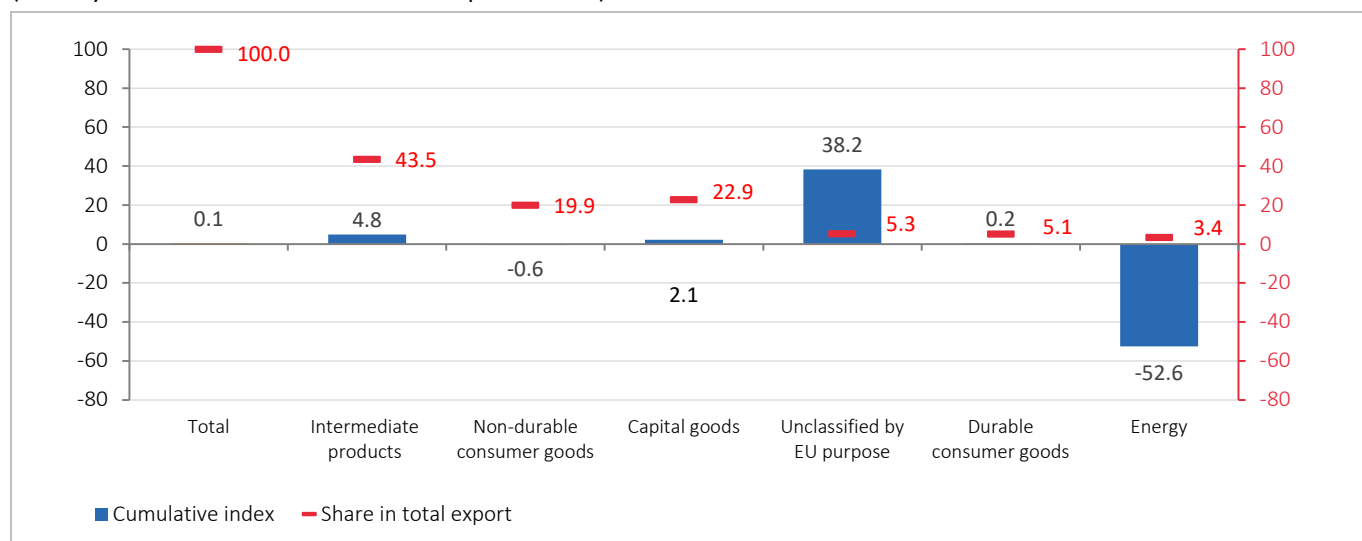
5.2. IMPORTS OF GOODS (EUR current exchange rate)

Total value of goods import in Serbia in the period January – June 2024 increased by 1.3% relative to the same period 2023. Import results were mostly influenced by the section of manufacturing (increase of 7.7%), as it presents 75.6% of total imports, and 8.3% increase in the section of unclassified products by the economic purpose of the EU (11.8% of total imports) in the first half 2024.

Chart 5.4. Components of import's time series, indices
(u – original series, sa – series with excluded seasonal component, t – trend cycle component, average 2023 = 100)
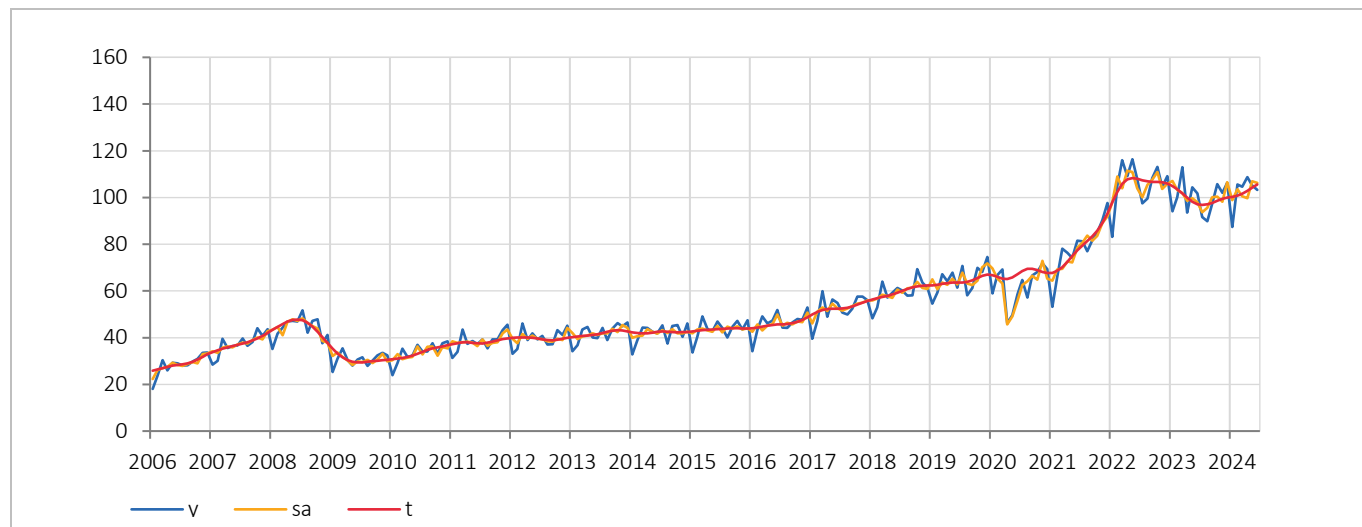

Table 5.2. Import of goods by CA (2010) sections, quarterly indices (comparison with the same period of the previous year)

|	2022				2023				2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q1-Q3[1]
Import – total	148.5	143.8	123.1	119.7	100.7	89.5	91.2	96.1	96.7	105.9	**105.0**
Manufacturing	130.6	134.2	119.6	112.5	101.3	87.4	92.1	98.3	102.2	113.2	...
Agriculture, forestry and fishing	127.6	123.5	134.5	127.0	124.5	110.3	98.4	89.3	102.3	108.5	...
Mining and quarrying	373.7	210.8	140.0	186.3	95.4	81.2	86.6	84.4	73.3	61.2	...

[1] Prognosis (obtained on the basis of a time series analysis model).

Chart 5.5. Cumulative growth rates of import by CA (2010) sections and sections' share in import (%)
(January – June 2024 relative to 2023)

■ Growth rates ━ Share in total import
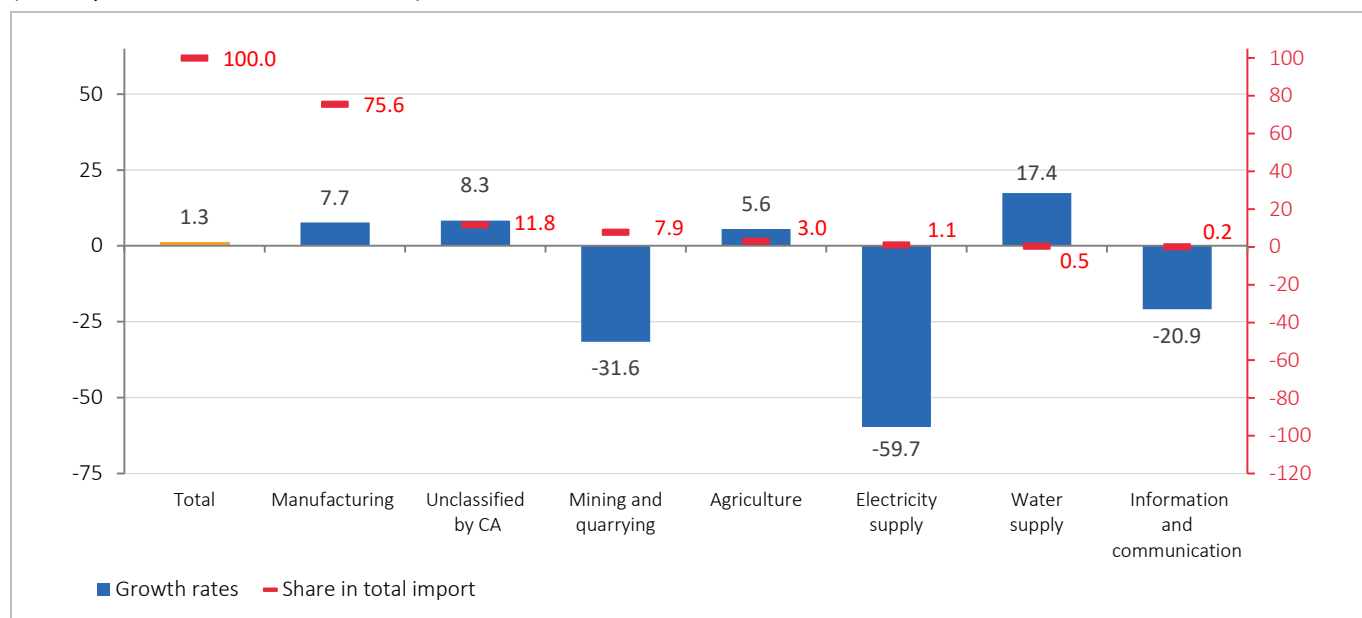
Observed by **MIGs,** the greatest influence (contribution of 3.1 p.p.) on total import in the period January – June 2024 related to **capital goods** (share of 20.4%, increase of 17.8%), **unclassified products by the economic purpose of the EU** (share of 15.5%, increase of 7.1%, contribution of 1.0 p.p.) and **non-durable consumer goods** (share of 16.2%, increase of 6.4%, contribution of 1.0 p.p.).

Chart 5.6. Cumulative growth rates of imports according to the economic purpose of the European Union (%)
(January – June 2024 relative to the same period 2023)

■ Growth rate ━ Share in total import
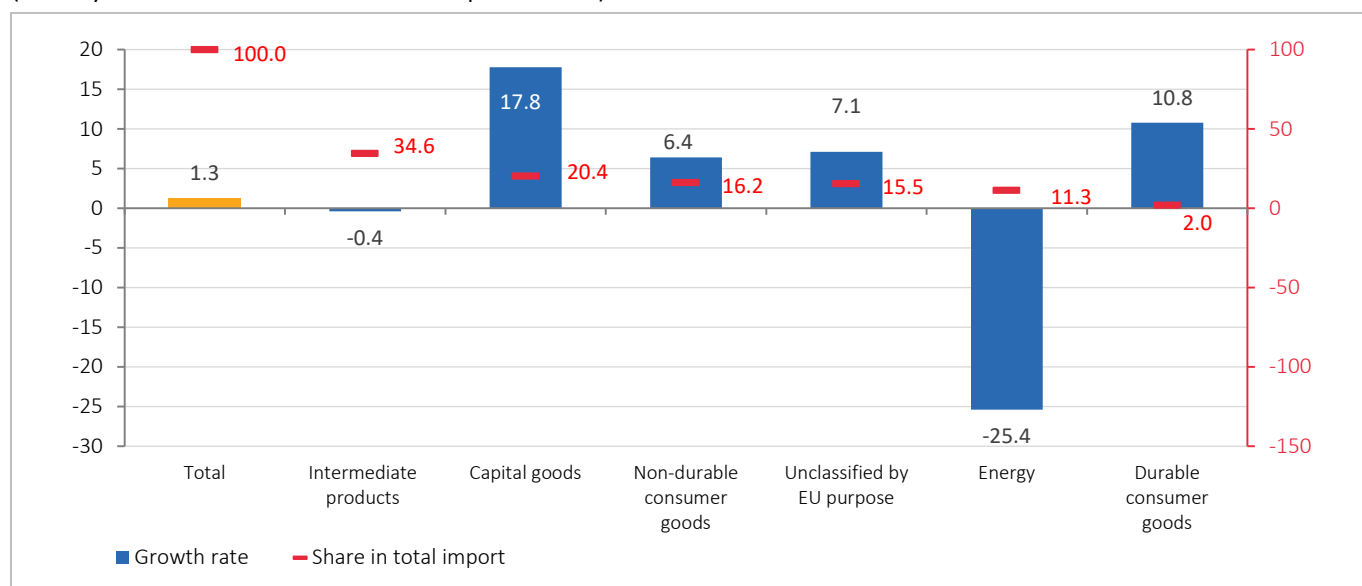
Chart 5.7 shows the 20 largest external trade partners of the Republic of Serbia, which account for 80.0% of the total external trade exchange. The Republic of Serbia achieved a positive external trade balance in the period January – June 2024, i.e. a surplus, with eight European countries (a total of about EUR 1.9 billion), of which Montenegro is on the first place (a surplus of EUR 572.9 million). In this period, the Republic of Serbia exported the most food products to Montenegro (16.8% of total export to MNE), motor vehicles and motorcycles (7.1% of total export to MNE) and chemicals and chemical products (7.0% of the total export to MNE).

On the other hand, a negative external trade balance, i.e. deficit, was also recorded in 12 countries and amounts to a total of EUR -4.2 billion. The largest external trade deficit in the period January – June 2024 was recorded in trade with China (EUR -1.6 billion) and Turkey (balance EUR -558.0 million). Observed by CA product activities, product imports from China mostly consisted of unclassified products (18.0% of total imports from China), imports of computers, electronic and optical products (15.6% of total imports from China), as well as metal products, except machinery (14.3% of total imports from China). With Turkey, the negative external trade balance is the result of the high value of basic metals import (16.0% of total imports from Turkey) and electrical equipment (10.6% of total imports from Turkey). Italy (deficit of EUR -496.0 million), Germany (EUR -343.7 million), and the Russian Federation (EUR -255.4 million) follow.

Chart 5.7. External trade balance of the Republic of Serbia by countries, January - June 2024 (EUR mill.)
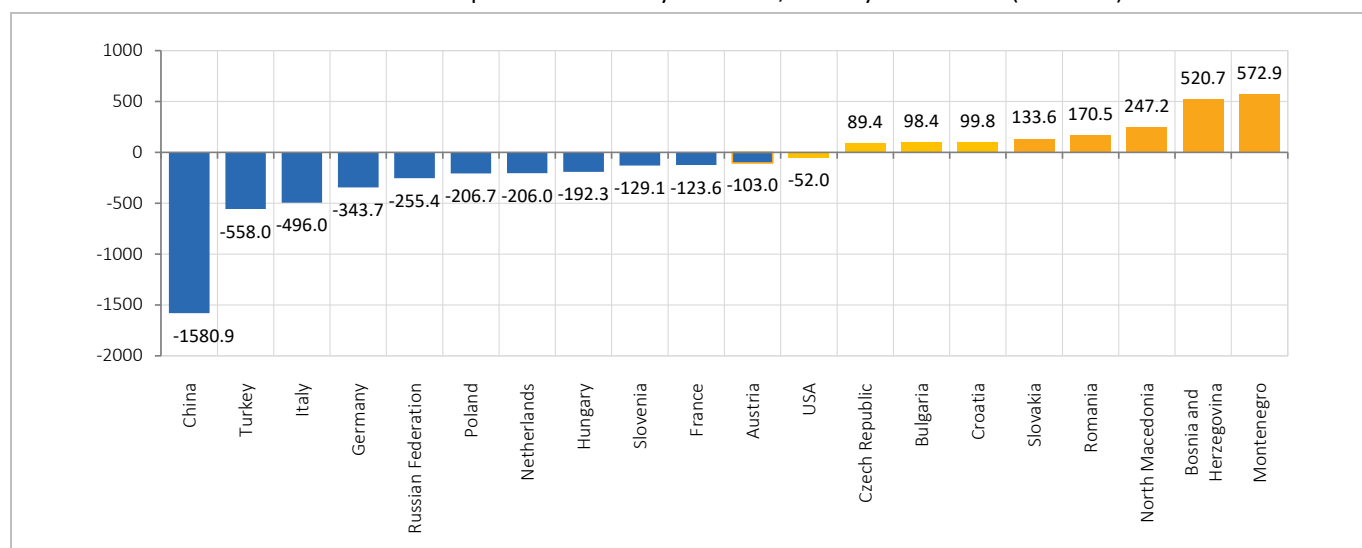
5.3. THE MOST SIGNIFICANT EXTERNAL TRADE PARTNERS

Table 5.3. The major external trade partners

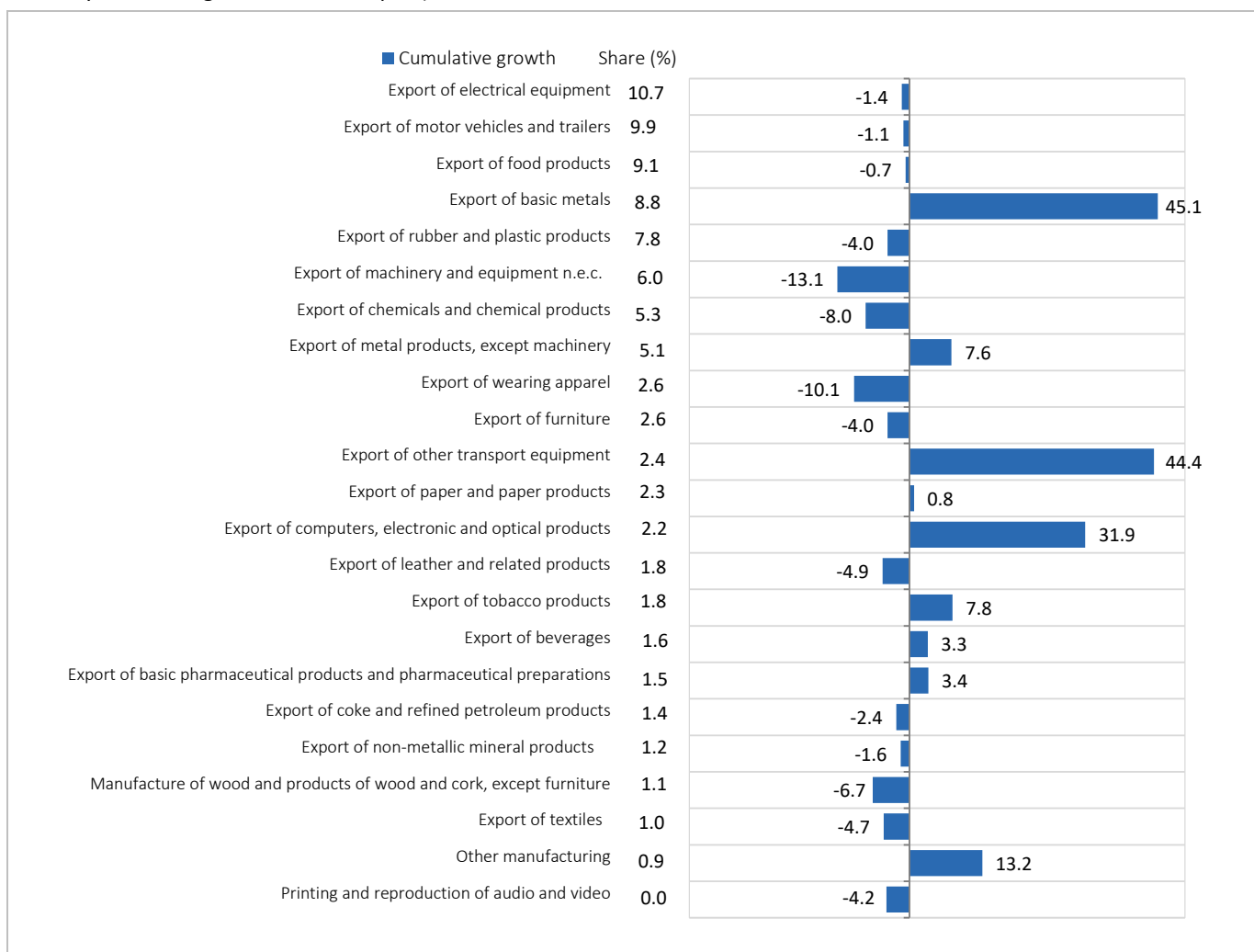| Export	EUR mill.	Import	EUR mill.
Germany	2 188.6	Germany	2532.3
Bosnia and Herzegovina	927.1	China	2458.2
Italy	897.2	Italy	1393.2
China	877.3	Turkey	974.9
Hungary	727.1	Hungary	919.4

The most significant external trade partners in the first half of 2024 were the countries with which Serbia has signed agreements on free trade. The EU member countries account for 59.9% of total external trade, followed by Asia – Pacific Economic Cooperation, APEC, with share of 18.4%. The major external trade partners are separately presented in Table 5.3.

5.4. MANUFACTURING (C) (share of 87.1% in total export and 75.6% in total import)

Export of manufacturing recorded growth of 2.4% in the period January – June 2024, relative to the same period 2023. Out of 23 divisions, cumulative growth was recorded in nine (9) divisions, mutually participating with 26.6% of total export.

The export of **electrical equipment**, the division with the greatest separate export value (EUR 1.6 bill.) recorded a cumulative fall of 1.4%, with a share of 10.7% in total exports (10.9% in the same period 2023). Export of **motor vehicles and trailers**, division with an export value of EUR 1.4 billion and a share of 9.9% in total exports (10.0% last year), recorded a cumulative fall of 1.1%. The export of **food products**, the division with the export value of EUR 1.3 billion and share of 9.1%, achieved a cumulative fall of 0.7%. The export of **basic metals,** the division positioned on the fourth place by value in total manufacturing export, with the share of 8.8%, noted cumulative growth of 45.1% and export value of EUR 1.3 bill. The export of **rubber and plastic products** with the export value of EUR 1.1 bill. and share of 7.8% in total exports, recorded cumulative fall of 4.0%.

Chart 5.8. Export of manufacturing by divisions, cumulative growth (%) (January – June 2024 relative to the same period 2023, by descending order in total export)

Division	Share (%)	Cumulative growth
Export of electrical equipment	10.7	-1.4
Export of motor vehicles and trailers	9.9	-1.1
Export of food products	9.1	-0.7
Export of basic metals	8.8	45.1
Export of rubber and plastic products	7.8	-4.0
Export of machinery and equipment n.e.c.	6.0	-13.1
Export of chemicals and chemical products	5.3	-8.0
Export of metal products, except machinery	5.1	7.6
Export of wearing apparel	2.6	-10.1
Export of furniture	2.6	-4.0
Export of other transport equipment	2.4	44.4
Export of paper and paper products	2.3	0.8
Export of computers, electronic and optical products	2.2	31.9
Export of leather and related products	1.8	-4.9
Export of tobacco products	1.8	7.8
Export of beverages	1.6	3.3
Export of basic pharmaceutical products and pharmaceutical preparations	1.5	3.4
Export of coke and refined petroleum products	1.4	-2.4
Export of non-metallic mineral products	1.2	-1.6
Manufacture of wood and products of wood and cork, except furniture	1.1	-6.7
Export of textiles	1.0	-4.7
Other manufacturing	0.9	13.2
Printing and reproduction of audio and video	0.0	-4.2

Imports of manufacturing in the period January – June 2024, compared to the same period of the previous year, achieved an increase of 7.7%. Out of 23 divisions, cumulative growth was recorded in 15 divisions, which together make up 41.1% of total manufacturing imports.

Import of **chemicals and chemical products** with the import value of EUR 1.6 bill, recorded cumulative fall of 2.2% (with the share in total imports of 8.7%, 9.0% was the share in the same period 2023). Import of **machinery and equipment n.e.c.** (cumulative fall of 1.6% and import value of EUR 1.4 bill. and share of 7.6% in total imports (7.8% in the same period 2023). Import of **electrical equipment**, with the value of EUR 1.3 bill. and share of 6.7% in total import achieved cumulative fall of 0.2%. Import of **basic metals** had the import value of EUR 1.1 bill. and share of 6.0% recorded cumulative fall of 9.4%. Import of **food products** is the division positioned on the fifth place according to the import value in total imports of manufacturing, had the share of 5.7%, and recorded cumulative growth of 6.3% and import value of EUR 1.1 bill.
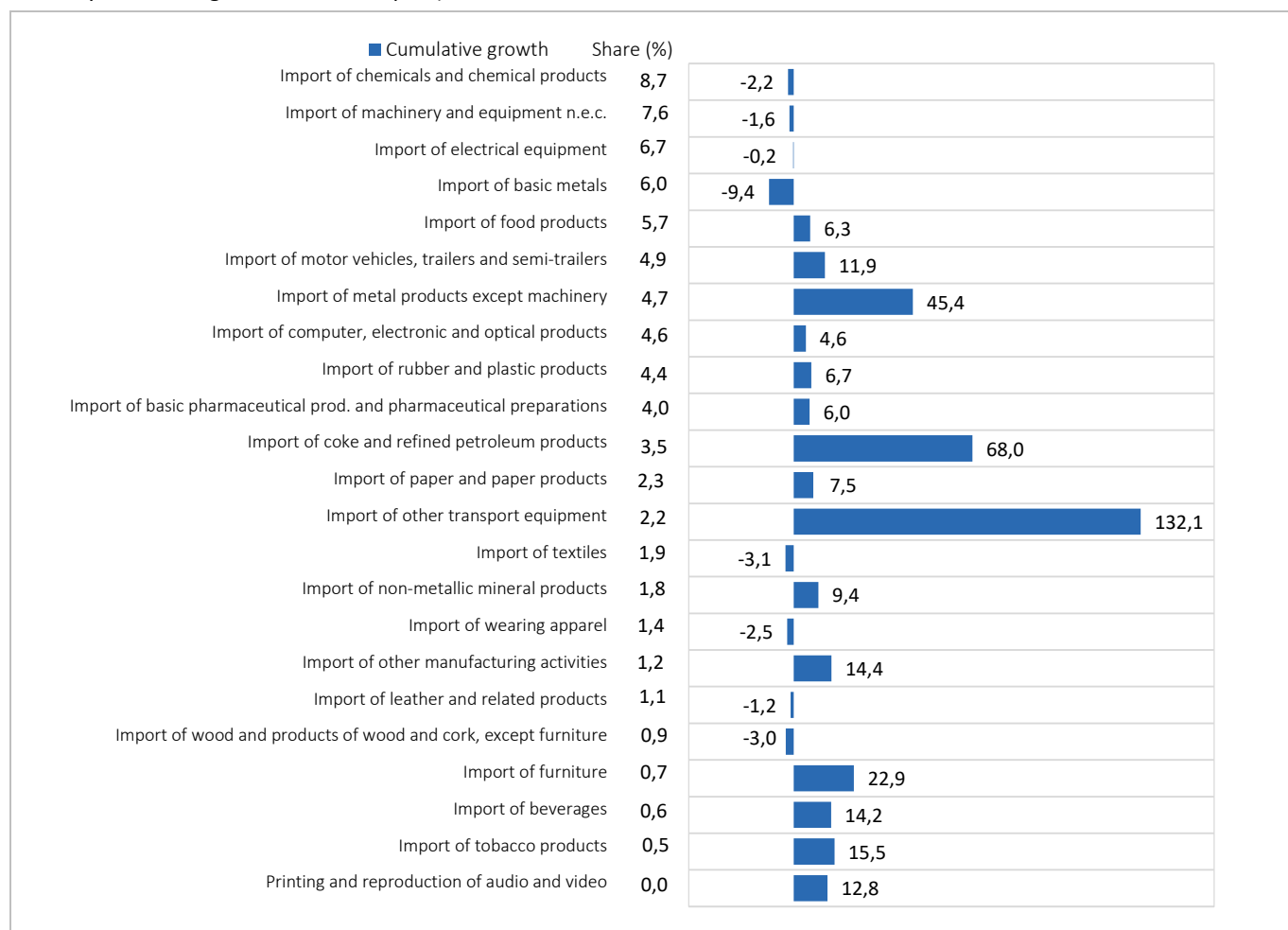
Chart 5.9. Import of manufacturing by divisions, cumulative growth (%) (January – June 2024 relative to the same period 2023, by descending share in total import)

Division	Share (%)	Cumulative growth
Import of chemicals and chemical products	8,7	-2,2
Import of machinery and equipment n.e.c.	7,6	-1,6
Import of electrical equipment	6,7	-0,2
Import of basic metals	6,0	-9,4
Import of food products	5,7	6,3
Import of motor vehicles, trailers and semi-trailers	4,9	11,9
Import of metal products except machinery	4,7	45,4
Import of computer, electronic and optical products	4,6	4,6
Import of rubber and plastic products	4,4	6,7
Import of basic pharmaceutical prod. and pharmaceutical preparations	4,0	6,0
Import of coke and refined petroleum products	3,5	68,0
Import of paper and paper products	2,3	7,5
Import of other transport equipment	2,2	132,1
Import of textiles	1,9	-3,1
Import of non-metallic mineral products	1,8	9,4
Import of wearing apparel	1,4	-2,5
Import of other manufacturing activities	1,2	14,4
Import of leather and related products	1,1	-1,2
Import of wood and products of wood and cork, except furniture	0,9	-3,0
Import of furniture	0,7	22,9
Import of beverages	0,6	14,2
Import of tobacco products	0,5	15,5
Printing and reproduction of audio and video	0,0	12,8

5.5. AGRICULTURE, FORESTRY AND FISHING (A)
(share of 4.4% in total export and 3.0% in total import)

Export in this section in the period January – June 2024 realized increase of 51.4%, as well as increased share from 2.9% to 4.4% in total import in the period January – June 2024. The cumulative growth of 89.0% in exports of cereals (except rice), leguminous crops and oil seeds, a group that makes up 66.4% of the entire section's exports in the observed period, contributed the most to this result. Export growth was achieved in export of pome and stone fruits, the next group by share (12.6%), as it recorded growth of 51.9% in the period January -June 2024 relative to the same period 2023.

Import in this section recorded growth of 5.6% in the period January – June 2024 relative to the same period 2023, as well as the share of 3.0% in total imports. The group with the largest participation in the section (22.2%) - Growing of vegetables, root and carotid plants noted growth of 3.2% in the period January – June 2024. The next group by share (17.2%) related to Growing of cereals (except rice), leguminous crops and oil seeds - achieved import fall of -10.0%, and group Growing of beverage crops, recording growth in this section import of 23.8% and share of 10.6%.

5.6. MINING AND QUARRYING (B) (share of 5.6% in total export and 7.9% in total import)

The section of Mining and quarrying records the increase in total export, from 5.4% in the first half 2023 to 5.6% in the same period of the current year. The realized value of exports in January – June 2024 is EUR 819.4 million, which is by 4.7% more than exports in the same period 2023. This result is a consequence of the growth in the export of metal ores (4.6%), a group that accounts for 98.5% of the exports of the entire section in the first half of the current year.

Import value of this section in the period January -June 2024 amounts to EUR 1484.0 million, presenting the share of 7.9% in total import (11.6% in the same period 2023). In the period January – June 2024 in the section of Mining and quarrying, recorded was import decrease of 31.6% relative to the same period 2023.

The decrease of this section in import was largely caused by 33.6% decrease in the import of crude oil and natural gas, a group that accounts for 76.3% of the entire sector's imports.

GLOSSRY

Unclassified goods by CA (2010), involves storage goods, goods in free zone, as well as goods for which customs tariff is not entered/ filled.

6.   DOMESTIC TRADE

6.1. RETAIL TRADE TURNOVER (Division 47 of the Classification of Activities)

Retail trade turnover, excluding trade of motor vehicles and motorcycles **in the second quarter of 2024**, relative to the same quarter 2023, increased by 13.1% at current prices. In **the first half of 2024**, relative to the same period 2023, retail trade turnover increased by 12.7% at current and by 7.8% at constant prices.

Table 6.1. Retail trade turnover, indices (comparison with the same period of the previous year)

|	2022				2023				2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q1-Q3[1]
Current prices	124.0	121.4	123.0	120.1	111.7	106.1	107.8	109.5	112.2	113.1	**111.5**
Constant prices[2]	111.0	106.2	105.0	102.2	96.6	93.9	98.4	102.9	106.5	108.6	**107.0**

[1] Prognosis (obtained on the basis of time series model analysis).
[2] Indices are recalculated through monthly indices at constant prices.

The trend of growth in retail trade, which has been present for the last ten years, continues. Turnover growth rates at current prices are higher than at constant prices, which is a consequence of accelerated inflation.

Chart 6.1. Components of time series of retail trade turnover at constant prices, indices
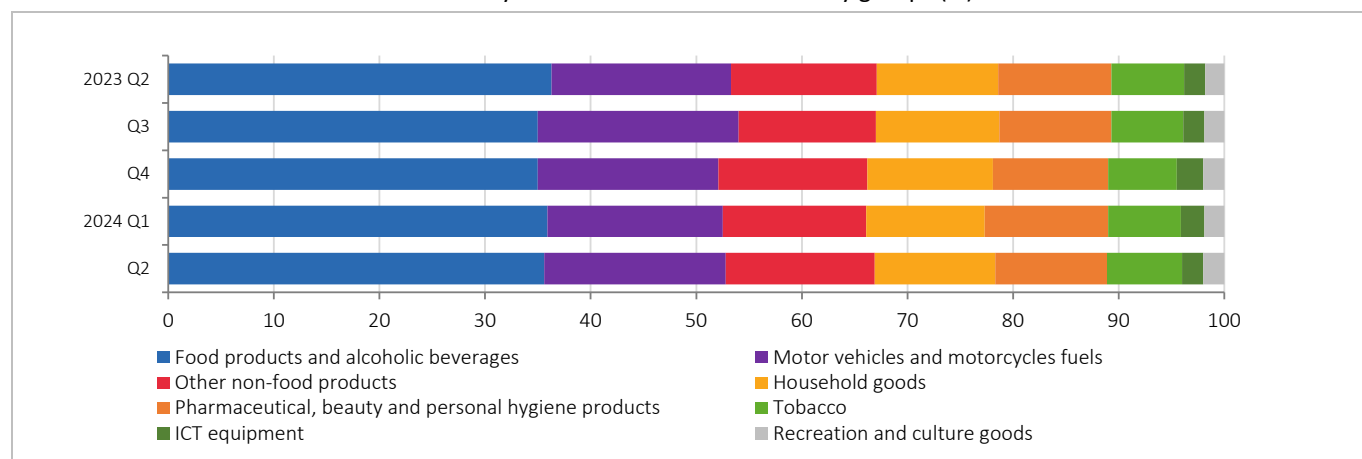(u – original series, sa – series with excluded seasonal component, t – trend cycle component, average 2023 = 100)
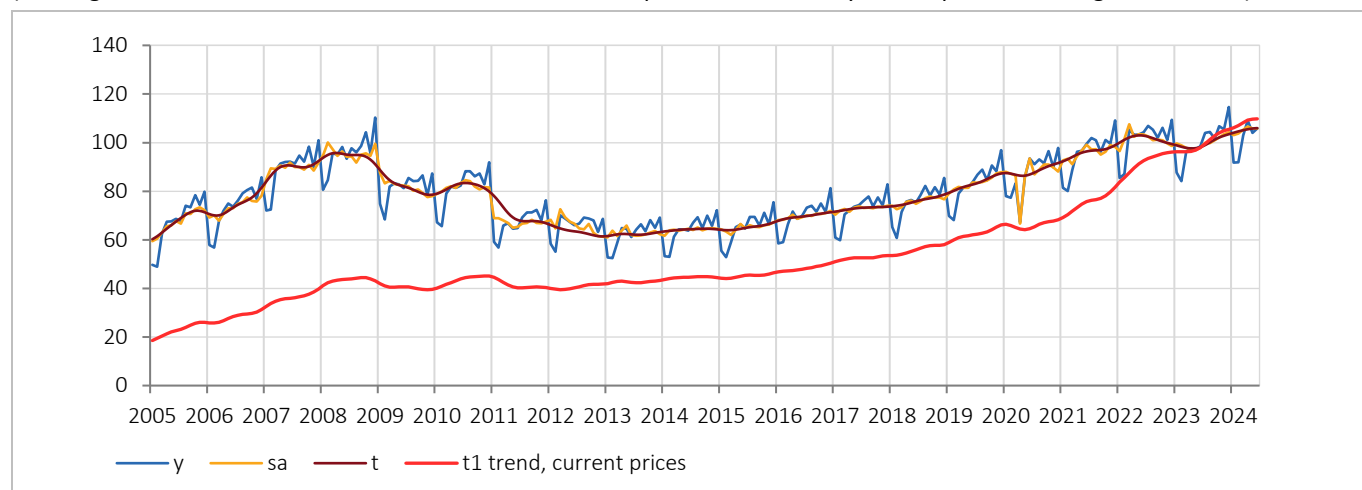
Observed according to the basic aggregates of CA (2010), **in the first half of 2024**, compared to the same period 2023, the highest turnover growth was achieved in trade of Non-food products except motor fuels 13.0% at current and 8.9% at constant prices. Growth was also realized in trade of Motor fuels 12.2% at current and 4.6% at constant prices. The smallest increase was recorded in trade of Food, beverages and tobacco, amounting to 12.1% at current and 7.9% at constant prices.

Observed by the structure of trade divisions and commodity groups, **in the second quarter 2024,** the most notable were Food products and alcoholic beverages 35.6%, followed by Motor vehicles and motorcycles fuels 17.2% and Other non-food products 14.1%.

Chart 6.2. Structure of retail trade turnover by trade divisions and commodity groups (%)

Legend:
- Food products and alcoholic beverages
- Motor vehicles and motorcycles fuels
- Other non-food products
- Household goods
- Pharmaceutical, beauty and personal hygiene products
- Tobacco
- ICT equipment
- Recreation and culture goods

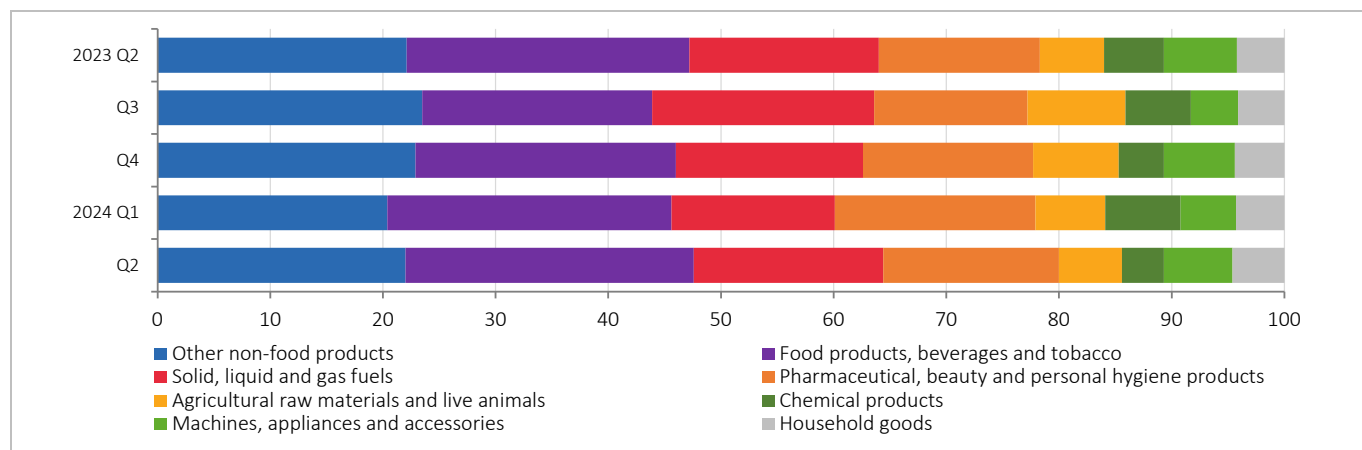## 6.2. WHOLESALE TRADE TURNOVER (Division 46 of the Classification of Activities)

Wholesale trade turnover **in the second quarter 2024**, compared with the same quarter 2023 noted increase of 8.1% at current prices. **In the first six months of 2024**, compared to the same period 2023, wholesale trade turnover increased by 7.4% at current prices and by 9.2% at constant prices.

Table 6.2. Wholesale trade turnover, indices (comparison with the same period of the previous year)

	2022				2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Current prices	120.1	122.6	115.2	111.4	104.3	93.2	98.9	99.6	106.7	108.1

Observed by trade divisions and commodity groups, in wholesale trade turnover, in the second quarter of 2024, the most notable were Food products, beverages and tobacco (25.6%), Other non - food products (22.0%), and Solid, liquid and gaseous fuels, (16.8%).

Chart 6.3. Structure of wholesale trade turnover by trade divisions and commodity groups (%)

Legend:
- Other non-food products
- Food products, beverages and tobacco
- Solid, liquid and gas fuels
- Pharmaceutical, beauty and personal hygiene products
- Agricultural raw materials and live animals
- Chemical products
- Machines, appliances and accessories
- Household goods

6.3. TURNOVER IN WHOLESALE AND RETAIL TRADE AND MOTOR VEHICLES REPAIR
### (Division 45 of the Classification of Activities)

Turnover of goods in wholesale and retail trade and repair of motor vehicles **in the second quarter** 2024, relative to the same quarter 2023, recorded increase of 9.5% at current prices. In **the first half** of 2024, compared to the same period 2023, the turnover recorded increase by 13.1% at current prices and by 9.2% at constant prices.

Table 6.3. Turnover in wholesale and retail trade and motor vehicles repair, indices (comparison with the same period of the previous year)

	2022				2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Current prices	124.5	124.8	118.8	121.3	112.5	111.7	111.7	112.1	117.9	109.5

Observed by trade divisions and commodity groups, in the second quarter 2024, similarly to the previous quarters, in the structure of wholesale and retail trade turnover and motor vehicles repair, the most notable were Motor vehicles (59.7%), and Motor vehicles parts and accessories (29.5%).

Chart 6.4. Structure of wholesale and retail trade turnover and motor vehicles repair by trade divisions and commodity groups (%)
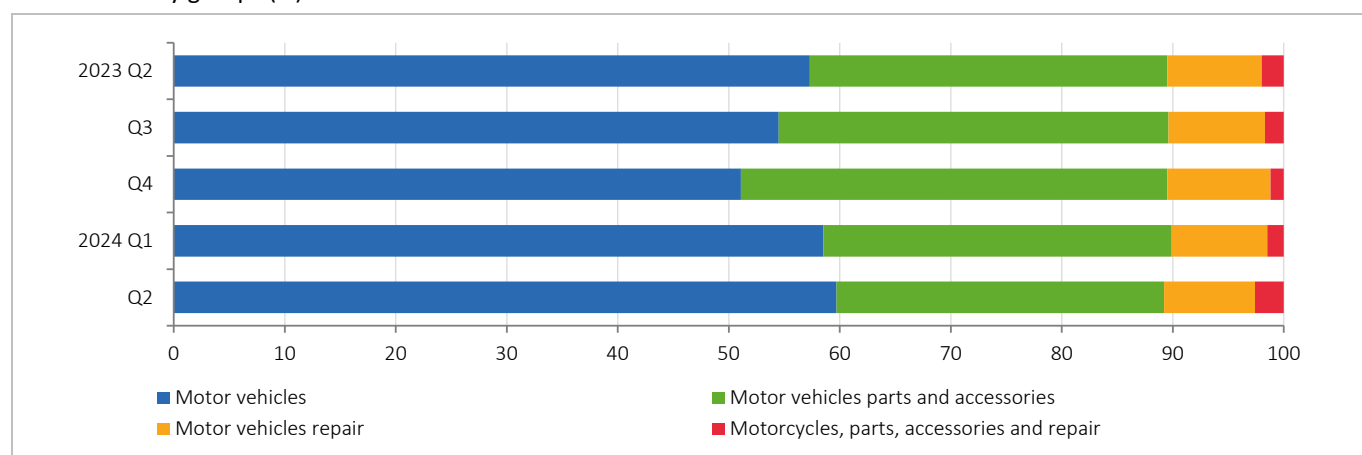
🔊 **NOTE:** Goods turnover indices of retail trade at constant prices are obtained by deflating the indices at current prices with appropriate consumer price indices, which exclude: water (from public utilities systems), electricity and motor vehicles, motorcycles and parts thereof.
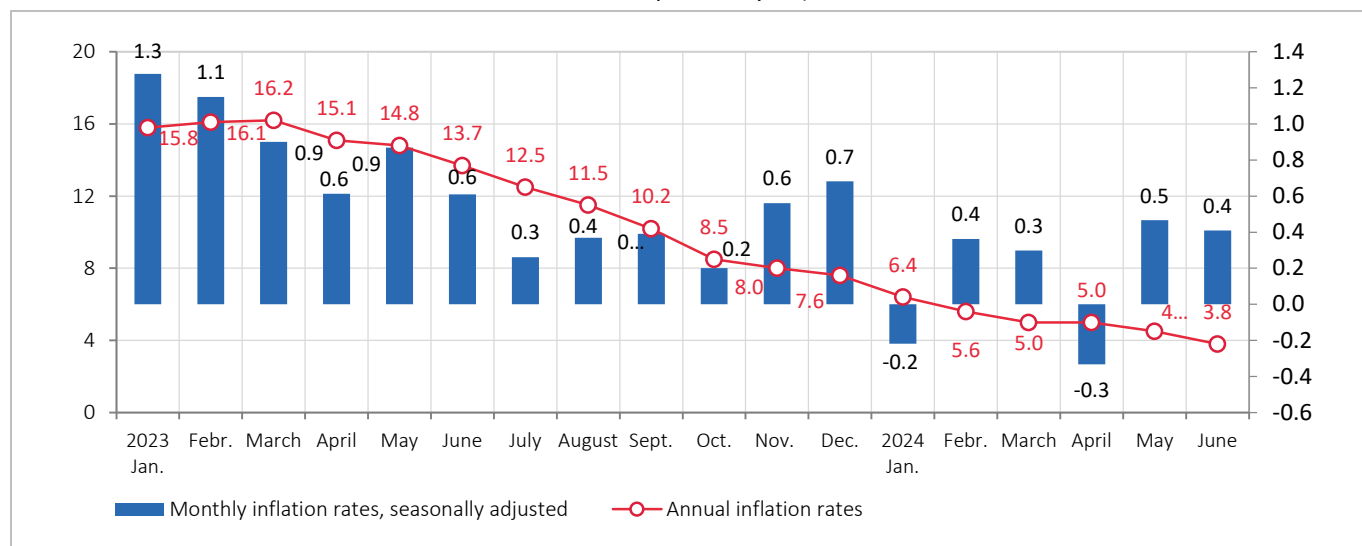
7.   PRICES

In the first half of 2024 consumer prices saw an average year-on-year growth of 5.0%. The largest influence on the growth of consumer prices was that of **the prices of electricity for households, meat, fuels, alcoholic beverages, medicaments and the prices of meals in restaurants and fast-food shops.** The total share of these groups of products in the year-on-year consumer price growth rate in the first six months of 2024 amounted to 51.5%.

Table 7.1. Consumer prices, year-on-year inflation (%) (quarter to the same quarter of the previous year)

	2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Consumer prices	16.0	14.5	11.4	8.0	5.7	4.4	-	-

Chart 7.1. Inflation rate measured by consumer price indices (%) (**monthly** – month to the previous month, with seasonal effect excluded; **annual** – month to the same month of the previous year)

Chart 7.2. Structure of the **average annual growth rate** of consumer prices (of 5.0%) by purpose and main groups of products in the first six months of 2024 (total = 100) (%)
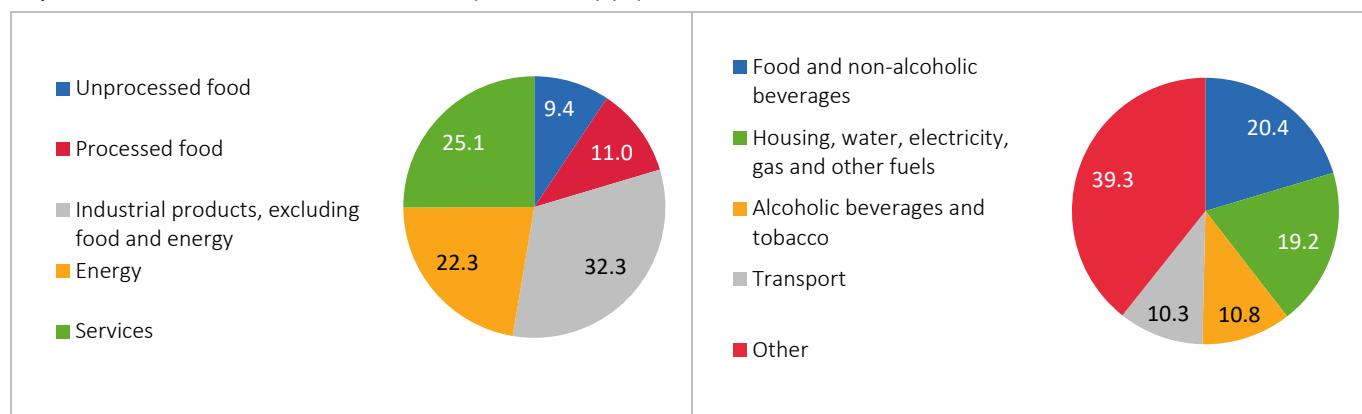
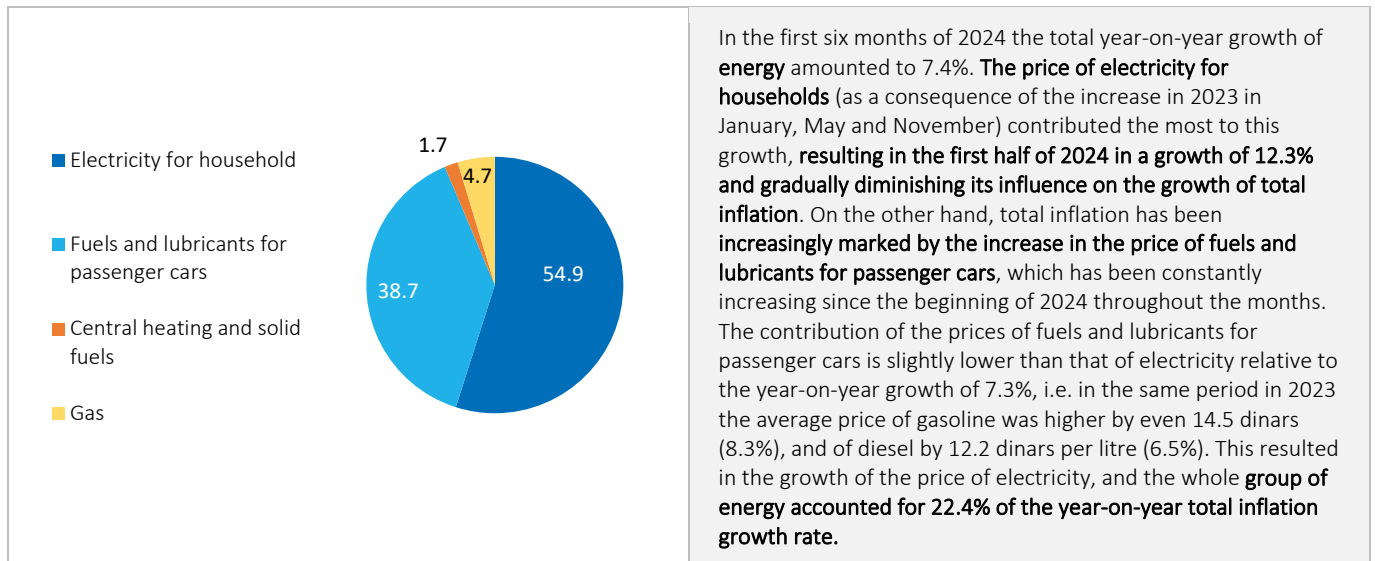## 7.1. ELECTRICITY FOR HOUSEHOLDS AND FUELS FOR PASSENGER CARS
(share in the annual consumer price growth rate in the first six months of 2024 – 20.9%)

Chart 7.3. Structure of the **average growth rate of** consumer prices of energy in the first six months of 2024 (total = 100) (%)

Legend:
- ■ Electricity for household
- ■ Fuels and lubricants for passenger cars
- ■ Central heating and solid fuels
- ■ Gas

Pie chart values: 54.9, 38.7, 4.7, 1.7

In the first six months of 2024 the total year-on-year growth of **energy** amounted to 7.4%. **The price of electricity for households** (as a consequence of the increase in 2023 in January, May and November) contributed the most to this growth, **resulting in the first half of 2024 in a growth of 12.3% and gradually diminishing its influence on the growth of total inflation**. On the other hand, total inflation has been **increasingly marked by the increase in the price of fuels and lubricants for passenger cars**, which has been constantly increasing since the beginning of 2024 throughout the months. The contribution of the prices of fuels and lubricants for passenger cars is slightly lower than that of electricity relative to the year-on-year growth of 7.3%, i.e. in the same period in 2023 the average price of gasoline was higher by even 14.5 dinars (8.3%), and of diesel by 12.2 dinars per litre (6.5%). This resulted in the growth of the price of electricity, and the whole **group of energy accounted for 22.4% of the year-on-year total inflation growth rate.**

Chart 7.4. **Average price of gasoline** by European countries **expressed in dinars** in the first half of 2024
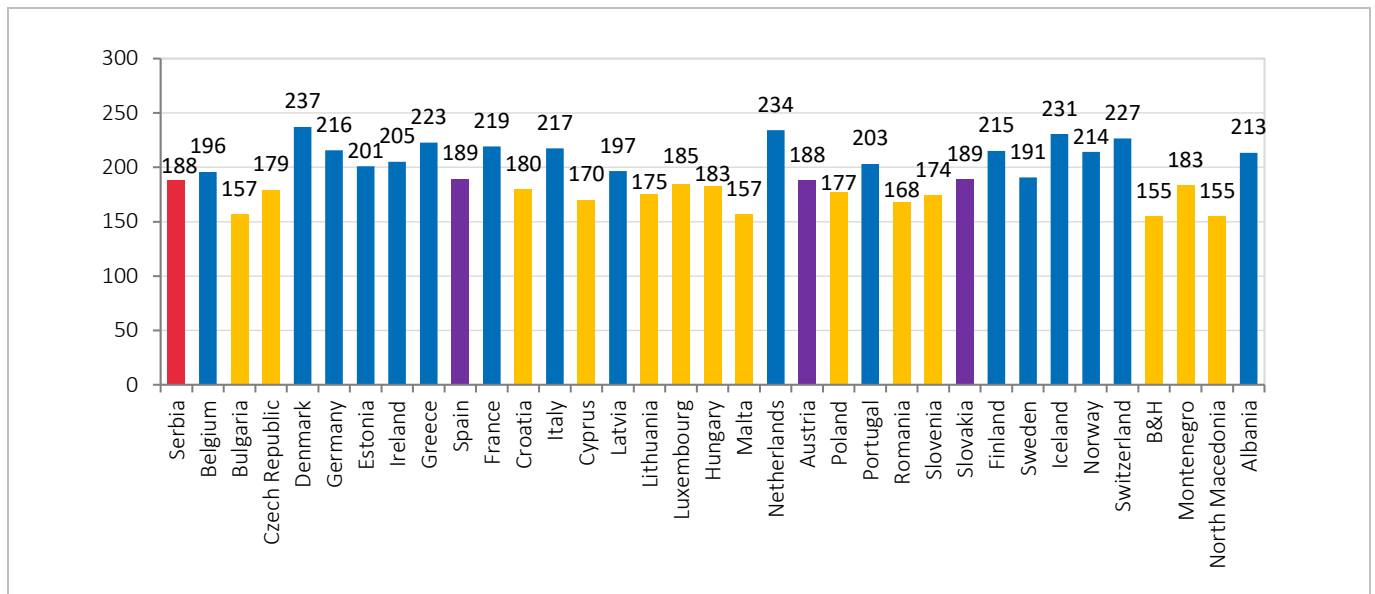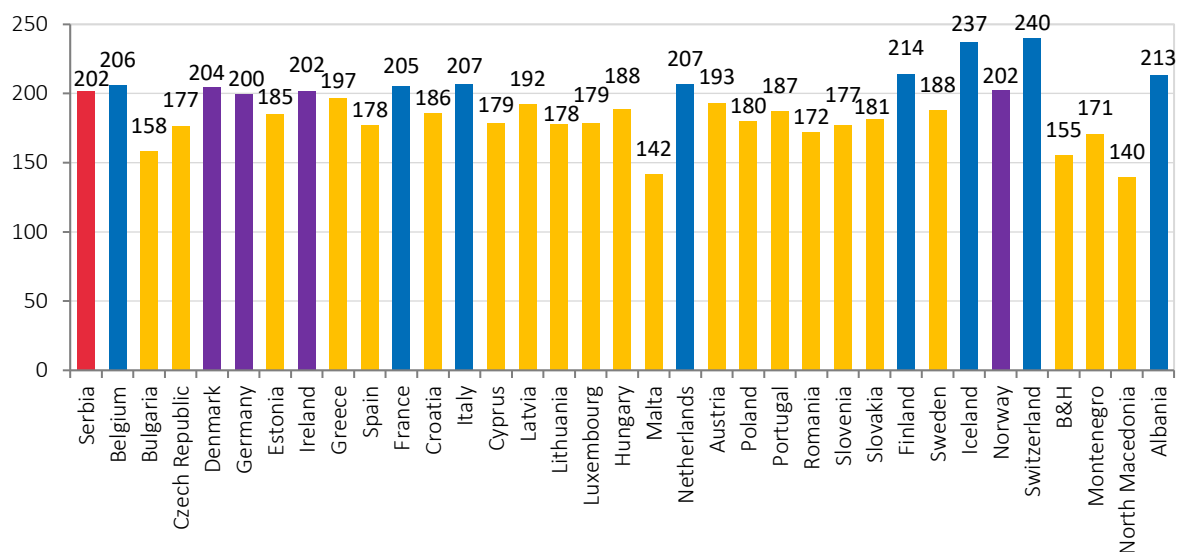

🔔 Note: SORS analysis and calculation based on weekly reports on the price of gasoline by the Statistical Office of the Republic of Serbia. For countries that are not in the euro zone conversion into Euros has been made according to average exchange rates of currencies of the countries in the first six months of 2024, and then euros into dinars according to the average exchange rates RSD/EUR (also in the first six months of 2024). The yellow shows that the countries with cheaper prices than in Serbia, and violet the countries that are at the same level as Serbia.

A comparative analysis of the **growth rate of the price of fuels** with other European countries indicates that the **year-on-year growth of the prices of gasoline in Serbia (8.3%) in the first half of 2024 was one of the highest in Europe,** specifically, Serbia was preceded by the Netherlands (10.4%), Croatia (10.3%) and Ireland (8.5%).

A comparative analysis of the **level of fuel price** (i.e. by converting the fuel price of other European countries in dinars) indicates that **throughout the first half of 2024** the price of gasoline was the highest in Denmark (237 din./l), the Netherlands (234 din./l), Iceland (231 din./l) and Switzerland (227 din./l), while the lowest was in Malta (157 din.), Bulgaria (157 din./l), B&H (155 din./l) and North Macedonia (155 din.). **The price of gasoline in Serbia (188 din./l) was approximately at the same level as in Spain (189 din./l), Slovakia (189 din./l) and Austria (188 din./l).**

Chart 7.5. **Average price of diesel** by European countries **expressed in dinars** in the first six months of 2024

🔔 Note: SORS analysis and calculation based on weekly reports on the price of diesel by the Statistical Office of the Republic of Serbia. For countries that are not in the euro zone conversion into Euros has been made according to average exchange rates of currencies of the countries in the first six months of 2024, and then euros into dinars according to the average exchange rates RSD/EUR (also in the first six months of 2024). The yellow shows that the countries with cheaper prices than in Serbia, and violet the countries that are at the same level as Serbia.

Even though with a slightly lower rate of the year-on-year growth in relation to gasoline, **the situation with diesel was similar.** Serbia was also on the very top among European countries with a year-on-year rate of the price of diesel of 6.5%, and the only countries that had a higher year-on-year growth rate of diesel than Serbia in the first half of 2023 were the Netherlands (9.4%), the Czech Republic (8.9%) and Ireland (7.9%).

As for the level of the price of diesel, in the first half of 2024, the highest average price was in Switzerland (240 din./l) and Iceland (237 din./l), while cheaper diesel was sold, as well as gasoline, in Bulgaria (158 din./l), B&H (155 din./l), Malta (142 din./l) and North Macedonia (140 din./l). **In the first half of 2024 the average price of diesel in Serbia (202 din./l) ranked 12th in Europe and was at the approximate level with Denmark (204 din./l), Norway (202 din./l), Ireland (202 din./l) and Germany (200 din./l).**

7.2. MEAT (share in the annual consumer price growth rate in the first half of 2024 – 10.3%)

Chart 7.6. Structure **of the average annual growth rate of** consumer prices of **pork and dried, smoked and salted meat**, in the first half of 2024 (total = 100) (%)
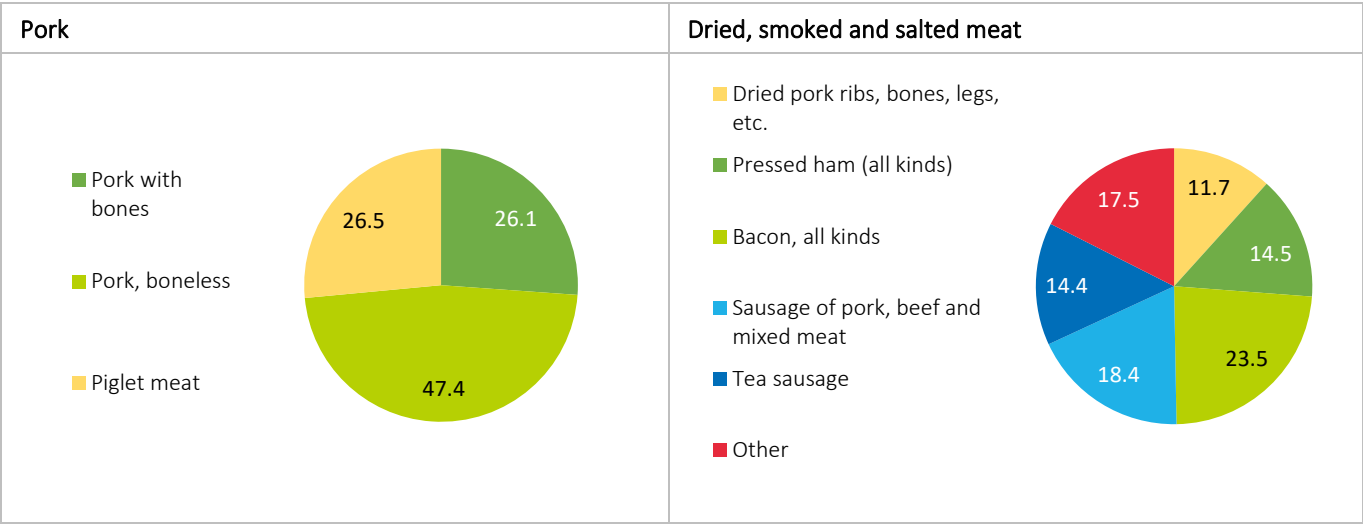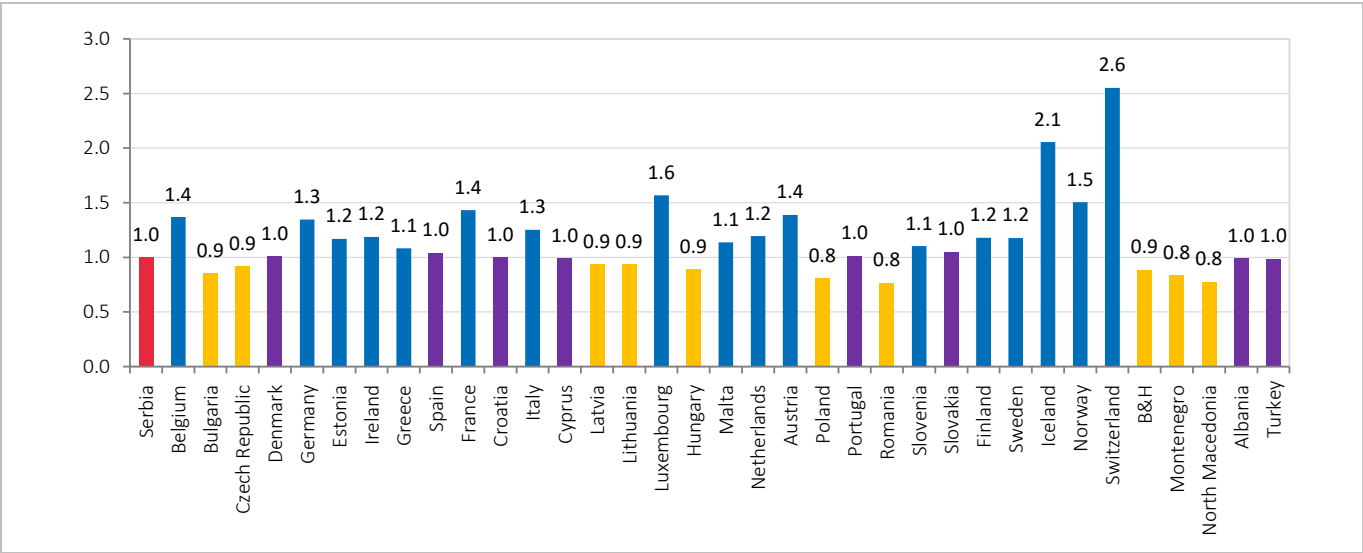
Pork	Dried, smoked and salted meat

Pork

- Pork with bones
- Pork, boneless
- Piglet meat

26.5   26.1
47.4

Dried, smoked and salted meat

- Dried pork ribs, bones, legs, etc.
- Pressed ham (all kinds)
- Bacon, all kinds
- Sausage of pork, beef and mixed meat
- Tea sausage
- Other

11.7   14.5   23.5   18.4   14.4   17.5

Chart 7.7. Multiplicator of the ratio of the average **price of meat** in the Republic of Serbia and European countries in the first half of 2024

Serbia 1.0, Belgium 1.4, Bulgaria 0.9, Czech Republic 0.9, Denmark 1.0, Germany 1.3, Estonia 1.2, Ireland 1.2, Greece 1.1, Spain 1.0, France 1.4, Croatia 1.0, Italy 1.3, Cyprus 1.0, Latvia 0.9, Lithuania 0.9, Luxembourg 1.6, Hungary 0.9, Malta 1.1, Netherlands 1.2, Austria 1.4, Poland 0.8, Portugal 1.0, Romania 0.8, Slovenia 1.1, Slovakia 1.0, Finland 1.2, Sweden 1.2, Iceland 2.1, Norway 1.5, Switzerland 2.6, B&H 0.9, Montenegro 0.8, North Macedonia 0.8, Albania 1.0, Turkey 1.0
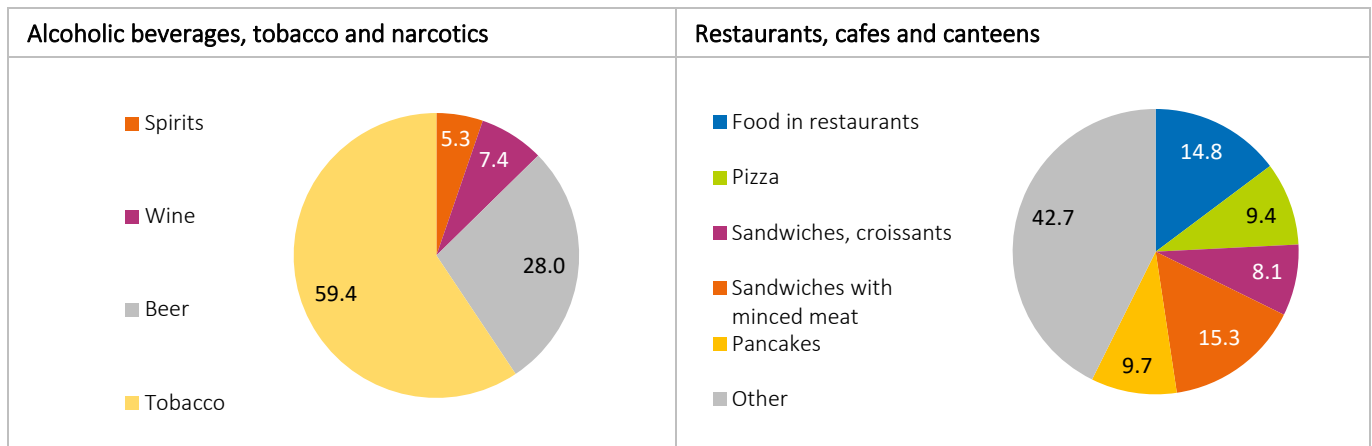
🔔 Note: SORS analysis and calculation. The comparative multiplicator show shows how many times average price of meat (of all kinds) in other countries are more expensive (more than 1) or cheaper (less than 1) than in Serbia (equal 1). The yellow shows that the countries with cheaper prices than in Serbia, and violet the countries that are at the same level as Serbia (equal 1).

The analysis of the structure of the total price of food and non-alcoholic beverages in the first half of 2024 indicates that the year-on-year **growth of the price of meat** (7.5%) impacted the most the growth of the price of food and the total inflation of consumer prices (along with the growth of the price of electricity for households). In the total structure of the price of food and non-alcoholic beverages the price of meat kept undoubtedly the largest share (50.3%), compared to the other components of food and beverages. The largest influence on the growth of the price of meat in the first half of 2024 was that of **dried, smoked and salted meat** (primarily bacon and sausages of pork, beef and mixed meat) and **pork**. As in Q1 2024, in Q2 2024 the only kind of meat that had a deflationary influence on the total price of meat was poultry meat (slaughtered chicken and other fowl, with a year-on-year price cut of -2.5%). **A comparative analysis of the price of meat** with other countries for the first half of 2024 indicates that the **price of meat in Serbia** was at the same level as in Denmark, Spain, Croatia, Cyprus, Portugal, Slovakia, Albania and Turkey. When looking at the price of meat in other countries of the region (Romania, B&H, Montenegro, North Macedonia and Bulgariaарској) it was higher, on average, by about 17.8%.

7.3. TOBACCO, ALCOHOL, MEDICAMENTS AND RESTAURANTS (share in the annual consumer price growth rate in the first half of 2024 – 20.3%)

Chart 7.8. St Structure of the **average annual growth rate of** consumer prices **of alcoholic beverages and tobacco** in retailers **and of food in restaurants and fast-food shops** in the first half of 2024 (total = 100) (%)

Alcoholic beverages, tobacco and narcotics	Restaurants, cafes and canteens

Alcoholic beverages, tobacco and narcotics:
- Spirits: 5.3
- Wine: 7.4
- Beer: 28.0
- Tobacco: 59.4

Restaurants, cafes and canteens:
- Food in restaurants: 14.8
- Pizza: 9.4
- Sandwiches, croissants: 8.1
- Sandwiches with minced meat: 15.3
- Pancakes: 9.7
- Other: 42.7

Chart 7.9. Mulitiplicator of the ratio of the **price of alcoholic beverages** of the Republic of Serbia and European countries in the first half of 2024
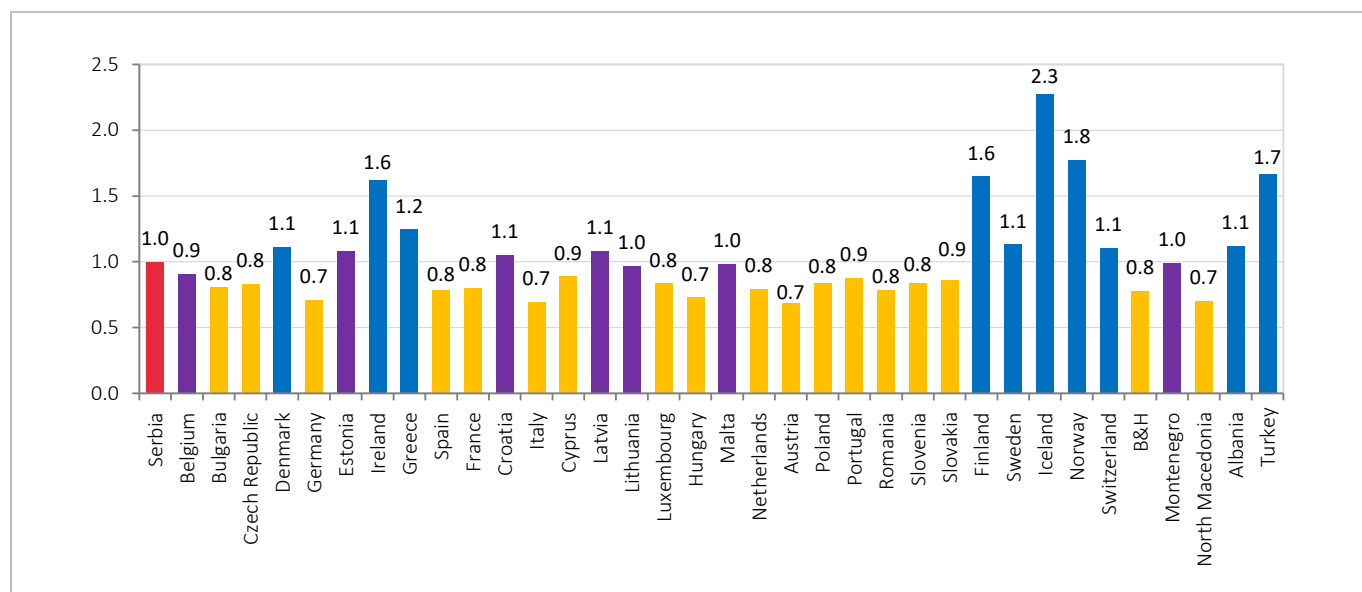
🔔 Note: SORS analysis and calculation. The comparative multiplicator show shows how many times average price of alcoholic beverages in other countries are more expensive (more than 1) or cheaper (less than 1) than in Serbia (equal 1. The yellow shows that the countries with cheaper prices than in Serbia, and violet the countries that are at the same level as Serbia (equal 1).

In the first half of 2024, the regular increase in tobacco excises in January (with also the default annual adjustment of the producers' price of tobacco with the 2023 inflation) and the extraordinary growth of excises on tobacco and alcoholic beverages in Many contributed to the average year-on-year growth of 7.8% of the whole group of products of alcoholic beverages and tobacco (**growth of beer price – 10.4%, and cigarettes – 7.4%**). As far as the price of medicaments is concerned, the inflation increase in the first six months of 2024 amounted to 7.3%, thus due to the rise of the prices of outpatient services (9.8%) they had an effect on the prices of services and products in health which grew by 7.8%, accounting for 8.5% of total inflation rate. The year-on-year growth of the prices in restaurants and hotels in the first six months of 2024 amounted to 9.5% and was mostly conditioned by **the growth of the price of food and beverages in restaurants and fast-food shops (10.4%) that accounted for 4.8% of the year-on-year inflation rate.**

Prices

8. LABOUR FORCE[7]

In the Republic of Serbia in the second quarter of 2024 there were 2.899 million employed persons, 257.8 thousand unemployed persons and 2.484 million persons outside labour force aged over 15.

The unemployment rate was 8.2%, by 1.2 p.p. lower than in the first quarter of 2024, while the number of the unemployed was down by 41.3% thousand persons, the number of persons outside labour force being up by 8.7 thousand.

When looking at regions, the unemployed rate in the second quarter of 2024, compared with the previous quarter, saw a fall in all the regions: in the Region of Belgrade, from 6.5% to 6.3%, Region of Vojvodina, from 9.6% to 7.6%, Region of Sumadija and Western Serbia, from 9.1% to 7.8%, and in the Region of Southern and Eastern Serbia, from 13.5% to 12%.

Chart 8.1. Movement of the employment and unemployment rates for persons aged 15 and over (%)[8]

Labour market trends in the second quarter of 2024 are characterised by the increase in the employment rate by 1.1 pp. and decrease in the unemployment rate by 1.4 pp., as well as in the rate of the outside labour population by 0.4 pp., year-on-year.

(r) – Data for 2021, 2022 and 2023 have been revised in compliance with the latest estimates based on current demographic estimates based on the 2022 Census. More information on the revision is available in the statistical release on: https://stat.gov.rs/vesti/statisticalrelease/?p=15166&a=24&s=2400

Table 8.1. Activity, employment and unemployment rates

| | 2023 (r) | | | | 2024 | |
	Q1	Q2	Q3	Q4	Q1	Q2
Activity rate (%)	55.0	55.6	55.5	55.3	56.2	56.0
Employment rate (%)	49.5	50.3	50.5	50.3	50.9	51.4
Unemployment rate (%)	10.0	9.6	9.0	9.1	9.4	8.2

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[7] Based on the Labour Force Survey.
[8] Since 2021, the Statistical Office of the Republic of Serbia has been conducting the Labour Force Survey according to the new, revised Eurostat methodology. The methodology was changed in line with the Regulation of the European Parliament and of the Council that entered into force on 1 January 2021. More details on the methodology changes and their effects on major statistical indicators are available in the special publication that can be found on: https://www.stat.gov.rs/vesti/20210628-anketa-o-radnoj-snazi-nova-metodologija/

Table 8.2. Labour force – persons aged 15 and over

	Current quarter	Previous quarter		Same quarter of the previous year (r)	
	Q2 2024 (in thous.)	Q1 2024 (in thous.)	Change, %	Q2 2023 (in thous.)	Change, %
Unemployment	257.8	299.1	-13.8	302.6	-14.8
Employment	2 899.7	2 871.7	1.0	2 851.3	1.7
	%	%	Change. p.p.	%	Change. p.p.
Unemployment rate	8.2	9.4	-1.2	9.6	-1.4
Employment rate	51.4	50.9	0.5	50.3	1.1

(r) – revised data

Observed by sections, the largest share of the number of employed persons in the first quarter of 2024 was recorded in Services (58.1%), then in Manufacturing (23%) and Agriculture (13%), and the lowest in Construction (6.1%). When compared with the previous quarter, most of the sections saw a growth of the share of employed persons: Agriculture, forestry and fishing (from 12.7% to 13%) Construction (from 5.8% to 6.1%). On the other hand, fall was recorded in Services (from 58.5% to 58.1) and Manufacturing (from 23% to 22.8%).

In year-on-year periodicity (quarter II of 2024 – quarter II of 2023), a growth of the share of employed persons was recorded in Agriculture, forestry and fishing (from 12.9% to 13%), Services (from 57.7% to 58.1%) and Construction (from 5.8% to 6.1%), but fall was recorded in Manufacturing (from 23.6% to 22.8%).

Chart 8.2. Share of employed persons by sections (%)
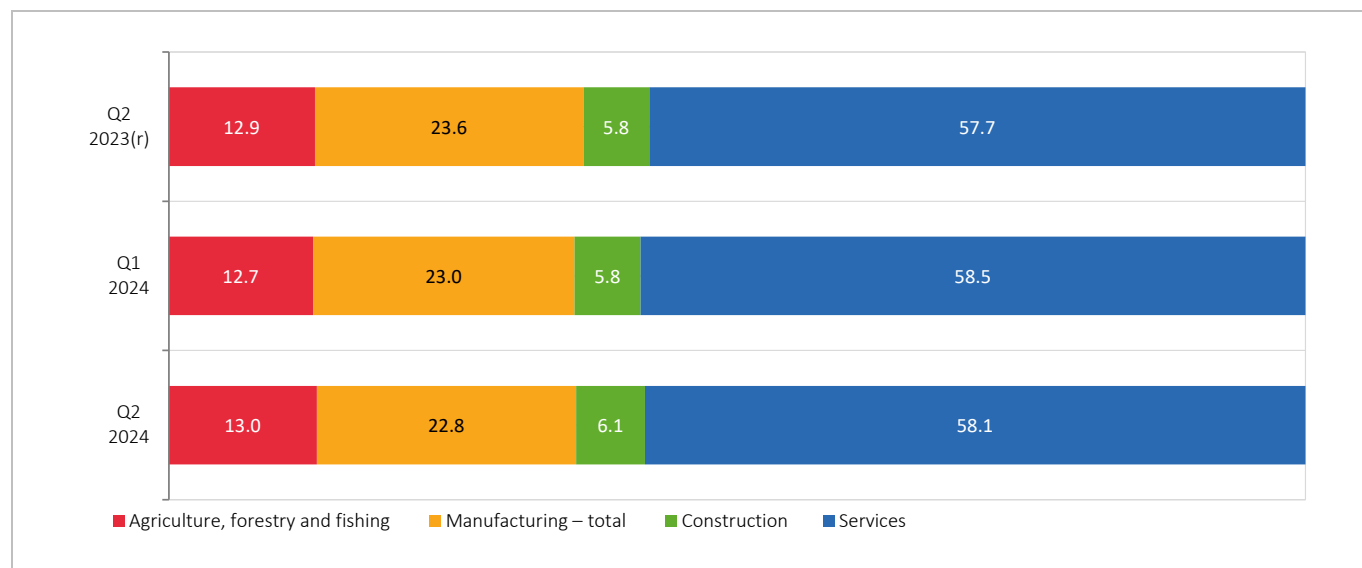
(r) – revised data

Labour market trends remained considerably resilient to the challenges in the global environment and to economic activity deceleration, primarily owing to the macroeconomic stability established in the previous period.

Chart 8.3. Labour market – major indicators for the previous quarter, the same quarter of the previous quarter and current quarter (%)
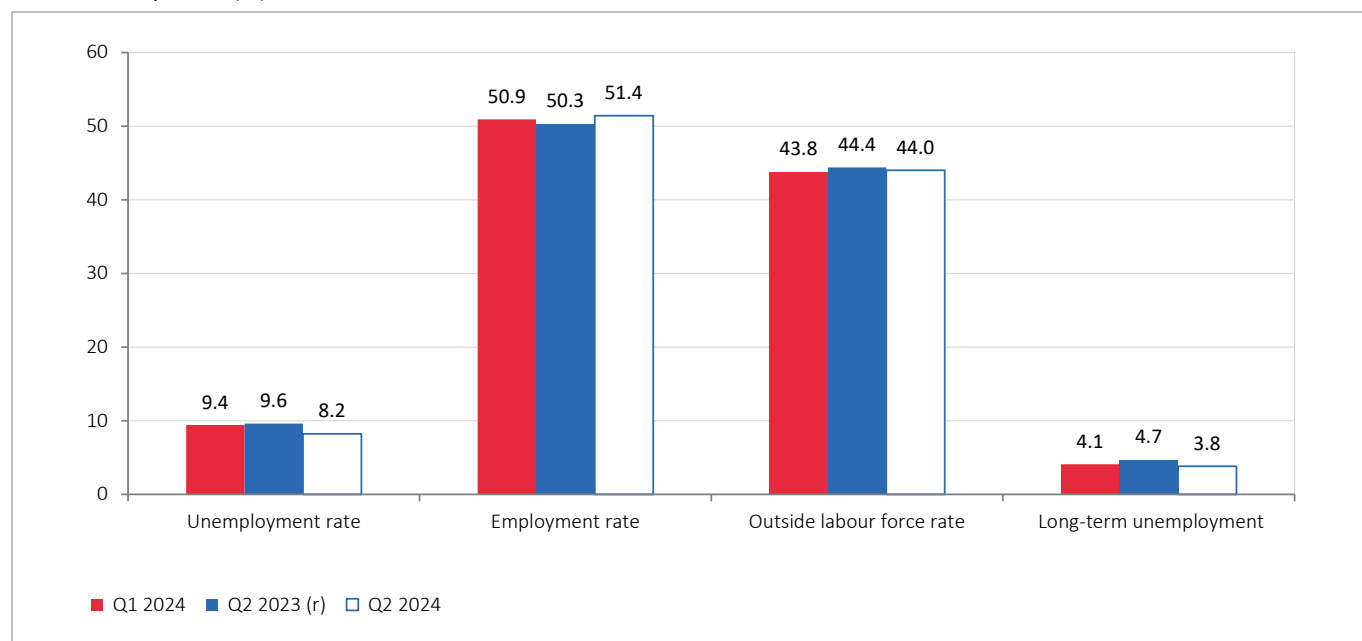
8.1. COMPARISON WITH THE PREVIOUS QUARTER

When compared with the previous, first quarter of 2024, the number of employed persons grew by 28 thousand, and the number of unemployed persons and persons outside labour force fell by 41.3 thousand, while the number of outside the labour force population grew by 8.7 thousand, which led to the growth of the employment rate of 0.5 pp. and fall of the unemployment rate of 1.2 pp. The rate of outside labour force population went up 0.2 pp.

The number of employed youth (aged 15-24) grew by 4.2 thousand and the number of youth outside the labour force by 6.5 thousand. This trend led to the growth of the employment rate by 0.6 pp. and to the fall of the unemployment rate by 4.3 pp. and growth of the outside labour population by 1 pp, compared with the first quarter of 2024.

The long-term unemployment rate was 3.8%, by 0.3 pp. less than in the previous quarter.

Observed by sex, the unemployment rate in the first quarter of 2024, compared with the previous quarter, saw a fall of 1.2 p.p. among men and 1.4 pp. among women.

The unemployment rate among men decreased in all the regions: in Belgrade Region, from 7.2% to 5.8%, Region of Vojvodina, from 8.5% and 4%, Region of Sumadija and Western Serbia, from 9.5% to 8.2% and in Region of Southern and Eastern Serbia, from 12.4% to 11.9%.

As for the unemployment rate among women, fall was recorded in almost all the regions: in Region of Vojvodina, 10.9% to 8.2%, Region of Sumadija and Western Serbia, from 8.7% to 7.3%, and in Region of Southern and Eastern Serbia, from 14.9% to 12.2%. In contrast, growth was recorded only in Region of Belgrade, from 5.8% to 6.7%.

Observed by professional status, and compared with the previous quarter, the number of employed persons increased only in the category of employed persons, by 2.4%. In contrast, fall was recorded in self-employed, by 4.4%, as well as in contributing family members by 1.8%.

Table 8.3. Employment by professional status, comparison Q1 2024 – Q2 2024

	Q1 2024 (in thous.)	Q2 2024 (in thous.)	Change, %
Employed persons – total	**2 871.7**	**2 899.7**	**1.0**
Self-employed	485.4	464.2	-4.4
Employed	2 218.9	2 271.1	2.4
Contributing family members	167.5	164.5	-1.8

8.2. COMPARISON WITH THE SAME QUARTER OF THE PREVIOUS YEAR

Compared with the same quarter of the previous year, the number of unemployed persons decreased by 14.8% (from 302.6 thousand to 257.8 thousand). At the same time, the number of employed persons grew by 1.7% (from 2 851.3 in the second quarter of 2023 to 2 899.7 in the second quarter of 2024).

The youth unemployment rate (aged from 15 to 24) in the second quarter of 2024 amounted to 20.2%, by 4.2 pp. less than in the second quarter of 2023.

The long-term unemployment rate was 3.8% in the second quarter of 2024, by 0.9 pp. lower than in the same quarter of the previous year.

Observed by sex, the unemployment rate in the second quarter of 2024, compared with the same quarter of the previous year, saw a fall among of 1% among men and by 2 pp. among women.

Observed by regions, the unemployment rate among men saw a fall in almost all the regions: in Belgrade Region, from 8.7% to 5.8%, in Region of Vojvodina, from 7.2% to 7%, in Region of Sumadija and Western Serbia, from 9.4% to 8.2%, with the exception of Region of Southern and Eastern Serbia, where a slight growth from 11.2% to 11.9% was recorded.

Similarly, the unemployment rate went down among women in most of the regions: in Region of Vojvodina, from 8.6% to 8.2%, in Region of Sumadija and Western Serbia, from 11.2% to 7.3%,in Region of Southern and Eastern Serbia, from 16.9% to 12.2%, with the exception of Belgrade Region, where the unemployment rate went up from 6.6% to 6.7%.

Observed by professional status, relative to the same quarter of 2023, the number of employed persons increased in the category of employed persons (by 1.9%) and contributing family members (by 5.5%), while the category of the self-employed saw a fall of 0.4%

Table 8.4. Employment by professional status, comparison Q2 2023 – Q2 2024

	Q2 2023 (p) (in thous.)	Q2 2024 (in thous.)	Change, %
Employed persons – total	**2 851.3**	**2 899.7**	**1.7**
Self-employed	466.0	464.2	-0.4
Employed	2 229.4	2 271.1	1.9
Contributing family members	155.9	164.5	5.5

Active population (labour force) comprises all employed and unemployed persons aged 15 and 24.

Employed persons are persons aged 15-89 and over who performed a paid job for at least one hour in the reference week (in cash or in kind), as well as persons who had an employment but who were absent from work in that week. According to the Classification of Employment Status, they are divided into *self-employed, employed and contributing family member.*

Self-employed are persons persons working solely in their own enterprise, institution, privately- owned store or on an agricultural holding, as well as persons performing solely a professional activity or any other job for own account. Self-employed are persons who solely define the conditions of their work (as well as of their employees) and bear the risk for their work.

Employed workers are persons who work for an employer in any ownership sector, whether having a formal employment contract or working on an oral contract. Family members who help in performing family business and are paid for their work are considered employed workers.

Contributing family members are persons who help another family member in running family business or agricultural holding, and are not paid for that work. Those persons are considered employed even if they are not paid for their work because they have benefits, such as accommodation, food, etc.

Unemployed persons are persons aged 15-74 who did not perform any paid job in the reference week, sought actively a job during four weeks preceding the reference week, and who were ready to start working within two weeks after the reference week

Outside labour force population comprises all persons aged 15 and more who are classified in the employed or unemployed population. Inactive persons include students, retired persons, houseworkers, as well as all persons who did not perform in the reference week any paid job, did not actively seek employment or were not able to start working within two weeks after the end of the reference week.

Activity rate is the share of active population in the total population aged 15 and over.

Employment rate is the share of employed persons in the total population aged 15 and over.

Unemployment rate is the share of unemployed persons in the total number of active population aged 15 and over.
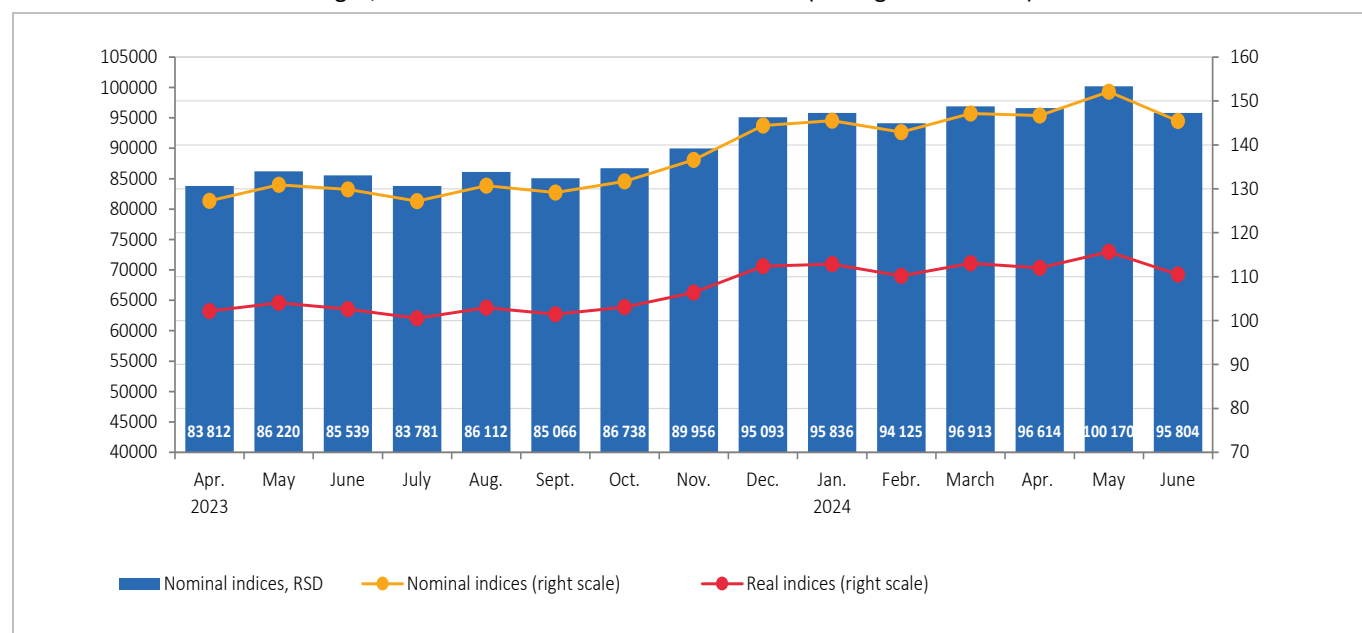
9. SALARIES AND WAGES

Average net salaries and wages in the Republic of Serbia for the second quarter of 2024 amounted to 97 528 dinars. Compared with the same period of the previous year, they increased nominally by 14.5%, and by 9.6% in real terms. Compared with the previous, first, quarter of 2024, they increased nominally by 2% and by 0.6% in real terms.
In the first six months of 2024, the average net salaries and wages amounted to 96 579 dinars, and compared with the same period of the previous year, they increased nominally by 14.7% and by 9.2% in real terms.

Table 9.1. Net salaries and wages – real and nominal indices (comparison with the same period of the previous year)

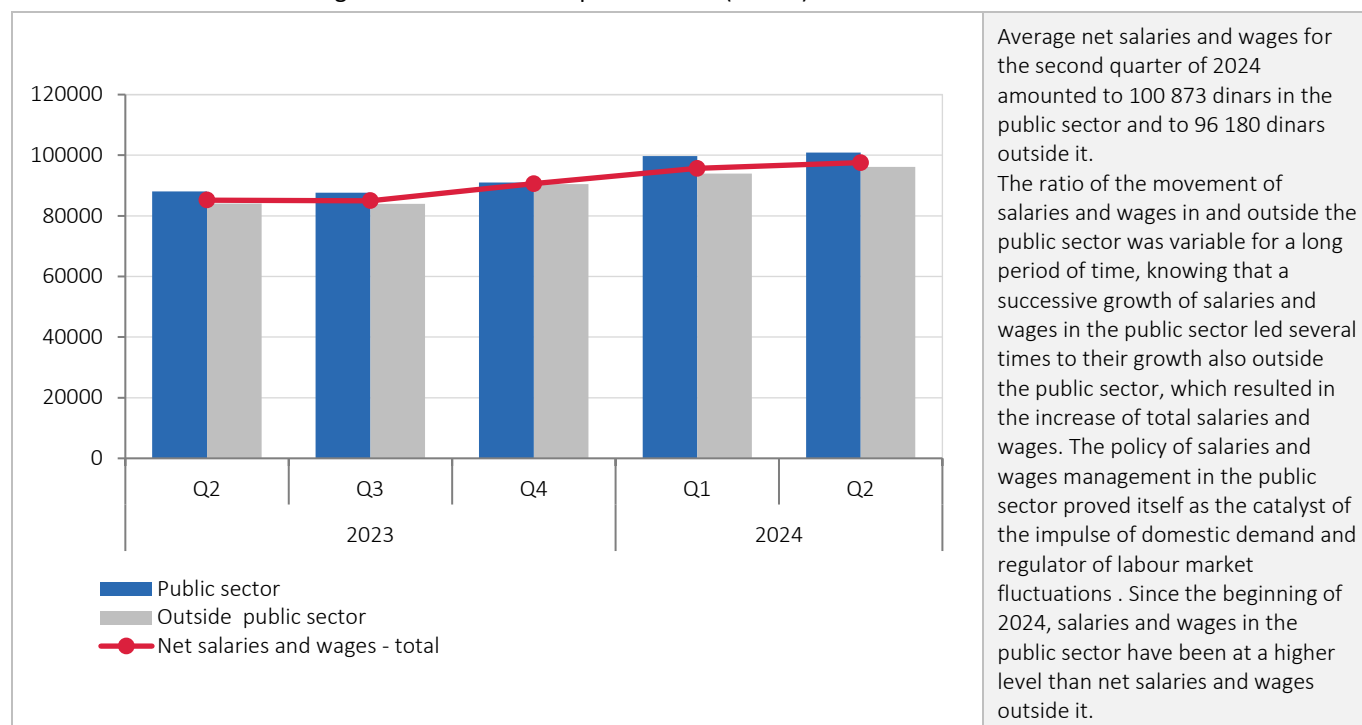|	2021				2022				2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Real indices	105.8	106.4	104.5	104.5	104.3	102.7	101.3	98.6	99.5	100.8	102.5	105.8	108.7	109.6
Nominal indices	107.3	109.8	109.2	112.1	113.4	113.6	114.8	113.4	115.5	115.4	114.1	114.2	114.9	114.5

Chart 9.1. Net salaries and wages, movement of nominal and real indices (average 2021 = 100)

Since the beginning of the year, nominal salaries and wages have followed the real economy and budget, adapting themselves at the same time to trade indicators, i.e. offer and demand for labour force. Average net salaries and wages recorded also an upwards trend in June 2024, amounting to 95 804 dinars, reaching a year-on-year growth of 12 nominally, i.e. of 7.9% in real terms. The decision on increasing the minimal pay from 230 dinars per hour of work in 2023 to 271 dinars in 2024 influenced the growth of salaries and wages. Average net salaries and wages, expressed in euros, as an indicator of living standard and international economic competitiveness of Serbia, recorded growth also in June 2024, reaching the value of 818 euros or year-on-year growth of 12.2%, identical to the nominal growth of salaries and wages due to the stability of the exchange rate dinar to euro

Chart 9.2. Net salaries and wages in and outside the public sector (in RSD)

Average net salaries and wages for the second quarter of 2024 amounted to 100 873 dinars in the public sector and to 96 180 dinars outside it.

The ratio of the movement of salaries and wages in and outside the public sector was variable for a long period of time, knowing that a successive growth of salaries and wages in the public sector led several times to their growth also outside the public sector, which resulted in the increase of total salaries and wages. The policy of salaries and wages management in the public sector proved itself as the catalyst of the impulse of domestic demand and regulator of labour market fluctuations . Since the beginning of 2024, salaries and wages in the public sector have been at a higher level than net salaries and wages outside it.

Average net salaries and wages in the public sector
(January-June 2024)

Public sector – total	RSD 100 291
Public State-owned enterprises	RSD 110 386
Public local enterprises	RSD 89 793
Administration – all levels	RSD 107 236
Government level	RSD 112 142
Autonomous province level	RSD 107 207
Local authorities level	RSD 82 841
Human health and social work	RSD 98 414
Education and culture	RSD 93 348

When comparing net salaries and wages by CA (2010), one notices that the largest real growth in the first half of 2024, compared with the same period of 2023, was realised in the sections Education (12.5%), Manufacturing (10.8%) and Administrative and support service activities (10.5%).

The highest net salaries and wages in the first two quarters of 2024 was recorded in the following divisions: Computer programming and consultancy activities (283 440 dinars), Air transport (201 366 dinars), Scientific research and development activities (195 216) and Manufacture of tobacco products (178 044).

In all other divisions salaries and wages ranged from 54 384 dinars (Food and beverages service activities) to 164 900 dinars (Management consultancy services).

Observed by regions, the highest average net salaries and wages in the first half of 2024 were paid in Belgrade Region, 121 928 dinars. In Region Vojvodina average salaries and wages totaled 91 199 dinars, in Region of Southern and Eastern Serbia, 32 240 dinars, and in Region of Sumadija and Western Serbia, 80 931 dinars.

Chart 9.3. Real growth of net salaries and wages by CA (2010) sections
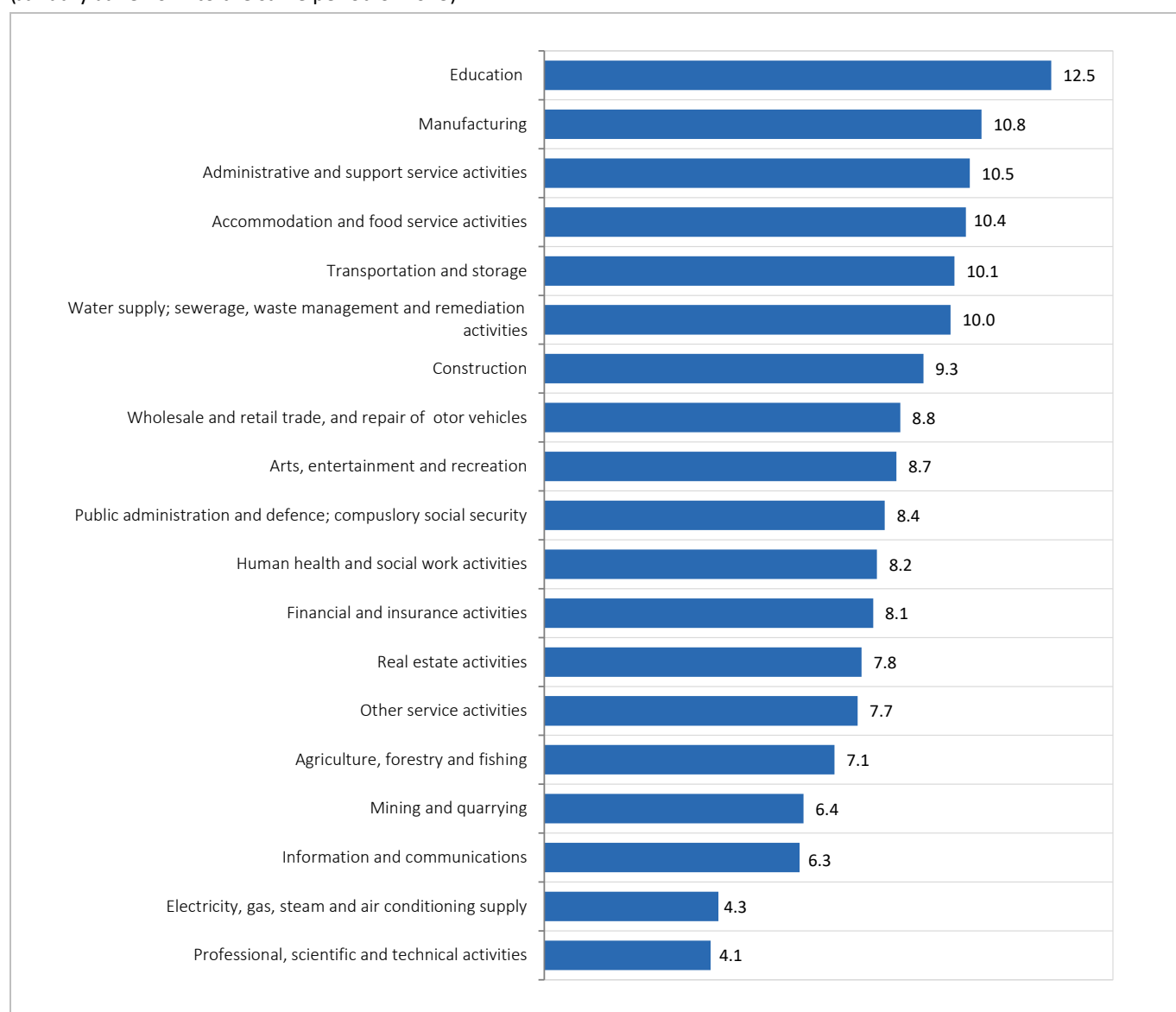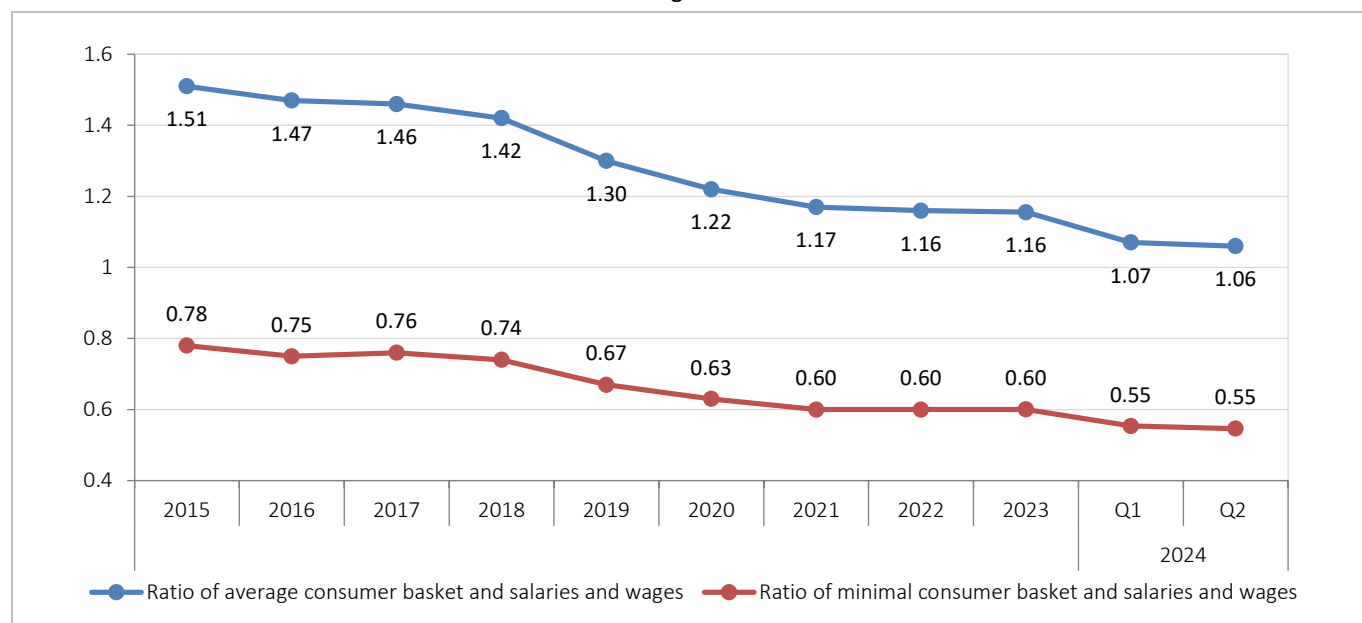(January-June 2024 to the same period of 2023)

Section	Value
Education	12.5
Manufacturing	10.8
Administrative and support service activities	10.5
Accommodation and food service activities	10.4
Transportation and storage	10.1
Water supply; sewerage, waste management and remediation activities	10.0
Construction	9.3
Wholesale and retail trade, and repair of otor vehicles	8.8
Arts, entertainment and recreation	8.7
Public administration and defence; compuslory social security	8.4
Human health and social work activities	8.2
Financial and insurance activities	8.1
Real estate activities	7.8
Other service activities	7.7
Agriculture, forestry and fishing	7.1
Mining and quarrying	6.4
Information and communications	6.3
Electricity, gas, steam and air conditioning supply	4.3
Professional, scientific and technical activities	4.1

Chart 9.4. Ratio of consumer basket[9] and net salaries and wages

Increased population living standard over 2015–2023 is primarily the result of a dynamic growth of salaries and wages. In 2015, the ratio of the average consumer basket and average net salaries and wages was 1.51, while in 2023 it was 1.16, indicating that, while in 2015 1.51 of the average salaries and wages was needed for the average consumer basket, in 2023 this ratio was improved so that 1.16 of the average salaries and wages was necessary for the average consumer basket.

The ratio of net salaries and wages and average consumer basket in the second quarter of 2024 indicates that the purchasing power grew, when compared with the previous quarter. To cover the average consumer basket in the second quarter of 2024 1.06 average average salaries and wages (in the first quarter of 2024, 1.07), and to cover the minimum consumer basket only 0.55 of average salaries and wages, as in the previous quarter.

When compared with the same quarter of the previous year, the ratio of the average consumer basket and net salaries and wages also showed that purchasing power grew (in the second quarter of 2023 – 1.16), the minimum consumer basket amounting to 0.55 average salaries and wages, while in the same quarter of the previous year this ratio was slightly disadvantageous (0.61).

Observed by towns, in the second quarter of 2024, purchasing power (ratio of the average consumer basket and average salaries and wages) above the average of the Republic (1.06) was recorded in Belgrade (0.88), Novi Sad (1.03) and Nis (1.03), as well as Kragujevac and Smederevo (1.05 each), while in other statistically monitored towns, average salaries and wages covered the minimum, but not average household consumer basket.

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[9] *Minimum consumer basket* – refers household consumption, which provides for basic living and working capacity of household members, bearing in mind the optimal biochemical composition of food (carbohydrates, proteins, fats and calories). The total value of the minimum consumer basket is the sum of expenses for food and other products and services making up individual household consumption.
Average consumer basket – refers to the consumption of products and services of the individual consumption of an average household.
Since January 2011 New Average and New Minimum Consumer Basket have been published, which are calculated starting with January 2008 according to the new methodology of the Statistical Office of the Republic of Serbia.

10. TOURISM

Tourism, having a multidimentional and complex nature, is an activity intertwined with many other economic activities, as, besides providing accommodation and restaurant services, indispensable activities related to tourism are the following ones: transmport, cultural and recreational activities, payment operations, etc. It not only promotes and forms the national identity of a country but it also plays a big role in its economy – in some regions it is even the only factor for creating employment for the local population, and generally, the only factor of sustainable development — all the reasons to deserve special analytical attention.

10.1. TOURIST OVERNIGHT STAYS

Tourism in the Republic of Serbia started its expansion in 2015, primarily by means of incentive measures of domestic tourism, but also by increased interestst of foreign tourists in this period. Expressed in number of overnight stays, tourist turnover was going up until 2019, when a record number of 10.1 million overnight stays was achieved. The year 2020 brought contraction of tourIsm activity and a fall of the number of overnight stays of 6.2 million, where domestic tourists spent almost 5 million, and foreign ones about 1.3 million nights. The year 2021 brought recovery and the number of overnight stays grew by 8.2 million. The upwards trend, expressed in tourist overnight stays in the Republic of Serbia, continued in the previous year 2023, when 12,4 million of overnight stays were recorded, 1.6% more than in 2022.

In the second quarter of 2024, the number of spent tourist nights amounted to 3.4 million, by 9.7% more than in the second quarter of 2023. Domestic tourists accounted for 53.4% and foreign ones for 46.6% of the total number of overnight stays.

Chart 10.1. Tourist overnight stays – domestic, foreign, total; quarterly and annual
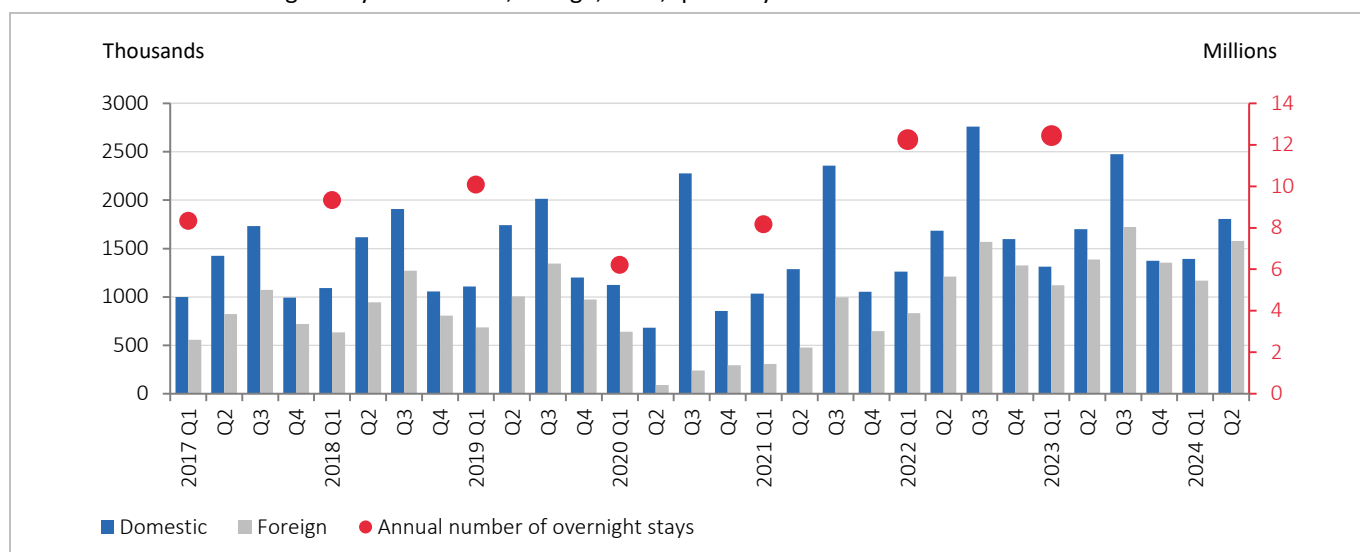
Table 10.1. Tourist overnight stays, indices (comparison with the same period of the previous year)

	2022				2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Total	156.3	164.1	129.2	171.7	116.0	106.6	96.9	93.3	105.3	109.7
Domestic tourists	122.2	130.8	117.2	151.4	103.9	100.8	89.6	86.0	106.2	106.3
Foreign tourists	270.1	253.8	157.5	204.7	134.4	114.5	109.6	102.2	104.2	113.9

10.2. MAJOR TOURIST RESORTS

Expressed in number of tourist overnight stays[10], the most frequently visited tourist resorts in the first six months of 2024 were **Other tourist resorts**, with 3.4 million overnight stays (or about 56.2% of total overnight stays), by 7.5% more than in the same period of the previous year. This category comprises Belgrade (1.7 million overnight stays) and larger towns of Serbia (Novi Sad, Nis, Subotica). Most of the visitors to Belgrade were foreign tourists (85.6%), and a similar situation was recorded in Novi Sad (71.9% foreign tourists), while domestic tourists were slightly predominant in Nis (54.1% domestic tourists) and Subotica (52.2% domestic tourists).

Mountain resorts, second by category in a row of resorts according to the number of tourist overnight stays in the first half of 2024 recorded 1.6 million overnight stays, accounting for 25.6% of total number of overnight stays, by 10.3% more than in the first quarter of 2023. Zlatibor attracted most of the tourists (602.1 thousand), mainly coming from the Republic of Serbia (about 463 thousand). Kopaonik recorded 402.4 thousand tourist overnight stays, of whom most were from the Republic of Serbia (291 thousand). These two mountains accommodated about 64.2% of the total number of tourists that spent nights in mountain centers.

In Spa resorts there were in the first six months of 2024 about 1.1 thousand nights spent, by 8.4% more than in the same period of the previous year. Tourists were mainly from the Republic of Serbia (83.5%), and the most visited were Vrnjacka Banja with 279.3 thousand visitors, followed by Sokobanja (205.7 thousand), Banja Vrdnik (104.7 thousand), Lukovska Banja (76.2 thousand), and other spas.

The largest growth, expressed in number of overnight stays in the first six months of 2024 relative to the same period of 2023, was recorded in Selters banja (growth of 181%), Novopazarska banja (86.3%), Golija (growth of 38.2%) and Rudnik (growth of 37.3%).

Chart 10.2. Tourist overnight stays by selected tourist resorts, January–June 2024

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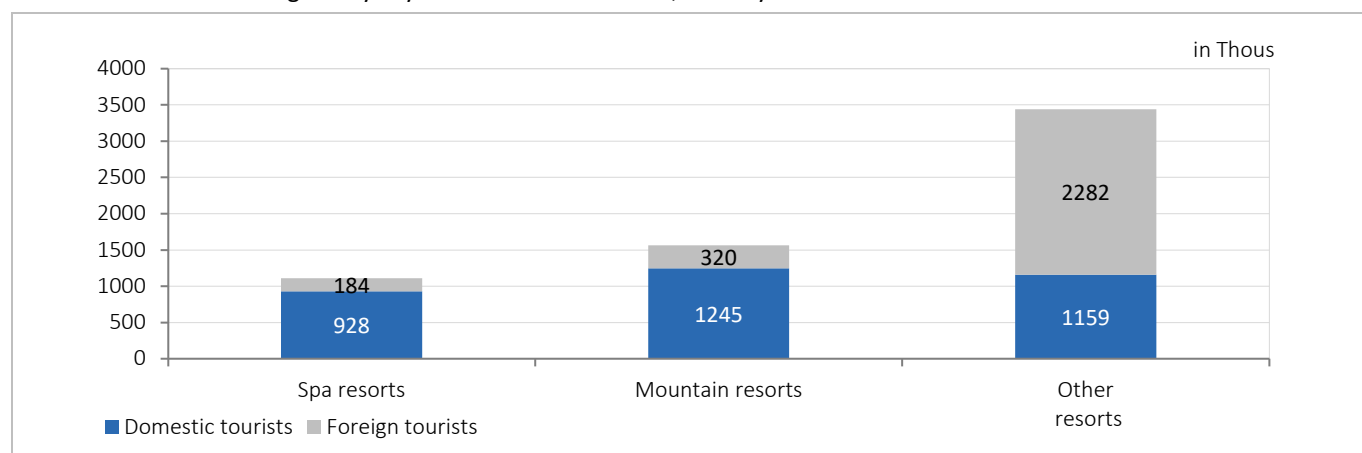
[10] The sum of data by type of resorts (spas, mountains, other resorts) does not give the correct number of tourist overnight stays in the Republic of Serbia knowing that the areas of some tourist resorts belong at the same time to different resorts (e.g. they are at the same time spa and mountain resorts).

10.3. COUNTRY OF ORIGIN OF FOREIGN TOURISTS

In the first half of 2024, foreign tourists from about 50 different countries visited the Republic of Serbia. Tourists from Europe were the most numerous to have spent nights (83.1%).

Three countries which tourists spent the largest number of nights were the Russian Federation (307.2 thousand), Turkey (277.5 thousand), and Bosnia and Herzegovina (180 thousand). Visitors from China were at the fourth place (165.3 thousand, then from North Macedonia (145.1 thousand), Croatia (125.4 thousand) and Romania (123.1 thousand). Overnight stays of tourists from these seven countries account for 48.2 of the total number of nights spent in the first two quarters of 2024.

For the purpose of comparison, chart 10.4 presents the number of tourist overnight stays in the first six months of 2023.

Chart 10.3. Foreign tourist overnight stays by countries they come from, January-June 2024
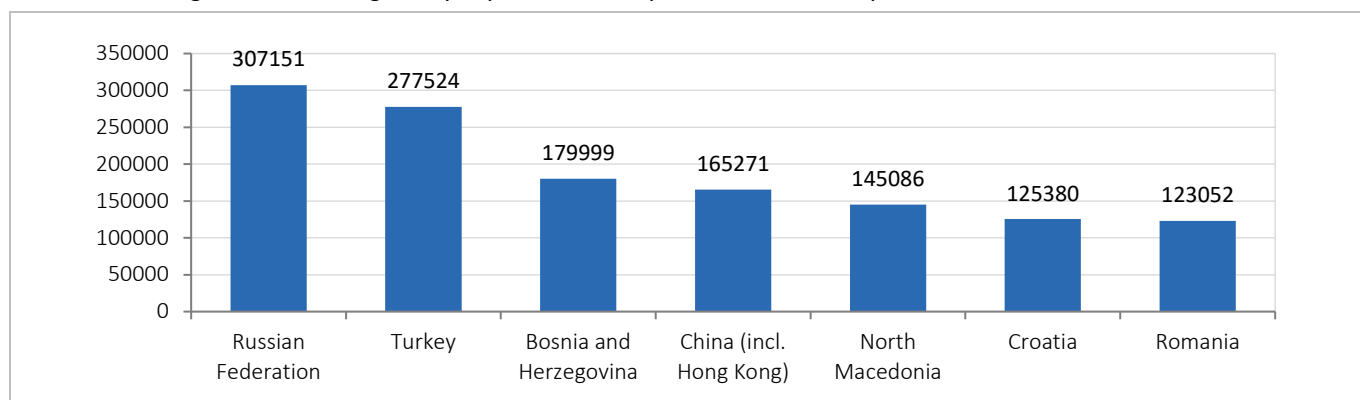
Chart 10.4. Foreign tourist overnight stays by countries they come from, January-June 2023
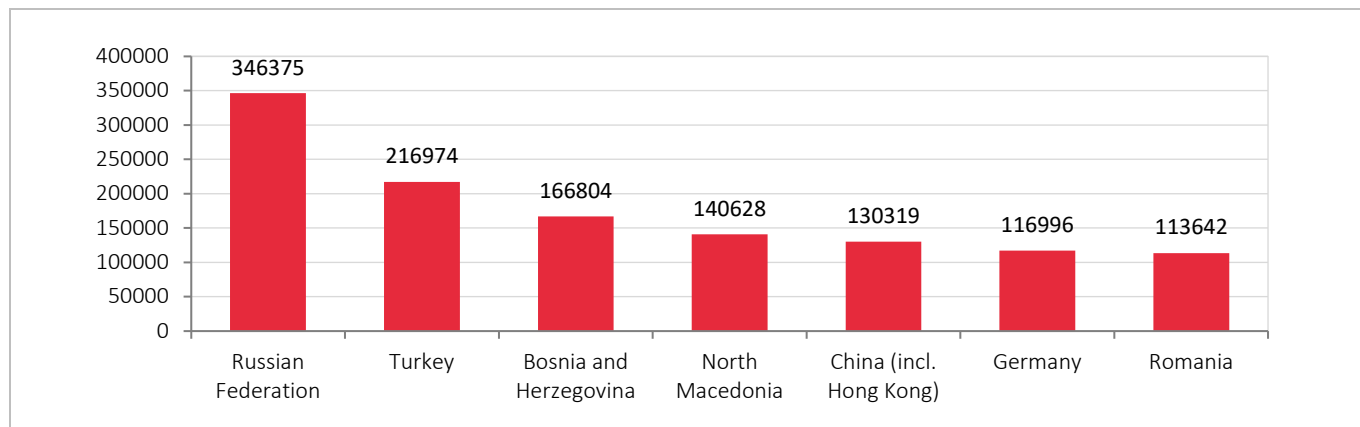
🔔 Note: in all the publication of the Statistical Office of the Republic of Serbia. Since 2022 data on tourism turnover have been published on the basis of the processing of data retrieved from the administrative source, Central Information System in Caterign and Tourism (eToutist). Until December 2021 included, data were collected, processed and published on the basis of a statistical survey on tourist arrivals and overnight stays in accommodation facilities (TU-11).

All indices of tourism turnover (tourist arrivals and overnight stays) in 2022 are calculated based on the data of the Central Information System in Catering and Tourism (eTourist) for 2022 and 2021. With the change of data source, and therefore of the coverage, the survey-based results (TU'-11, for the previous year) and those from the administrative source (eTourist) are not comparable.
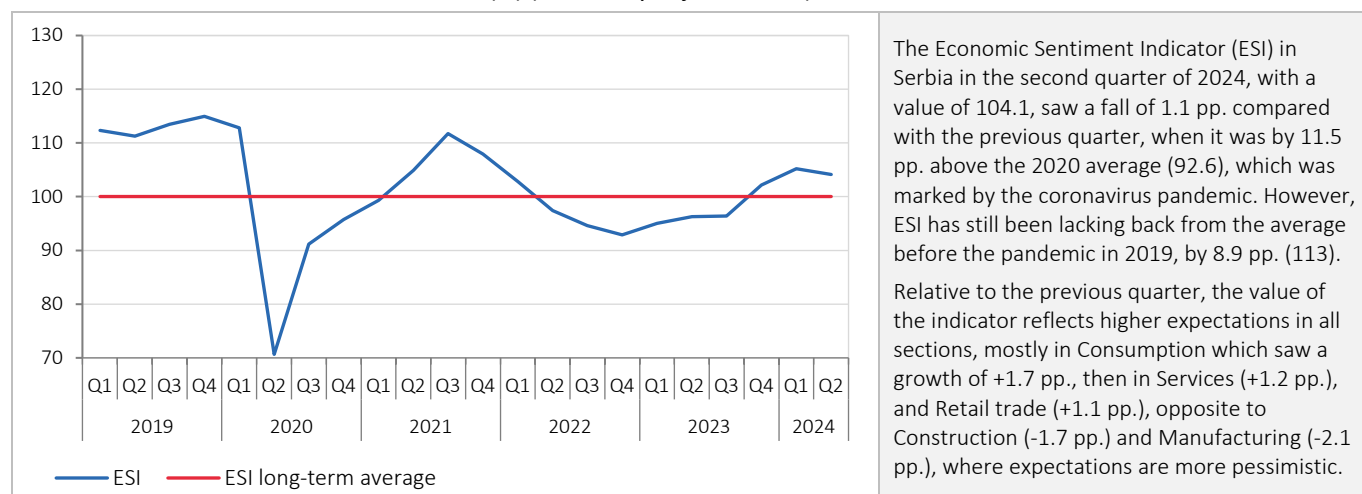
11. ECONOMIC SENTIMENT INDICATOR

11.1. ECONOMIC SENTIMENT INDICATOR - ESI

Economic Sentiment Indicator - ESI is a composite indicator which purpose is to present producers' and consumers' perceptions about economic movements and economic stability. As expectations of business subjects can be an important signal of changes in economic trends, this indicator is used to assess economic situation, make flash estimates, for scientific and analytical use, as well as for international comparisons and creating economic policies.

ESI has been developed by the General Directorate for Economic and Financial Affairs of the European Commission (DG ECFIN). It is obtained through five different surveys of producers and consumers, which attitudes provide a reliable indication of economic movements, based on which confidence indicators are created. Confidence indicators of the analysed sections are weighted in order to reflect as good as possible their influence on economic activity – manufacturing 40%, service activities 30%, household consumption 20%, construction 5% and retail trade 5%. A value of ESI index exceeding 100 indicates improvement or economic activity, while that below 100 suggests decline[11].

Chart 11.1. Economic Sentiment Indicator[12] (%) (seasonally adjusted data)

The Economic Sentiment Indicator (ESI) in Serbia in the second quarter of 2024, with a value of 104.1, saw a fall of 1.1 pp. compared with the previous quarter, when it was by 11.5 pp. above the 2020 average (92.6), which was marked by the coronavirus pandemic. However, ESI has still been lacking back from the average before the pandemic in 2019, by 8.9 pp. (113).

Relative to the previous quarter, the value of the indicator reflects higher expectations in all sections, mostly in Consumption which saw a growth of +1.7 pp., then in Services (+1.2 pp.), and Retail trade (+1.1 pp.), opposite to Construction (-1.7 pp.) and Manufacturing (-2.1 pp.), where expectations are more pessimistic.

Source: European Commission, processing: Statistical Office of the Republic of Serbia. Quarterly data represent quarterly average.

Table 11.1. Confidence indicators by section and Economic Sentiment Indicator – growth to the long-term average (%)

Confidence indicators	Minimum		Average	Maximum		2023				2024	
	Quarter	Value		Quarter	Value	Q1	Q2	Q3	Q4	Q1	Q2
Manufacturing	Q2 2020	-8.9	3.3	Q3 2018	8.0	-1.8	-0.9	-2.0	1.0	2.1	0.0
Services	Q2 2020	-43.0	6.7	Q2 2016	16.3	4.7	4.2	5.4	8.6	9.8	11.0
Consumption	Q4 2014	-20.6	-4.7	Q1 2020	10.7	-8.4	-6.5	-5.5	-2.4	0.9	2.6
Retail trade	Q2 2020	-12.5	8.5	Q4 2019	16.3	7.7	8.8	11.2	12.1	12.6	13.7
Construction	Q3 2013	-40.8	-9.5	Q3 2019	7.2	-3.0	-3.8	-4.0	-2.2	-0.6	-2.3
Economic Sentiment Indicator	*Q2 2020*	*70.7*	*102.5*	*Q4 2019*	*115.0*	*95.0*	*96.3*	*96.4*	*102.1*	*105.2*	*104.1*

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[11] ESI is calculated as an index with a mean value of 100 and standardised deviation of 10. More on the methodology on:
https://economy-finance.ec.europa.eu/system/files/2023-02/bcs_user_guide.pdf
[12] Data for the Economic Sentiment Indicator (ESI) have bee revised in line with the improved methodology of data seasonal adjustment, which has been in use since April 2022.

**Chart 11.2. Economic Sentiment Tracer**
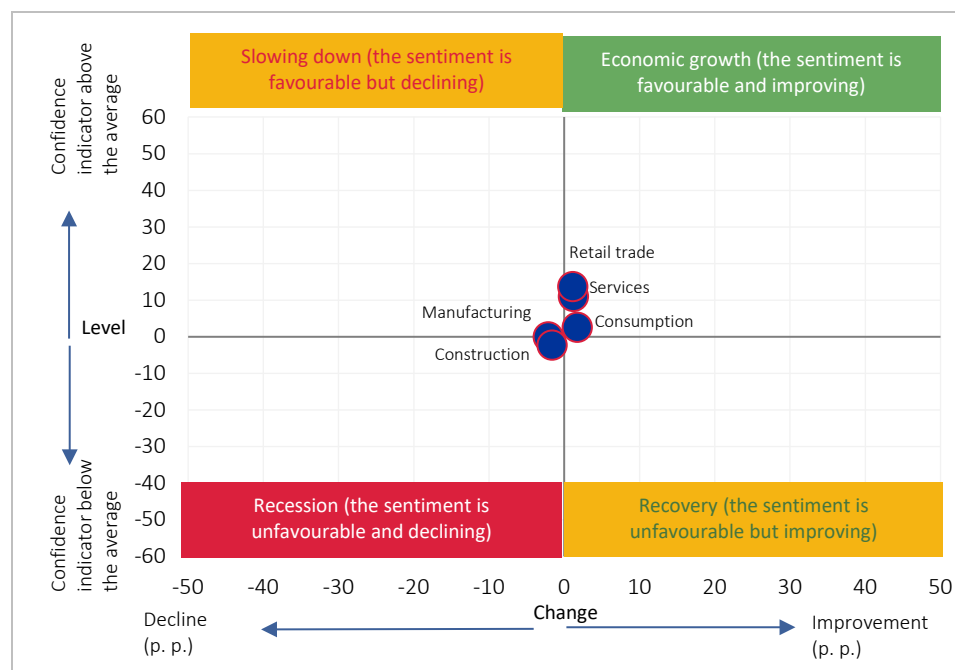
Economic Sentiment Tracer, created on the basis of seasonally adjusted confidence indicators, shows that most of the sections are recording growth (expansion), with an economic climate above the average and an improving tendency.
Only the sections of Construction and Manufacturing are in the recovery phase.

11.2. INDUSTRY CONFIDENCE INDICATOR

The industry confidence indicator includes the responses of economic subjects on contracted orders, expected production and stocks of finished products.

Chart 11.3. Construction Confidence Indicator (%) (seasonally adjusted data)
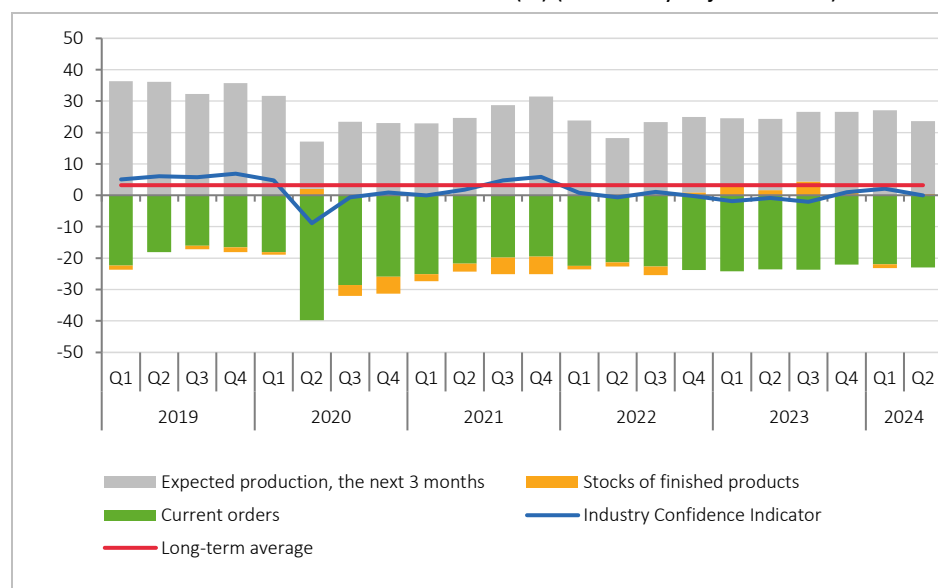
The Industry Confidence Indicator – ICI in the second quarter of 2024 went down by 2.1% compared with the previous quarter, by 3.3 pp. under the long-term average.
The fall of this indicator is mainly the result of negative appraisals of businessmen concerning current orders (fall of 1 pp.), as well as of pessimistic attitudes concerning the expected production (fall of 3.8 pp.), while the appraisals regarding current stocks of finished products was slightly more optimistic and saw a growth of 1.7 pp.).

11.3. SERVICE CONFIDENCE INDICATOR

The survey in services is made of questions about the economic situation, current and expected demand for services.
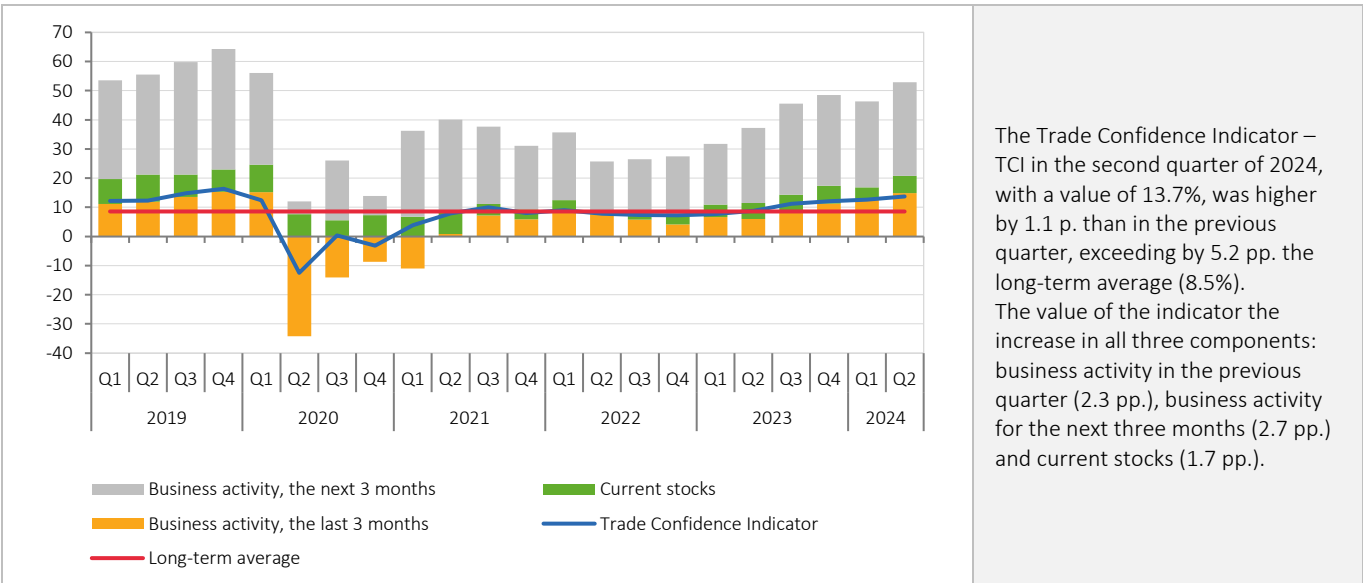
Service Confidence Indicator (%) (seasonally adjusted data)

The Service Confidence Indicator – SCI, with a value of 11%, in the second quarter of 2024 is higher by 1.2 pp. than in the previous quarter, exceeding the long-term average by 4.3 pp.
Expectations concerning **demand for the next quarter and** the economic situation for the previous three months increased (2.5 pp. and 2.2 pp., respectively), while **pessimistic expectations were expressed regarding demands in the last three months** (-1 pp.).

11.4. TRADE CONFIDENCE INDICATOR

The survey in services is made of questions about the economic situation, current and expected demand for services.

Trade Confidence Indicator (%) (seasonally adjusted data)

The Trade Confidence Indicator – TCI in the second quarter of 2024, with a value of 13.7%, was higher by 1.1 p. than in the previous quarter, exceeding by 5.2 pp. the long-term average (8.5%).
The value of the indicator the increase in all three components: business activity in the previous quarter (2.3 pp.), business activity for the next three months (2.7 pp.) and current stocks (1.7 pp.).
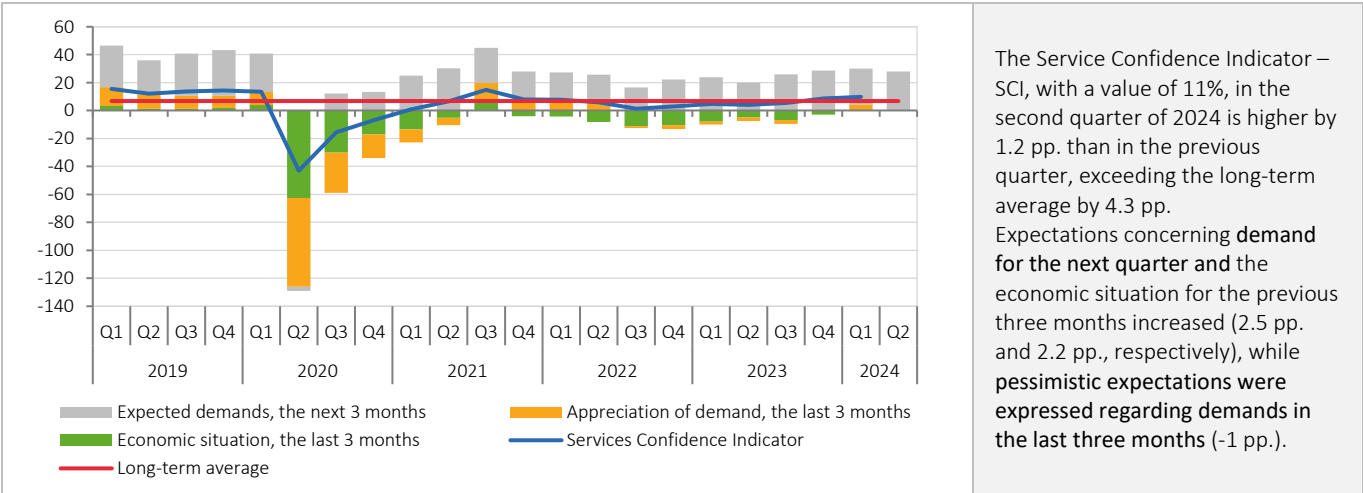
11.5. CONSTRUCTION CONFIDENCE INDICATOR

The survey in construction is made of questions about contracted orders and expected employment.

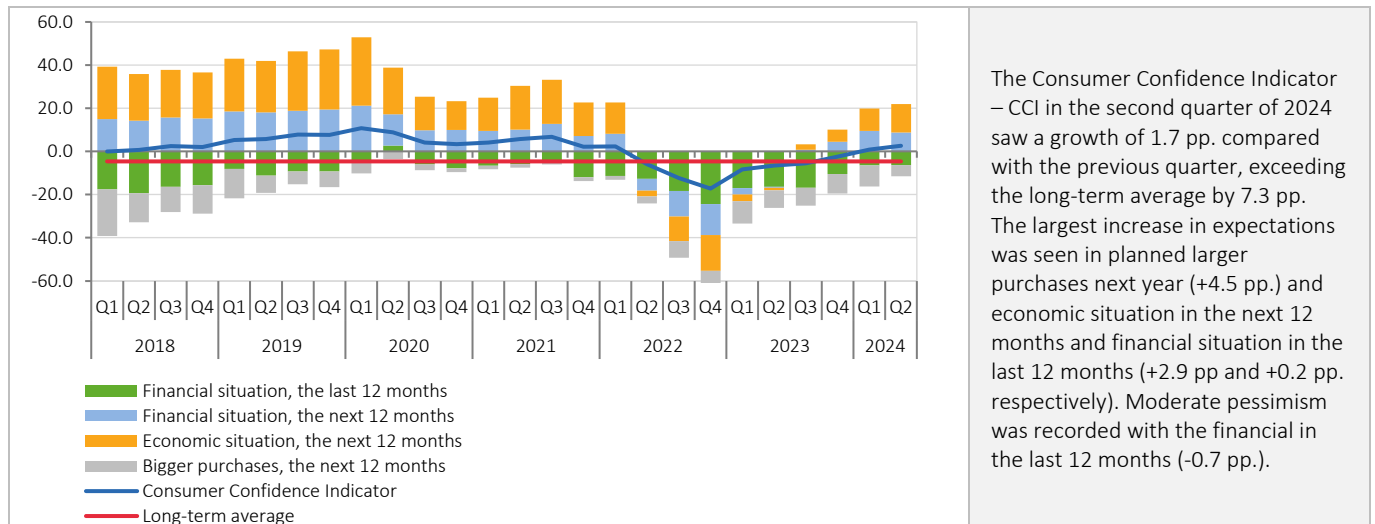Chart 11.6. Construction Confidence Indicator (%) (seasonally adjusted data)

The Construction Confidence Indicator – CCI, with a value of -8% in the second quarter of 2024, noted a fall of 1.7% pp. in relation to the previous quarter, still being above the long-term average by 7.2 pp. The fall of the value of this indicator reflects primarily the additional fall of already negative appraisals concerning current orders (-0.8 pp.), then a fall of expectations about employment in the next three months (2.4 pp.).

11.6. CONSUMER CONFIDENCE INDICATOR[13]

The survey of household consumption is made of questions about household financial situation, general economic situation and expectations relative to bigger purchases.

Chart 11.7. Consumer Confidence Indicator (%) (seasonally adjusted data)

The Consumer Confidence Indicator – CCI in the second quarter of 2024 saw a growth of 1.7 pp. compared with the previous quarter, exceeding the long-term average by 7.3 pp. The largest increase in expectations was seen in planned larger purchases next year (+4.5 pp.) and economic situation in the next 12 months and financial situation in the last 12 months (+2.9 pp and +0.2 pp. respectively). Moderate pessimism was recorded with the financial in the last 12 months (-0.7 pp.).

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[13] The methodology for the calculation of the Consumer Confidence Indicator was modified by the European Commission in 2018, thus the data have been revised.

11.7. CORRELATION OF ESI AND GDP OF SERBIA

Researchers and decision-makers in economic matters often include ESI as an explanatory variable with relevant pieces of information to model the economic growth, particularly if one takes into account that the data on the economic climate are available before most of the economic indicators. Gross Domestic Product (GDP) is the reference (explanatory) series that is most frequently used, because it reflects the movements in the economy as a whole. When considering that ESI represents a coincident indicator (showing changes at the same time when the changes are shown by the reference series), it can be concluded that it follows relatively well the GDP trend, which is confirmed also by the correlation coefficient of 0.68

Chart 11.8. Correlation of ESI and GDP of Serbia
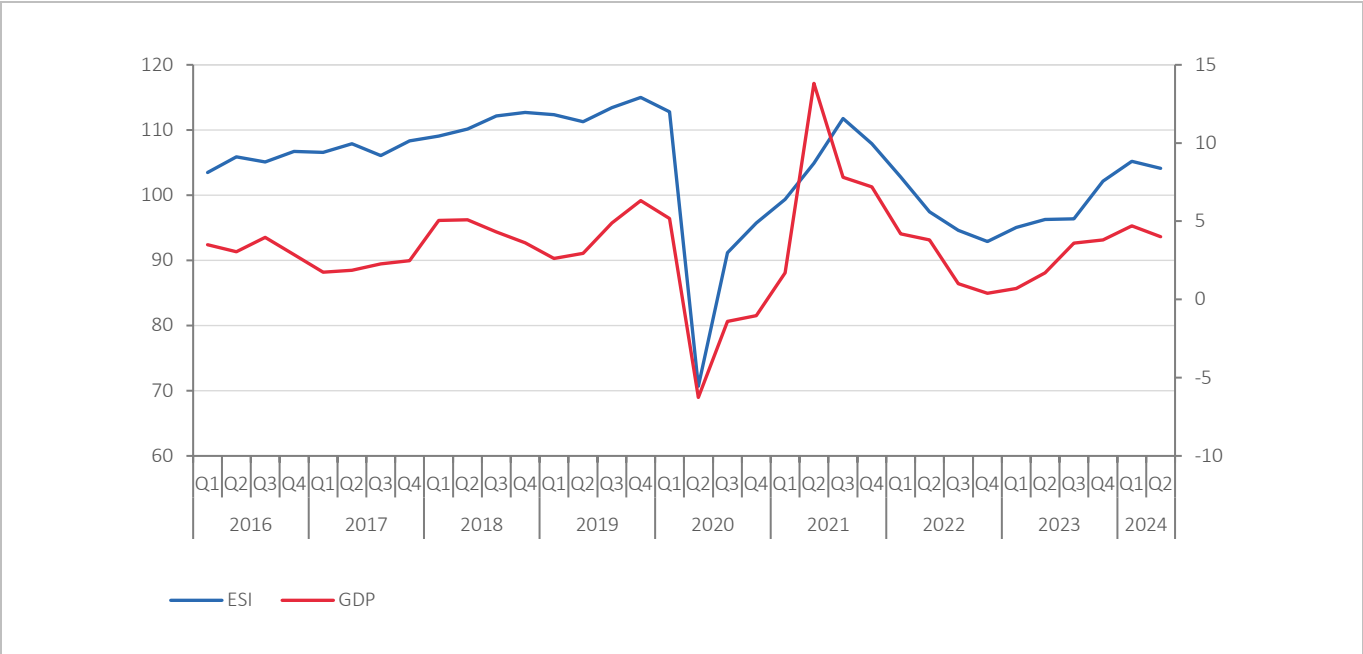
11.8. ECONOMIC SENTIMENT INDICATOR IN THE EUROPEAN UNION

Economic expectations in most of EU member states improved in the second quarter of 2024 (relative to the previous quarter), which made ESI go up by 0.2 p.p. (from the value of 96.4). The largest fall in expectations in the EU was recorded in Consumption (+1.7 pp.).

Chart 11.9. Economic Sentiment Indicators
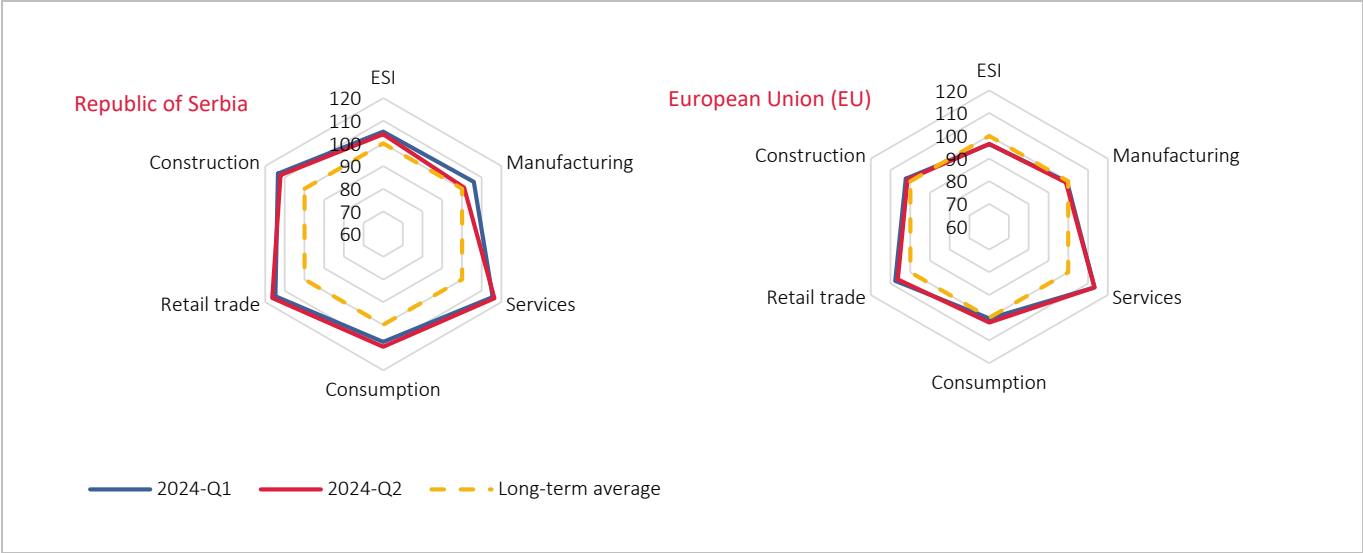
📢 HOW TO INTERPRETE THE TRACER?

The tracer scale of the chart ranges from 60 to 120 (average = 100). The most recent quarterly outcomes (Q2 2024) are compared with the previous quarterly outcomes (Q1 2024) and long-term average (= 100) of the corresponding series of confidence indicators. Developments far from the center reflect confidence indicator improvement, and close to the centre its decline.

12. REGIONAL ECONOMIC ASYMMETRIES

The starting point in realizing various aspects of regional asymmetries is the status of cities and municipalities of Serbia according to Regulation on establishing *List of Regional Development and Local Government Units for 2014* (Official Gazette of RS, no 104/2014). In compliance with the Regulation, excluding Beogradski region that comprises no municipality with the status of undeveloped area, in other three regions, number and size of undeveloped municipalities varies – Region Vojvodine has only one municipality in the group of extremely underdeveloped (out of 46 municipalities), Region Southern and Eastern Serbia has even 30 (out of total of 53), and in Region Sumadija and Western Serbia, such status is recorded in 13 out of 53 municipalities. On the other hand, there is no municipality in Region Vojvodina with the status of devastated municipality (devastated means that development level is below 50% of the Republic average – see Glossary), while in Region Sumadija and Western Serbia, the mentioned status is recorded in three municipalities, and in Region Southern and Eastern Serbia, even 16 municipalities.

Unequal economic development in Serbia in the last several decades has contributed to deeper, already existing territorial inequalities. Regional polarization is apparent at several levels – undeveloped area, developed centre and insufficiently developed periphery. Regional disproportions – expressed in economic, social, demographic and infrastructure indicators – reflect characteristics of economic and social system of the country.

■ Gross domestic product

Regional gross domestic product presents primary statistical indicator for estimating economic performances of the region and effectiveness of regional policies and programs directed to decreasing the gap among the regions.

Out of total GDP in 2022, observed by level of NSTU 2 regions, the greatest realized GDP was in Beogradski region (40%), followed by Region Vojvodina (26.4%), Region Sumadija and Western Serbia (18.4%) and Region Southern and Eastern Serbia (15.2%).

Knowing that Beogradski region covers 3.7% of the area inhabited by 24% of the population of Serbia, it is clear that it is also the region with the highest GDP per capita (1 686 000 RSD / per capita, i.e. 58.3 % above the republic average, followed by Region Vojvodina that by 0.8% exceeds the average, while other regions record GDP values per capita below the average, i.e. Region Sumadija and Western Serbia by 32.8% and Region Southern and Eastern Serbia by 28.3% .

Chart 12.1. Share of the region in the national GDP, 2022

Beogradski region, 40.0%

Region Vojvodina, 26.4%

Region Sumadija and Western Serbia, 18.4%

Region Southern and Eastern Serbia, 15.2%
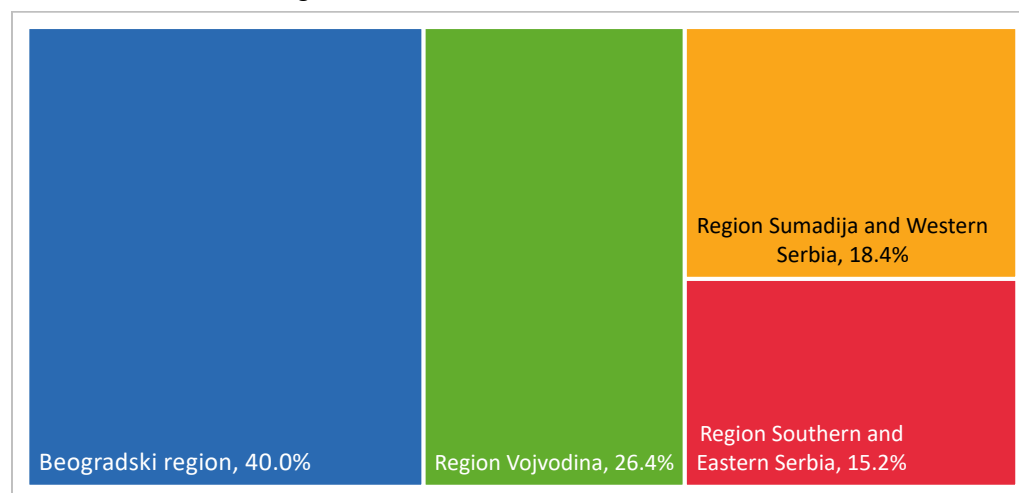
■ Average salaries and wages

Level of regions' development, measured by average net salaries and wages varies in ratio 1.5:1, i.e. the highest salaries and wages are recorded in Beogradski region, and the lowest ones in Region Sumadija and Western Serbia. Average net salaries and wages in the period January – June 2024 in Beogradski region amounted to RSD 121 928, or 126% of RS average (RSD 96 579), in Region Vojvodina, they were insignificantly below RS average (RSD 91 199, or 94% of RS average), while in Region Southern and Eastern Serbia and Region Sumadija and Western Serbia, they were about 86% and 84% of the Republic average (RSD 83 240 and RSD 80 931, respectively). In all regions, average salaries and wages recorded growth relative to the same period of the previous year, and the greatest absolute and relative increase was noted in Region Sumadija and Western Serbia, by 15.3%.

In 75 municipalities, average net salaries and wages were below 80% of the Republic average, i.e. in particular Belgrade municipalities, average salaries and wages were more than double relative to municipality of Crna Trava (with the lowest average salaries and wages of RSD 65 574). Moreover, at the bottom of the list are the municipalities of Bojnik with an average salary of RSD 65 699, Presevo (RSD 65 840) and Vlasotince (RSD 66 687).

■ Labour market

The correlation of unemployment rate and development level of the region is very high, and in accordance with the mentioned, Region Southern and Eastern Serbia, with unemployment rate of 12.8% in the period January – June 2024, by 44.9% exceeds the average of Serbia (8.8%). On the other hand, in Beogradski Region, unemployment rate was the lowest, 6.4%, i.e. 27.3% below the national average. Additionally, referring to employment rate, it is the highest in Beogradski region (56% or 9.6% above the average of Serbia), while in Region Southern and Eastern Serbia, noted was the lowest employment rate of 46.3%, or 9.5% below the Republic average (51.1%).

In the period January – June 2024, Beogradski Region noted the highest share in total employment (27.7%), with the simultaneous lowest share in unemployment (19.6%). On the contrary, Region Southern and Eastern Serbia, with 19.3% has the lowest share in total employment, with the highest share in unemployment (29.2%) (according to the Labour Force Survey).

■ Export activity

In contrast to other indicators, in the period January – June 2024, Beogradski region was not on the first place regarding total export of Serbia (share of 23.2%). Region Vojvodina is on the first place with the share of 33.8% in export, followed by Region Southern and Eastern Serbia (21.5%) and Region Sumadija and Western Serbia (20.4%). Export per capita reflects regional asymmetries – Region Vojvodina records the export of EUR 2 848 per capita, and it is about the Republic average and exceeds by almost double the export value per capita in Region Sumadija and Western Serbia (EUR 1 642), which is by 42% below the average of the Republic. Region Vojvodina, as the leading exporter in the period January – June 2024, recorded the greatest share in export[14] and the greatest share in export[14] of agricultural and food products (21%), primarily cereals (33%), the most important export product being corn (15.1% of export of agricultural and food products).

■ Demographic structure

According to the census data from 2023, population density in Beogradski region is by 6.9 times greater than average population density in Serbia, while in Region Southern and Eastern Serbia, population density was the lowest – 29% below the Republic average. Although all regions participate equally in total population of Serbia, interregional differences are particularly apparent. For example, in eight towns in Region Vojvodina, lives even over a half of total population of Vojvodina (54.8%). However, the most obvious population inequality is in other two regions: Region Sumadija and Western Serbia comprises 10 towns in which 55% of total population of the Region lives, while in 13 undeveloped municipalities, only 13 % of population lives. This ratio is even more noticeable in Region Southern and Eastern Serbia, as 56% of population lives in 9 cities, while even in 30 underdeveloped municipalities live 31% of population. Additionally, due to economic migrations, number of population in Beogradski region is constantly increasing (by 1.4% between 2011 and 2023), while the number of

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[14] According to the Standard International Trade Classification (ISTC).

population in other three regions is constantly decreasing. Simultaneously, it means that differences in population density will be even greater as population in Region Southern and Eastern Serbia is becoming more and more fragmented, while population density in Beogradski region becomes increasingly denser.

■ Transport infrastructure

In the Republic of Serbia, there are huge regional and interregional differences regarding infrastructure equipment (transport, telecommunication and water management, i.e., accompanying supra structures). In roads' quality, telecommunication and modern living conditions, differences are, first of all, manifested in underdeveloped south area and more developed north area of Serbia. The unsatisfactory condition of the road network is particularly evident in the municipal (local) roads, necessary for the daily functioning, development and activation of municipalities and settlements. This is clearly indicated by the fact that 41 municipalities[15] have an out-of-band participation of local roads with a modern roadway, while four municipalities account for less than 20%, which are actually undeveloped and devastated areas facing the biggest developmental problems. Also, *the car renewal rate* (the number of cars registered for the first time in relation to the total number of registered cars) as an indicator of socio-economic inequalities at the regional level varies in 2023 from 3.8 in Region Sumadija and Western Serbia to 8.3 in Beogradski region, where a fourth part of the vehicles was registered. The number of first-time registered cars compared to the number of inhabitants in the period January – June 2024 reflects a similar ratio, with Beogradski region leading up to 47% above the average of the Republic of Serbia versus Region Southern and Eastern Serbia, with 29% below the national average.

Regional asymmetry is seen through the relation between the extreme (the highest and the lowest) values of the key indicators. For example, the highest density of population is recorded in Belgrade and exceeds 10 times the population density in Region Southern and Eastern Serbia, where it is the lowest (Table 12.1).

Table 12.1. **Extreme values and indicators of regional asymmetry, January – June 2024**

Indicators	Population density, km², 2023	GDP/per capita, 2022	Average net salaries and wages	Unemployment rate	Export per capita	Demographic emptying, 2011–2023 (%)
Extreme Values (the highest : the lowest)	9.8 : 1	2.3 : 1	1.5 : 1	2 : 1	1.7 : 1	(-10.9) : (+1.4)
	Beogradski region: Region Southern and Eastern Serbia	Beogradski region: Region Southern and Eastern Serbia	Beogradski region: Region Sumadija and Western Serbia	Region Southern and Eastern Serbia: Beogradski region	Region Vojvodina: Region Sumadija and Western Serbia	Region Sumadija and Western Serbia: Beogradski region

Chart 12.2. **Disproportions at the regional level in Serbia (RS level = 100%), January – June 2024**
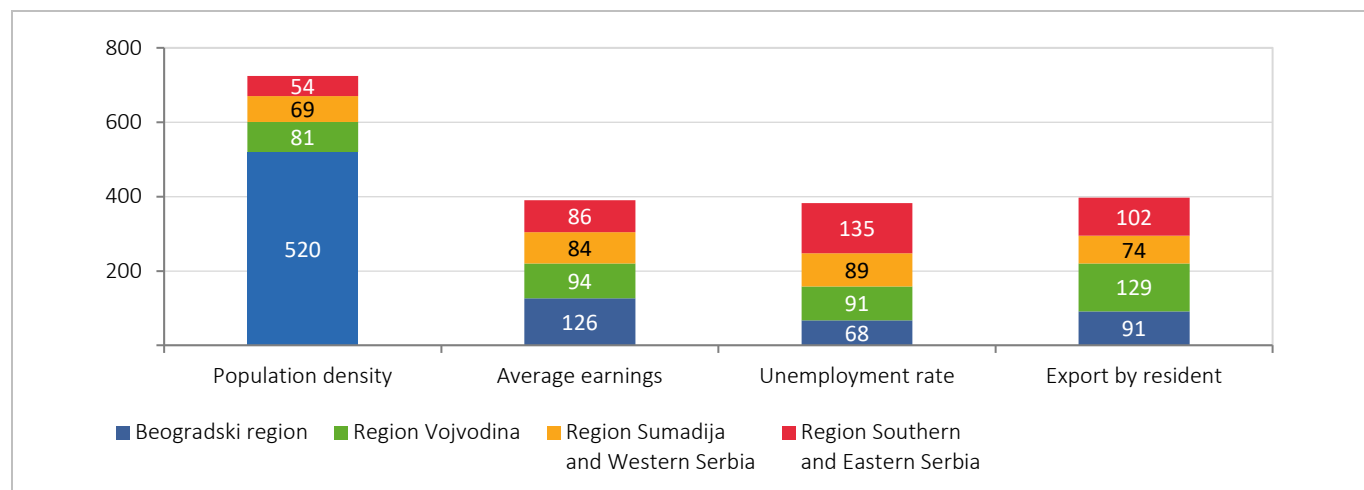
Table 12.2. Indicators of regional development of Serbia (NSTJ 2) (RS level = 100%)

	2022				2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Beogradski region										
Average salaries and wages in dinars	125.8	125.8	126.3	128.0	126.6	127.0	127.1	128.2	126.3	126.1
Employment rate	107.6	108.2	110.6	110.2	110.7	109.9	111.0	111.1	110.0	109.1
Unemployment rate	75.2	83.1	82.2	83.0	75.2	80.2	71.1	73.6	69.1	76.8
Exports per capita in euros	88.9	89.2	92.0	98.2	93.8	99.0	93.0	94.3	90.9	92.0
Number of first- time registered passengers' cars per 1000 inhabitants	123.4	132.6	129.5	131.9	133.1	145.8	140.0	141.4	140.6	152.8
Region Vojvodina										
Average salaries and wages in dinars	95.1	94.9	94.9	95.4	95.1	94.2	94.4	94.8	94.6	94.2
Employment rate	98.8	99.4	100.6	99.2	99.8	102.2	97.8	101.2	100.6	100.0
Unemployment rate	89.9	85.4	76.7	83.0	87.1	82.3	112.2	101.1	102.1	92.7
Exports per capita in euros	128.2	131.4	127.8	125.5	124.9	126.1	128.2	132.3	131.7	126.7
Number of first- time registered passengers' cars per 1000 inhabitants	97.2	92.3	90.4	93.4	95.1	88.5	88.3	91.6	92.0	86.7
Region Sumadija and Western Serbia										
Average salaries and wages in dinars	83.9	83.9	83.9	83.0	83.2	83.4	83.6	83.0	83.7	83.9
Employment rate	101.2	98.8	97.2	101.0	99.4	98.8	99.6	96.6	97.2	98.8
Unemployment rate	112.8	122.5	116.7	110.6	101.0	106.3	97.8	108.8	96.8	95.1
Exports per capita in euros	76.7	77.2	76.8	76.8	74.6	76.3	75.6	77.2	76.0	73.1
Number of first- time registered passengers' cars per 1000 inhabitants	96.7	94.2	100.0	97.7	95.2	91.0	92.5	91.9	90.6	87.4
Region Southern and Eastern Serbia										
Average salaries and wages in dinars	86.6	86.9	86.1	83.9	85.9	86.1	85.5	83.9	85.9	86.5
Employment rate	89.5	93.2	90.2	89.6	88.5	87.3	90.7	89.9	90.4	90.7
Unemployment rate	126.6	109.0	132.2	130.9	147.5	143.8	126.7	123.1	143.6	146.3
Exports per capita in euros	101.4	95.4	90.8	89.7	94.1	88.0	96.7	88.8	96.8	106.5
Number of first- time registered passengers' cars per 1000 inhabitants	79.0	77.1	76.0	72.7	72.4	70.9	76.0	71.1	73.1	69.2

🔊 GLOSSARY

Classification of regions and local government units (municipalities) – according to the Regulation. The Regulation establishes the unique list of *regions*' development (that are by development levels classified as developed and insufficiently developed regions) and *municipalities,* classified in four groups and devastated areas. In the first group are municipalities with the development level above the Republic average; in the second group are municipalities with the development level of 80% - 100% of the Republic average, the third group comprises insufficiently developed municipalities with the level of development of 60% - 80% of the average, while in the fourth group are extremely insufficiently developed municipalities, with the development level below 60% of the Republic average.

Devastated areas are municipalities from the fourth group with the development level below 50% of the Republic average (according to the data of the authority competent for statistics and finances tasks). Classification of the regions is performed on the basis of GDP value per capita in the observed region compared to Republic average, for the referent period. Developed regions are the regions that realize gross domestic product value above the Republic average, (Beogradski Region and Region Vojvodina). Insufficiently developed regions are the ones in which GDP value is below the Republic average, (Region Sumadija and Western Serbia and Region Southern and Eastern Serbia). Additionally, status of insufficiently developed region refers to Region Kosovo I Metohija.

Demographic emptying is the term that depicts natural and mechanical population outflow in the specific geographic and administrative area.

Agricultural production is made of two main branches: plant production and livestock production. Due to its specific nature, relevant data related to agricultural production are available mainly on annual basis. This issue of Trend presents the movement of occurrences in agriculture concerning:
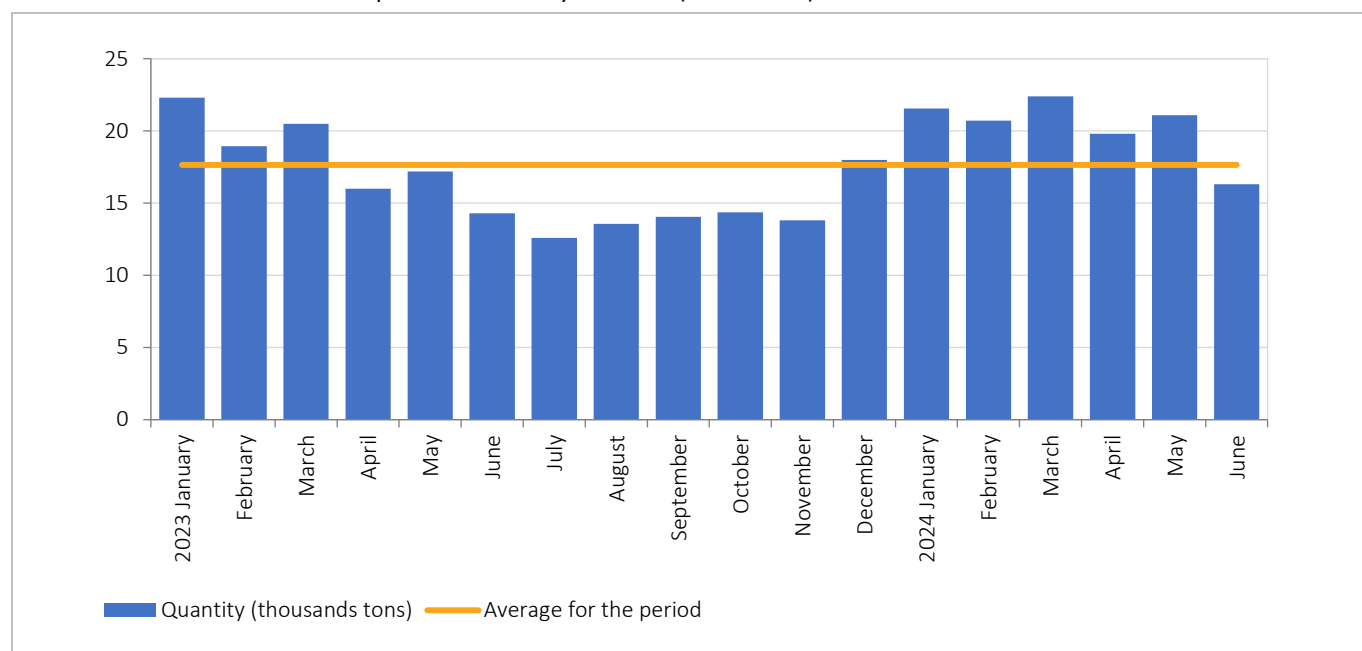
- Livestock production (production of consumption milk in dairy factories and slaughtering of livestock in slaughtering houses),
- Prices of agricultural products and intermediate materials,
- External trade in agricultural products,
- Expected production of major crops.

13.1. PRODUCTION AND PRICES OF MILK, CEREALS AND LIVESTOCK

Estimates show that farms dealing with the production of cow milk distribute to milk collection stations (dairy factories) about 59% of the total production[16]. Of the quantity of milk that stays on the holding (about 41%) about 10% are consumed for feeding household members and livestock on the holding and about 22% are processed into dairy products (mainly cheese and „kajmak"), and the remaining part (about 9%) is sold to direct consumers. According to the same source, losses on the holding are insignificant (up to 0.1%).

Cow milk accounts for 97% of the total production of milk on holdings, and the remaining milk is of sheep and goats. In the period January-June 2024 the production of consumption cow milk in dairy factories is higher by 11.6% than that in the same period of the previous year. Observed by months, in the second quarter of 2024 the production of cow milk saw a year-on-year fall of 20.4%, when compared with the second quarter of 2023.

Chart 13.1. Production of consumption milk in dairy factories (thous. tons)

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[16] Survey on Agricultural Production – Livestock Production, 2022

Purchase prices of cow milk decreased by 6.3% over January-June of the current year relative to the same period of the previous year[18]. Relative to the average price of cow milk of the previous year, in the first half of the current year milk price fell by 2.5%.

Consumer prices of cow milk decreased by 3.7% over January-June of the current year relative to the same period of the previous year. When compared with the average price of milk of the previous year, in the first six months of the current year milk price fell by 3.2%.

Based on the comparative review and previous analysis, it can be concluded that the purchase prices and consumer prices of cow milk kept a stable level in the first half of the current year.

As being the topic of analysis in this issue of *Trends,* besides livestock products, selected crops from plant production, as well as some categories of livestock, it is necessary to provide their purchase prices.

Over January-June **the price index of cereals** amounted to 75.3%. Over this period purchase prices of wheat decreased by 28.3%, of maize by 28.2%, compared with the same period of the previous year. In the first six months of the current year the prices of **industrial crops** saw a fall of 10.6%, compared with the same period of the previous year.

Table 13.1. Comparative review of purchase and consumer prices of cow milk

Month	Milk price, din./l.	
	Purchase price	Consumer price[17]
January 2023	65.0	150.9
February	63.0	150.8
March	60.5	151.2
April	57.6	150.9
May	54.8	150.1
June	53.5	151.1
July	53.3	150.4
August	53.6	148.7
September	54.1	148.2
October	54.8	148.2
November	55.6	149.7
December	55.9	150.3
January 2024	55.5	145.3
February	55.6	145.2
March	55.5	144.9
April	55.5	145.6
May	55.3	145.6
June	54.9	144.7

Looking at the **categories of livestock**, over January-June of the current year the purchase price of bovine animals increased by 7.1% and of pigs by 19.9%, compared with the same period of the previous year.

Table 13.2. Producers' prices of agricultural and fishing products

	VI 2024 / VI 2023	I–VI 2024 / I–VI 2023	I–VI 2024 / Ø 2023
Cereals	101.7	75.3	95.3
Wheat	101.5	71.7	88.4
Maize	101.6	71.8	96.5
Industrial crops	117.2	89.4	102.0
Livestock and poultry	104.0	111.7	109.0
Cattle	104.7	107.1	104.4
Pigs	105.4	119.9	114.4

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[17] Consumer prices refer to cow milk with 2.8% fat content.

[18]   Those are producers' prices of agricultural and fishing products – prices at which purchase is done from family holdings and prices at which legal persons in the field of agriculture sell their products.

13.2. INTERMEDIATE MATERIALS

A stable and successful production in agriculture depends on many factors. As far as plant production is concerned, besides adequate land tillage for high and stable yields, the used inputs are extremely important. The latter refer to seeds and seeding materials, fertilizers and protection preparations. As for the other agricultural branch, i.e. livestock production, good animal health and increase require adequate animal feed and housing facilities. To meet all these conditions, one need not only human labour but also capital goods, i.e. agricultural machinery. Therefore, farmers have to have corresponding machinery or to engage others (fertilization, sprinkling, harvest, etc.). All these factors make the intermediate consumption (accounting for almost 60% of the total value of agricultural production) and their price indices are shown in table 13.3.

The total intermediate consumption, i.e. the prices of intermediate goods, capital goods and services in agriculture in the second quarter of 2024 decreased by 6.2% compared with the same quarter of the previous year. Observed by groups of products, the largest price decrease in the second quarter of 2024, relative to the same quarter of the previous year, was recorded in: Mineral fertilizers (fall of 29.6%) and Plant protection preparations (fall of 28.3%).

The prices of intermediate goods, capital goods and services in agriculture in the second quarter of 2024 relative to the first quarter of 2024 increased, on average, by 1.0%.

Table 13.3. Indices of the prices of intermediate goods, capital goods and services in agriculture

|	Quarter II 2024 Quarter II 2023	Quarter II 2024 Quarter I 2024	II 2024 Ø 2023
Total	93.8	101.0	96.3
Products and services for current use in agriculture	93.7	101.0	96.2
Seed	90.6	96.2	98.4
Energy commodities	109.3	102.2	107.2
Mineral fertilizers	70.4	99.4	79.2
Plant protection preparations	71.7	87.7	74.8
Animal feed	89.9	101.3	91.7
Equipment maintenance	105.5	103.3	105.3
Facilities maintenance	108.5	103.2	108.0
Other products and services	102.5	102.1	103.3
Products and services for investments in agriculture	101.0	100.2	101.1
Machinery in agriculture	101.0	100.2	101.1

13.3. LIVESTOCK SLAUGHTER

In the Republic of Serbia, livestock slaughter is performed in registered slaughtering houses and outside them, i.e. on agricultural holdings. As far as bovine animals are concerned, slaughter in slaughtering houses accounted for about 57% of total slaughter of this livestock species, while with pigs and sheep slaughter is mostly done outside slaughtering houses, about 60% and 83%, respectively. Data on livestock slaughter in slaughtering houses on the territory of the Republic of Serbia, totalling on 31 June 2024 to 367. In this issue of Trends, the analysis is focused on livestock slaughter in slaughtering houses.

In the first half of 2024, the total number of bovine animals slaughtered in slaughtering houses amounted to 79 thousand. In this period the number of bovine animals in slaughtering houses went up by 2.5%. The category of slaughtered bovine animals that recorded the largest growth of total slaughter of this livestock species was bovine animals of 1-2 years (growth of 5%). This category of bovine animals recorded also over January-June 2024 the largest share in the total slaughter of this species – 80.7%.

Chart 13.2. Number of slaughtered pigs, sheep and bovine animals in slaughtering houses (in thous.)
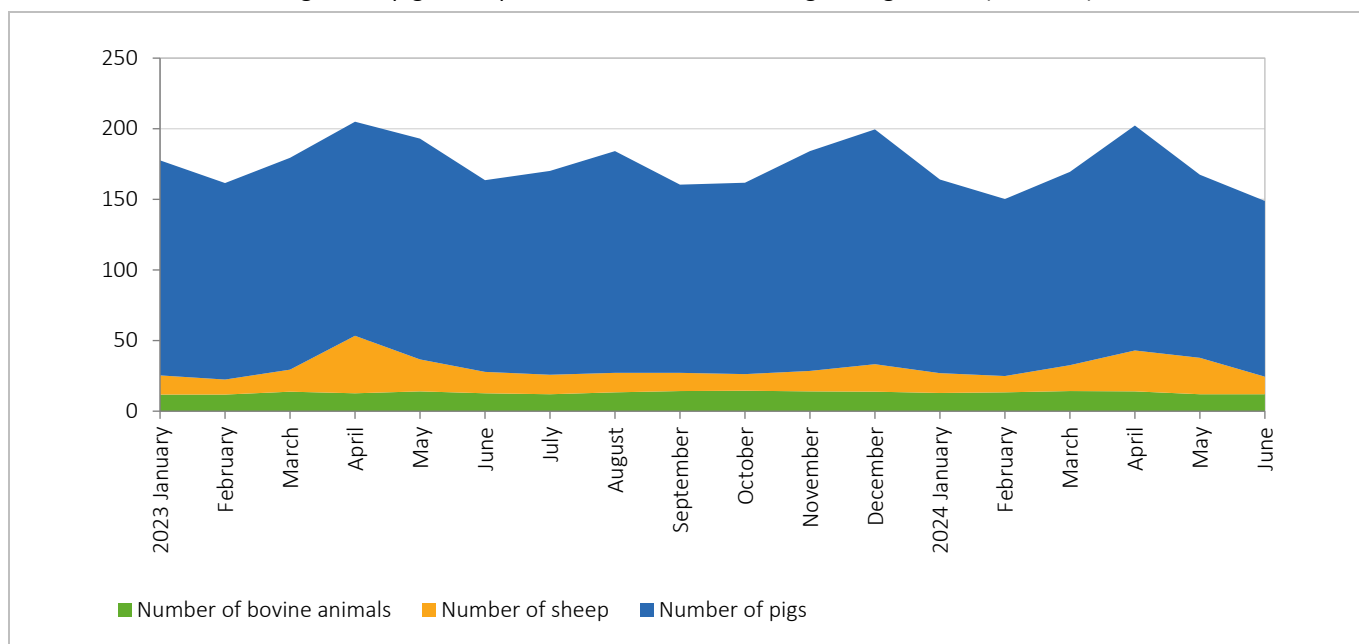
The number of pigs slaughtered in slaughtering houses (811 thous.) in the first six months of 20204 was lower by 8.2% than in the same period of the previous year. Pigs weighting 25-50 kg noted the largest fall in the category of slaughtered pigs (13.8% relative to the same quarter of the previous year). Of totally slaughtered pigs in slaughtering houses the largest share in total slaughter of this livestock species in the first six months of the current year was that of pigs over 50 kg, 89.9%.

Of the total number of slaughtered **sheep** on the territory of the Republic of Serbia only approximately 17% are slaughtered in slaughtering houses. In the first half of 2024 the number of slaughtered sheep in slaughtering houses amounted to about 111.4 thous. by 6.9% more than in the same quarter of the previous year. Of totally slaughtered sheep in slaughtering houses the largest share (90.5%) in the first six months of the current year in the total slaughter of this species was that of the category of lambs up to six months.

13.4. EXTERNAL TRADE IN AGRICULTURAL PRODUCTS

In the first six months of 2024, the section Agriculture, forestry and fishing[19] realised a positive external trade balance of about EUR 61.9 million. Exports of this section amounted to EUR 636.9 million, by 51.4% more than in the same period of 2023, and the share in total exports in the observed period grew from 2.9% to 4.4%, amount reached in the first half of 2024. Imports of this section in the first six months of the current year amounted to EUR 575.1 million, by 5.6% more than in the same period of the previous year, and the share in total imports grew from 2.9% to 3.0%.

Exports growth in the first six months of the current year was mostly a result of a cumulative growth of 89.0% in exports of cereals (except for rice), leguminous and oil seed, the most representative groups in this section (share of 66.4%). Just as in exports, the most representative group of products on import side in the section of Agriculture, forestry and fishing was Growing of fruit, roots and tubers (share of 22.2%) which realized a cumulative growth of 3.2% in the first six months of the current year.

Export of wheat in the first six months of 2024 amounted to EUR 125.3 million, a growth of 76.8% relative to the same period of the previous year. In the first half of the current year, when looking at the value, wheat was the crop mostly exported to Romania (61.7% of total exports of this crop), then to Italy (16.9%), Bosnia and Herzegovina, North Macedonia and Albania, accounting for 7.1%, 5.2% and 4.2%, respectively of total export of this crops.

Export of maize over January-June of the current year amounted to EUR 224.4 million, a growth of 143.2% relative to the same period of the previous year. Most of maize, when looking at the value, was exported to Romania (39.5% of total exports of this crop). To Italy 23.1% were exported, then to Bosnia and Herzegovina, Austria and Albania, accounting respectively for 10.0%, 7.5% and 3.0% of total export of this crop.

Chart 13.3. Export of wheat and maize by months (in mill. Euros)

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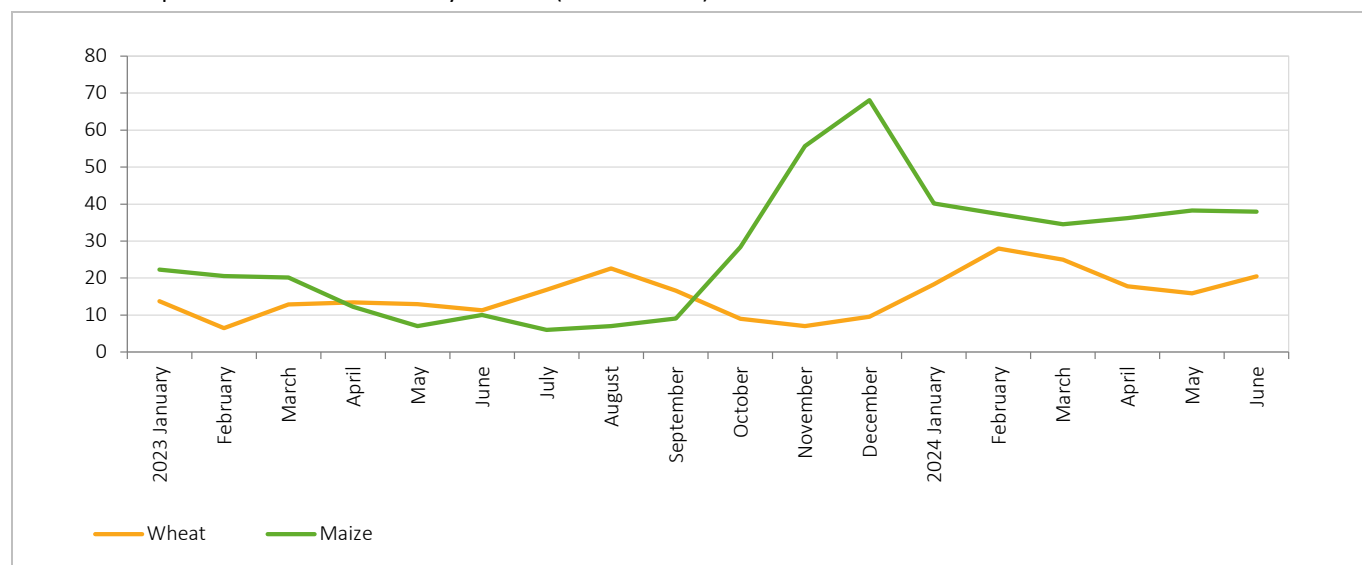
[19] According to CA (2010).

13.5. EXPECTED PRODUCTION OF WHEAT, MAIZE AND SUNFLOWER

Based on the data on sown areas at the end of spring sowing, obtained from regular statistical surveys and estimates provided by agricultural counselling services, the current expected situation agriculture for 2024 concerning major crops is shown in the table below.

Table 13.4. Expected area, yield and production of major crops, 2024

	Area, ha	Average yield t/ha	Expected production, thous. tons	Growth rate 2024/2023	
Wheat	549.032	5,3	2.901	▼	-15,9%
Maize	961.268	5,6	5.425	▼	-18,2%
Sunflower	248.000	2,7	677	▼	-1,2%
Soya	219.000	2,7	580	▼	-3,3%
Sugar beet	47.000	48,6	2.274	▲	11,5%

The very beginning of the year, i.e. the period when preliminary estimates on average yields are provided in May and June, announced optimistic results concerning the crops yield. As for wheat the preliminary estimates were identical to the last ones that indicated a slight growth of yield, thus in 2024 the expected average yield of wheat amounted to 5.3 t/ha. However, weather conditions in June, July and August, when there were very long intervals of high temperatures, caused drought which impacted the quality of grains and led to smaller estimated yield in other crops (maize and sunflower).

According to recent reports of agricultural counselling services (end of August of the current year), it is estimated that the total production of wheat will be smaller by about 15.9% and amount to about 2.9 million tons, while the total production of maize will also drop drastically (year-on-year fall of about 18.2%) and this year it will amount to about 5.4 million tons. Estimates shows that the production of sunflower will also go down by about 1.2%, compared with the previous year and amount to about 677 thousand tons.

Sugar beet is the one crop that saw an increase in areas sown and production in the current 2024 relative to the previous year. It recorded a growth of production of 11.5%.

According to the aforesaid it can be concluded that 2024 will be extremely unfavourable for crop production, primarily due to drought caused by long intervals of hot weathers with minimum rainfall in summer months. Based on available data and estimates of SORS experts and other institutions lower production of almost all crops, both summer and winter, is to be expected in the current year, compared with the previous year.

14. BUSINESS SERVICES

Business services are the key factor to driver a knowledge-based economy and their labour-intensive nature suggests their potential importance as providers of new businesses and jobs in the future. Business services are a subset of economic activities having in business operations an auxiliary character and where there is no delivery of goods and products in the material sense. It is not possible to store or transport the final "products" of these activities. The activities covered by business services are characterized by the provision of technical or intellectual services.

Enterprises, from the coverage of business services, create service systems which they deliver to their customers. Business services comprise a large spectrum of activities such as: transport, information, communication and other business services (e.g. engineering, legal assistance, employment services, management), excluding financial services.

The content presented below covers the services which end users are mostly enterprises and/or public administrations, but also physical persons and/or households. Business services include:

–   Transport services, such as: road and railway transportation and storage and postal/courier services;

–   Technical services, such as: engineering, architecture and technical studies;

–   Computer services, such as: software design and database management;

–   Other professional services, such as: legal, accounting, consultancy and managerial services.

Many of these services could be performed by the enterprises itself, but their outsourcing from service providers allows the enterprise to focus on its principal activity and to take advantage of the specialisation offered by service providers. Thus, an efficient and successful sector of business activities can contribute to economy competitiveness.

The index of service turnover is one of the most essential indicator of the development of service activities. It is used to analyse the trends of business cycles in the service part of the economy, as well as an input for statistical national accounts.

Business services cover service activities of the non-financial economy, specifically activities according to the official Classification of Activities (2010), from the section H – Transportation and storage (divisions 49–53); I – Accommodation and food service activities (divisions 55 and 56); J – Information and communication (divisions 58–63); L – Real estate activities (division 68); M – Professional, scientific and technical activities (divisions 69–74, excluding 72 and 75) and N – Administrative and support service activities (divisions 77–82).

Chart 14.1. Structure of turnover by sections of business services

The largest share in the turnover in the structure of the turnover of business services in the second quarter of 2024 was recorded in the sections H – Transportation and storage, with 31. 2%, and J – Information and communication, with 26.8%. M – Professional, scientific and technical activities, and N – Administrative and support service activities participated with 18.2% and 11.4%, respectively, and I – Accommodation and food service activities, and L – Real estate activities with 8.7% and 3.7%, respectively.

Chart 14.2. Components of the time series of the turnover in business services
(y – original series, sa – series with seasonal component excluded, t – trend-cycle component; average 2021 = 100)
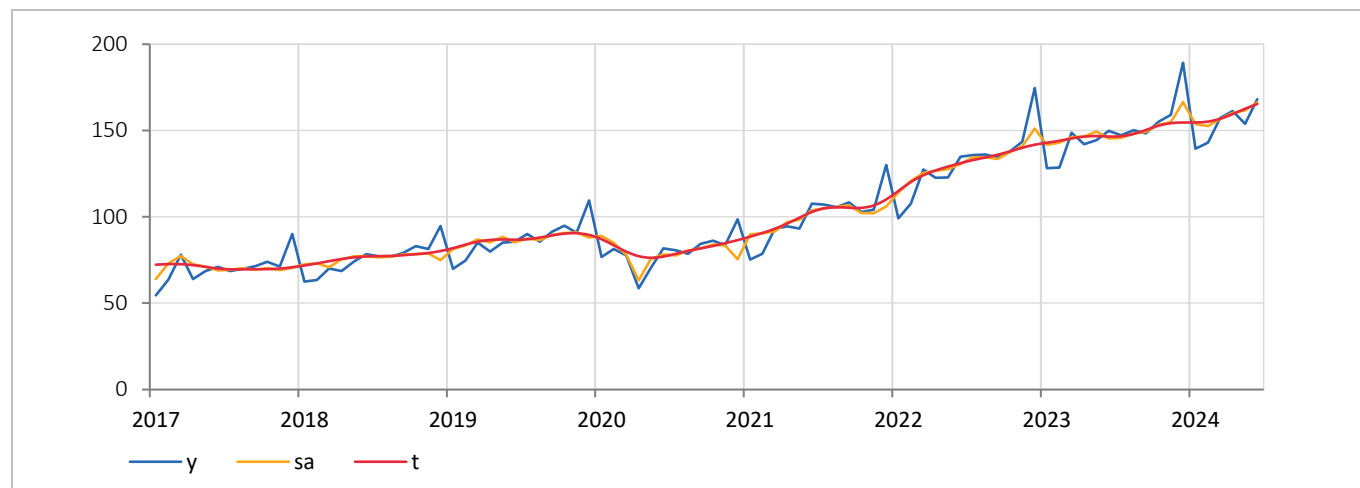
During the crisis caused by COVID-19 pandemic, which started at the end of the first quarter of 2020, the development trend in the series of business services' turnover changed significantly. In the second quarter of 2020 business services' turnover was lower by about 16% than in the same quarter of 2019. Starting from the third quarter of 2020 a period of recovery began, and after almost a year in the second quarter of 2021 the level of turnover returned to its level before the crisis. The post-pandemic long-term trend is stable and slightly going upward.

14.1. COMPARISON WITH THE PREVIOUS QUARTER

The turnover of business services in the second quarter of 2024 saw a growth of 10% compared with the previous quarter. This growth was mostly conditioned by the growth of the realized turnover in the sections J – Information and communication (growth of 6.6%) and H – Transportation and storage (growth of 4.2%).

The highest growth of the turnover was realized in the sections M – Professional, scientific and technical activities and N – Administrative and support service activities, 23.0% and 20.6%, respectively. Decrease was recorded only in the section L – Real estate activities, 0.3%.

Table 14.1. Turnover of business services, indices (previous quarter = 100)

	2022				2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Services – total	99.1	113.9	106.8	112.2	89.0	107.6	102.1	113.0	87.3	110.0
H – Transportation and storage	110.1	110.1	109.5	111.9	98.5	95.8	103.8	104.8	92.1	104.2
I – Accommodation and food service activities	125.8	119.7	111.1	105.0	96.5	110.3	106.4	105.3	98.6	110.2
J – Information and communication	91.4	110.2	109.2	114.1	89.3	111.7	101.4	120.9	83.7	106.6
L – Real estate activities	103.0	120.6	99.0	112.1	96.2	109.0	100.4	112.4	90.0	99.7
M – Professional, scientific and technical activities	89.8	118.7	97.9	120.6	70.5	122.0	96.5	128.8	78.4	123.0
N – Administrative and support service activities	91.6	120.0	108.4	101.4	83.4	116.2	105.4	101.9	89.4	120.6

14.2. COMPARISON WITH THE SAME QUARTER OF THE PREVIOUS YEAR

Table 14.2. Turnover of business services, indices (the same quarter of the previous year = 100)

	2022				2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Services – total	135.4	128.8	126.5	135.3	121.4	114.7	109.7	110.4	108.4	110.8
H – Transportation and storage	126.5	127.6	123.4	148.5	132.8	115.6	109.5	102.6	95.9	104.3
I – Accommodation and food service activities	185.9	169.1	155.2	175.8	134.8	124.2	118.8	119.2	121.8	121.7
J – Information and communication	132.6	122.1	128.9	125.5	122.6	124.2	115.4	122.3	114.6	109.4
L – Real estate activities	126.2	146.3	133.8	137.7	128.7	116.4	118.0	118.4	110.7	101.3
M – Professional, scientific and technical activities	147.5	124.1	117.2	125.8	98.8	101.5	100.1	106.9	118.8	119.8
N – Administrative and support service activities	133.2	131.3	127.8	120.9	110.1	106.5	103.6	104.0	111.6	115.8

The turnover of business services in the second quarter of 2024 was higher by 10.8% than in the same quarter of the previous year. Looking at sections, the highest growth rate in the second quarter of 2024, compared with the same quarter of 2023, was recorded in the sections I – Accommodation and food service activities, and M – Professional, scientific and technical activities, 21.8% and 19.8%, respectively.

14.3. TRANSPORTATION AND STORAGE (section H)
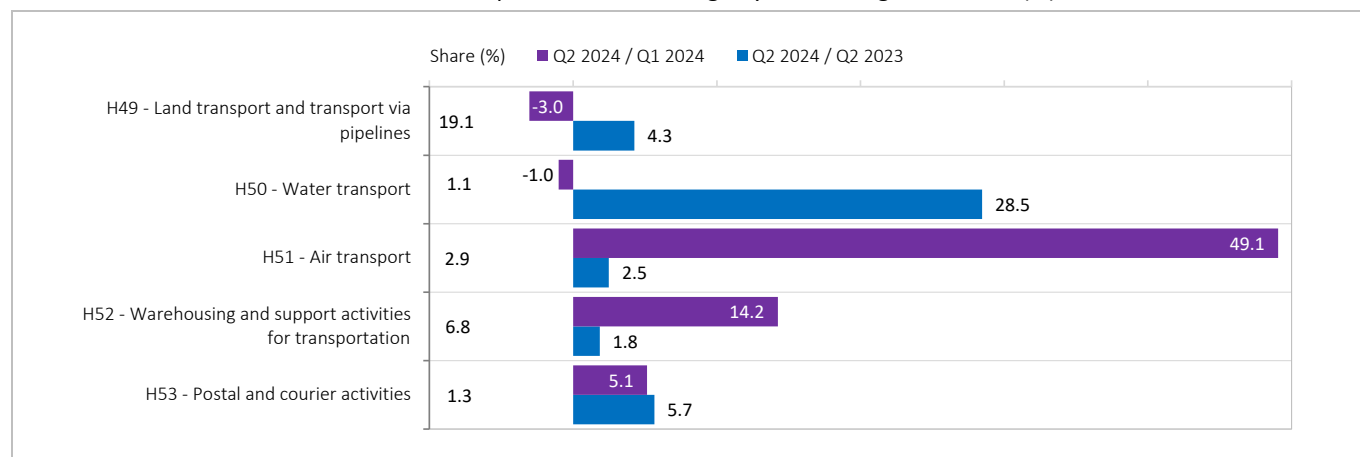### (share of 31.2% in the total turnover of business services in the second quarter of 2024)

Chart 14.3. Components of the time series of the section H – Transportation and storage
(y – original series, sa – series with seasonal component excluded, t – trend-cycle component; average 2021 = 100)
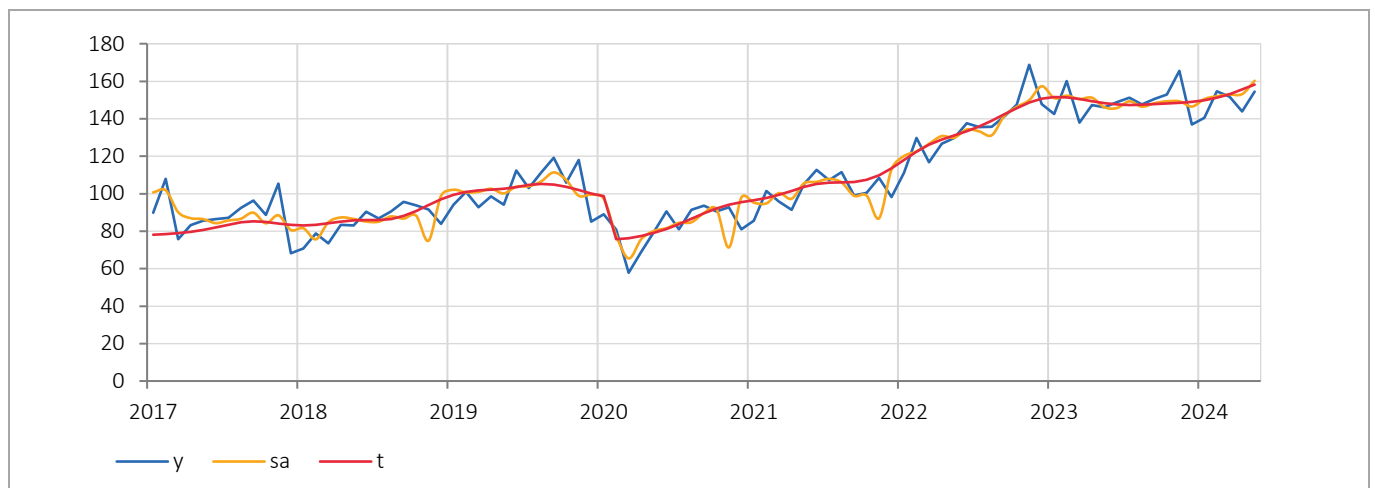
Services activities of Transportation and storage were affected by the pandemic – a fall of 30% was recorded in the period from February to April 2020. In the second half of 2020 and during most of 2021 these activities developed rather positively, and the intensive upward trend continued till the first half of 2023, after which there was a period of slow growth that shifted into stagnation.

Chart 14.4. Turnover in the section H – Transportation and storage by divisions, growth rates (%)

🔔 The **share** is the percentage portion of the turnover of a division of activity in the total turnover of business services in the second quarter of 2024.

The turnover in the section of Transportation and storage in the second quarter of 2024 saw a growth of 4.2% compared with the previous quarter. The largest growth was realised in the divisions H51 – Air transport and H52 – Warehousing and support activities for transportation, 49.1% and 14.2%, respectively. Compared with the first quarter of 2024 fall was recorded in the divisions H49 – Land transport and transport via pipeline (-3%) and H50 – Water transport (-1%).

Compared with the same quarter of the previous year all the divisions of this section saw a growth of turnover. The largest growth in the second quarter of 2024, compared with the same quarter of 2023, was realized in H50 – Water transport (growth of 28.5%), and the smallest in the division H52 – Warehousing and support activities for transportation (growth of 1.8%).

14.4. ACCOMMODATION AND FOOD SERVICE ACTIVITIES (section I)
   (share of 8.7% in the total turnover of business services in the second quarter of 2024)

Chart 14.5. Components of the time series of the section Accommodation and food service activities
(y – original series, sa – series with seasonal component excluded, t – trend-cycle component; average 2021 = 100)
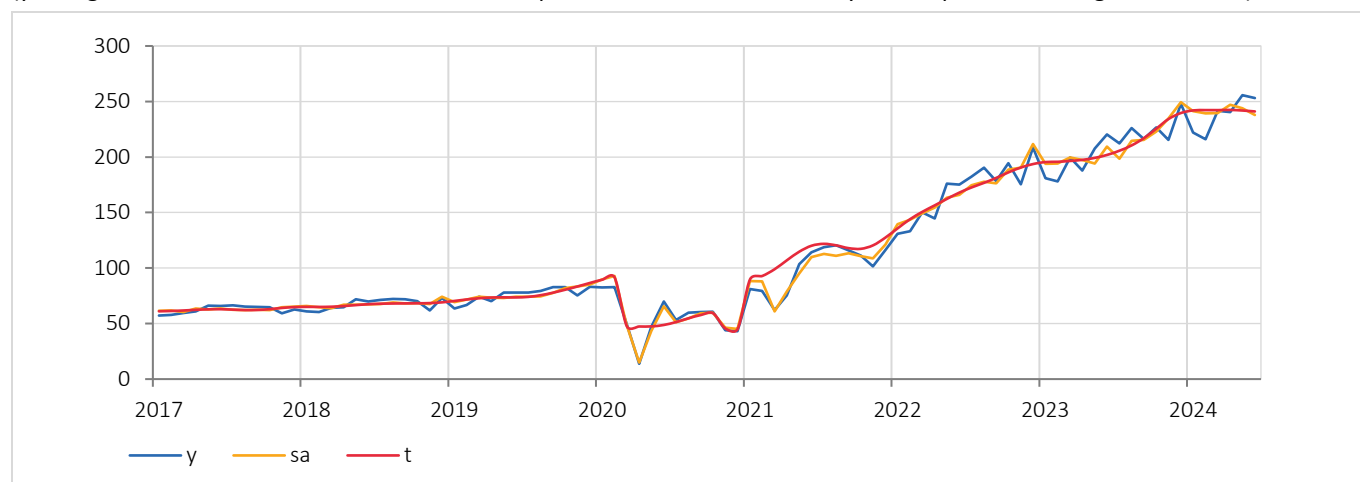
Accommodation and food service activities were particularly affected by COVID-19 pandemic – from February to April 2020 the turnover realised in this section of business services fell by more than 80%. Except from the initial economic shock that occurred due to the pandemic, faster and significant recovery of this section were hindered also by epidemiological measures for suppressing the corona virus, which were introduced during 2020 and 2021. The realised turnover in the section of Accommodation and food service activities returned to the level before the pandemic at the end of 2021 and since then has been intensively going upward.

In the second quarter of 2024, compared with the previous quarter, the turnover generated in the division I55 – Accommodation was by 12.0% higher, and by 9.8% in the division I56 – Food and beverage service activities.

On the other hand, in the second quarter of 2024 compared with the same quarter of the previous year, the turnover grew by 28.3% in the division I56 – Food and beverage service activities, and by 1.3% in the division I55 – Accommodation.

Table 14.3. Accommodation and food service activities, indices

	Q2 2024 Q1 2024	Q2 2024 Q2 2023
Accommodation	112.0	101.3
Food and beverage service activities	109.8	128.3

14.5. INFORMATION AND COMMUNICATION (section J)
(share of 26.8% in the total turnover of business services in the second quarter of 2024)

Chart 14.6. Component of the time series of the section Information and communications
(y – original series, sa – series with seasonal component excluded, t – trend-cycle component; average 2021 = 100)
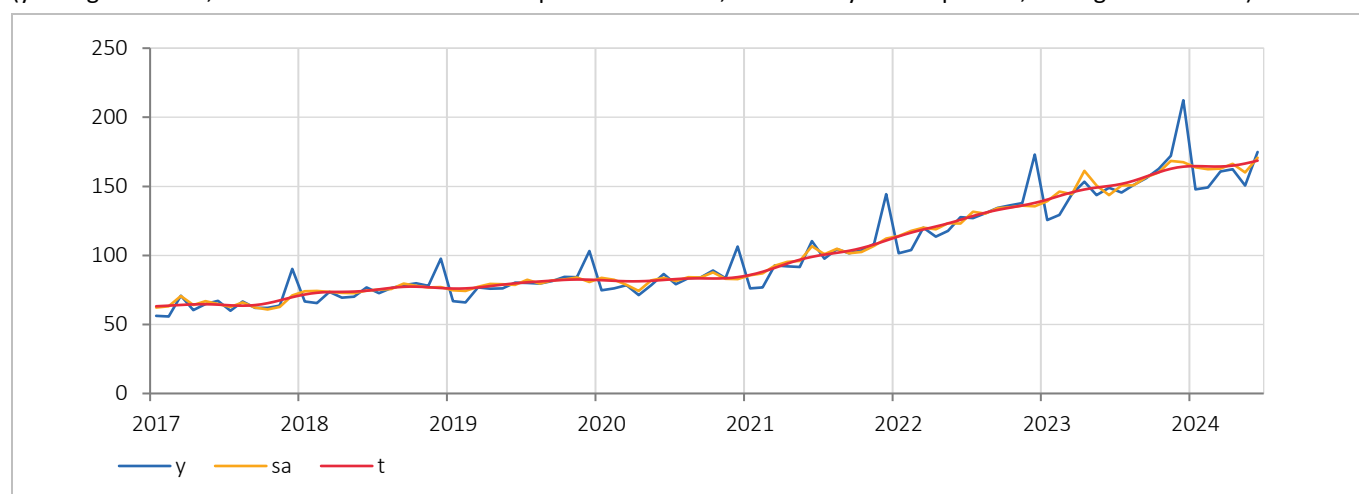

The section Information and communication includes the production and distribution of information and cultural content, activities providing telecommunication and related services, as well as information technologies and data processing activities, and other information service activities. This is one of the rare area of the economy that was not stricken by crisis of the corona virus pandemic. The section Information and communication is characterised by a stable and upward long-term trend, present since 2021.

Compared with the previous quarter, the largest growth of the turnover was realised in J60 – Programming and broadcasting activities (+ 38.9%) and J58 – Publishing activities (+ 25.9%). The smallest growth was recorded in the divisions J63 – Information service activities and J62 – Computer programming, consultancy and related activities 3.2% and 3.3%, respectively.

In the second quarter of 2024, there was a growth of business operations in the section Information and communication of 9.4%, compared with the same quarter of 2023. The division J62 – Computer programming, consultancy and related activities saw the largest growth (18.3%). The divisions J59 – Motion picture, video and television production and J60 – Programming and broadcasting activities fell by – 23.4% and – 1.7%, respectively.

Chart 14.7. Turnover by the divisions of the section Information and communications, indices

- Publishing activities
- Motion picture, video and television production
- Programming and broadcasting activities
- Telecommunications
- Computer programming, consultancy and related activities
- Information service activities
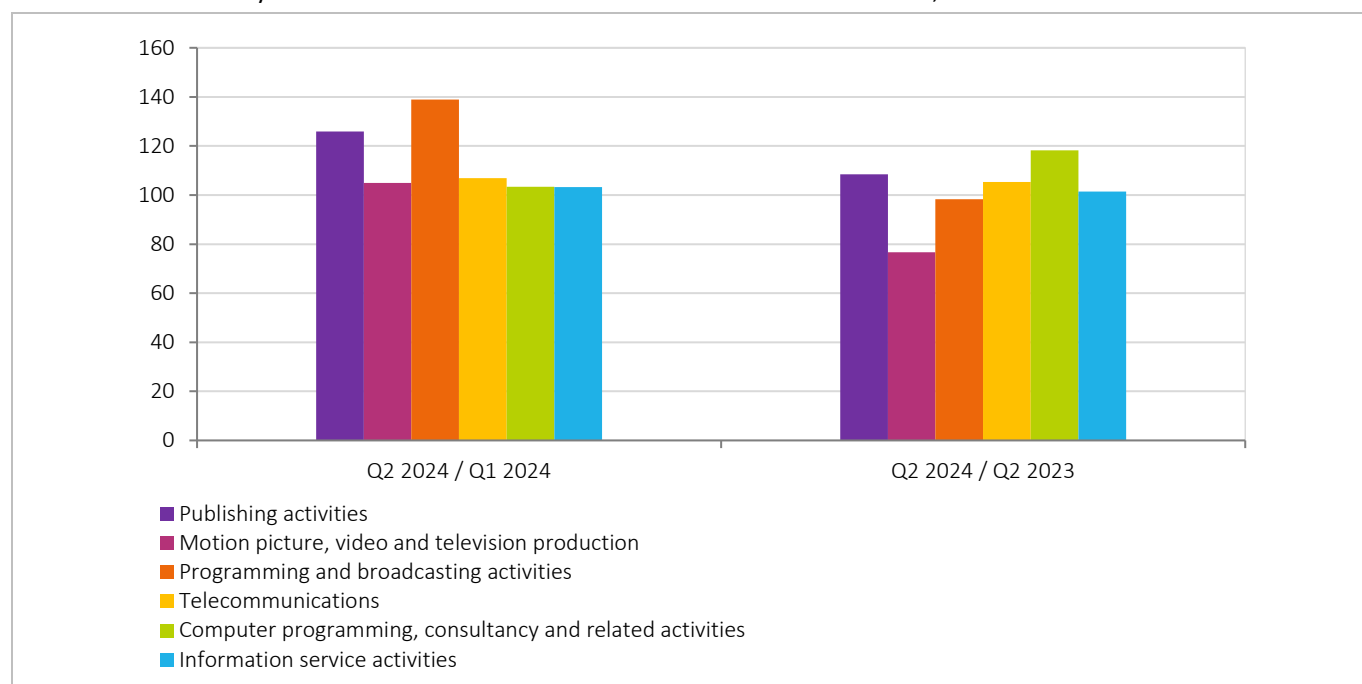
14.6. REAL ESTATE ACTIVITIES (section L)
(share of 3.7% in the total turnover of business services in the second quarter of 2024)

The section Real estate activities generated in the second quarter of 2024 a turnover by 0.3% lower than in the first quarter, while, when compared with the same quarter of 2023, it saw a growth of 1.3%.

Chart 14.8. Cumulative and year-on-year growth rates in real estate activities (%) (cumulative – period to the same period of the previous year; year-on-year – quarter to the same quarter of the previous year)

Cumulative growth   Year-on-year growth
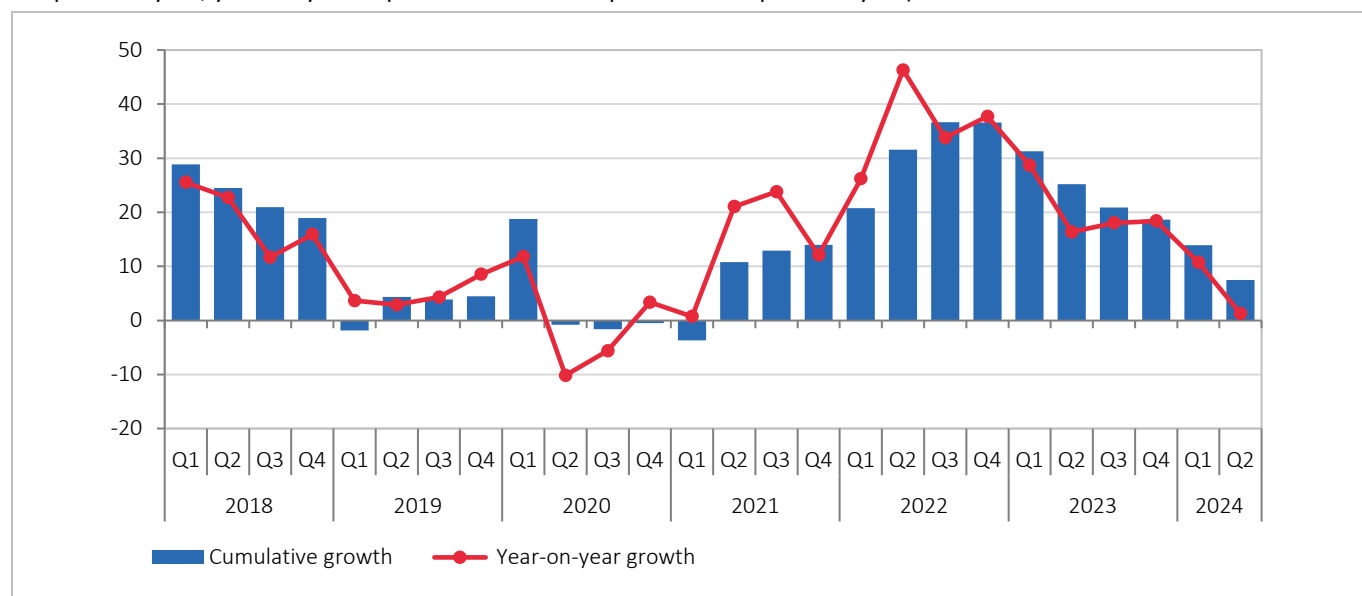
The crisis due to COVID-19 pandemic had a negative effect on the development of real estate activities. The index of the turnover of real estate activities saw a fall of 40% from February to April 2020. Except from the initial economic shock, the turnover generated in this section returned very quickly to the level before the pandemic and has been going intensively upward ever since.

Chart 14.9. Component of the time series of the section Real estate activities
(y – original series, sa – series with seasonal component excluded, t – trend-cycle component; average 2021 = 100)
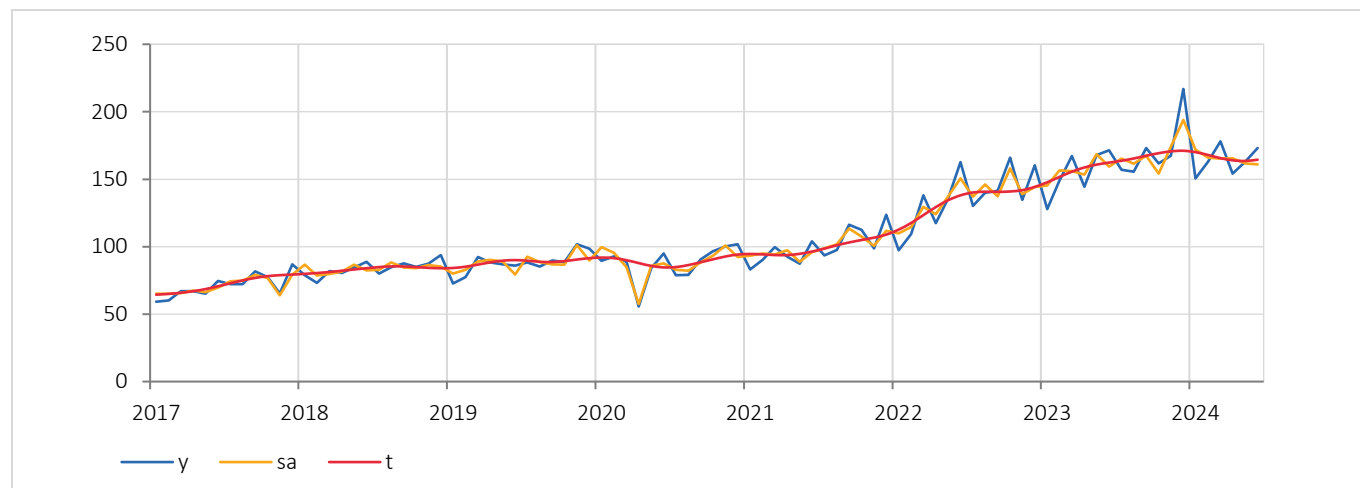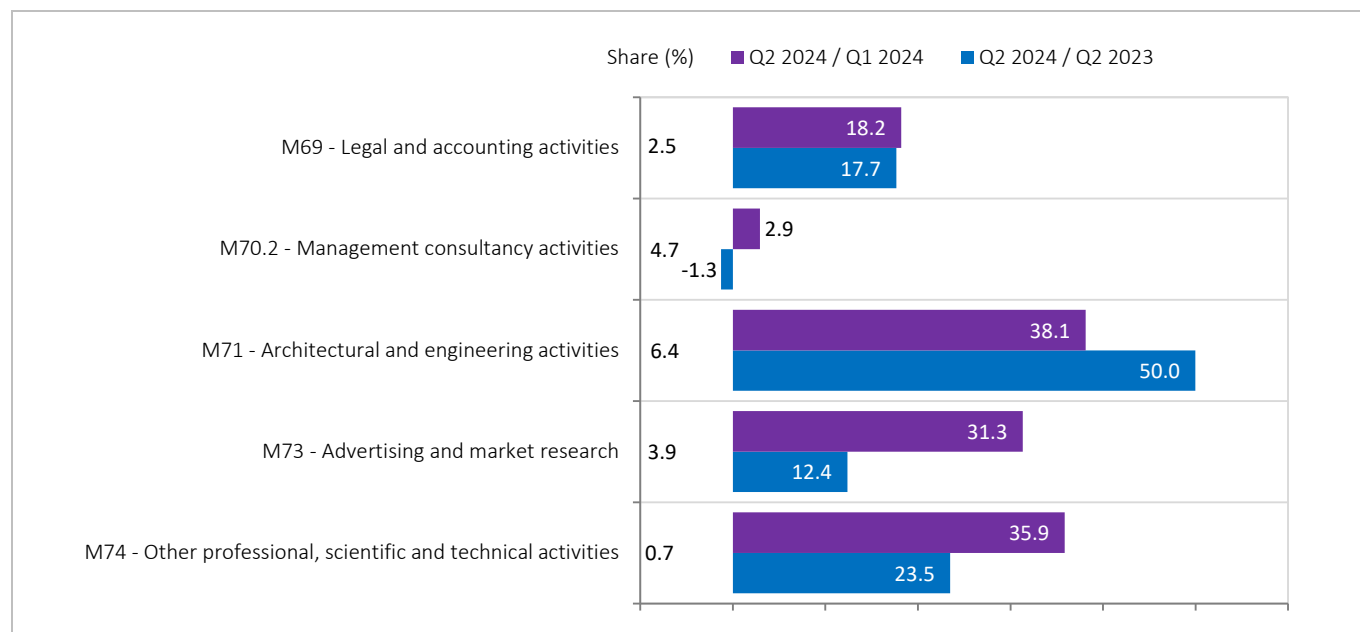

14.7. PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES (section M)
(share of 18.2% in the total turnover of business services in the second quarter of 2024)

Business services do not include all the activities of the section M -– Professional, scientific and technical activities. According to the European definition[20], the divisions that fall into business services are M69 – Legal and accounting activities, M71 – Architectural and engineering activities, M73 – Advertising and market research, M74 – Other professional, scientific and technical activities, and group M70.2 – Management consultancy activities; the other activities of the section M *are not included* in business services.

Chart 14.10. Turnover in the section Professional, scientific and technical activities, growth rates (%)

🔔 The **share** is the percentage portion of the turnover of a division of activity in the total turnover of business services in the second quarter of 2024.

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[20] The selection of a section, division and group of activities that fall into business services is regulated by the European Business Statistics (EBS) Regulation (EU) 2019/2152 and Commission Implementing Regulation 2020/1197, General Implementing Act.

The section Professional, scientific and technical activities is the section where the highest growth of turnover was registered in the second quarter of 2024, compared with the turnover of the previous quarter (23%), and when compared with the same quarter of the previous year growth was also recorded (+ 19.8%).

Observed by main aggregates of CA (2010), in the second quarter of 2024, compared with the first quarter, the largest growth was in M71 – Architectural and engineering activities (38.1%) and M74 – Other professional, scientific and technical activities (35.9%).

On the other hand, relative to the same quarter of 2023, the largest growth was realised in the division M71 – Architectural and engineering activities (+ 50%), while fall was recorded in the group M70.2 – Management consultancy activities (- 1.3%).

14.8. ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES (section N)
(share of 11.4% in the total turnover of business services in the second quarter of 2024)

The activities of the section N – Administrative and support service activities were also affected by the COVID-19 pandemic. The economic influence of the pandemic and the state of emergency introduced in mid-March 2020 was extremely negative – the turnover in April 2020 was by 25% smaller than in the month preceding the pandemic (February 2020). As the enterprises performing these activities adapted quickly to new circumstances and epidemiologic measures, the initial shock was followed by a fast stabilisation and recovery of this part of the economy. The turnover generated in the section Administrative and support service activities in the third quarter of 2020 returned to the level before the beginning of the pandemic, and the positive trend continued ever since.
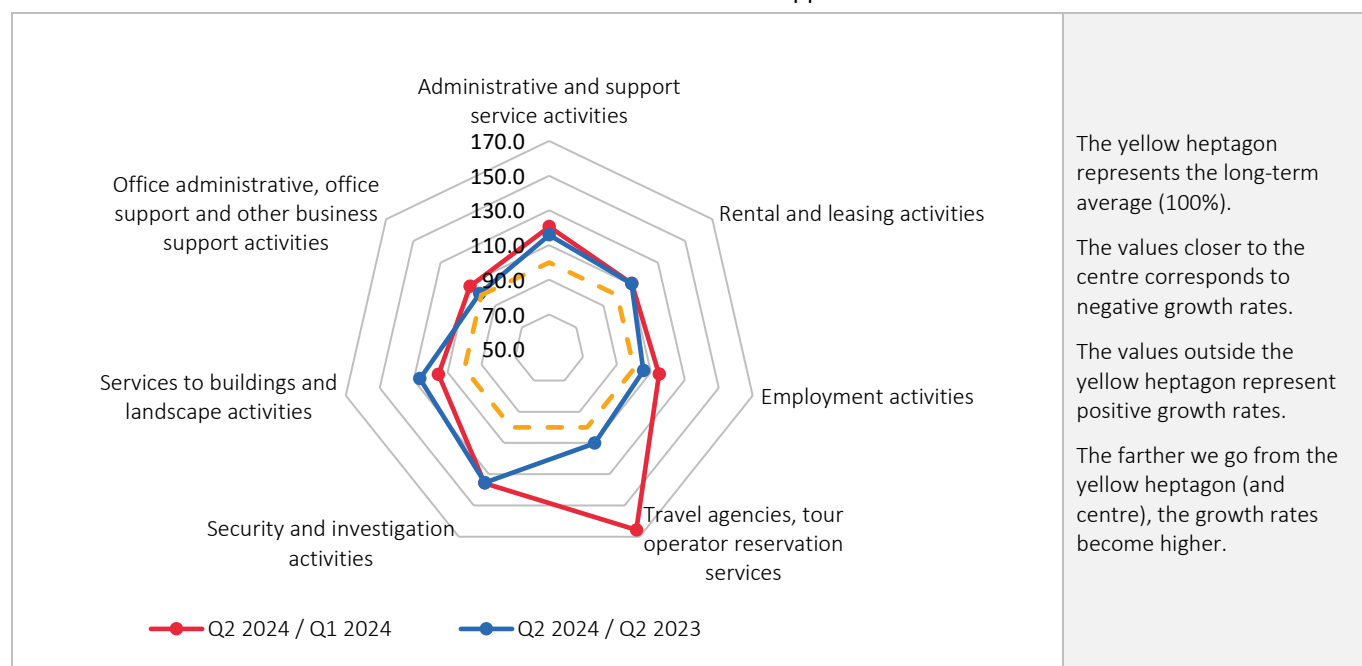
Chart 14.11. Components of the time series of the section Administrative and support activities
(y – original series, sa – series with seasonal component excluded, t – trend-cycle component; average 2021 = 100)
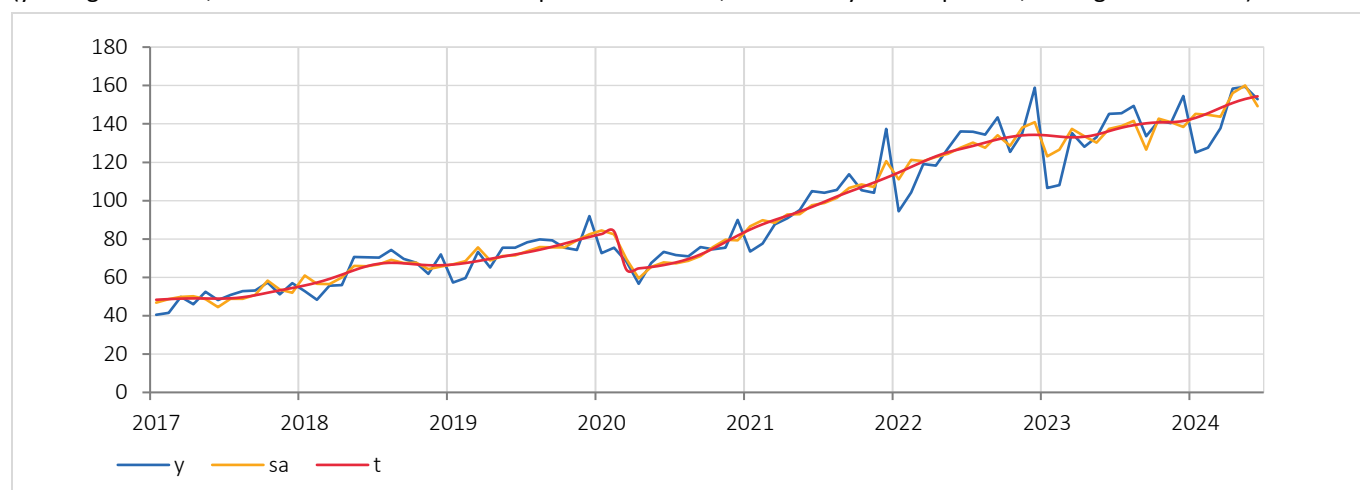
In the second quarter of 2024, when looking at the divisions, the section N – Administrative and support service activities recorded growth in all the division, compared with the previous quarter. The largest growth was registered in the division N79 – Travel agencies, tour operator reservation services (65.6%; accounting for 7.6% in the section), and the smallest one was in the division N82 – Office administrative, office support and business support activities (8.2%).

The divisions with the most significant results in the second quarter of 2024, compared with the same quarter of 2023, are: N80 – Security and investigation activities (35.4%) and N81 – Services to buildings and landscape activities (26.3%). The division that generated the lowest turnover when compared with the same quarter of the previous year is N82 – Office administrative, office support and other business support activities, + 1,2%.

Chart 14.12. Indices of the turnover in the section Administrative and support service activities

The yellow heptagon represents the long-term average (100%).

The values closer to the centre corresponds to negative growth rates.

The values outside the yellow heptagon represent positive growth rates.

The farther we go from the yellow heptagon (and centre), the growth rates become higher.

The division N79 was very affected by the COVID-19 crisis – negative year-on-year rate in quarters of 2020 after the outbreak of the epidemic was above 75%. The period of economic recovery lasted almost two years – in the second quarter of 2022 the trend reached the level at which it was before the pandemic and has been steadily going up ever since, with the usual seasonal nature of this activity.

Chart 14.13. Component of the time series N79 – Travel agencies, tour operator reservation activities
(y – original series, sa – series with seasonal component excluded, t – trend-cycle component; average 2021 = 100)
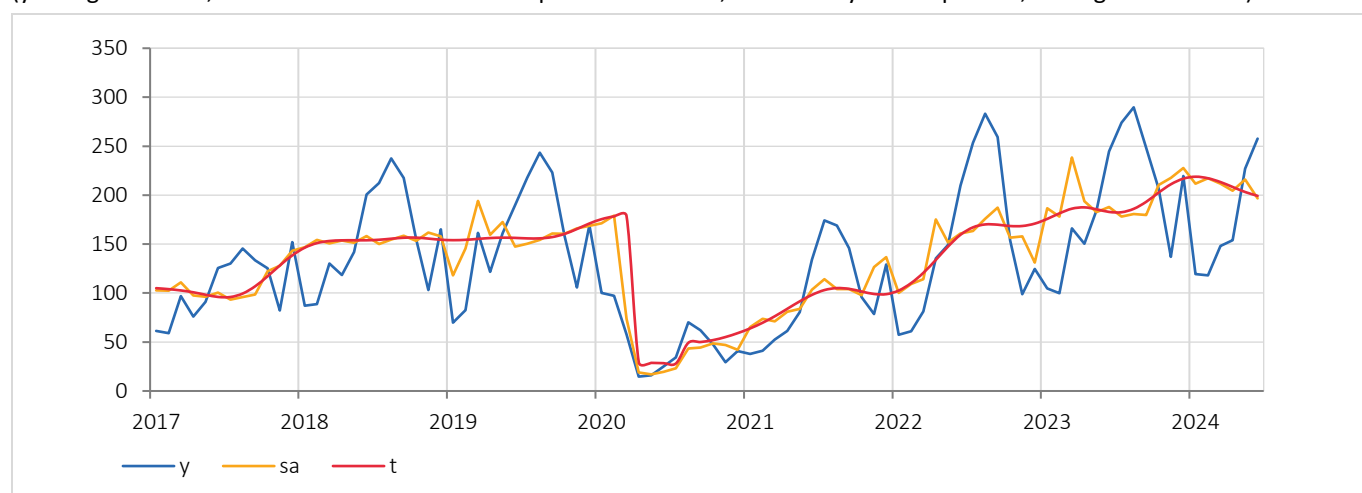
14.9. NUMBER OF EMPLOYED PERSONS[21] IN BUSINESS SERVICES

In the second quarter of 2024, more than 574 thousand persons were employed in business service activities in the Republic of Serbia. In other words, every fourth registered employed person (at legal entities, persons individually running business, entrepreneurs and their employees) performed operations covered by business services.

Chart 14.14. Registered employment – share of business services in the total number of employed persons in the Republic of Serbia
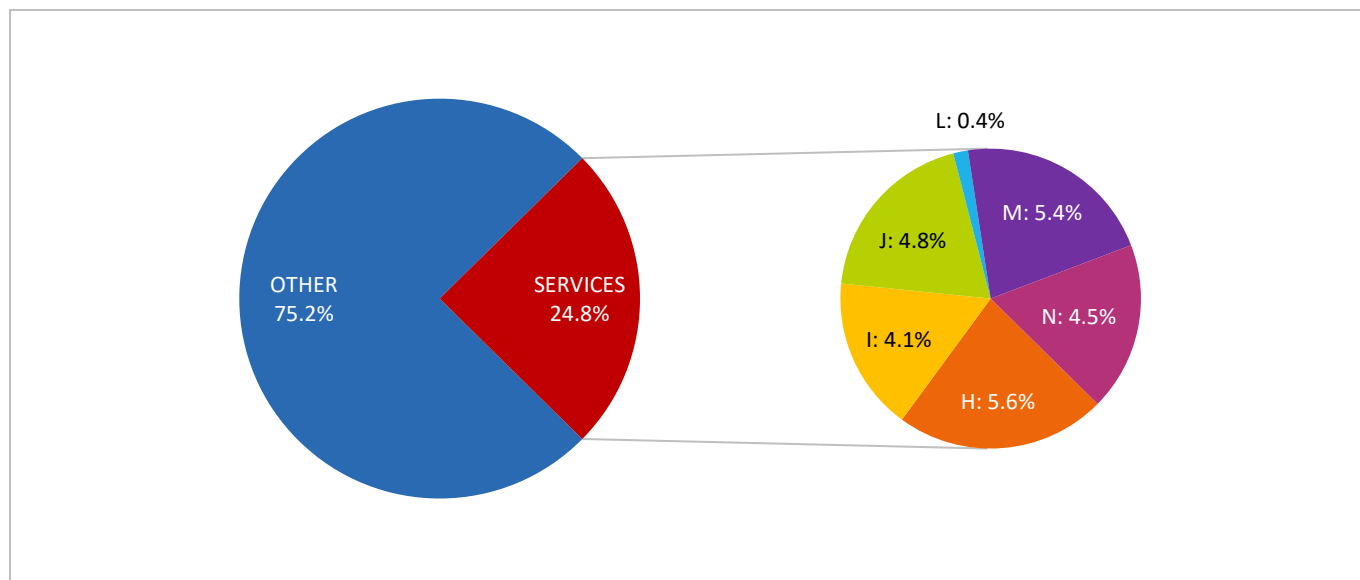
Employed persons in service activities are almost equally distributed by sections from the coverage of business services, except for the section L – Real estate activities which cover only 1.6% employed (about nine thousand) of the total number of registered employed persons in business services. Among other sections, the sections H – Transportation and storage and M – Professional, scientific and technical activities employ more than 120 thousand workers, and in the section I – Accommodation and food service activities there are about 95 thousand persons working.

📢 NOTE

The *turnover* in business services is defined as the total amount which an enterprise invoices for sold goods or for rendered services, and corresponds to market sale of goods or services delivered to third parties.

Employed persons include persons who have a formal contract of employment with an employer for a fixed or indefinite period of time; persons who have temporary and occasional employment, having a formal contract of performing temporary and occasional work, service contract, author contract or any other contract of employment (whatever the duration); persons performing solely an activities or being founders of enterprises or entrepreneur shops; as well as persons performing agricultural activities and being registered in the Central Register of Compulsory Social Insurance.

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[21] According to the official statistics: *registered persons* in legal entities, persons individually running business, entrepreneurs and their employees.

15. TRANSPORT AND TELECOMMUNICATIONS

Statistics of transport services include statistics of the main transport branches: road transport, rail transport, city transport, inland waterway transport, air transport and pipeline transport. The most important trend indicators in transport statistics are: number of transported passengers and number of passenger kilometres (pkm) for transportation of passengers and the amount of transported goods and the number of ton kilometres (tkm) for transportation of goods.

Statistics of postal activities and telecommunication services include statistics of the number of shipments and payments, that is, the number of minutes in the fixed and mobile network, and the number of messages sent.

To enable the comparison of transport services between transport branches, index of physical volume of transport services was established, and based on it, the development of the entire transport branch or the entire activity of transport and telecommunications can be observed. **Indices of physical volume of transport services** are calculated based on weighted **passenger (pkm) and ton (tkm) kilometres** of each transport branch separately. Work in each branch of transport expressed in passenger and ton kilometres is weighted differently, depending on the applied technological and economic criteria.

Quarterly index of physical transport volume recorded a growth of 5.8% in the second quarter of 2024 compared to the same quarter of the previous year, and a growth of 21.5% compared to the previous quarter.

In the period January-June 2024, index of physical transport volume is higher by 9.3% compared to the same period in 2023.

Table 15.1. Physical volume indices

	Q2 2024 Q2 2023	Q2 2024 Q1 2024	Q2 2024 Ø 2023
TRANSPORT – TOTAL[1]	105.8	121.5	105.7
Railway transport[1]	108.5	97.8	112.3
Road transport [1]	102.2	101.3	103.1
City transport[1]	99.9	98.5	99.2
Pipeline transport[1]	97.5	83.5	89.3
Inland waterway transport[1]	86.4	77.8	90.8
Air transport[1]	109.1	146.7	108.3
Passenger transport[1]	107.7	135.0	107.3
Freight transport[1]	100.8	95.6	101.6
Post activities[2]	103.3	104.6	99.9
Telecommunications[2]	99.1	100.9	99.7

[1] Indices are calculated based on weighted passenger and ton kilometres.
[2] Indices are calculated based on weighted postal and telecommunication services.

In the second quarter of 2024, compared to the same quarter of the previous year, the indices of physical volume of passenger and freight transport recorded growth of 7.7% and 0.8%, respectively. In the same observed period, the index of physical volume of telecommunications services recorded a decrease of 0.9%, while the index of physical volume of postal activities recorded a growth of 3.3%.
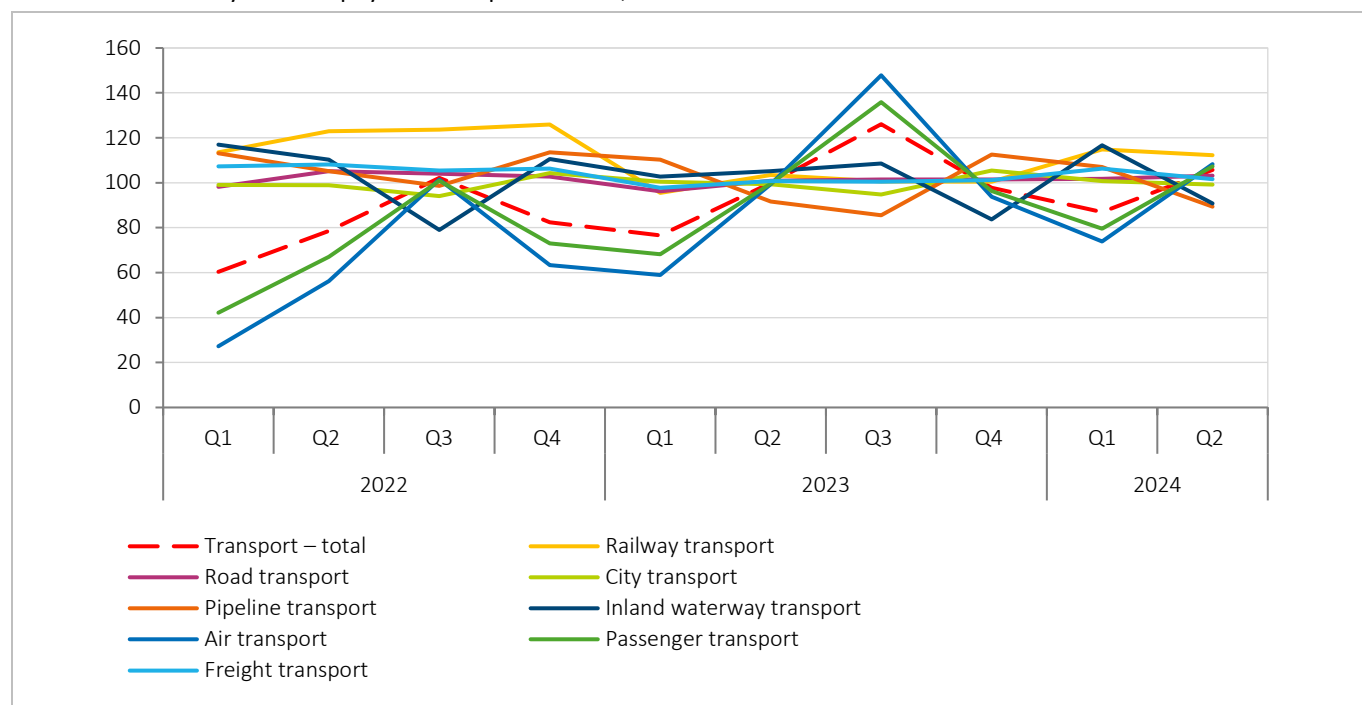
When the second quarter of 2024 is compared with the previous quarter, index of physical volume in freight transport recorded a decrease of 4.4%, while in passenger transport a growth of 35.0% was recorded. In the same observed period, indices of physical volume of post activities and telecommunication services recorded growth of 4.6% and 0.9%, respectively.

In the period January-June 2024, index of physical volume of postal activities is lower by 2.0%, and index of physical volume of telecommunication services is higher by 0.4% compared to the same period in 2023. In the same observed period, indices of physical volume of passenger and freight transport recorded growth of 11.4% and 4.7%, respectively.
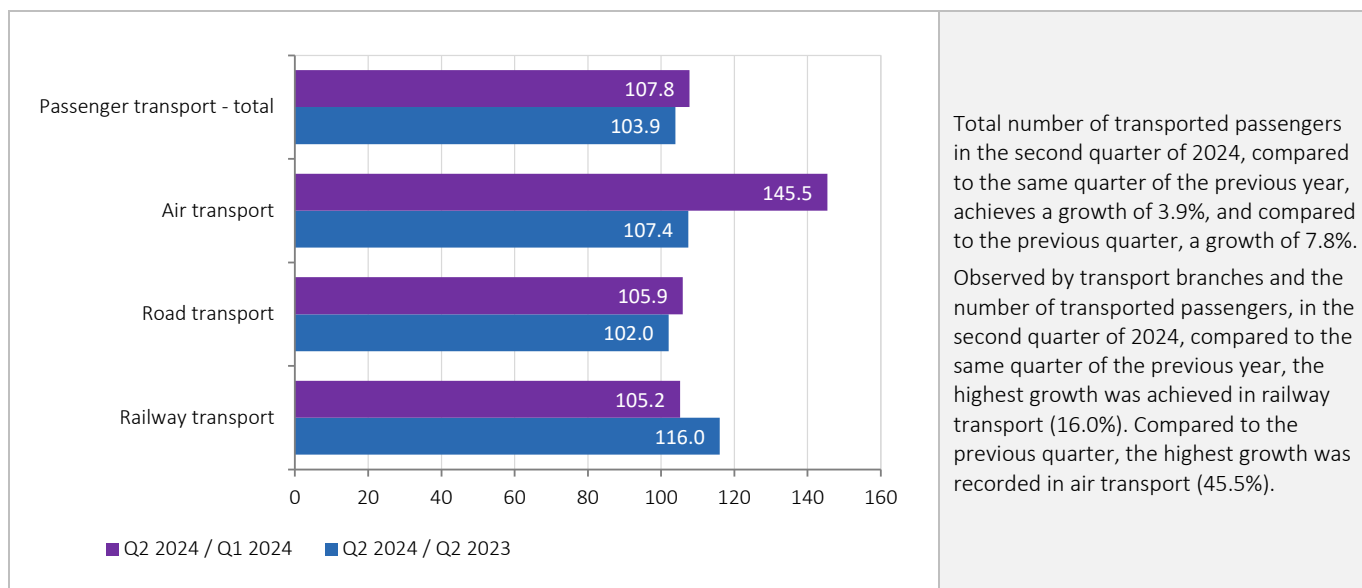
Chart 15.1. Quarterly index of physical transport volume, 2023=100

Legend:
- Transport – total
- Road transport
- Pipeline transport
- Air transport
- Freight transport
- Railway transport
- City transport
- Inland waterway transport
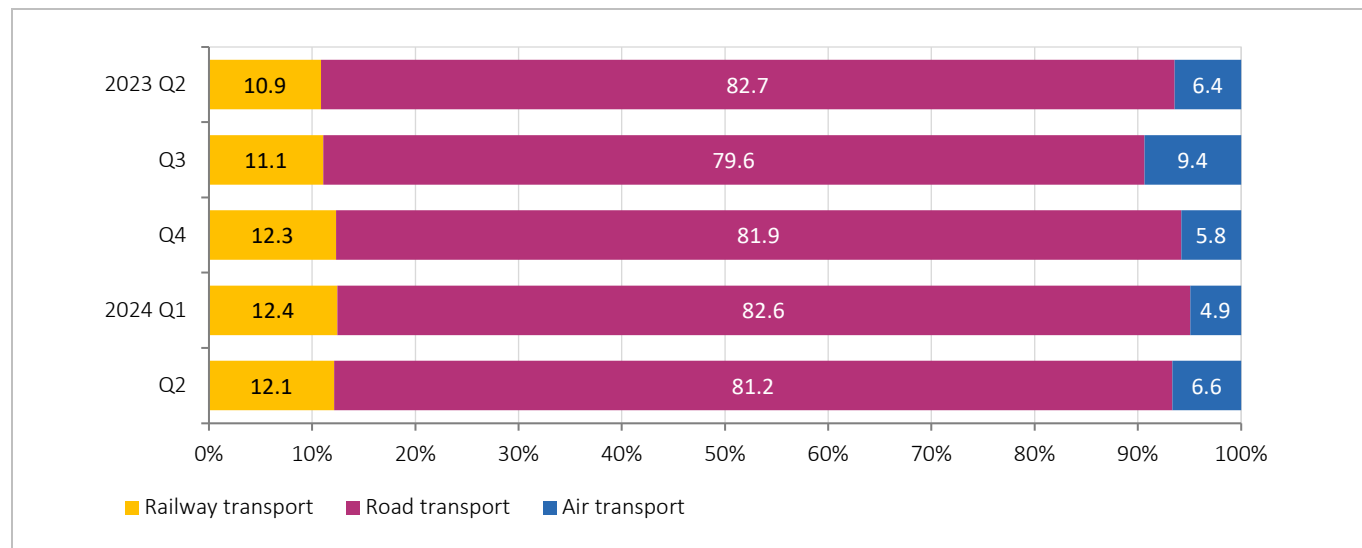- Passenger transport

15.1. PASSENGER TRANSPORT

In the period January-June 2024, the total number of transported passengers is by 5.3% higher compared to the same period in 2023. In the same observed period, all transport branches recorded an increase in the number of transported passengers. The highest growth was recorded in railway transport (19.7%).

Chart 15.2. Transported passengers by branches of transport, indices

	Q2 2024 / Q1 2024	Q2 2024 / Q2 2023
Passenger transport - total	107.8	103.9
Air transport	145.5	107.4
Road transport	105.9	102.0
Railway transport	105.2	116.0

Total number of transported passengers in the second quarter of 2024, compared to the same quarter of the previous year, achieves a growth of 3.9%, and compared to the previous quarter, a growth of 7.8%.

Observed by transport branches and the number of transported passengers, in the second quarter of 2024, compared to the same quarter of the previous year, the highest growth was achieved in railway transport (16.0%). Compared to the previous quarter, the highest growth was recorded in air transport (45.5%).

Observed by transport branches, in the second quarter of 2024, the largest number of passengers (81.2%) was transported by road, and only 6.6% by air transport.

Chart 15.3. Structure of the number of transported passengers by transport branches (%)

In the period January-June 2024, compared to the same period in 2023, a growth in the number of passenger kilometres was realized, by 10.2%. In the same observed period, the highest growth was recorded in railway transport (22.5%), and the lowest in road transport (4.8%).

In the second quarter of 2024, compared to the same quarter of the previous year, all transport branches recorded an increase in the number of passenger kilometres. The highest growth was recorded in railway (19.8%), and the lowest in road (7.2%) transport.

Compared to the previous quarter, all branches of transport recorded an increase in the number of passenger kilometres in the second quarter of 2024. The highest growth was recorded in air (47.7%), and the lowest in road (13.5%) transport.

Table 15.2. Passenger kilometres, indices

	Q2 2024 Q2 2023	Q2 2024 Q1 2024
Passenger kilometres - total	108.7	128.1
Railway transport	119.8	114.6
Road transport	107.2	113.5
Air transport	109.0	147.7

In the period January-June 2024, compared to the same period 2023, total number of passenger motor vehicles and passengers that entered the Republic of Serbia increased by 7.1%, i.e. 3.8%, respectively. In the same observed period, the exit of passenger motor vehicles from the Republic of Serbia decreased by 1.6%, while the exit of passengers from the Republic of Serbia increased by 2.0%.

Total number of passenger motor vehicles and passengers that entered the Republic of Serbia in the second quarter of 2024 increased by 7%, i.e. 1.3%, compared to the same quarter of the previous year. In the same observed period, the exit of passenger motor vehicles and passengers from the Republic of Serbia decreased by 8.4% and 1.5%, respectively.

In the second quarter of 2024, compared to the previous period, total number of passenger motor vehicles and passengers that entered the Republic of Serbia increased by 13.6% and 22.9%, respectively. In the same observed period, the exit of passenger motor vehicles and passengers from the Republic of Serbia increased by 9.1% and 20.1%, respectively.

The countries with the most frequent registration of passenger motor vehicles entering and exiting the Republic of Serbia belong to the following countries: Germany, Hungary, Bosnia and Herzegovina, Austria and Romania.
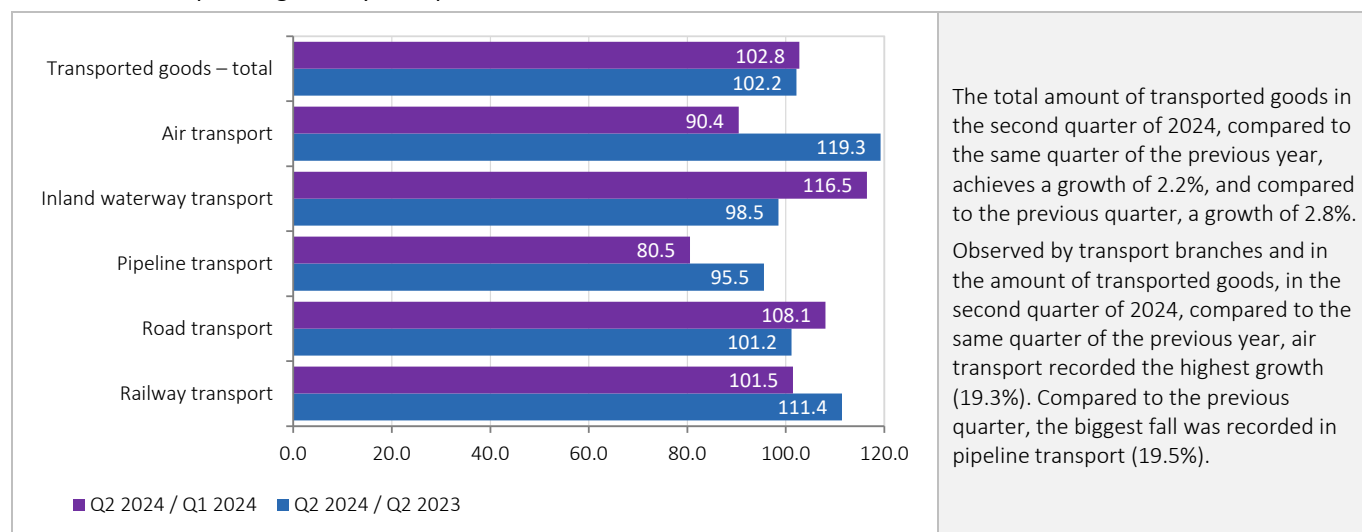
Table 15.3. The most frequent sides of registration of passenger motor vehicles on entering the Republic of Serbia and exiting the Republic of Serbia

| Entry		Exit	
Foreign registration	Number of passenger motor vehicles, thousand	Foreign registration	Number of passenger motor vehicles, thousand
Germany	75.9	Germany	69.1
Hungary	49.4	Bosnia and Herzegovina	44.8
Bosnia and Herzegovina	45.7	Hungary	41.6
Austria	44.3	Romania	38.8
Romania	43.1	Austria	37.2

15.2. FREIGHT TRANSPORT

In the period January-June 2024, total quantity of transported goods is by 3.1% higher compared to the same period in 2023. In the same observed period, the decrease in the amount of transported goods was recorded in pipeline transport (1.7%) and inland waterways transport (8.1%).

Chart 15.4. Transported goods by transport branches, indices

The total amount of transported goods in the second quarter of 2024, compared to the same quarter of the previous year, achieves a growth of 2.2%, and compared to the previous quarter, a growth of 2.8%.

Observed by transport branches and in the amount of transported goods, in the second quarter of 2024, compared to the same quarter of the previous year, air transport recorded the highest growth (19.3%). Compared to the previous quarter, the biggest fall was recorded in pipeline transport (19.5%).

Total amount of transported goods in the second quarter of 2024, observed by the transport branches is distributed as follows: 51.2% of goods were transported by road, 22.9% by rail, 13.4% by pipeline transport, and 12.5% by inland waterway transport.

Chart 15.5. Structure of the amount of transported goods by transport branches (%)
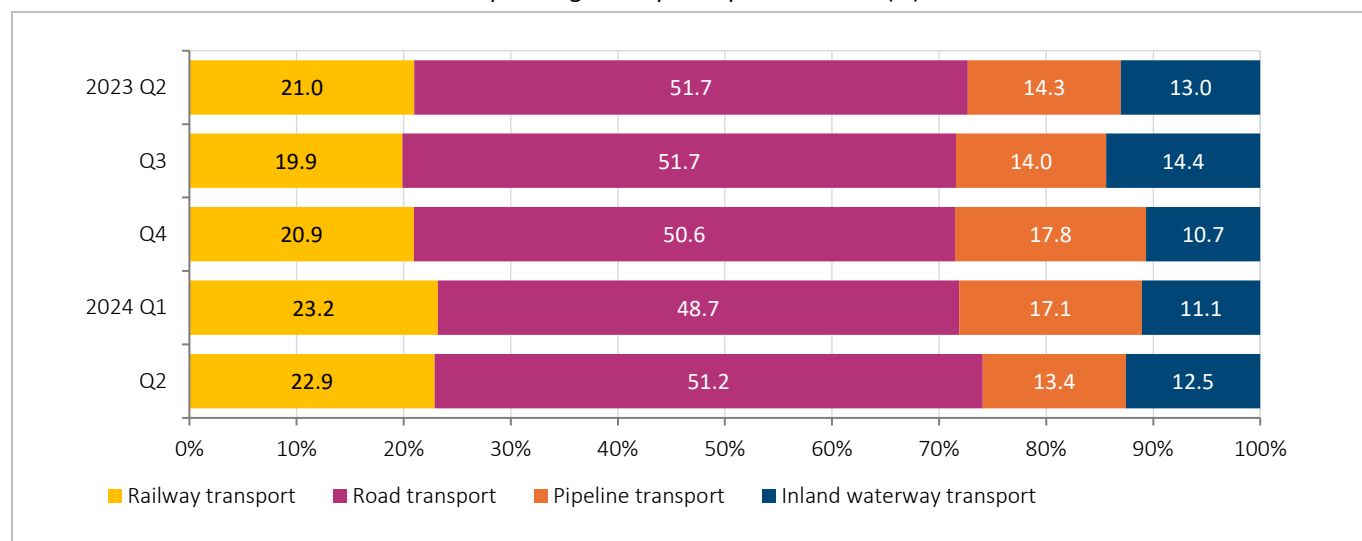
🔔 Air transport data is omitted from the chart due to small values.

In the period January-June 2024, compared to the same period in 2023, there was a growth in the number of ton kilometres, by 4.2%. For the same observed period, air transport recorded the highest growth (45.7%), and pipeline transport recorded the largest fall (2.8%).

In the second quarter of 2024, compared to the same quarter of the previous year, inland waterways transport recorded the largest decrease in the number of ton kilometres (13.5%), while the largest growth was recorded in air transport (14.1%).

On the other hand, in the second quarter of 2024, compared to the previous quarter, all transport branches recorded decrease in the number of ton kilometres. The smallest decrease was recorded in road transport (2.8%).

Table 15.4. Ton kilometres, indices

	Q2 2024 / Q2 2023	Q2 2024 / Q1 2024
Ton kilometres – total	**99.5**	**93.5**
Railway transport	105.9	94.2
Road transport	100.4	97.2
Pipeline transport	97.4	83.4
Inland waterway transport	86.5	77.9
Air transport	114.1	78.5

Total amount of cargo handling the second quarter of 2024 was reduced by 9.5% compared to the same quarter of the previous year.

Table 15.5. Cargo handling (comparison with the same period of the previous year)

	2022				2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Handled tons	82.0	111.0	79.4	112.5	94.7	73.7	111.5	92.0	85.3	90.5

15.3. POST ACTIVITIES AND TELECOMMUNICATIONS

In the period January-June 2024, package and express shipments recorded a growth of 37.2% and 5.3%, respectively, and letter shipments and payment services decreased by 4.5% and 5.5%, respectively, in relation to the same period 2023.

Post activities recorded a 6.2% decrease in payment services in the second quarter of 2024 compared to the same quarter of the previous year. In the same observed period, letter, parcel and express shipments recorded growth of 3.8%, 55.4% and 6.4%, respectively.

Parcel delivery service achieved an exponential growth in the years of the coronavirus pandemic (2020–2021), and from 2020 these services take precedence in post activities.

Table 15.6. Post activities, indices (comparison with the same period of the previous year)

	2022				2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Letter shipments	116.4	89.2	87.1	89.2	74.4	91.4	92.6	106.9	87.9	103.8
Package shipments	158.7	115.4	155.6	222.2	190.2	156.4	195.5	119.5	120.7	155.4
Express shipments	99.1	102.3	100.4	93.9	98.9	96.0	102.0	105.3	104.2	106.4
Payment service	97.1	88.9	93.4	89.0	95.3	95.5	95.6	94.0	95.3	93.8

In the period January-June 2024, a decrease of 22.3% was recorded in the number of minutes in fixed network, an increase of 0.4% in the number of outgoing calls' minutes and a decrease of 17.7% in the number of short messages sending (SMS) in mobile network, compared to the same period in 2023.

In the field of telecommunications, there is a decreasing trend in the number of minutes realized in fixed network. In the second quarter of 2024, compared to the same quarter of the previous year, a decrease of 24.8% was recorded. In the same observed period, a decline was also noticed in mobile network: in number of outgoing calls' minutes by 0.8%, and in number of SMS (short messages sent) by 17.6%.

Table 15.7. Telecommunications, indices (comparison with the same period of the previous year)

	2022				2023				2024	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Fixed telephone network – minutes	83.6	82.5	84.7	77.8	78.1	87.3	88.1	92.0	80.0	75.2
Mobile telephone network – outgoing calls, minutes	99.0	97.6	97.8	96.8	97.1	100.4	101.0	100.0	101.7	99.2
Mobile telephone network – SMS	100.9	97.5	90.7	92.1	90.0	88.8	88.4	84.5	82.2	82.4

Q2

TRENDS 2024 - 2nd quarter