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4th quarter

Belgrade, 2025

Q4 TRENDS

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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 fourth 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, Business services, and Transport and telecommunications.

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).

TABLE OF CONTENT

1. Macroeconomic forecasts	7
2. Gross domestic product	12
3. Industrial production	14
4. Construction	18
5. External trade	23
6. Domestic trade	31
7. Prices	34
8. Labour market	37
9. Salaries and wages	42
10. Tourism	46
11. Economic sentiment indicator	49
12. Regional economic asymmetries	55
13. Agriculture	60
14. Business services	67
15. Transport and telecommunications	77

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 rapidly. 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]

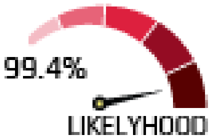


Chart 1.1. Comparison of the cycle of the SORS **consumer price leading composite indicator** (SORS CPI) and total consumer prices in the Republic of Serbia, seasonal adjusted and standardised data, deviation from the average period, Q1 2007 – Q2 2025 (%)

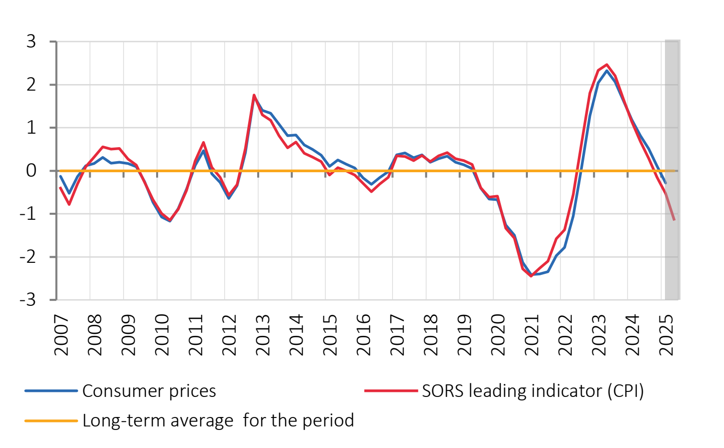
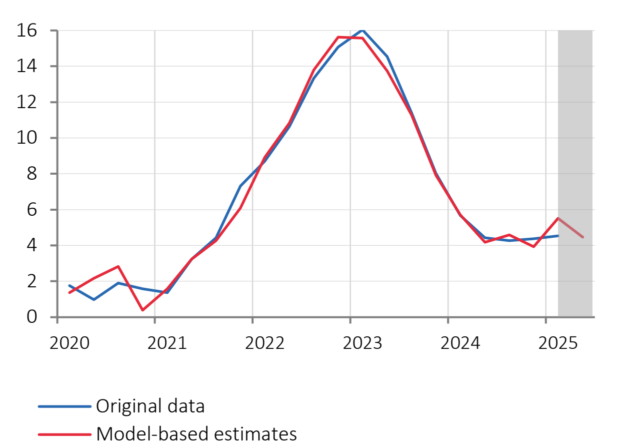


Chart 1.2. Year-on-year consumer price rates, original values and values estimated (forecast) on the basis of **the model of inflation expectations**[2]**,** Q1 2020 – Q2 2025 (%)



[1] **SORS consumer price leading 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.

[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.

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

Quarter	Realised	Forecast	
	Consumer prices, year-on-year growth rate, %	Model of the leading indicator (SORS CPI)	Model of inflation expectations
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	4.3	3.9	4.9
2024 Q4	4.4	3.7	4.1
2025 Q1	(4.5)	4.6	4.5
2025 Q2	-	4.3	4.5

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 data on the realised values of consumer prices (first column) in Q1 2025 has been preliminary estimated.

1.2. FORECAST OF INDUSTRY GVA TRENDS

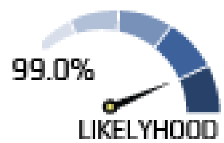
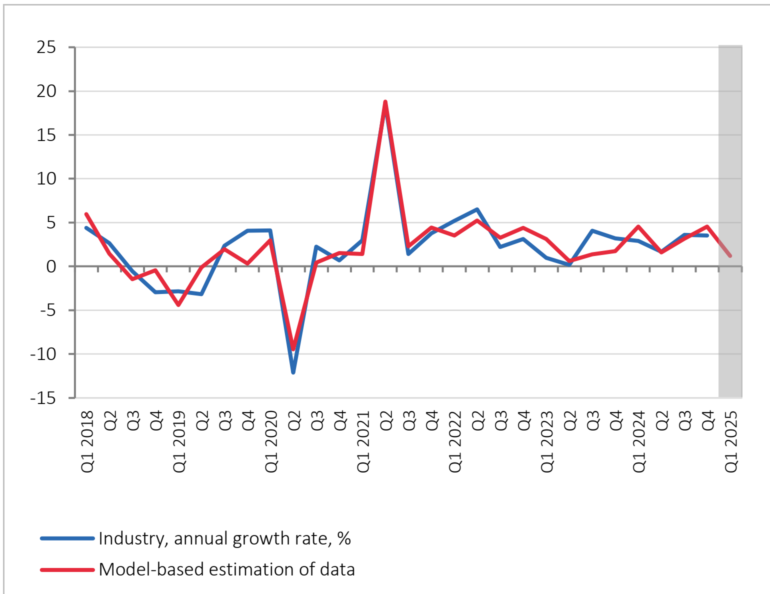


Chart 1.3. SORS forecast model of annual industry growth rate (%), original data and model-based estimation of data, Q1 2018 – Q1 2025



After having applied the model of the leading industry indicator (based on the SORS survey on business expectations in industry) in Q1 2025 it is expected to have a year-on-year industry GVA growth rate of about 1.2%. The analysis of cyclical trends indicates that the total industry has had, since 2021, a very stable growth and has been maintaining the level of the average of the observed period of the sample, which is approximately confirmed by the signals of the expected values of used capacities in industry and expected production of interviewed enterprises. Given that contributions has been rising, the mentioned year-on-year industry growth in Q1 2025 (under the pressure of the high base effect in January and February 2024) is expected to be mostly generated by the continuing stable growth of the manufacture of **rubber and plastic products, manufacture of fabricated metal products, except machinery and equipment,** manufacture of **computer, electronic and optical products,** and **mining of coal and lignite.**

Chart 1.4. Comparison of realised and forecast annual growth rates of industry GVA (%), Q1 2023 – Q4 2024

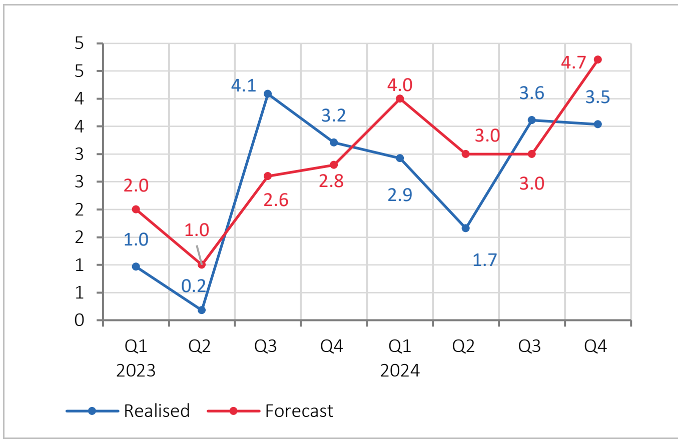
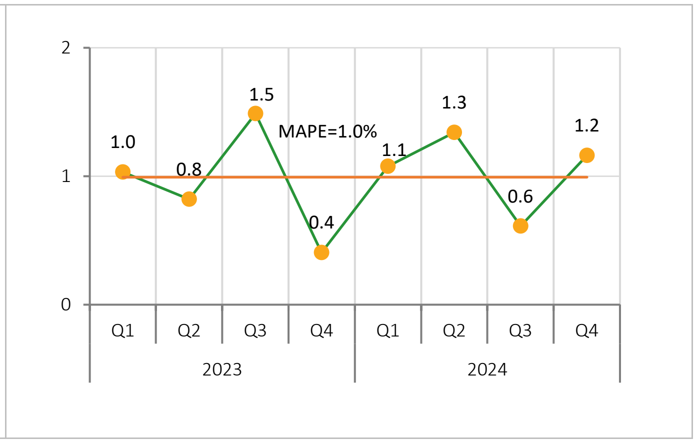


Chart 1.5. Mean Absolute Percentage Error - MAPE[3], forecasts of industry GVA growth (%), Q1 2023 – Q4 2024



1.3. SERVICE GVA TRENDS

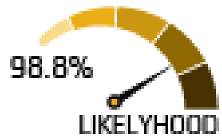
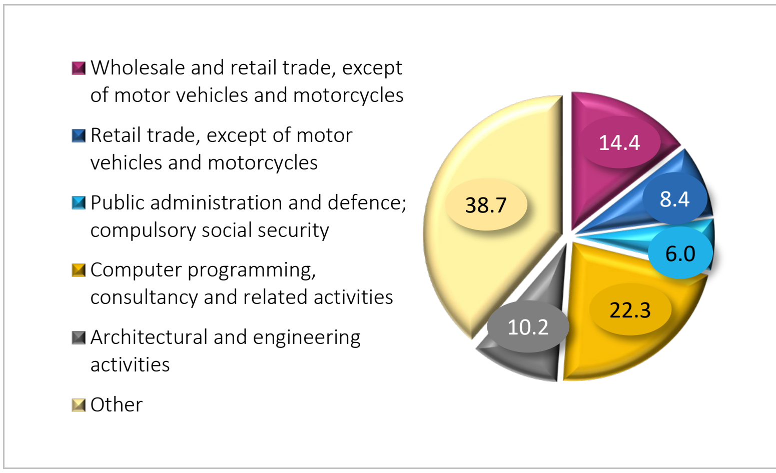


Chart 1.6. Structure of the annual **service GVA** growth rate (of 5.0%), 2024 (total 100)



Having used the model of the leading service indicator, involving turnover trends in the section of total services, total services are expected to grow by about 5.0% in Q1 2025. Toral services growth in 2024 was 5.0%, of which 56.0% was generated by long-standing strategic divisions of total services: 1) computer programming and consultancy, 2) wholesale trade, 3) architectural and engineering activities, 4) retail trade, and 5) public administration and defence, and compulsory social security.

[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_t is the real value, and F_t the forecast value. Their difference is divided by the real value A_t . 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.*

Chart 1.7.[4] Structure of the annual growth rate of the derived **wholesale trade GVA** (8.2%), 2024 (total 100)

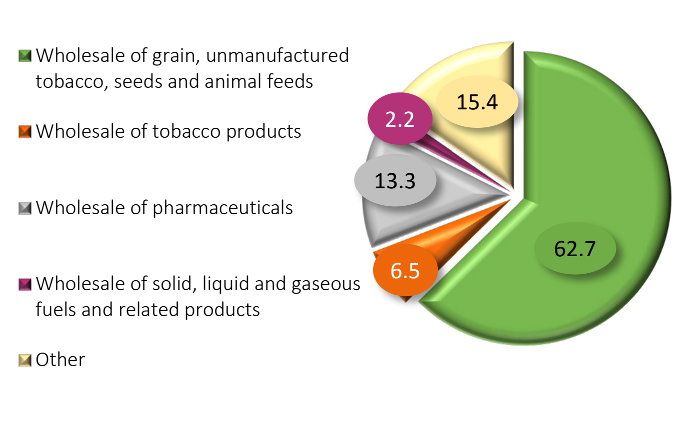


Chart 1.8. Structure of the annual growth rate of the derived **retail trade GVA** (5.5%), 2024 (total 100)

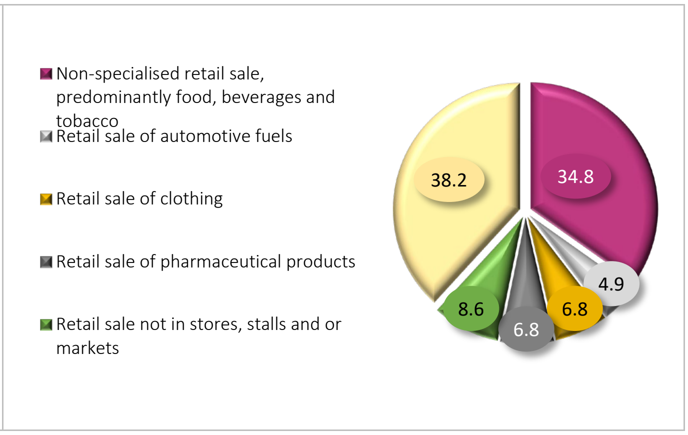


Chart 1.9. Comparison of realised and forecast annual service GVA growth rates, Q1 2024 – Q4 2024 (%)

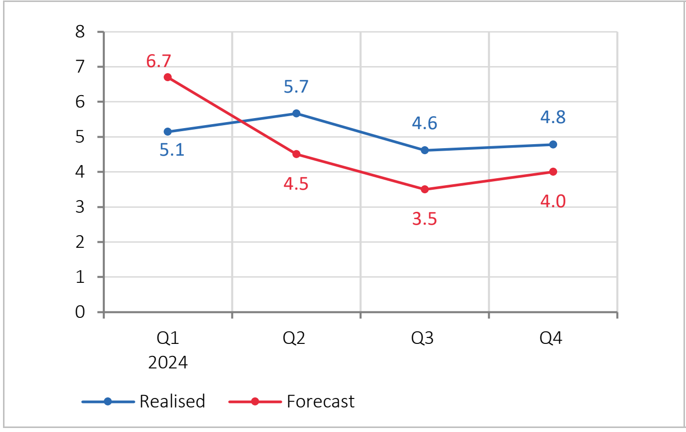
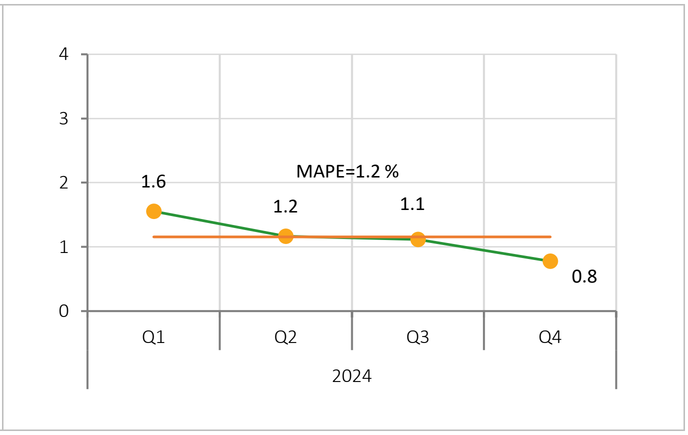


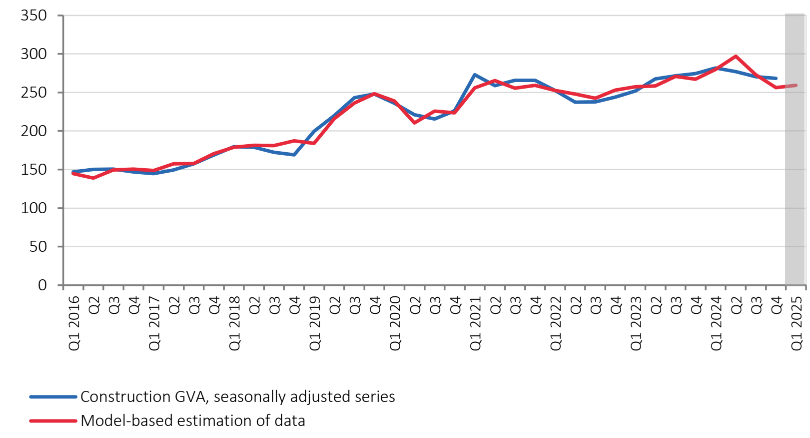
Chart 1.10. Mean Absolute Percentage Error - MAPE, forecasts of service GVA growth, Q1 2024 – Q4 2024 (%)



[4] Due to annual revisions of data on total services from 2023, it is not possible to compare the quarterly forecasts before 2024. The forecast values of the values presented in the chart are always published one quarter before the realised data are made available, and are published in previous issues of Trends.

1.4. CONSTRUCTION GVA TRENDS

Chart 1.11. Result of the SORS model of construction GVA, Q1 2016 – Q1 2025, seasonally adjusted data (original series, base Q1=2016)



Construction GVA growth in 2024 amounted to 2.9%. The largest contribution was generated by the construction of transport infrastructure, residential buildings, pipelines, communication and electric power lines. Taking into account the results of the regular SORS monthly business survey on the expectations of construction enterprises and construction trends in international environment (preceding by one quarter the construction activity in the Republic of Serbia) and using the SORS model of forecasting and estimating construction GVA a year-on-year growth of about -8.1% is expected.

Chart 1.12. Interdependency of the realised VAT in construction and expected construction activity in the current quarter based on the SORS survey in the current quarter, detrended standardised data, Q1 2020 – Q1 2025

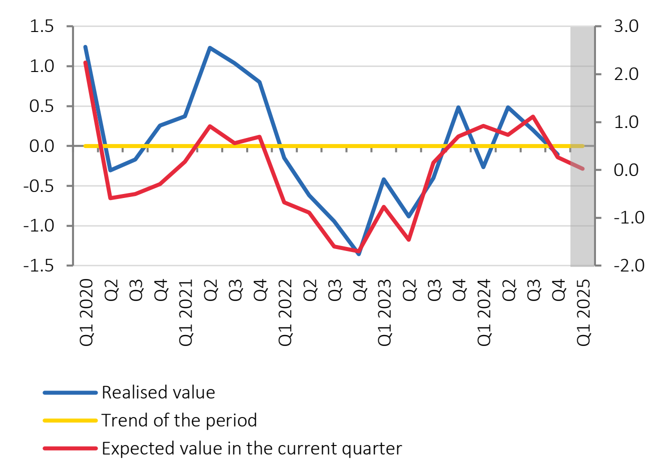
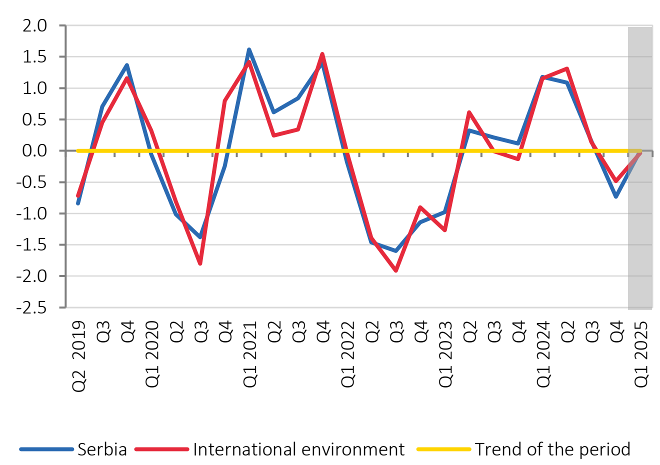


Chart 1.13. Circumstances of the interdependency of construction GVA in the Republic of Serbia and construction activity in international environment, standardized data, Q2 2019 – Q1 2025



1.5. SUMMARY OF OBTAINED RESULTS OF THE FORECAST OF LEADING INDICATORS BY GVA SECTORS FOR Q1 2025

Table 1.2. Forecasts of GVA of selected sectors and their estimated contribution of GDP, Q1 2025

Q1 2025	Agriculture	Net taxes	Industry	Construction	Services
Quarterly annual growth rates, %	0.0	2.8	1.2	-8.1	5.0
Contributions to GDP growth rate (pp.)	0.0	0.4	0.2	-0.4	2.9

2. GROSS DOMESTIC PRODUCT

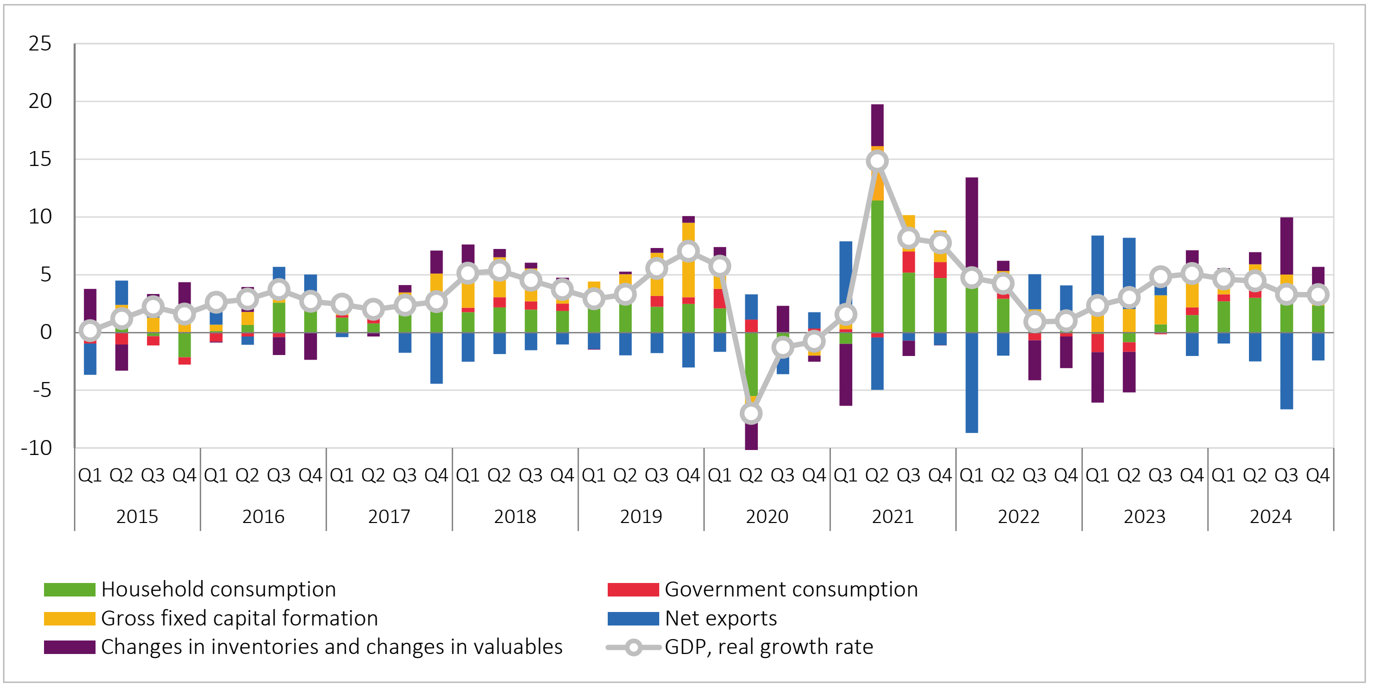
In the fourth quarter of 2024, GDP real increase of 3.3% was recorded relative to the same period last year. The dominant growth carrier in this quarter related to the section of services, excluding trade, with 2.0 p.p.

Observed by expenditure aggregates, in the fourth quarter of 2024, relative to the same period last year, household consumption recorded real growth of 3.8% and positively contributed to GDP trend with 2.3 p.p. Gross fixed capital formation recorded real growth of 1.2%, relative to the same period of the previous year (GDP contribution of 0.1 p.p.). Export and import increased by 3.1% and 7.1% and resulted in contribution to GDP trend with 1.8 p.p. and 4.2 p.p., respectively (Table 2.1).

Table 2.1. GDP – expenditure aggregates, real inter-annual growth rates, Q1 2022 – Q4 2024 (%) (comparison with the same period of the previous year – revised data)

	2022				2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GDP	**4.7**	**4.2**	**0.9**	**1.0**	**2.3**	**3.0**	**4.8**	**5.1**	**4.6**	**4.4**	**3.3**	**3.3**
Household consumption	6.4	4.4	2.8	0.7	-0.1	-1.3	1.0	2.4	4.4	4.7	3.9	3.8
Government consumption	4.2	7.3	-3.7	-1.8	-8.4	-4.4	-0.9	3.6	3.6	4.6	2.6	-0.3
Gross fixed capital formation	3.5	5.1	0.9	0.1	7.9	9.3	10.4	10.8	7.8	9.2	9.1	1.2
Exports	18.9	20.9	16.6	12.4	8.7	3.0	-0.7	0.6	1.6	4.6	3.6	3.1
Imports	33.9	21.0	9.3	4.8	-2.2	-6.1	-1.8	3.7	3.1	8.4	14.7	7.1

Chart 2.1. Contributions to inter – annual GDP growth rate – expenditure aggregates (p.p.)

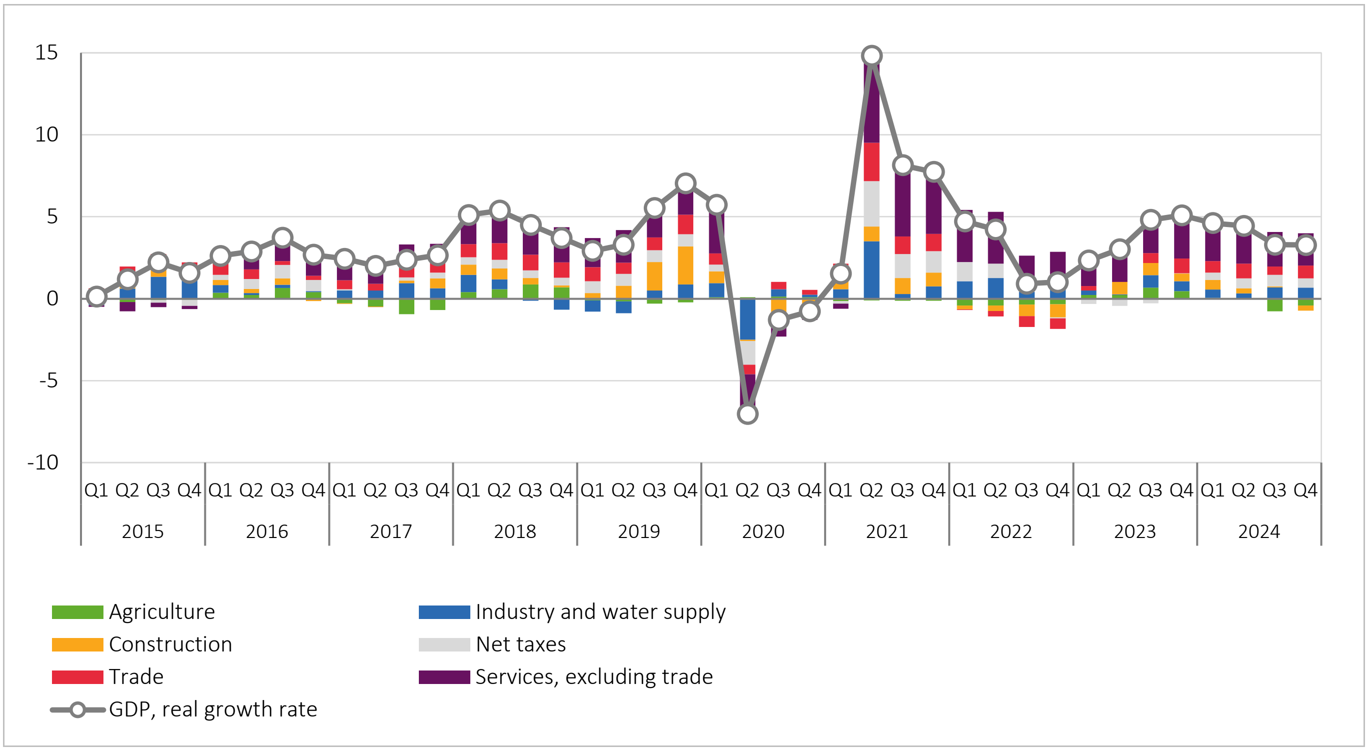


Observed from the production side, the greatest positive contribution to GDP increase in Q4 2024 resulted from increased activity in service section (excluding trade), 2.0 p.p.

Table 2.2. GDP– production side, real inter-annual growth rates, Q1 2022 – Q4 2024 (%) (changes to the same period of the previous year – revised data)

	2022				2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GDP	**4.7**	**4.2**	**0.9**	**1.0**	**2.3**	**3.0**	**4.8**	**5.1**	**4.6**	**4.4**	**3.3**	**3.3**
Agriculture	-7.7	-7.9	-7.8	-7.0	8.1	6.5	8.2	6.9	-7.7	-8.1	-8.8	-7.6
Industry and water supply	5.2	6.5	2.2	3.1	1.0	0.2	4.1	3.2	2.9	1.7	3.6	3.5
Construction	-5.2	-6.8	-12.8	-12.9	0.8	17.0	15.3	8.0	13.8	6.4	1.2	-5.5
Trade	-0.3	-2.9	-6.1	-5.7	2.5	0.0	6.0	8.6	7.1	9.1	4.9	6.9
Services, excl. trade	7.2	7.3	4.7	5.3	4.2	5.5	5.2	6.0	4.7	4.9	4.6	4.3
Net taxes	7.5	5.2	1.2	-0.4	-2.3	-2.4	-1.8	-0.2	3.1	3.8	4.8	4.0

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



3. INDUSTRIAL PRODUCTION

3.1. TOTAL INDUSTRIAL PRODUCTION

Total industrial production in the Republic of Serbia, in 2024 increased by 3.1% relative to 2023. Growth was noted in the sections of *Manufacturing* (4.7%) and *Mining and quarrying* (7.4%), while *Electricity, gas, steam and air conditioning supply* recorded fall of -6.5%.

Chart 3.1. Cumulative trend of total industrial production and its sections, growth rates (%) (January - December 2024 relative to January - December 2023)

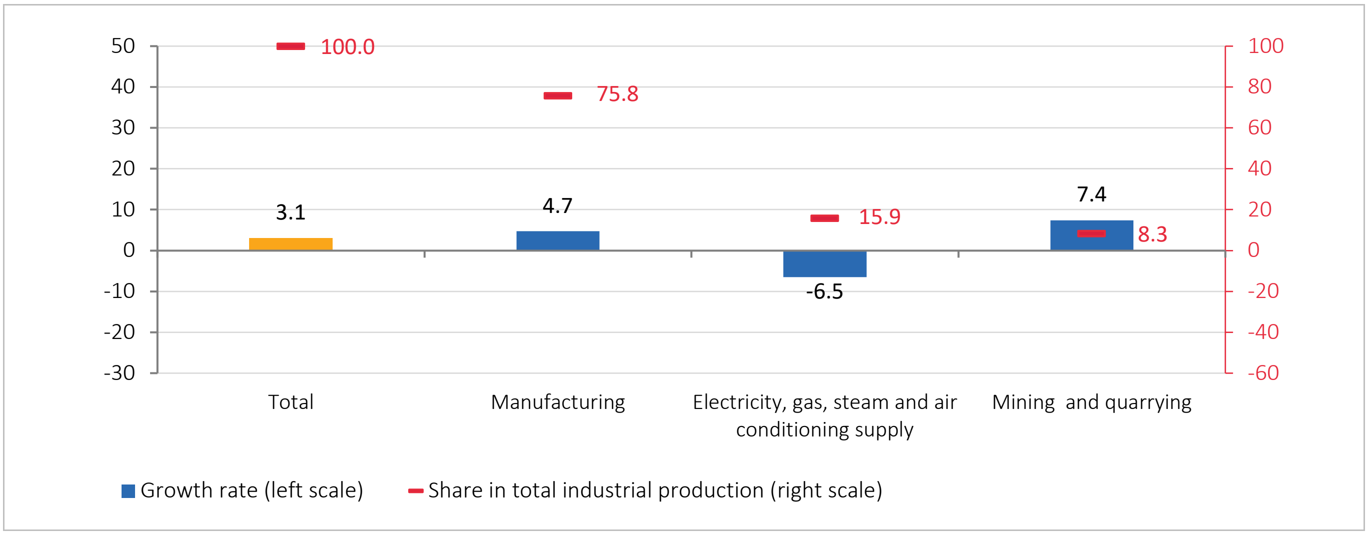
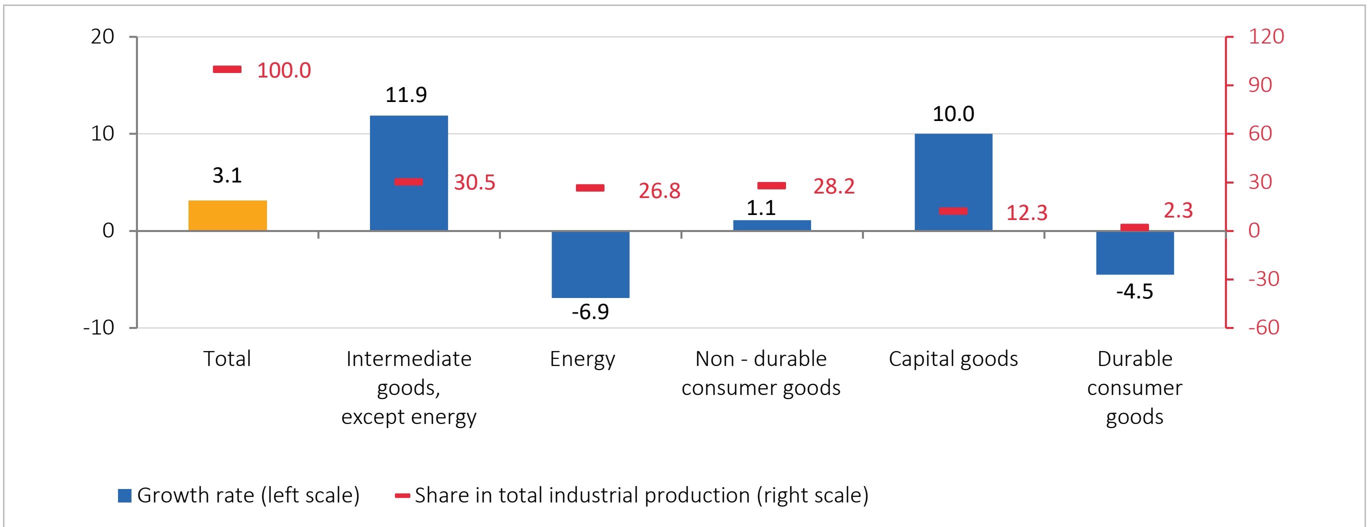


Chart 3.2. Industrial production growth rates by MIGs (%) (January - December 2024 relative to January - December 2023)



In 2024 relative to 2023, the section of **Manufacturing** contributed most to industry growth with 3.4 p.p., followed by **Mining and quarrying** (0.6 p.p.), while **Electricity, gas, steam and air conditioning supply** recorded negative contribution to industry trend in this period (-0.9 p.p.).

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

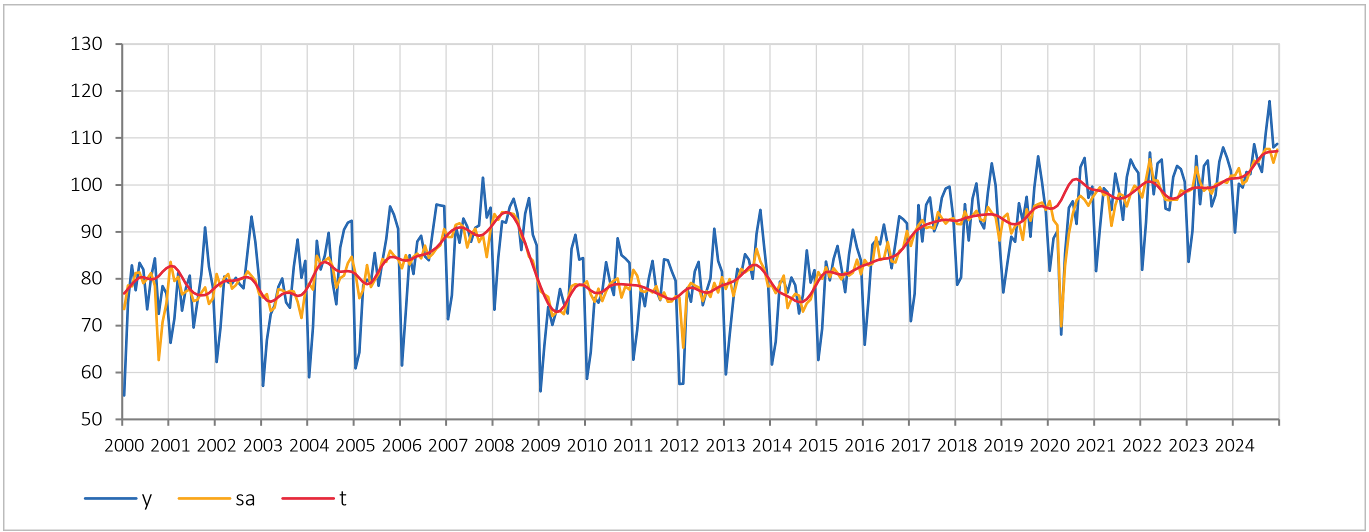
	2022				2023				2024				2025
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1[1]
Industrial production – total	101.9	104.8	99.4	100.7	102.5	100.9	103.7	102.8	102.9	101.3	103.4	103.9	**101.0**
Manufacturing	104.1	104.7	99.1	97.8	98.5	99.0	102.1	102.8	103.1	102.4	106.4	105.6	**102.0**
Electricity, gas, steam and air conditioning supply	80.9	91.8	95.8	106.2	118.6	114.8	111.1	106.6	100.3	89.4	86.9	96.6	…
Mining and quarrying	139.0	132.4	108.5	116.5	104.5	94.3	105.8	95.3	106.4	116.5	104.4	105.0	…

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

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

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

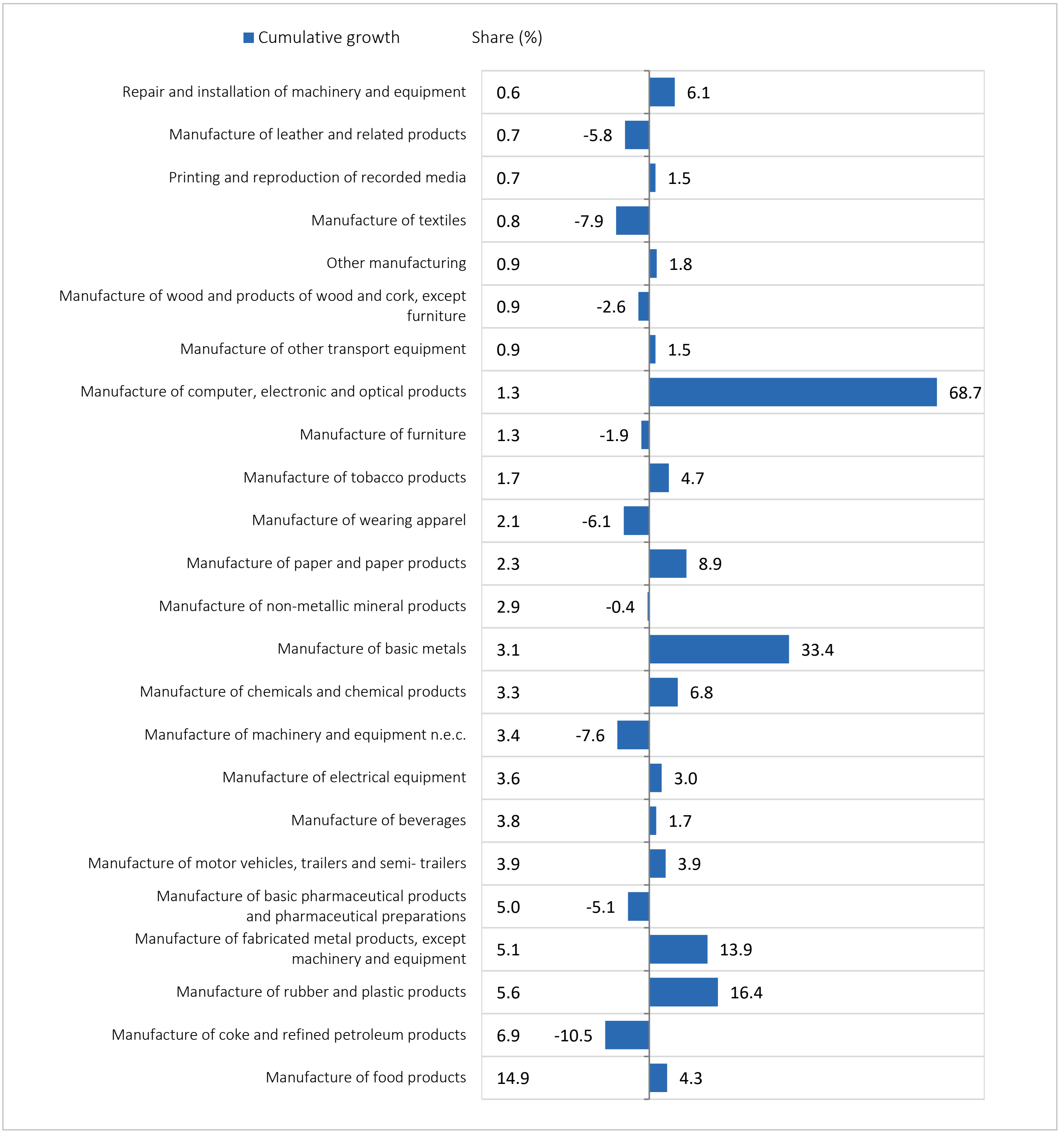
Chart 3.3. Components of Manufacturing time series, indices (y – original series, sa – series with excluded seasonal component, t – trend-cycle component, average 2023 = 100)



Observed by divisions, Manufacturing in the period January – December 2024 increased in 15 out of 24 divisions (mutually participating with 51.6% 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 2024 were: Manufacture of food products (growth of 4.3%), Manufacture of rubber and plastic products (growth of 16.4%), and Manufacture of metal products except machinery (growth of 13.9%).

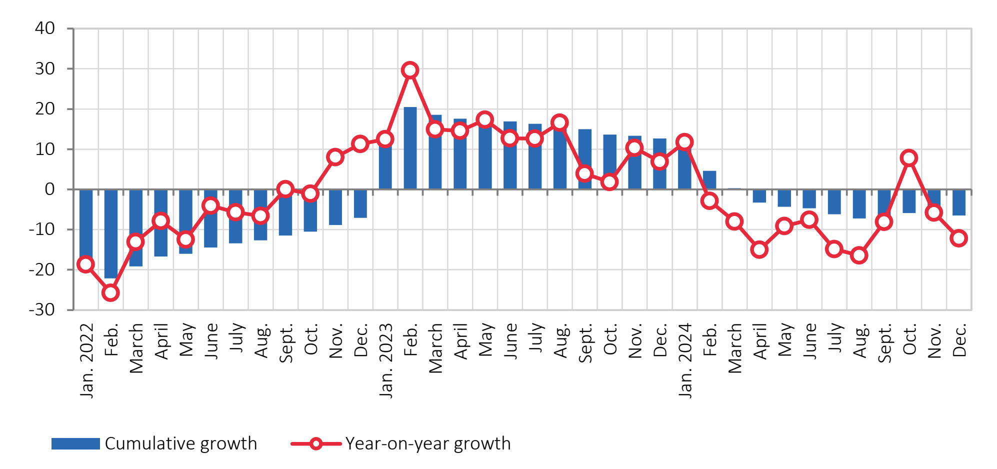
Decrease was recorded in 9 divisions (mutually participating with 23.9% in total industry): Manufacture of coke and refined petroleum products (fall of -10.5%), Manufacture of basic pharmaceutical products and pharmaceutical preparations (fall of -5.1%), and Manufacture of machinery and equipment n.e.c. (fall of -7.6%).

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



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

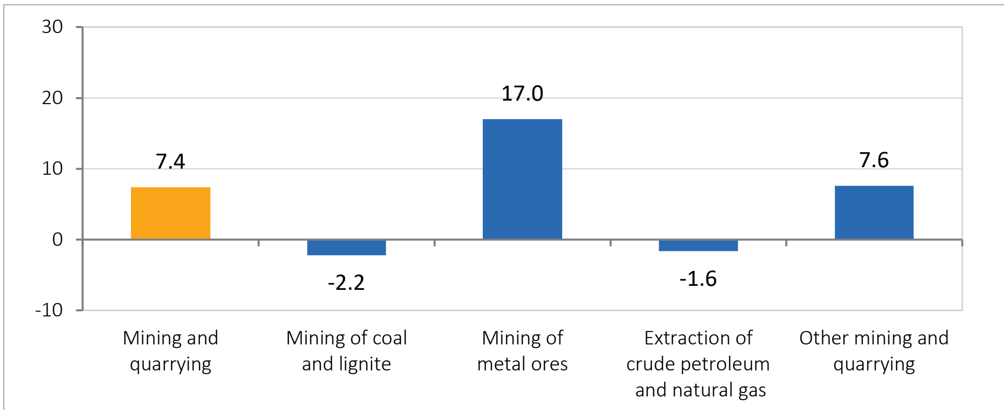
Chart 3.5. Cumulative and year-on-year growth rates in energy section (%) (cumulative – period relative to the same period of the previous year; year-on-year – month relative to the same month of the previous year)



The section of *Electricity, gas, steam and air conditioning supply* recorded fall of -6.5% **in 2024** relative to 2023.
In the fourth quarter of 2024 production increased (relative to the same months 2023): in October (7.8%), while fall was noted in November (-5.8%), and in December (-12.2%).

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 - December 2024 relative to January - December 2023)



Production of the section of *Mining and quarrying* recorded growth of 7.4% **in 2024** relative to 2023.

Observed by months of the fourth quarter, growth was recorded in all three months (compared with the corresponding months 2023) in October (0.4%), in November (4.8%), and in December, 9.9%.

HOW TO INTERPRETE 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 fourth quarter 2024 construction activity on the territory of the Republic of Serbia, compared to the same period 2023 decreased by 0.4% at current prices, while the decrease at constant prices amounted to 1.9%.

Observed by type of constructions, the value of construction works on buildings increased by 11.9%, and on civil engineering (transport infrastructure, pipelines, complex industrial constructions, etc.), decrease of 8.6%, at constant prices was noted.

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	Q3	Q4
Current prices	110.3	108.4	102.7	99.9	109.2	121.1	119.3	113.9	122.0	114.9	104.9	99.6
Constant prices	94.1	91.2	86.5	86.3	99.5	117.9	115.8	111.1	118.3	110.2	104.0	98.1

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)

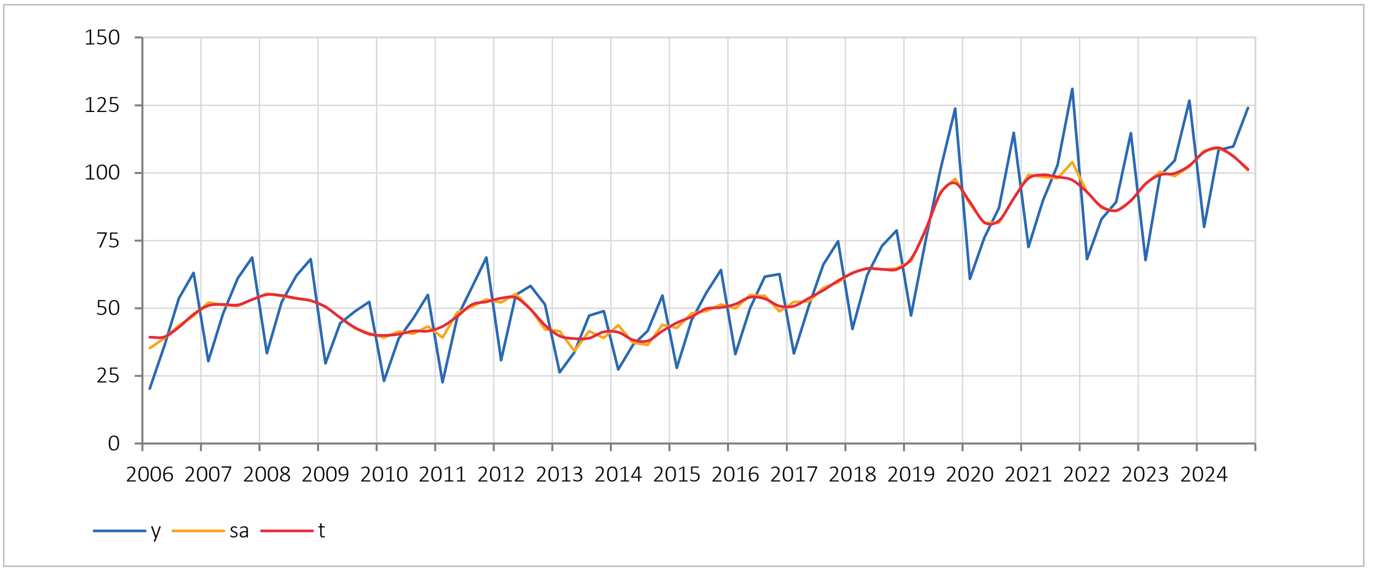
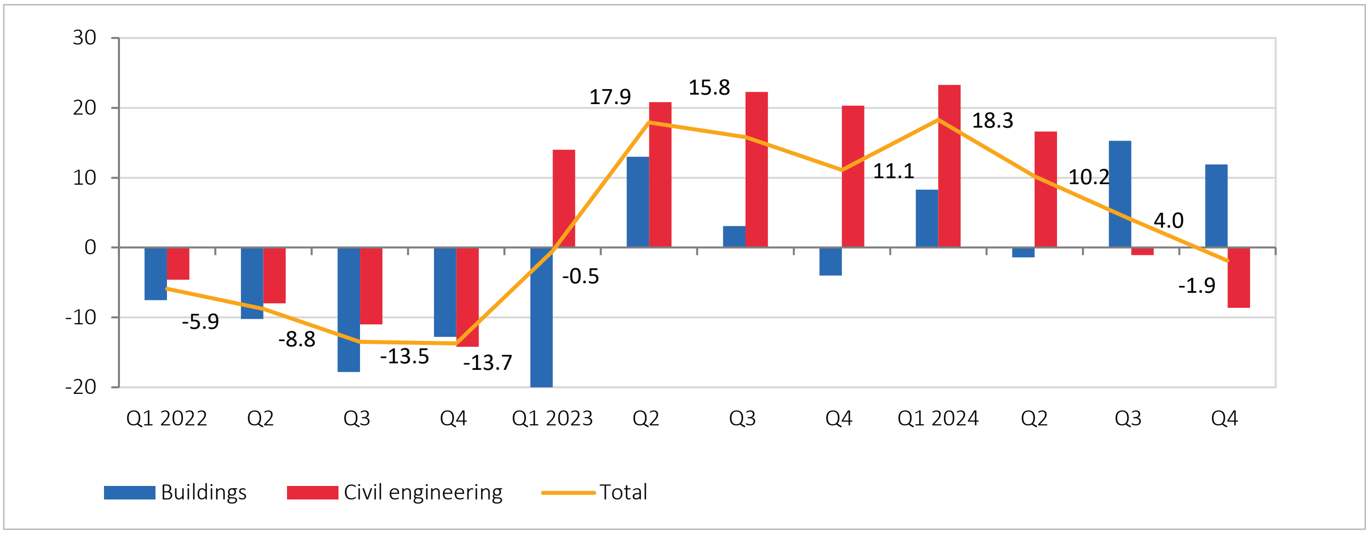


Chart 4.2. Value of performed construction works at constant prices, growth rates (%) (quarter relative to the same quarter of the previous year)



Observed by regions (Chart 4.3), the total value of construction works in **Belgrade region increased by 18.2%,** at constant prices, compared to the fourth quarter of 2023. The value of completed works increased in all types of buildings, and the largest contribution to the growth was made by the construction of facilities for the International Specialized Exhibition "EXPO Belgrade 2027". In addition, this quarter saw a large jump in the value of works on residential buildings.

In **Šumadija and Western Serbia Region**, construction activity is **by 2.8% lower** than in the same period of the previous year. The decline in value was influenced by a decrease in construction activity on other buildings, while the value of construction works on residential and non-residential buildings increased.

The total value of construction works in **Region of Southern and Eastern Serbia decreased by 6.5%.** The decline was recorded in all types of construction.

The largest decline was recorded in **Vojvodina Region (-18.1%),** due to reduced construction activity on transport infrastructure buildings. The main reason is the completion of works on the Hungarian-Serbian railway project (Novi Sad - Subotica section), but also the reduced intensity of works on the construction of Belgrade-Sarajevo highway. Observed by type of construction, growth was recorded only regarding non-residential buildings.

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)

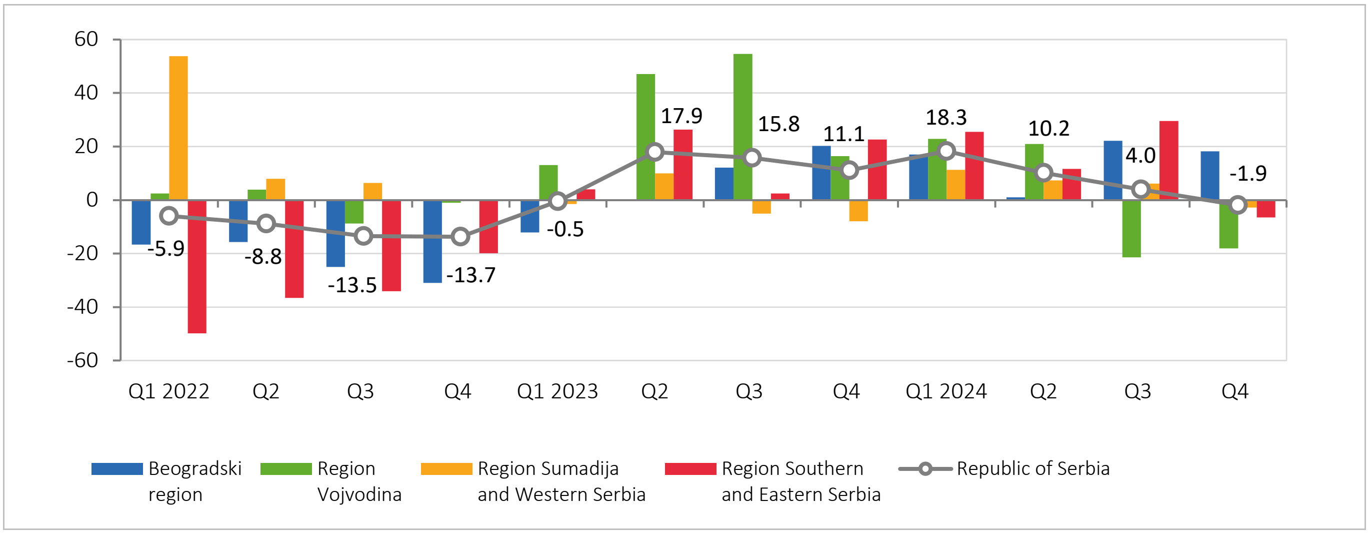


Chart 4.4. Value of performed construction works and hours of work on construction sites, comparative overview, indices
(quarter compared to the same quarter of the previous year)

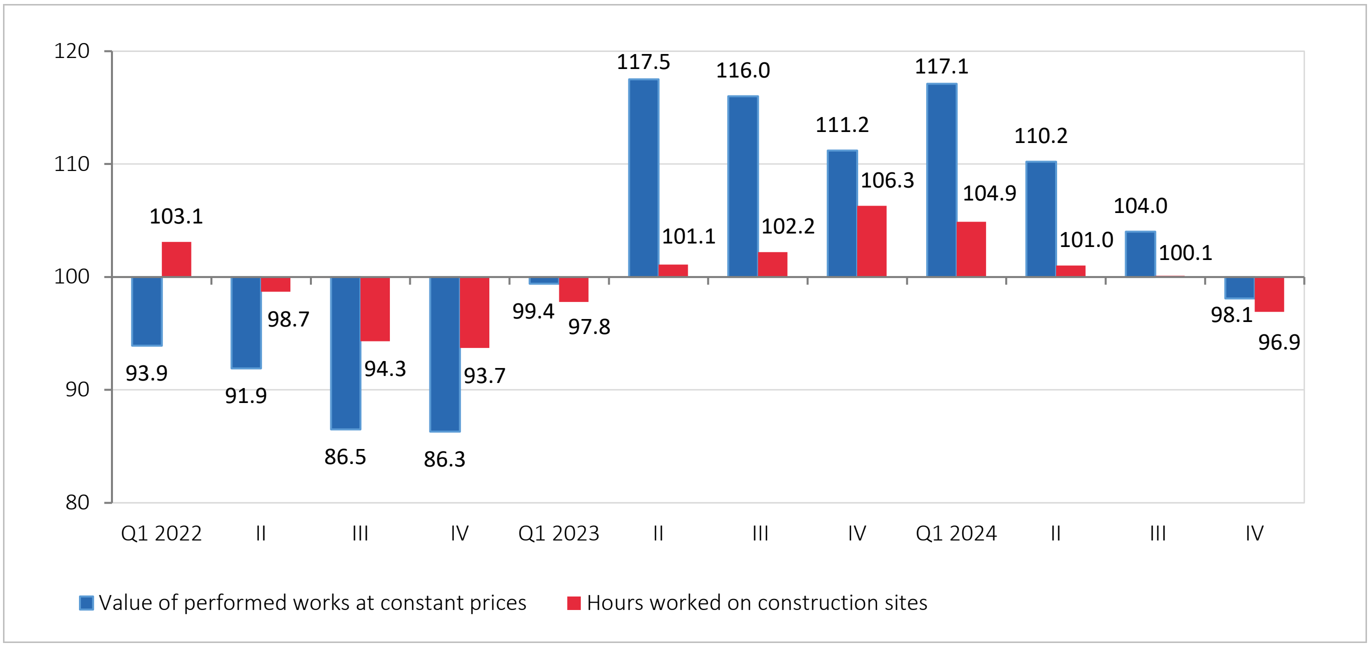


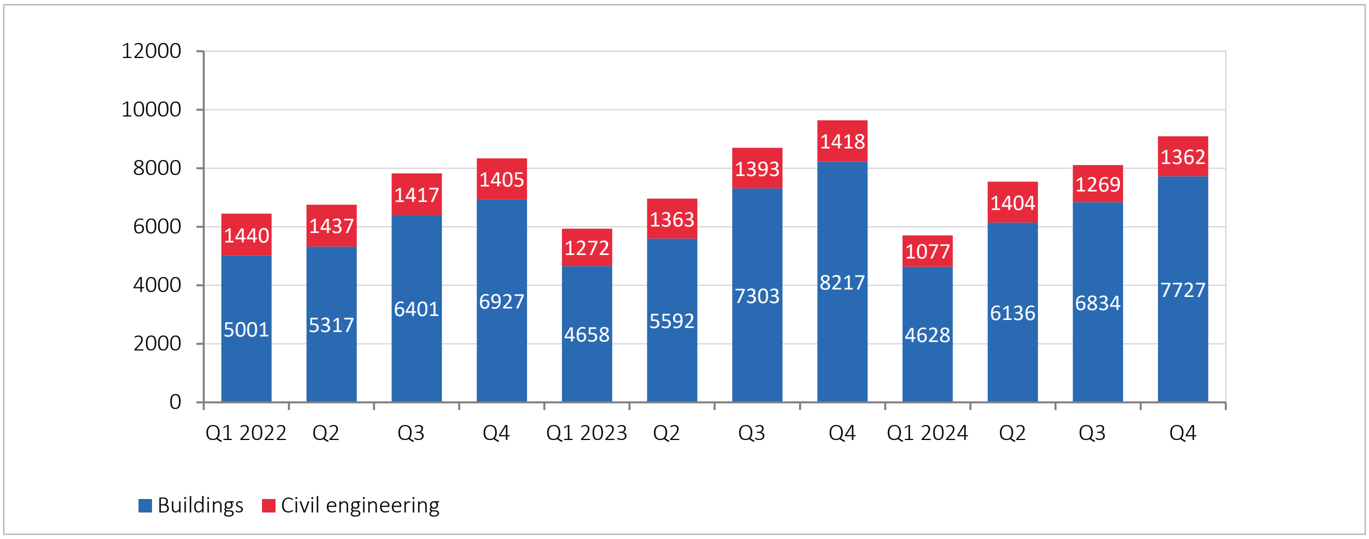
Chart 4.4 shows a comparative overview of the movement of working hours and the value of works performed on construction sites. Effective working hours have been increasing since the second quarter of 2023, which is in line with the increase in the value of the performed works. In the observed period, working hours decreased only in the first quarter of 2023 (-2.2%), and in the fourth quarter 2024 (-3.1%), while the highest growth (6.3%) was recorded in the fourth quarter of 2023.

4.2. 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 fourth quarter 2024, 9 089 building permits were issued. The greatest part of permits (7 727) related to construction works on buildings, while the rest (1 362) related to transport infrastructure works, pipelines, complex industrial structures, etc. Total number of issued permits in the fourth quarter decreased by 7.7% related to the same period of the previous year.

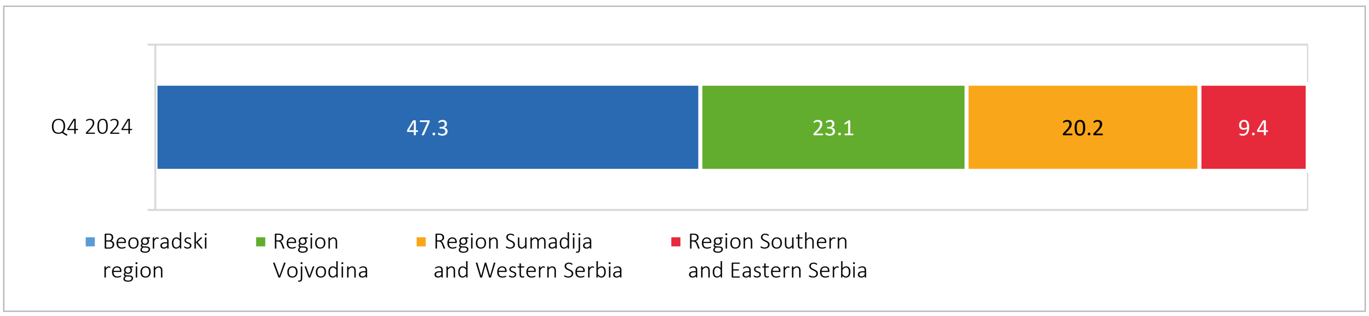
Chart 4.5. Number of issued building permits for buildings and civil engineering



The anticipated value of works, according to the issued permits, in the fourth quarter, amounts to RSD 380 933 million, which represents an increase of 45.3% compared to the same quarter of the previous year.

The greatest share in estimated value in the fourth quarter is seen in Belgrade region (47.3%), followed by Vojvodina region (23.1%), then Šumadija and Western Serbia region (20.2%), and Southern and Eastern Serbia region (9.4%).

Chart 4.6. Anticipated value of works according to issued permits, by regions; share in %[5]



[5]Note: Instead of the previously published data on the percentage share of the number of permits by region, in the future we will display the share of the estimated value of works in relation to issued permits. Namely, the value of works is a better indicator of the volume of construction activity in the future, while the number of permits does not provide key information on the value of the estimated investment, which is most important for assessing the value of future construction works.

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).

5. EXTERNAL TRADE

5.1. EXPORTS OF GOODS (EUR current exchange rate)

Total value of goods export in the Republic of Serbia in 2024 increased by 1.8%, relative to 2023. Total export results were mostly influenced by manufacturing increase of 2.7%, as it presents 86.9% of total export, followed by mining and quarrying share (of 5.5%), recording cumulative growth of 10.7%.

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)

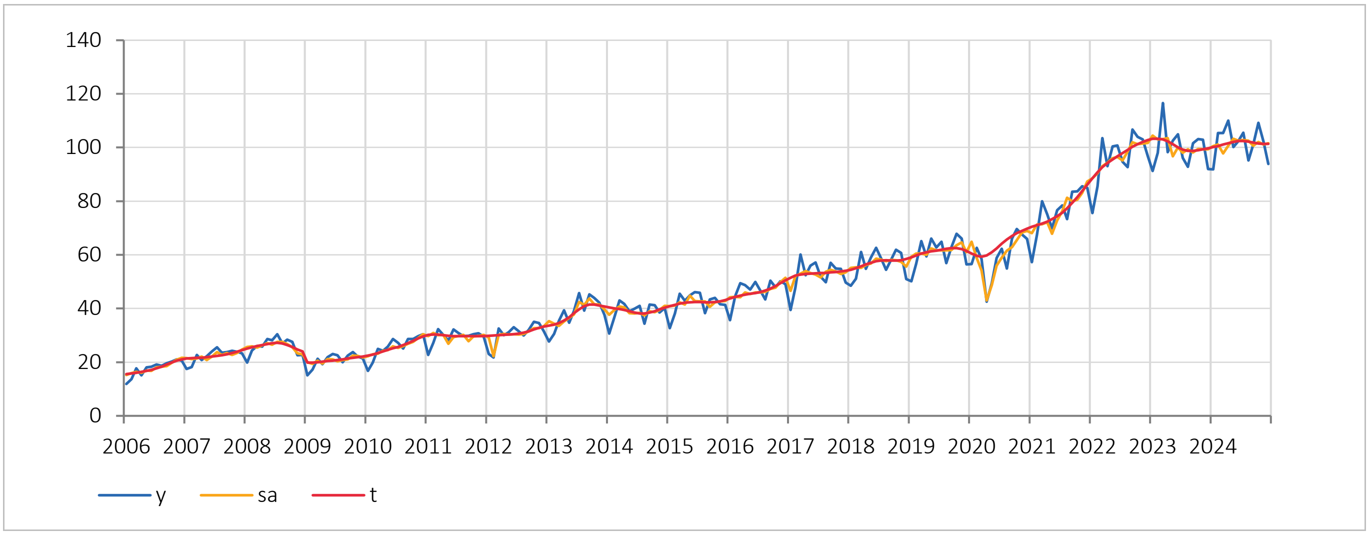
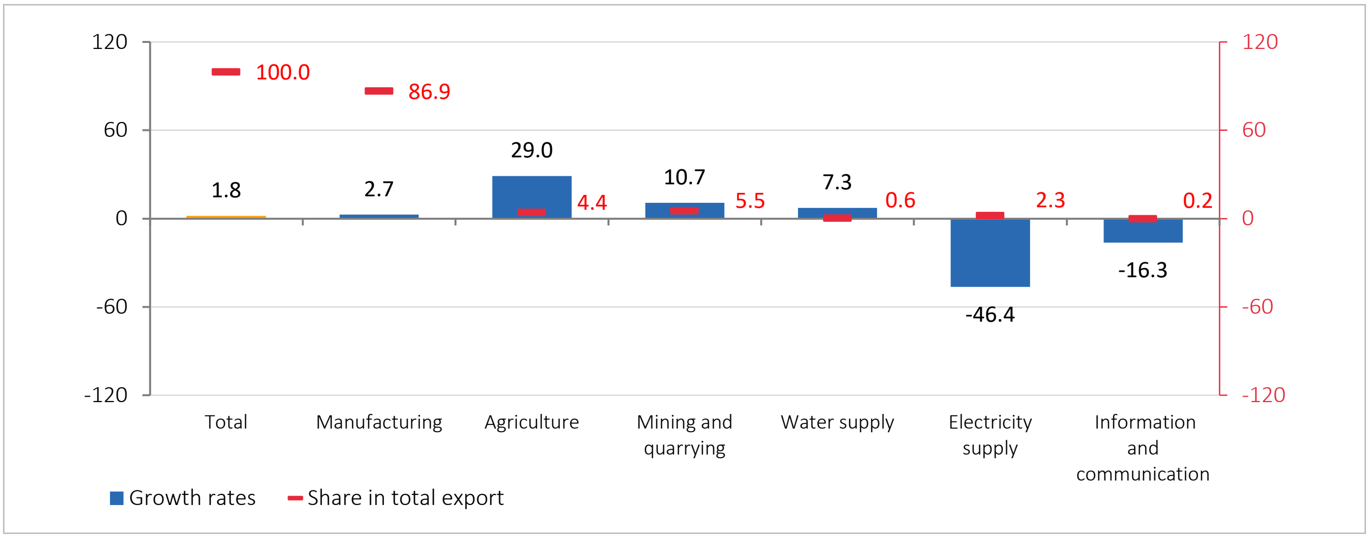


Table 5.1. Export of goods by CA (2010) sections, quarterly indices (comparison with the same period of the previous year)

	2022				2023				2024				2025
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1[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	101.3	102.0
Manufacturing	125.9	126.3	122.3	117.5	112.0	107.4	101.8	101.1	103.9	101.7	103.9	102.3	…
Agriculture, forestry and fishing	76.3	117.6	98.0	95.6	72.4	56.1	72.1	115.6	141.3	159.9	126.4	96.2	…
Mining and quarrying	1129.0	330.3	160.1	122.2	129.4	56.9	81.0	65.1	70.9	136.6	79.9	86.6	…

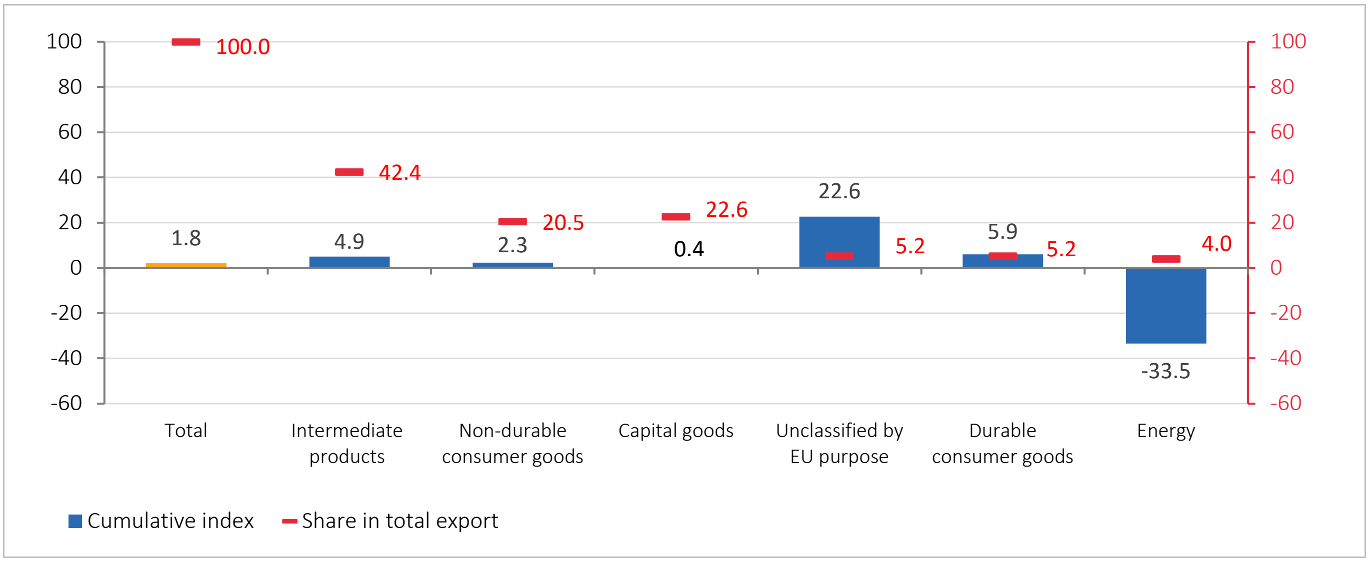
1 Prognosis (obtained on the basis of a time series analysis model).

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



Observed by **economic purpose,** total export results in the period January – December 2024 were mostly influenced (contribution of 2.0 p.p.) by exports of intermediate products (share of 42.4% and increase of 4.9%) and unclassified products by the economic purpose of the EU (share of 5.2%, increase of 22.6% and contribution of 1.0 p.p.).

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



5.2. IMPORTS OF GOODS (EUR current exchange rate)

Total value of goods imports in Serbia in 2024 increased by 5.9% relative to 2023. Import results were mostly influenced by the section of manufacturing (increase of 8.4%), as it presents 74.1% of total imports, and 8.0% increase in the section of unclassified products by the economic purpose of the EU (11.9% of total imports) in 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)

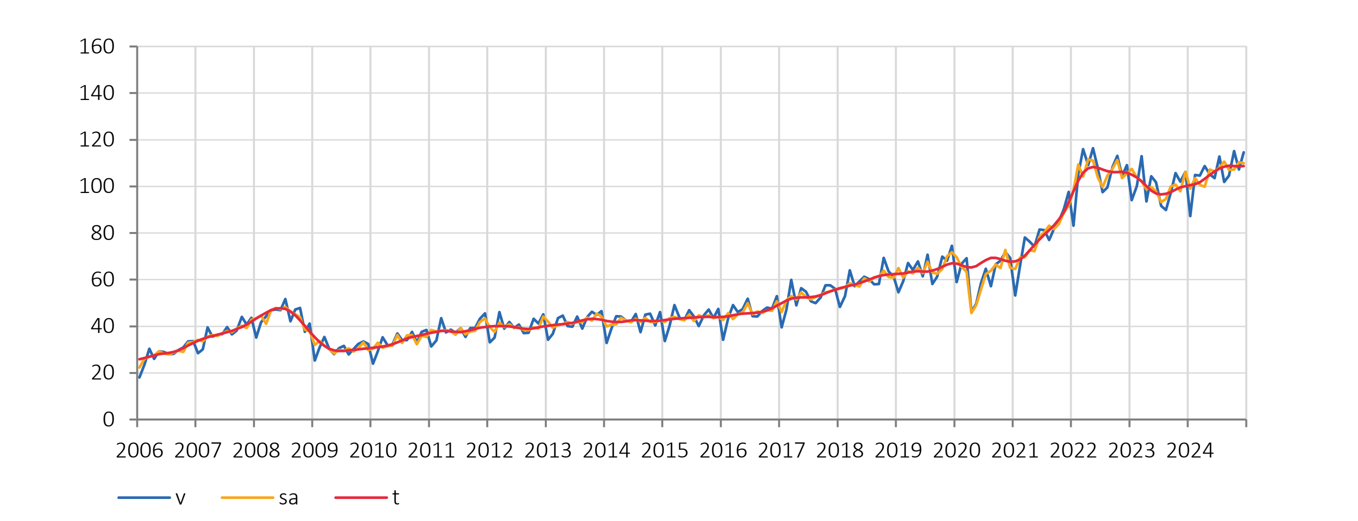
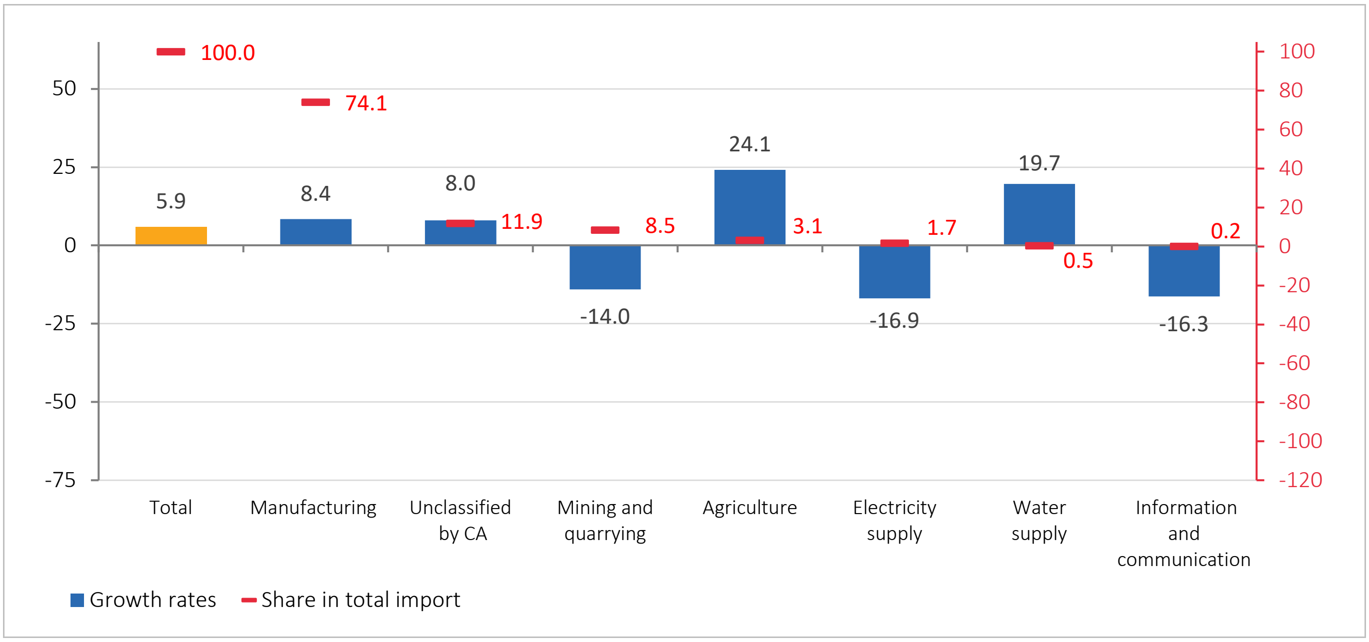


Table 5.2. Import of goods by CA (2010) sections, quarterly indices (comparison with the same period of the previous year)

	2022				2023				2024				2025
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1[1]
Import – total	148.5	143.8	123.1	119.7	100.7	89.5	91.2	96.1	96.7	105.9	114.2	107.1	106.5
Manufacturing	130.6	134.2	119.6	112.5	101.3	87.4	92.1	98.3	102.2	113.2	110.0	104.8	…
Agriculture, forestry and fishing	127.6	123.5	134.5	127.0	124.5	110.3	98.4	89.3	102.3	108.5	130.8	155.5	…
Mining and quarrying	373.7	210.8	140.0	186.3	95.4	81.2	86.6	84.4	73.3	61.2	130.8	94.6	…

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 – December 2024 relative to the same period 2023)



Observed by **MIGs**, the greatest influence (contribution of 2.2 p.p.) on total import in the period January – December 2024 related to intermediate products (share of 34.7%, increase of 6.3%) and capital goods (share of 19.3%, increase of 10.7% and contribution of 2.0 p.p.).

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

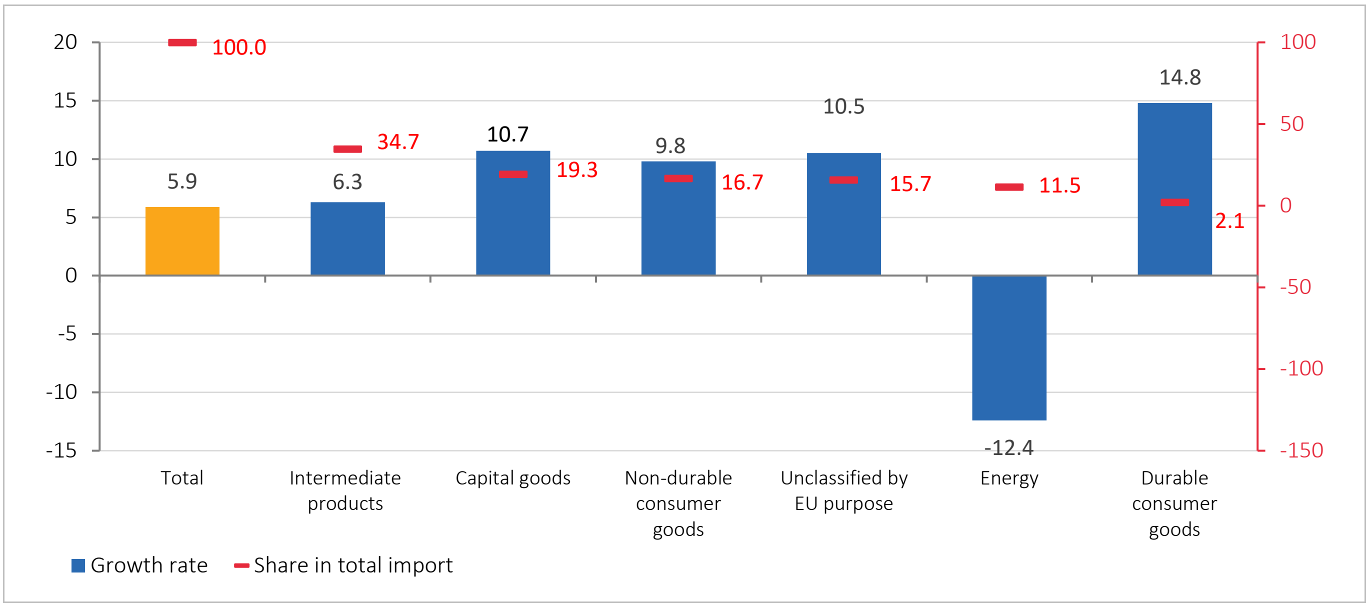
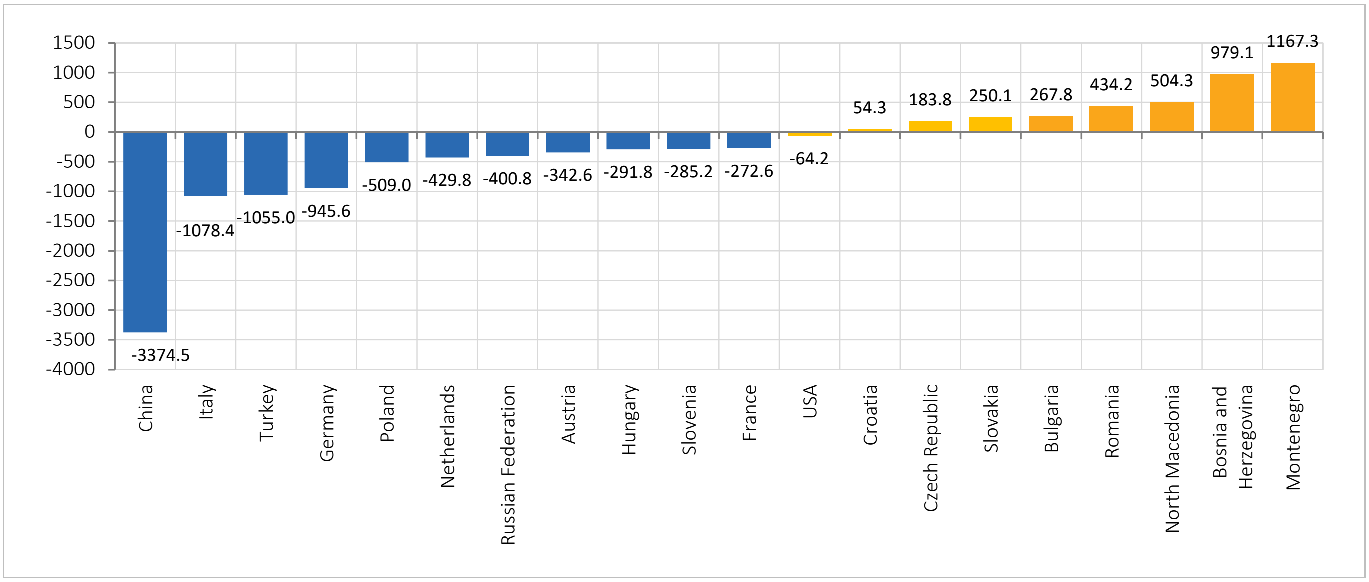


Chart 5.7 shows the 20 largest external trade partners of the Republic of Serbia, which account for 79.2% of the total external trade exchange. The Republic of Serbia achieved a positive external trade balance, i.e. a surplus, in the period January – December 2024, with eight European countries (a total of about EUR 3.8 billion), of which Montenegro is on the first place (a surplus of EUR 1.2 billion). In this period, the Republic of Serbia exported the most food products to Montenegro (16.8% of total export to MNE), electricity, gas and steam (7.5% of total export to MNE) and beverages (6.9% of the total exports to MNE).

On the other hand, a negative external trade balance, i.e. deficit, was recorded in 12 countries and amounts to a total of EUR -9.0 billion. The largest external trade deficit in the period January – December 2024 was recorded in trade with China (EUR -3.4 billion) and Italy (balance EUR -1.1 billion). Observed by CA product activities, product imports from China mostly consisted of unclassified products (19.8% of total imports from China), imports of computers, electronic and optical products (15.5% of total imports from China), as well as machinery and equipment n.e.c. (12.9% of total imports from China). With Italy, the negative external trade balance is the result of the value of machinery and equipment n.e.c. import (13.8% of total imports from Italy) and unclassified products (10.5% of total imports from Italy). Turkey (deficit of EUR -1.1 billion), Germany (EUR -946.0 million), and Poland (EUR -509.0 million) follow.

Chart 5.7. External trade balance of the Republic of Serbia by countries, January - December 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	4166.1	China	5128.9
Bosnia and Herzegovina	1941.0	Germany	5111.7
China	1754.4	Italy	2772.4
Italy	1694.0	Turkey	2077.2
Romania	1385.3	Hungary	1661.4

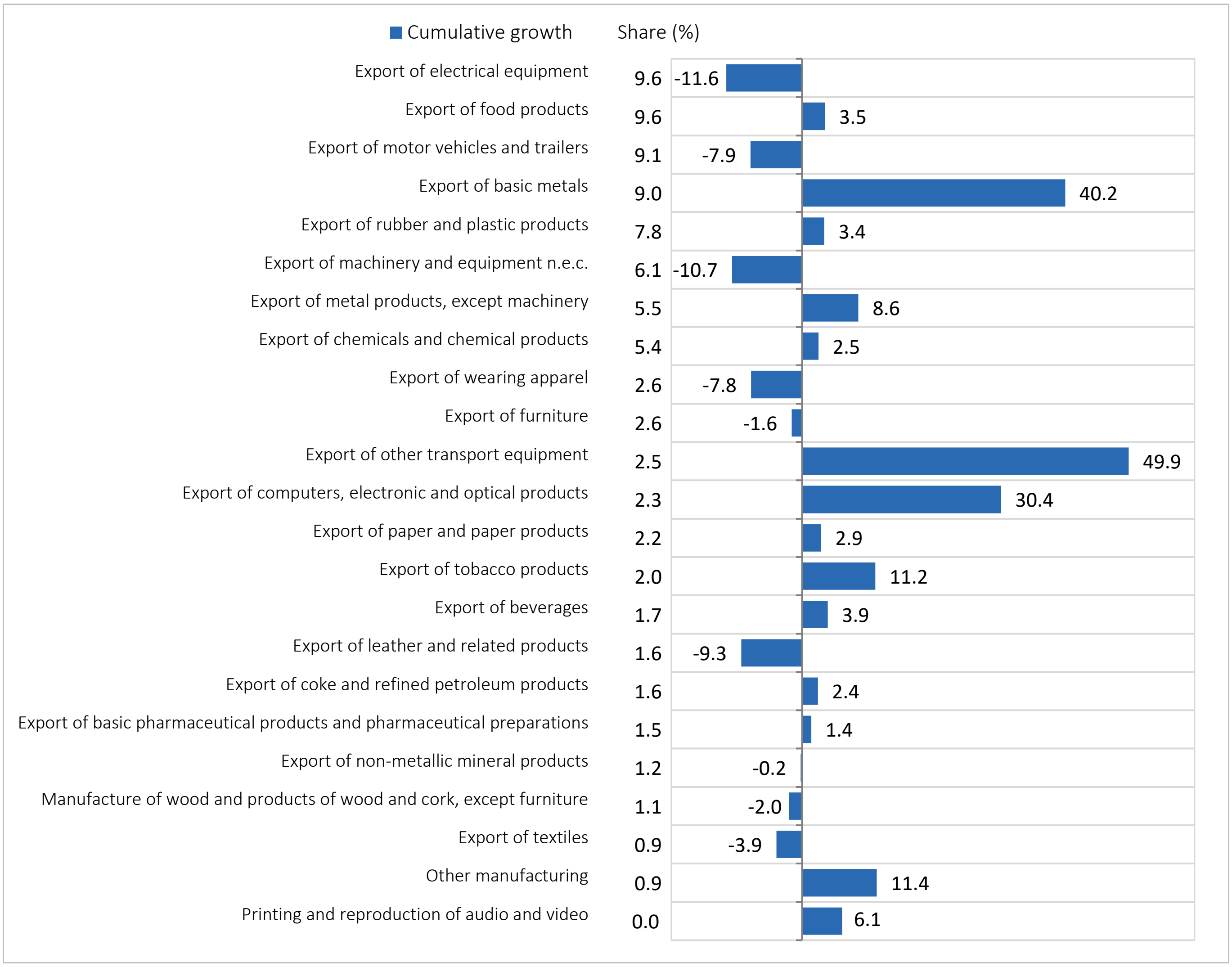
The most significant external trade partners in 2024 were the countries with which Serbia has signed agreements on free trade. The EU member countries account for 58.3% of total external trade, followed by Asia – Pacific Economic Cooperation, APEC, with share of 18.2%. The major external trade partners are separately presented in Table 5.3.

5.4. MANUFACTURING (C) (share of 86.9% in total export and 74.1% in total import)

Export of manufacturing recorded growth of 2.7% in the period January – December 2024, relative to the same period 2023. Out of 23 divisions, cumulative growth was recorded in fourteen (14) divisions, mutually participating with 52.0% of total export.

The export of **electrical equipment**, the division with the greatest separate export value (EUR 2.8 bill.) recorded a cumulative fall of 11.6%, with a share of 9.6% in total exports (11.1% in the same period 2023). The export of **food products** recorded cumulative growth of 3.5% and export value of EUR 2.8 billion and share of 9.6% in total exports. Export of **motor vehicles and trailers**, division with an export value of EUR 2.7 billion and a share of 9.1% in total exports (10.1% in the same period last year), recorded a cumulative fall of 7.9%. The export of **basic metals**, the division positioned on the fourth place by value in total manufacturing export, with the share of 9.0%, noted cumulative growth of 40.2% and export value of EUR 2.6 bill. The export of **rubber and plastic products** with the export value of EUR 2.3 bill. and share of 7.8% in total exports, recorded cumulative growth of 3.4%.

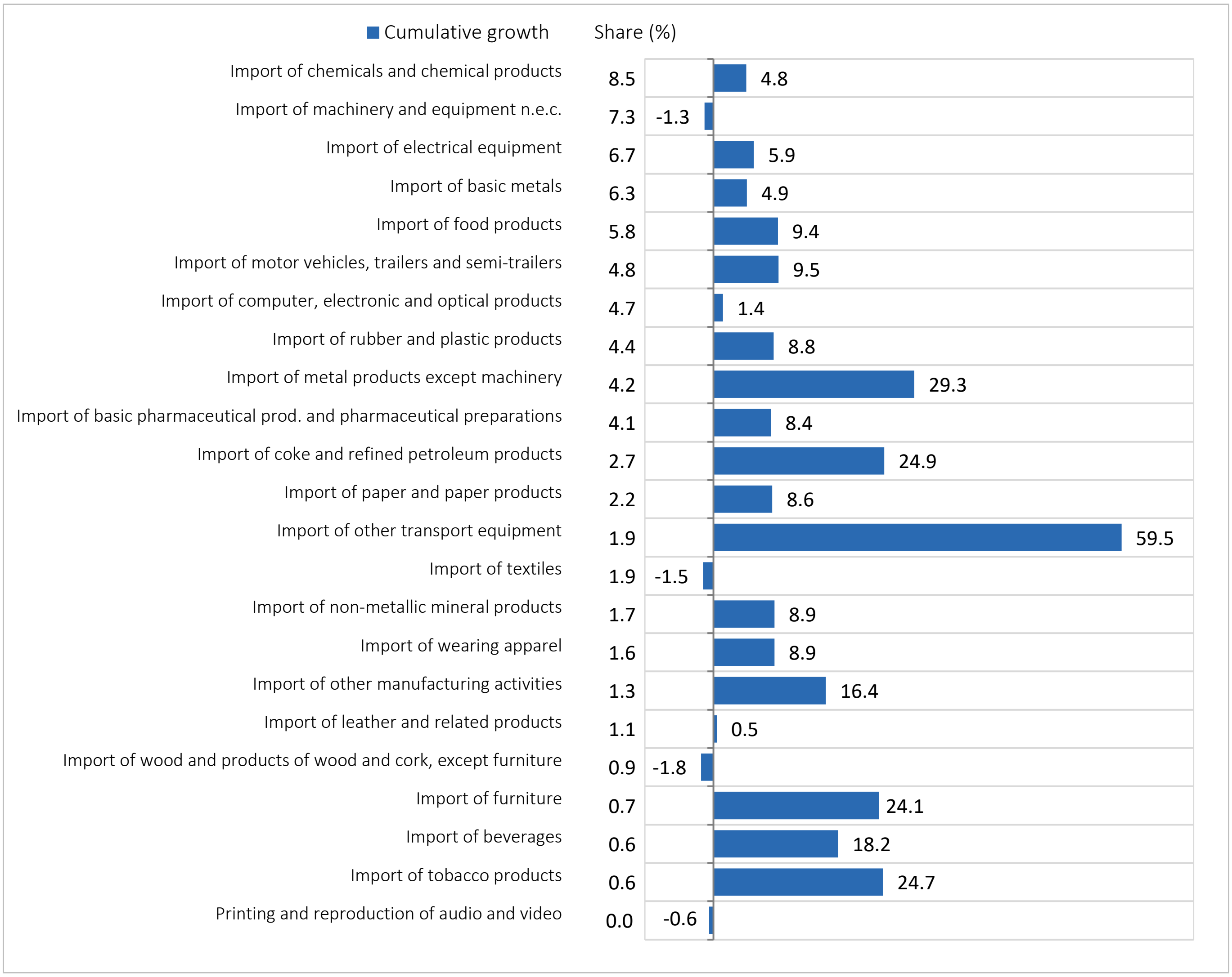
Chart 5.8. Export of manufacturing by divisions, cumulative growth (%) (January – December 2024 relative to the same period 2023, by descending order in total export)



Imports of manufacturing in the period January – December 2024, compared to the same period of the previous year, achieved an increase of 8.4%. Out of 23 divisions, cumulative growth was recorded in 19 divisions, which together make up 63.9% of total manufacturing imports.

Import of **chemicals and chemical products,** the division with the greatest separate import value EUR 3.3 bill, recorded cumulative growth of 4.8% (with the share in total imports of 8.5%, 8.6% was the share in the same period 2023). Import of **machinery and equipment n.e.c.** (cumulative fall of 1.3% and import value of EUR 2.9 bill. and share of 7.3% in total imports (7.9% in the same period 2023). Import of **electrical equipment**, with the value of EUR 2.6 bill. and share of 6.7% in total import achieved cumulative growth of 5.9%. Import of **basic metals** had the import value of about EUR 2.5 bill. and share of 6.3% recorded cumulative growth of 4.9%. 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 5.8%, and recorded cumulative growth of 9.4% and import value of EUR 2.3 bill.

Chart 5.9. Import of manufacturing by divisions, cumulative growth (%) (January – December 2024 relative to the same period 2023, by descending share in total import)



5.5. AGRICULTURE, FORESTRY AND FISHING (A)
(share of 4.4% in total export and 3.1% in total import)

Export of this section in the period January – December 2024 realized increase of 29.0%, as well as increased share from 3.4% to 4.4% in total import in the period January – December 2024. The cumulative growth of 48.2% in exports of cereals (except rice), leguminous crops and oil seeds, a group that makes up 66.3% 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 (12.7%), as it recorded growth of 13.7% in the period January -December 2024 relative to the same period 2023.

Regarding import of this section, growth of 24.1% was recorded in the period January – December 2024 relative to the same period 2023, as well as the share of 3.1% in total imports. The group with the largest participation in the section (21.9%) – Growing of cereals (except rice), leguminous crops and oil seeds noted growth of 31.3% in the period January – December 2024. The next groups by share (14.8%) related to Growing of vegetables and melons, roots and tubers, which achieved import growth of 2.7%, and Growing of beverage crops, recording growth in this section import of 34.2% and share of 11.2%.

5.6. MINING AND QUARRYING (B) (share of 5.5% in total export and 8.5% in total import)

The section of Mining and quarrying records the increase in total export, from 5.1% in 2023 to 5.5% in the current year. The realized value of exports in January – December 2024 is EUR 1 604.0 million, which is by 10.7% more than exports in the same period 2023. This result is a consequence of the growth in the export of metal ores (10.8%), a group that accounts for 98.5% of the exports of the entire section in 2024.

Import value of this section in the period January -December 2024 amounts to EUR 3 330.8 million, presenting the share of 8.5% in total import (10.5% in the same period 2023). In the period January – December 2024 in the section of Mining and quarrying, recorded was import decrease of 14.0% relative to the same period 2023.

The decrease of this section in import was strongly caused by 18.4% decrease in the import of crude oil and natural gas, a group that accounts for 74.7% 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 fourth quarter of 2024**, relative to the same quarter 2023, increased by 4.8% at current prices. **In 2024**, relative to 2023, retail trade turnover increased by 9.2% at current and by 5.4% at constant prices.

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

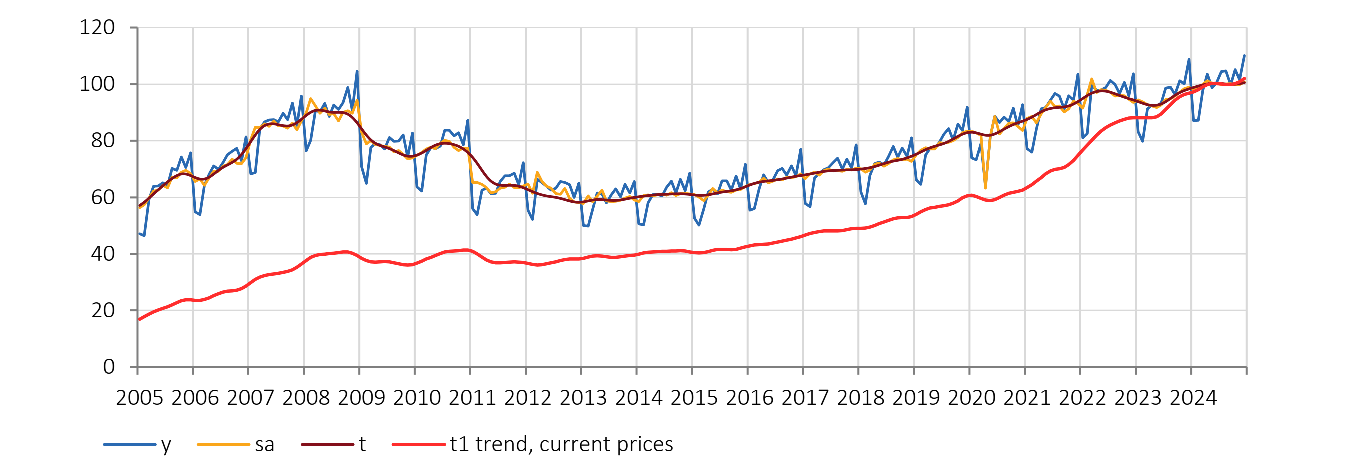
	2022				2023				2024				2025
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1[1]
Current prices	123.7	121.4	123.0	120.2	112.2	106.2	107.8	109.5	112.2	113.1	107.8	104.8	**106.5**
Constant prices[2]	110.8	106.3	105.0	102.2	96.6	94.2	98.4	102.9	106.9	108.6	104.9	102.1	**102.5**

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

[2] Indices are recalculated through monthly indices at constant prices.

The retail trade is characterized by a stable and upward moving long-term trend, which has been present for the past ten years. Turnover growth rates at current prices are higher than at constant prices, which is a consequence of accelerated inflation.

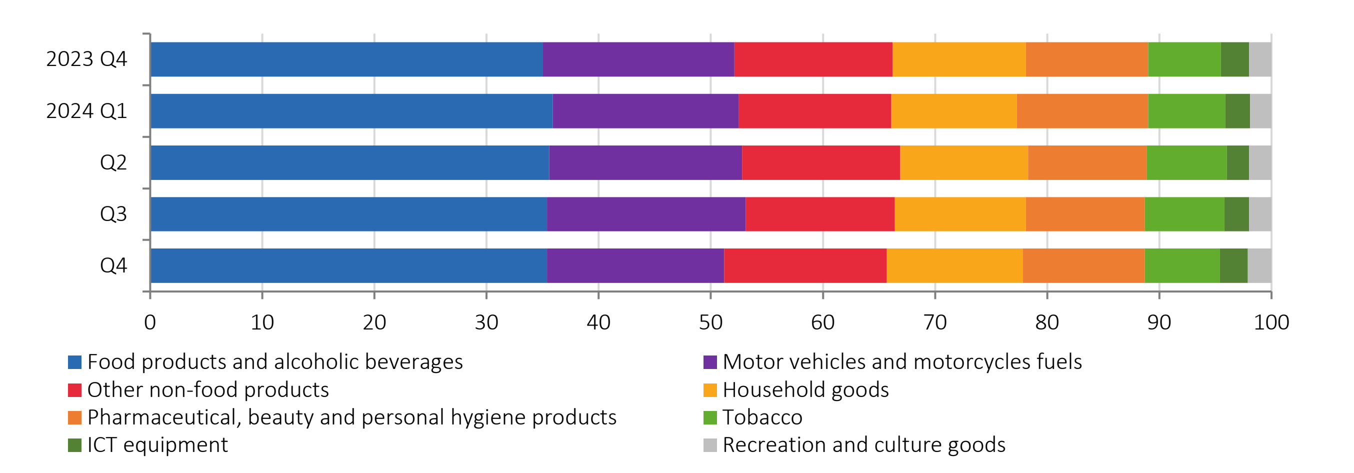
Chart 6.1. Components of time series of retail trade turnover at constant prices, indices
(y – original series, sa – series with excluded seasonal component, t – trend cycle component; average 2023 = 100)



Observed according to the basic aggregates of CA (2010), **in 2024**, compared to 2023, the highest turnover growth was achieved in trade of Non-food products (except motor fuels) 10.9% at current and 7.6% at constant prices. Growth was also realized in trade of Food, beverages and tobacco, amounting to 9.7% at current and 5.3% at constant prices. The smallest increase was recorded in trade of Motor fuels, 4.7% at current and 1.6% at constant prices.

Observed by the structure of trade divisions and commodity groups, **in the fourth quarter 2024**, the most notable were Food products and alcoholic beverages 35.4%, followed by Motor vehicles and motorcycles fuels 15.8% and Other non-food products 14.5%.

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



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

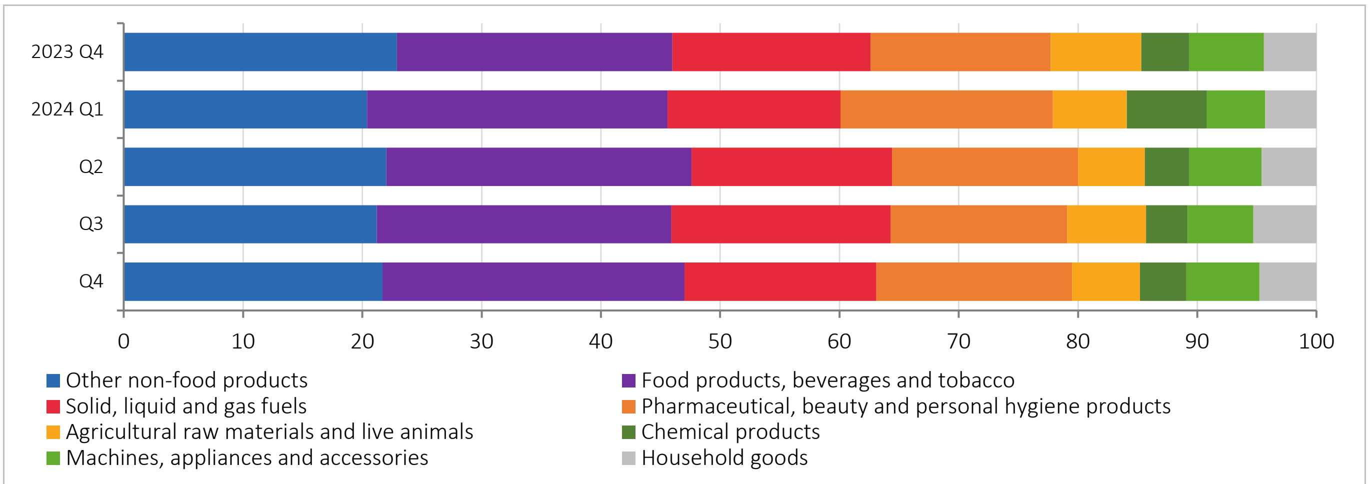
Wholesale trade turnover **in the fourth quarter 2024**, compared with the same quarter 2023, noted an increase of 1.0% at current prices. **In 2024**, compared to 2023, wholesale trade turnover increased by 3.8% at current prices and by 4.1% at constant prices.

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	Q3	Q4
Current prices	120.1	122.6	115.2	111.4	104.3	93.2	98.9	99.6	106.7	108.1	100.3	101.0

Observed by trade divisions and commodity groups, in the structure of wholesale trade turnover, **in the fourth quarter of 2024**, the most dominant were Food products, beverages and tobacco (25.3%), Other non - food products (21.7%), and Pharmaceutical, beauty and personal hygiene products, (16.4%).

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



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

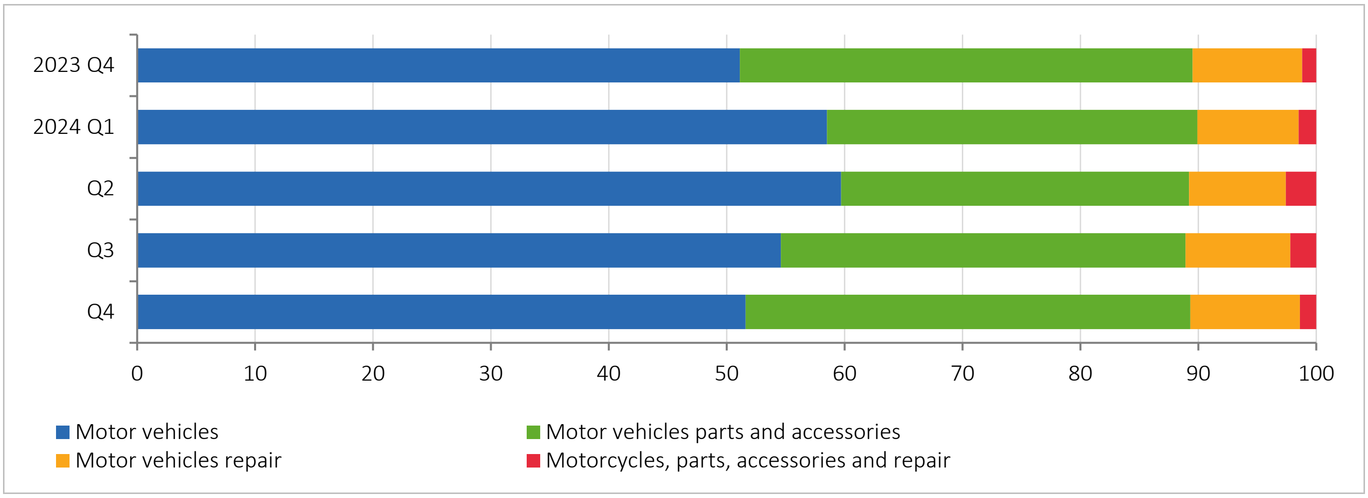
Turnover of goods in wholesale and retail trade and repair of motor vehicles **in the fourth quarter 2024**, relative to the same quarter 2023, recorded increase of 7.4% at current prices. **In 2024**, compared to 2023, the recorded turnover increased by 10.0% at current prices and by 6.7% at constant prices.

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

	2022				2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Current prices	124.5	124.8	118.8	121.3	112.5	111.7	111.7	112.1	117.9	109.5	107.0	107.4

Observed by trade divisions and commodity groups, **in the fourth quarter 2024**, similarly to the previous quarters, in the structure of wholesale and retail trade turnover and repair of motor vehicles, the most dominant were Motor vehicles (51.6%), and Motor vehicles parts and accessories (37.7%).

Chart 6.4. Turnover structure of wholesale and retail trade and repair of motor vehicles by trade divisions and commodity groups (%)



NOTE

Retail trade turnover indices (CA division 47) at constant prices are obtained by deflating the indices at current prices with the corresponding indices of consumer prices of goods, which exclude: water (from public utility systems), electricity, motor vehicles, motorcycles and parts.

The wholesale trade turnover indices (CA division 46) at constant prices are obtained by deflating the indices at current prices with the price indices obtained on the basis of the producer price index of industrial products in total (for the domestic market and for export) and the producer price index of agricultural and fishery products.

The turnover indices of wholesale and retail trade and repair of motor vehicles (CA division 45) at constant prices are obtained by deflating the indices at current prices with the consumer price indices (vehicles, parts thereof, maintenance and repair of passenger vehicles).

7. PRICES

In 2024, consumer prices saw an average annual growth of 4.6%, compared with the same period of 2023). The largest influence on the growth of consumer prices in 2024 was that of **the prices of electricity for households, tobacco, meat, restaurants, pharmaceutical products and fuels,** accounting for 37.6% of the total annual consumer price rate. **The only groups of products which prices had deflation effects were: vegetables, solid fuels and telephone equipment.**

Table 7.1. Consumer prices, year-on-year inflation rate (%) (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	4.3	4.4

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

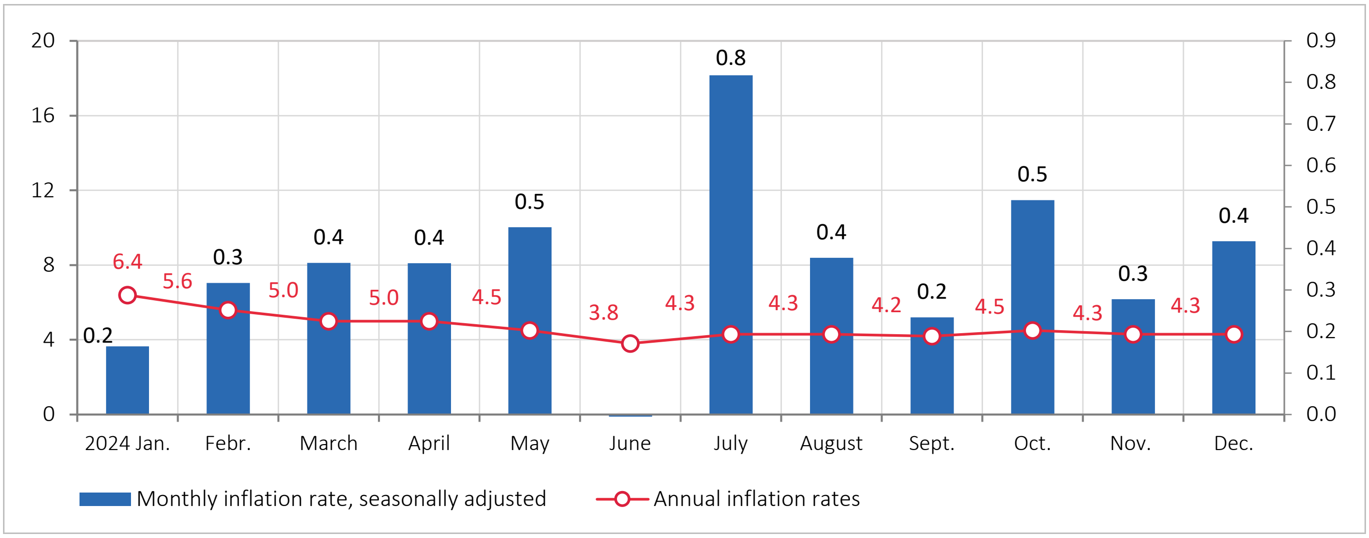
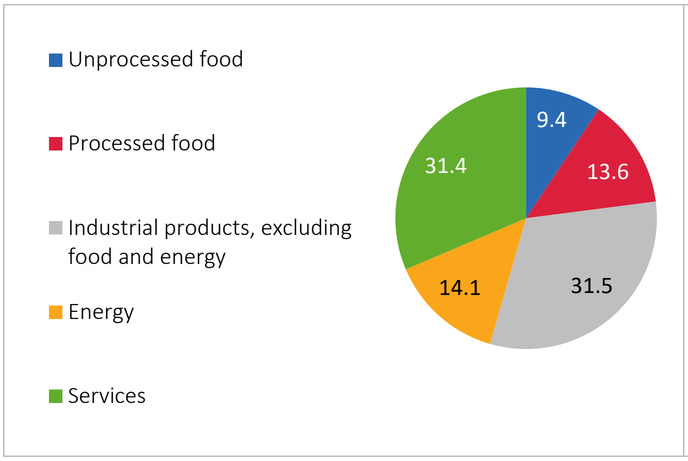
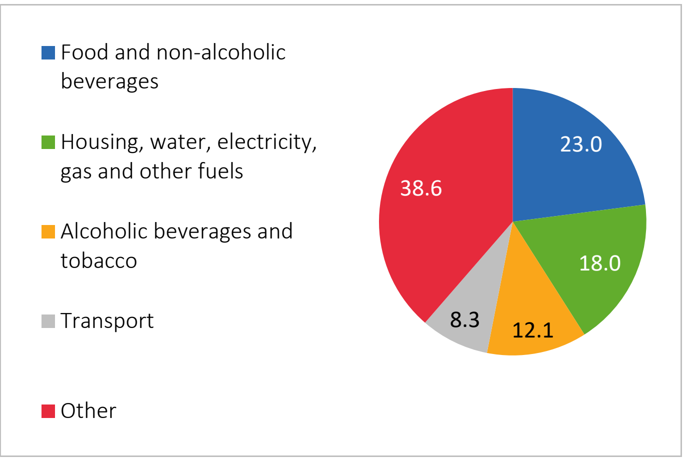


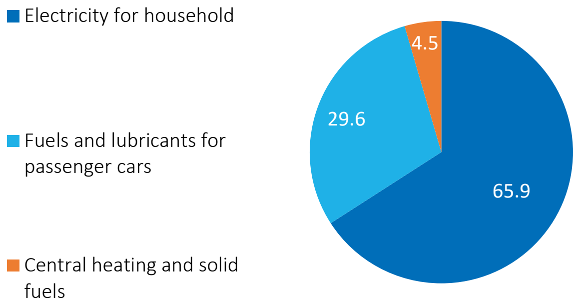
Chart 7.2. Structure of the **average annual** consumer price **growth rate in** 2024 (4.6%) by purpose and main groups of products (total = 100) (%)





7.1. ELECTRICITY FOR HOUSEHOLDS AND FUELS FOR PASSENGER CARS (share in the annual consumer price growth rate in 2024 – 13.5%)

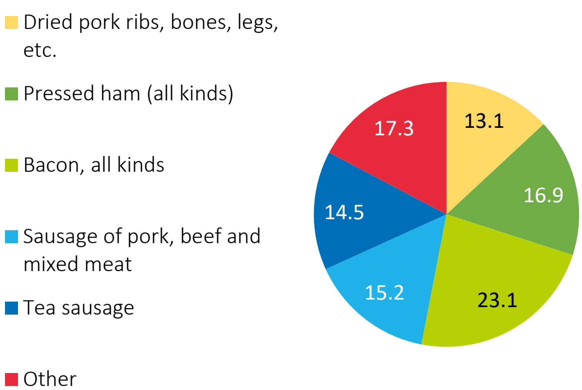
Chart 7.3. Structure of the **average annual** consumer price **growth rates for energy** (4.2%) in 2024 (total = 100) (%)



In 2024, the average annual price growth for the group energy amounted to 4.2%, being one the main determinants of the average annual consumer price rate. At the end of 2024 (precisely in November and December) the influence of the energy component on consumer price disappeared completely, thus the inflation cycle of increase of electricity for households from 2023, as well as its strong impact on consumer prices, finally ended and resulted in the average rate of8.2% for of electricity for households in 2024. Prices of fuels and lubricants for passenger cars in 2024 saw a year-on-year growth of 3.1%. Compared with the 2023 average, the average price of gasoline increased by 7.4 dinars (4.2%), and that of diesel by 3.7 dinars per litre (1.9%). In 2024, the entire group of energy accounted for 14.4% of the total year-on-year consumer price growth rate.

7.2. MEARCO (share in the annual consumer price growth rate in 2024 – 7.2%)

Chart 7.4. Structure of the **average annual** consumer price **growth rate of dried, smoked and cured meat**, 2024 (total = 100) (%)



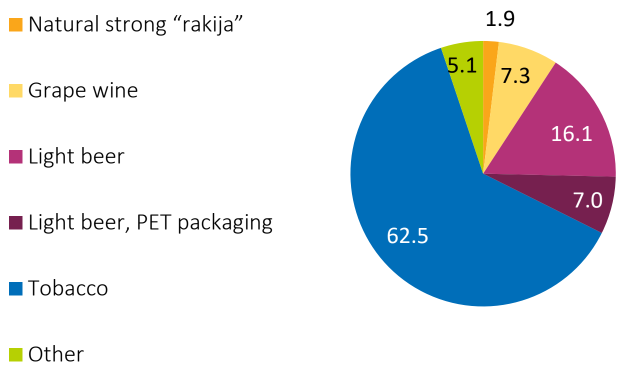
Over the whole 2024 meat was undoubtedly the leading food in terms of its influence on the inflation of prices of food, accounting for 39.8% of the annual growth rate. The year-on-year growth of the price of **meat in 2024 amounted to 4.5%** and was determined by the increase in the price of dried, smoked and cured meat, that is: bacon (all kinds), pressed ham (Prague ham, pressed ham, chicken ham and turkey breast, cutlet, etc.), sausages of pork, beef and mixed meat, tea sausages and dried pork ribs, accounting for 64.6% of the total structure of the annual growth rate of meat price, while chicken meat was the only one to have a deflation influence on price meat, with the average annual fall of -2.2%.

7.3. TOBACCO, RESTAURANTS AND PHARMACEUTICAL PRODUCTS
(share in the annual consumer price growth rate in 2024 – 17.0%)

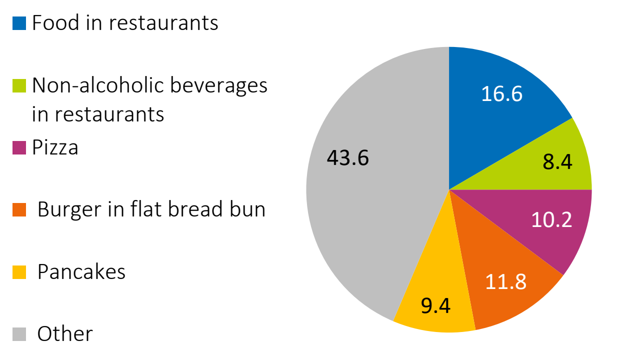
The adjustment of tobacco prices with the excise calendar in 2024 and with production costs (inflation from 2023) resulted in the rise of tobacco price (and of the whole group of alcoholic beverages and tobacco) in 2024, amounting to 7.9%. The average annual growth of prices of **food and beverages in restaurants** and shops **of fast food and take away** in 2024 was 10.0%, and the increase in prices of food and beverages in restaurants (10.4%) was considerably faster than that of prices in fast food and take away shops (9.9%), forming, on average, a year-on-year growth rate of prices of the group **restaurant and hotel offer** of 9.4%. Services and products in **health** contributed also significantly to the year-on-year inflation in 2024 with a growth of 6.8%, mostly due to the rise of prices of **medicaments** (6.2%) and out-patient services (8.6%), accounting for 8.3% of the growth rate of total consumer prices.

Chart 7.5. Structure of the **average annual growth rate of** consumer prices **of alcoholic beverages and tobacco** in retail sale shops and **of food and beverages in restaurants and fast-food shops,** 2024 (total = 100) (%)

Alcoholic beverages, tobacco and narcotics (7.9%)



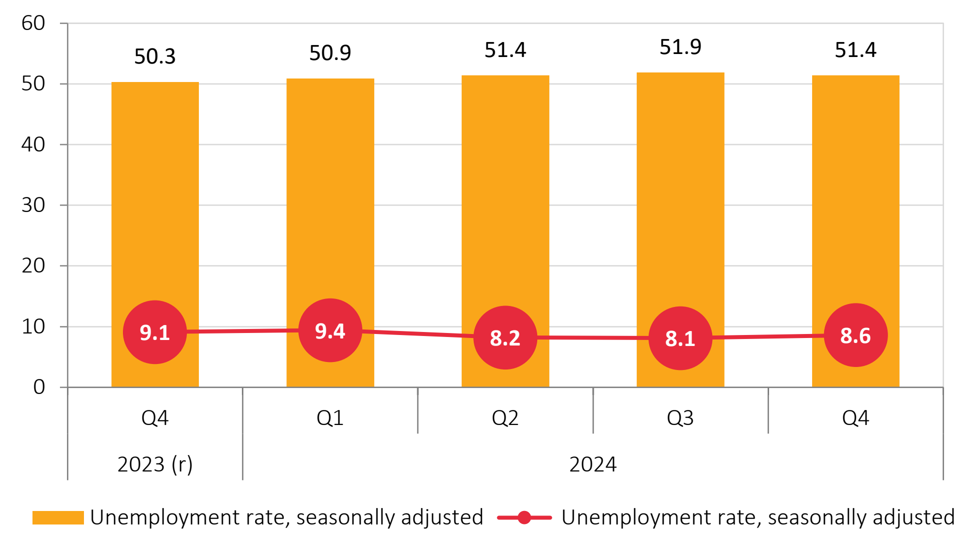
Food and beverages in restaurants and fast food shops (10.0%)



8. LABOUR MARKET[6]

In the Republic of Serbia in the fourth quarter of 2024 there were 2.895 million employed persons, 273.1 thousand unemployed persons and 2.462 million persons outside labour force aged over 15.
The unemployment rate was 8.6%, by 0.5 p.p. higher than in the third quarter of 2024, while the number of the unemployed was up by 16 thousand persons, the number of persons outside labour force going up by 6.3 thousand.
When looking at regions, the unemployed rate in the fourth quarter of 2024, compared with the previous quarter, saw a growth in almost all regions: in the Region of Belgrade, from 5.9% to 6.2%, Region of Sumadija and Western Serbia, from 7.6% to 9.4%, and in the Region of Southern and Eastern Serbia, from 11.4% to 11.5%, with the exception of the Region of Vojvodina where the unemployment rate saw a fall from from 8.3% to 8%.

Chart 8.1. Movement of the employment and unemployment rates for persons aged 15 and over (%)[7]



Labour market trends in the fourth quarter of 2024 are characterised by the increase in the employment rate by 1.1 pp. and decrease in the unemployment rate and rate of the population outside labour force by 01.1 pp. and 0.5 pp., respectively each, on year-on-year basis.

(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	Q3	Q4
Activity rate (%)	55.0	55.6	55.5	55.3	56.2	56.0	56.4	56.3
Employment rate (%)	49.5	50.3	50.5	50.3	50.9	51.4	51.9	51.4
Unemployment rate (%)	10.0	9.6	9.0	9.1	9.4	8.2	8.1	8.6

[6] Based on the Labour Force Survey.
[7] 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 market – persons aged 15 and over

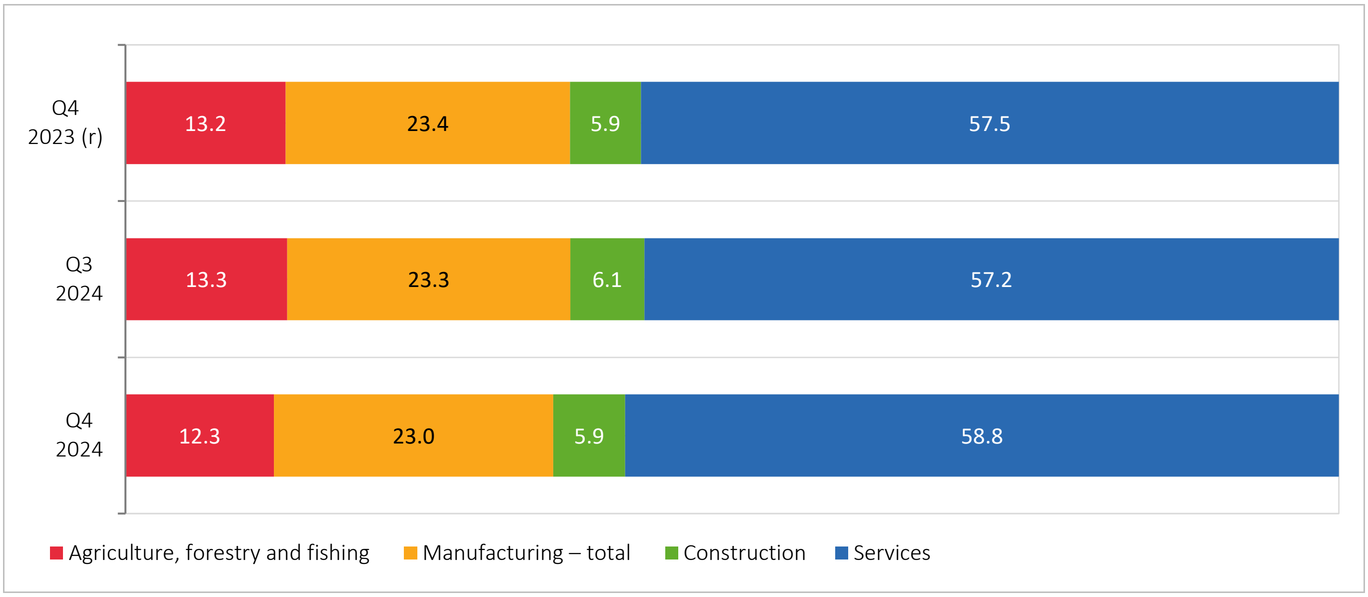
	Current quarter	Previous quarter		The same quarter of the previous year (r)	
	Q4 2024 (in thous.)	Q3 2024 (in thous.)	Change, %	Q4 2023 (in thous.)	Change, %
Unemployment	273.1	257.1	6.2	284.7	-4.1
Employment	2 894.9	2 923.5	-1.0	2 844.2	1.8
	%	%	Change. pp.	%	Change. pp.
Unemployment rate	8.6	8.1	0.5	9.1	-0.5
Employment rate	51.4	51.9	-0.5	50.3	1.1

(r) – revised data

Observed by sections, the largest share of the number of employed persons in the fourth quarter of 2024 was recorded in Services (58.8%), then in Manufacturing (23%) and Agriculture (12.3%), and the lowest in Construction (5.9%). When compared with the previous quarter, the share of employed persons went up in the sections Services (from 57.2% to 58.8%). On the other hand, the share of the number of employed persons fell in the sections Agriculture, forestry and fishing (from 13.3% to 12.3%), Manufacturing (from 23.3% to 23%) and Construction (from 6.1% to 5.9%).

In year-on-year periodicity (quarter IV of 2024 – quarter IV of 2023), growth of the share of employed persons was recorded only in Services (from 57.5% to 58.8%), and fall was recorded in Agriculture, forestry and fishing (from 13.2% to 12.3%) and Manufacturing (from 23.4% to 23%), while the share of employed persons in Construction (5.9%) remained unchanged.

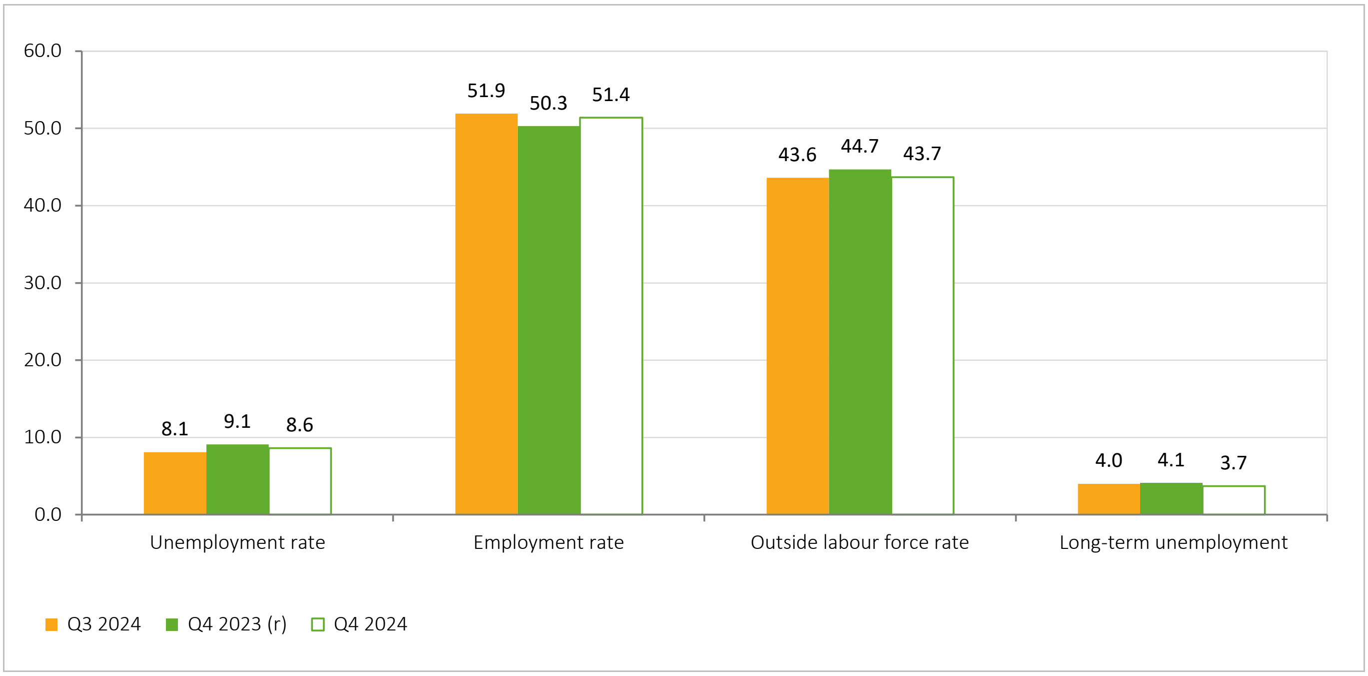
Chart 8.2. Share of employed persons by sections (%)



(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 the current quarter (%)



8.1. COMPARISON WITH THE PREVIOUS QUARTER

When compared with the previous, third quarter of 2024, the number of employed persons fell by 28.6 thousand, but the number of unemployed persons and of persons outside labour force grew by 16 thousand and 6.3 thousand, respectively. The employment rate went down by 0.5 pp., while unemployment and outside labour force rates went up by 0.5 pp. and 0.1 pp, respectively.

The number of employed youth (aged 15-24) fell by 12.4 thousand but the number of youth outside the labour force grew by 4 thousand. This trend led to the fall of the employment rate by 1.9 pp., growth of the unemployment rate, by 4.3 pp, with an increase in the outside labour force rate, by 0.6 pp., compared with the third quarter of 2024.

The long-term unemployment rate was 3.7%, by 0.3 pp. less than in the previous quarter.

Observed by sex, the unemployment rate in the fourth quarter of 2024, compared with the previous quarter, saw a growth of 4.1 pp. among men and 4.3 pp. among women.

The unemployment rate among men decreased in Region of Southern and Eastern Serbia from 11.5% to 9.2%. In contrast, the unemployment rate increased in Belgrade Region (from 6% to 6.4%), Region of Vojvodina, from 8.5% and 8.8%, and Region of Sumadija and Western Serbia, from 6.5% to 8.5%.

The unemployment rate among women recorded similar trends, i.e. growth in most of the regions: in Belgrade Region, from 5.7% to 5.9%, Region Sumadija and Western Serbia, from 9% to 10.5%, and in Region of Southern and Eastern Serbia, from 11.3% to 14.4%, while fall was recorded in Region of Vojvodina, 7.9% to 7%.

Observed by professional status, and compared with the previous quarter, the number of employed persons increased only in the categories of self-employed (by 5.2%). In contrast, fall was recorded in the categories of employed persons (by 1.3%) and contributing family members (by 13.3%).

Table 8.3. Employment by professional status, comparison Q3 2024 – Q4 2024

	Q3 2024 (in thous.)	Q4 2024 (in thous.)	Change, %
Employed persons – total	**2 923.5**	**2 894.9**	**-1.0**
Self-employed	465.2	489.6	5.2
Employed	2 283.5	2 253.7	-1.3
Contributing family members	174.9	151.6	-13.3

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 4.1% (from 284.7 thousand to 273.1 thousand). At the same time, the number of employed persons grew by 1.8% (from 2 844.2 in the fourth quarter of 2023 to 2 894.9 in the fourth quarter of 2024).

The youth unemployment rate (aged from 15 to 24) in the fourth quarter of 2024 amounted to 25.8%, by 3.4 pp. slightly less than in the fourth quarter of 2023 (25.9%).

The long-term unemployment rate was 3.7% in the fourth quarter of 2024, by 0.4 pp. less than in the same quarter of the previous year.

Observed by sex, the unemployment rate in the fourth quarter of 2024, compared with the same quarter of the previous year, saw a fall of 1.5% among women, and a growth of 0.7 pp. among men.

Observed by regions, the unemployment rate among men saw a fall in: Belgrade Region, from 6.6% to 6.4%, in Region of Vojvodina, from 9.2% to 8.8%, in Region of Sumadija and Western Serbia, from 9.0% to 8.6%, and Region of Southern and Eastern Serbia from 10.8% to 9.2%.

Similarly, the unemployment rate went down among women in Belgrade Region, from 6.8% to 5.9%, in Region Vojvodina, from 9.2% to 7%, in Region of Sumadija and Western Serbia, from 11% to 10.5%, with the exception of Region of Southern and Eastern Serbia, where fall was recorded from 11.7% to 14.4%.

Observed by professional status, relative to the same quarter of 2023, the number of employed persons increased in the category of employed persons (by 2.3%) and the self-employed (by 2.7%), while the category of contributing family members saw a fall of 8.5%.

Table 8.4. Employment by professional status, comparison Q3 2023 – Q3 2024

	Q4 2023 (r) (in thous.)	Q4 2024 (in thous.)	Change, %
Employed persons – total	**2 844.2**	**2 894.9**	**1.8**
Self-employed	476.6	489.6	2.7
Employed	2 202.0	2 253.7	2.3
Contributing family members	165.6	151.6	-8.5

GLOSSARY

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 familymember.*

Self-employed are 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.

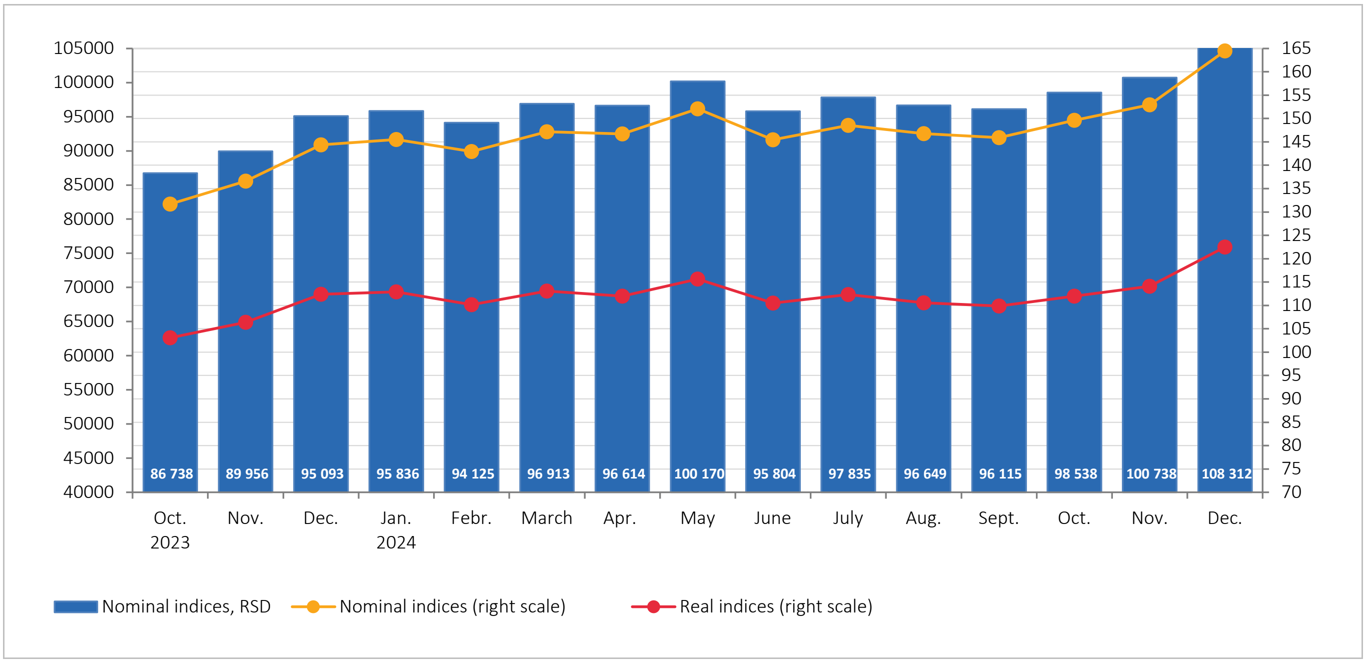
9. SALARIES AND WAGES

Average net salaries and wages in the Republic of Serbia for the fourth quarter of 2024 amounted to 102 530 dinars. Compared with the same period of the previous year, they increased nominally by 13.2%, and by 8.5% in real terms. Compared with the previous, i.e. third, quarter of 2024, they increased nominally by 5.8% and by 4.8% in real terms.
In 2024, the average net salaries and wages amounted to 98 143 dinars, and compared with the same period of the previous year, they increased nominally by 14.1% and by 9.1% in real.

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

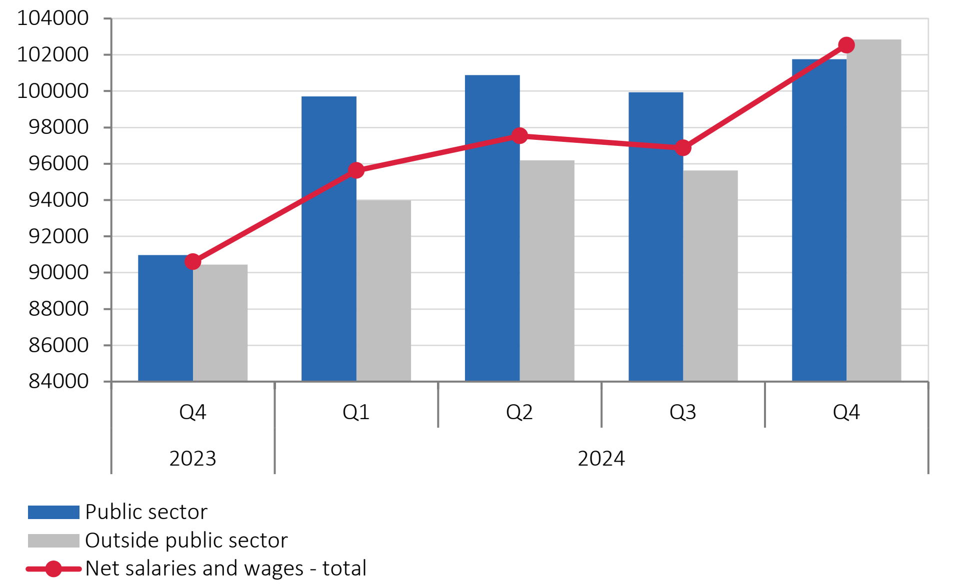
	2022				2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Real indices	104.3	102.7	101.3	98.6	99.5	100.8	102.5	105.8	108.7	109.6	109.3	108.5
Nominal indices	113.4	113.6	114.8	113.4	115.5	115.4	114.1	114.2	114.9	114.5	114.0	113.2

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 December 2024, amounting to 108 312 dinars, reaching a year-on-year growth of 13.9%, nominally, i.e. of 9.2% 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 December 2024, reaching the value of 926 euros or year-on-year growth of 14%.

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



Average net salaries and wages for the fourth quarter of 2024 amounted to 101 759 dinars in the public sector and to 102 841 dinars outside the public sector.
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. Since the beginning of 2024, salaries and wages in the public sector were at a higher level than those outside the public sector and took a leading position.

Average net salaries and wages in the public sector, 2024

Public sector – total	RSD 100 570
Public state-owned enterprises	RSD 111 206
Public local enterprises	RSD 90 797
Administration – all levels	RSD 106 996
Government level	RSD 111 671
Autonomous Province level	RSD 107 865
Local authorities level	RSD 83 745
Human health and social work	98 316 РСД
Education and culture	RSD 94 044Д

When comparing net salaries and wages by CA (2010), one notices that the largest real growth in 2024, compared with 2023, was realised in the sections Education (11.3%), Accommodation and food service activities (11.2%) and Manufacturing (11%).

The highest net salaries and wages in 2024 was recorded in the following divisions: Computer programming and consultancy activities (286 867 dinars), Air transport (207 965 dinars), Scientific research and development activities (199 411) and Manufacture of tobacco products (177 413).

In all other divisions salaries and wages ranged from 55 430 dinars (Food and beverages service activities) to 167 441 dinars (Management consultancy services).

Observed by regions, the highest average net salaries and wages in 2024 were paid in Belgrade Region, 124 010 dinars. In Region Vojvodina average salaries and wages totalled 92 725 dinars, in Region of Southern and Eastern Serbia, 84 083 dinars, and in Region of Sumadija and Western Serbia, 82 433.

Chart 9.3. Real growth of net salaries and wages by CA (2010) sections (2024 to 2023)

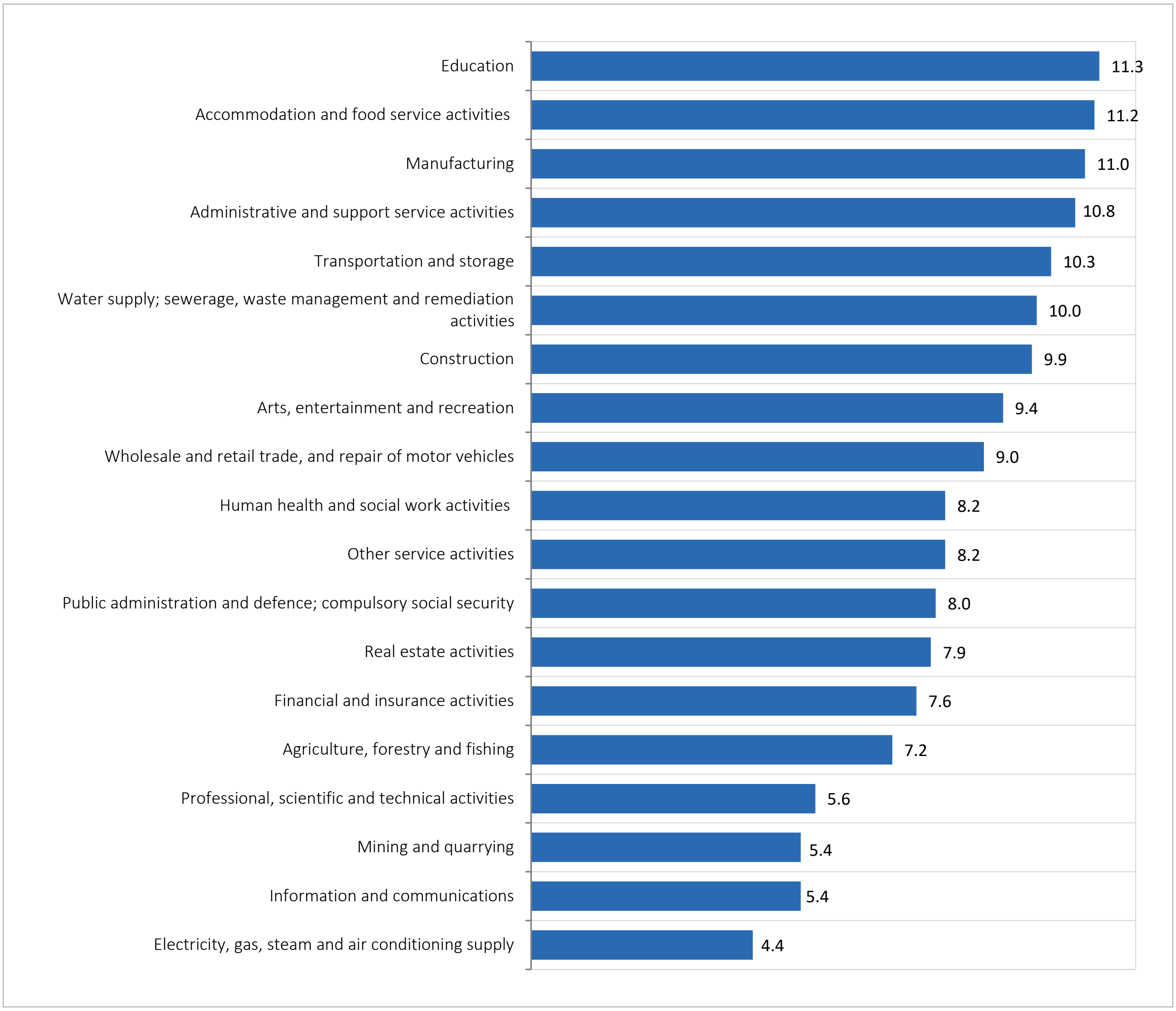
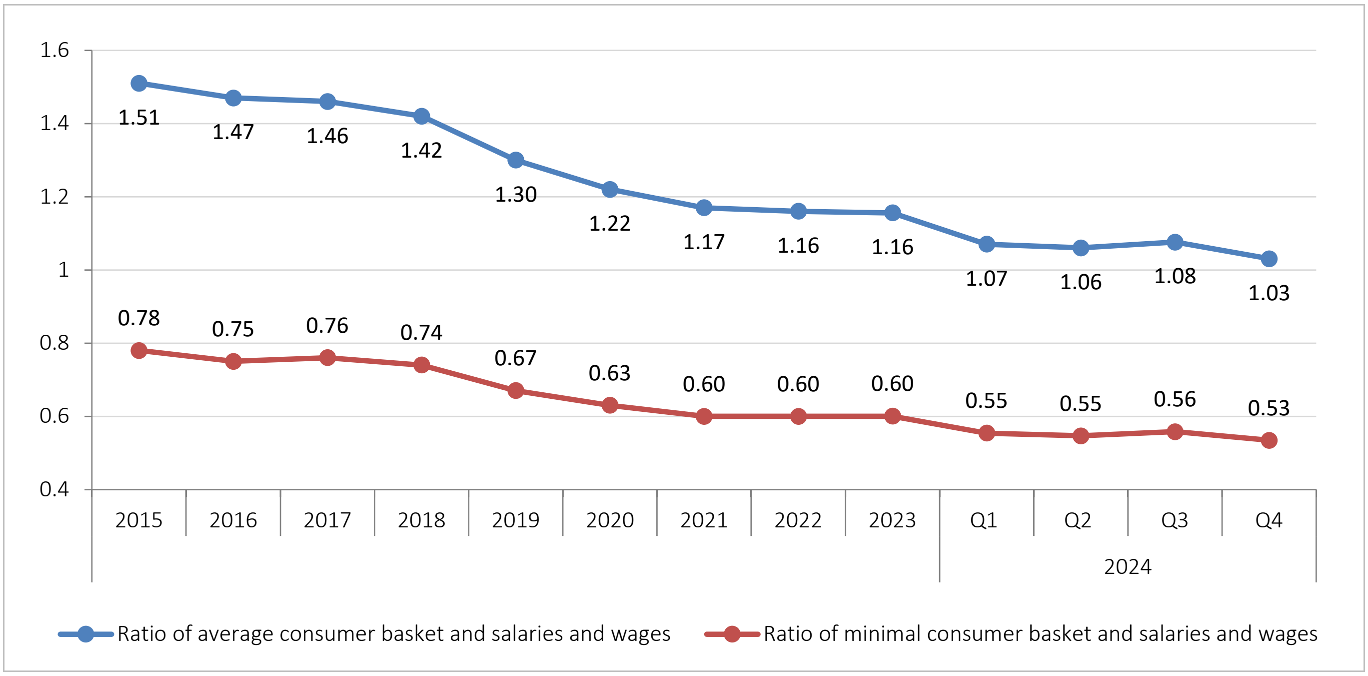


Chart 9.4. Ratio of consumer basket[8] and net salaries and wages



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 fourth quarter of 2024 indicates that the purchasing power grew, when compared with the previous quarter. To cover the average consumer basket in the fourth quarter of 2024 1.03 average average salaries and wages (in the third quarter of 2024, 1.08), and to cover the minimum consumer basket only 0.53 of average salaries and wages (in the third quarter of 2024 – 0.56).

When compared with the same quarter of the previous year, the ratio of the average consumer basket and net salaries and wages of 1.03 shows that purchasing power grew (in the fourth quarter of 2023 – 1.12), the minimum consumer basket amounting to 0.53 average salaries and wages, while in the same quarter of the previous year this ratio was slightly disadvantageous (0.58).

Observed by towns, in the fourth quarter of 2024, purchasing power (ratio of the average consumer basket and average salaries and wages) above the average of the Republic (1.03) was recorded in Belgrade (0.85), Novi Sad (0.98), Nis (1.00) and Kragujevac (1.02). In other statistically monitored towns, average salaries and wages covered the minimum, but not average household consumer basket.

[8] *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: transport, 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 interest 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 fourth quarter of 2024, the number of spent tourist nights amounted to 2.8 million, by 2.9% less than in the fourth quarter of 2023. Domestic tourists accounted for 46.8% and foreign ones for 53.2% of the total number of overnight stays.

Chart 10.1. Tourist overnight stays – domestic, foreign and total; quarterly and annual data

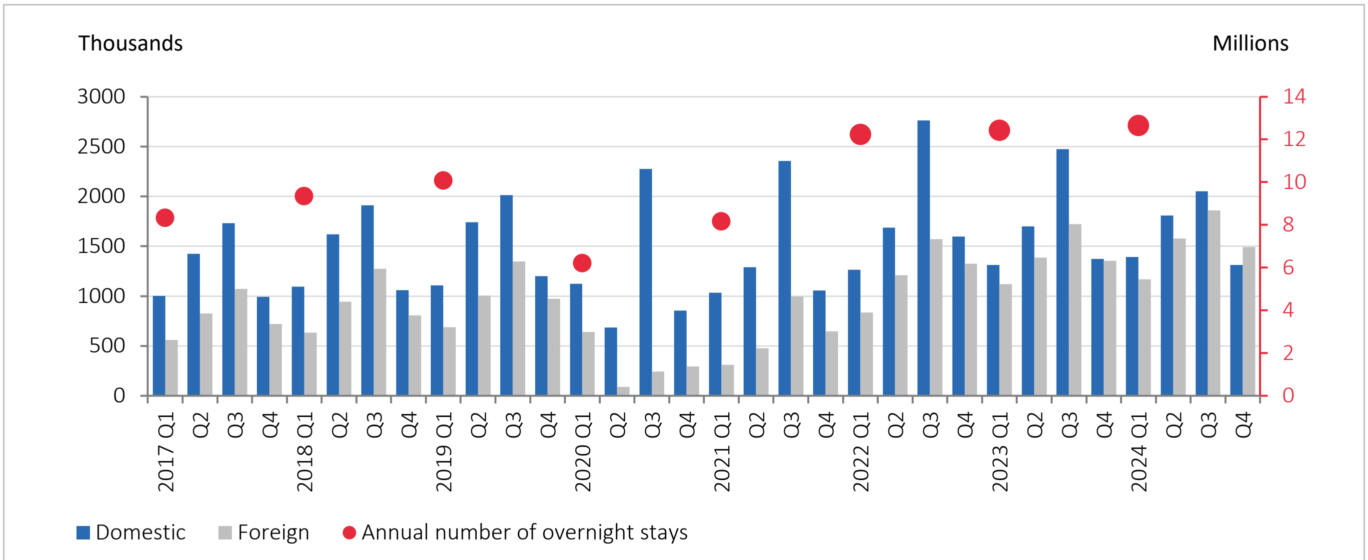


Table 10.1. Tourist overnight stays, indices (comparison with the same period of the previous year)

	2022				2023				2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total	156.3	164.1	129.2	171.7	116.0	106.6	96.9	93.3	105.3	109.7	93.2	102.9
Domestic tourists	122.2	130.8	117.2	151.4	103.9	100.8	89.6	86.0	106.2	106.3	82.9	95.7
Foreign tourists	270.1	253.8	157.5	204.7	134.4	114.5	109.6	102.2	104.2	113.9	108.0	110.2

10.2. MAJOR TOURIST RESORTS

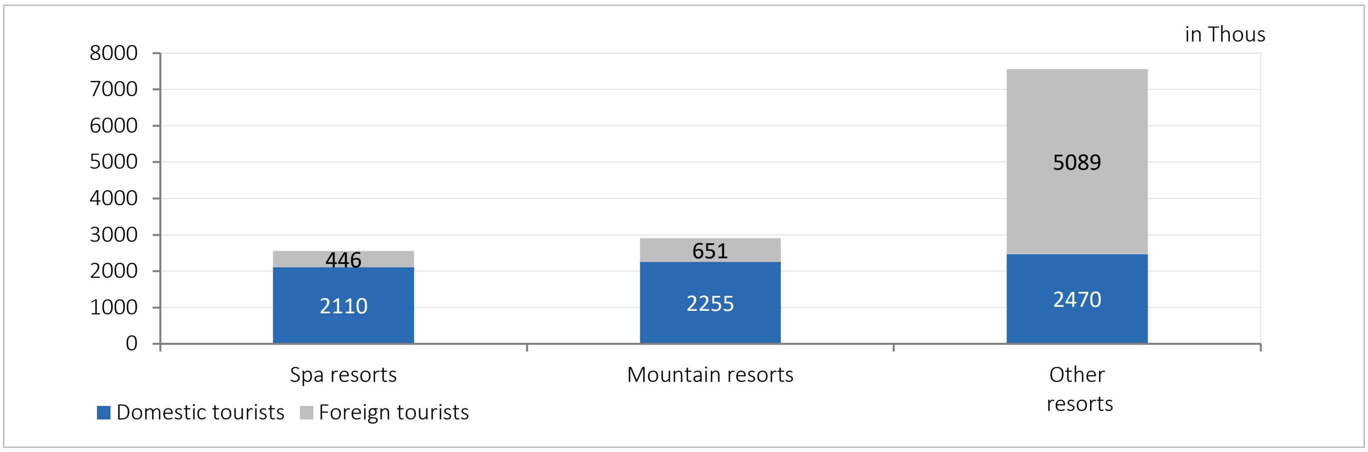
Expressed in number of tourist overnight stays[9], the most frequently visited tourist resorts in 2024 were **Other tourist resorts**, with 7.6 million overnight stays (or about 58% of total overnight stays), by 5.7% more than in the same period of the previous 2023 year. This category comprises Belgrade (3.7 million overnight stays) and larger towns of the Republic of Serbia (Novi Sad, Nis, Subotica). Most of the visitors to Belgrade were foreign tourists (86%), and a similar situation was recorded in Novi Sad (73.7% foreign tourists), while domestic tourists were slightly predominant in Nis (50.9% domestic tourists) and Subotica (53.1% domestic tourists)

Mountain resorts, second by category in a row of resorts according to the number of tourist overnight stays in 2024 recorded 2.9 million overnight stays, accounting for 22.3% of total number of overnight stays, by 3.1% more than over January-December 2023. Zlatibor attracted most of the tourists (1.2 million), mainly coming from the Republic of Serbia (about 881 thousand). Kopaonik recorded 636 thousand tourist overnight stays, of whom most were also from the Republic of Serbia (482 thousand). These two mountains accommodated about 63.9% of the total number of tourists that spent nights in mountain centres.

In Spa resorts there were over January-December 2024 about 2.6 million nights spent, by 9.2% less than in the same period of the previous year. Tourists were mainly from the Republic of Serbia (82.6%), and the most visited were Vrnjacka Banja with 626.2 thousand visitors, followed by Sokobanja (493.1 thousand), Banja Vrdnik (228.7 thousand), Lukovska Banja (143.9 thousand), and other spas.

The largest growth, expressed in number of overnight stays in 2024 relative to 2023, was recorded in Novopazarska banja (growth 95.4%), Selters banja (growth of 43.7%) and Vrnjacka banja (18.5%).

Chart 10.2. Tourist overnight stays by selected tourist resorts, January-December 2024



[9] 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

Over January-December 2024, foreign tourists from about 50 different countries visited the Republic of Serbia. Tourists from Europe were the most numerous to have spent nights (80.9%).

Three countries which tourists spent the largest number of nights were the Russian Federation (622.4 thousand), Turkey (603.8 thousand), and China (404 thousand). Visitors from Bosnia and Herzegovina were at the fourth place (375.3 thousand, then from Germany (292.7 thousand), North Macedonia (276.8 thousand) and Montenegro (261.6 thousand). Overnight stays of tourists from these seven countries account for 46.5% of the total number of nights spent over January-December 2024.

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

Chart 10.3. Foreign tourist overnight stays by countries they come from, January-December 2024

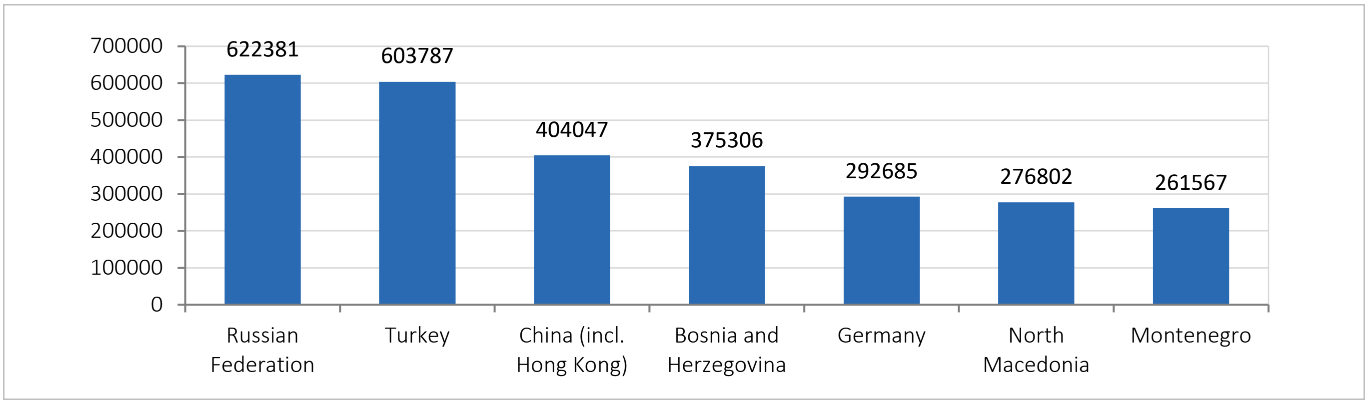
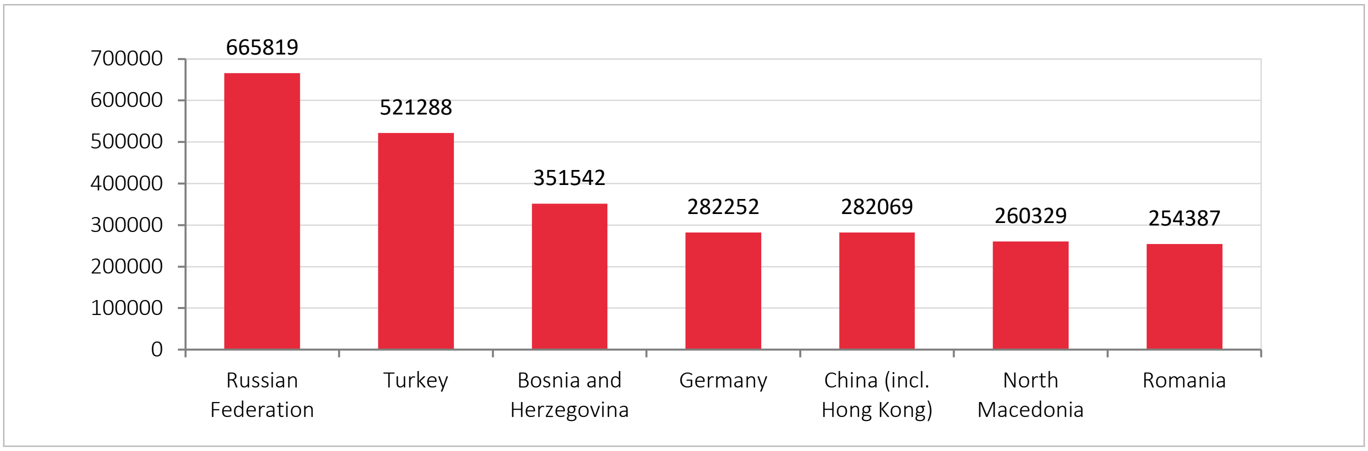


Chart 10.4. Foreign tourist overnight stays by countries they come from, January-December 2023



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 (Tourist). 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.

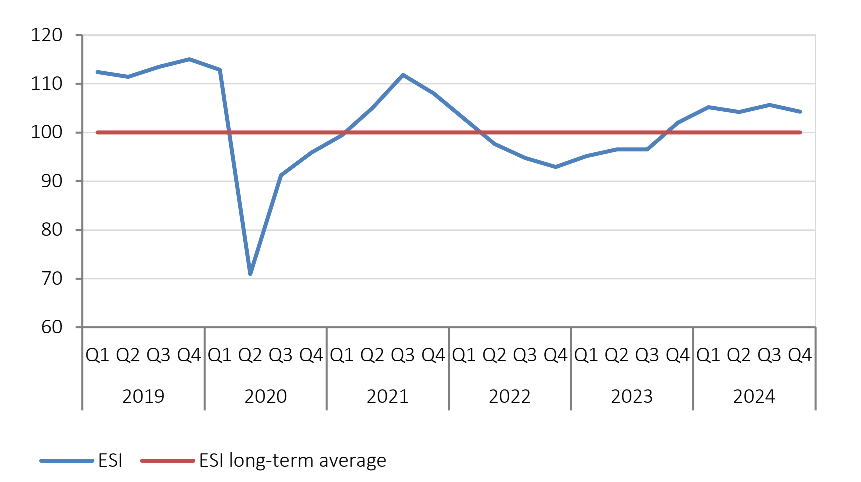
11. ECONOMIC SENTIMENT INDICATOR

11.1. ECONOMIC SENTIMENT INDICATION - 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%. Value of ESI index exceeding 100 indicates improvement or economic activity, while that below 100 suggests decline[10].

Chart 11.1. Economic Sentiment Indicator[11] (%) (seasonally adjusted data)



The Economic Sentiment Indicator (ESI) in Serbia in the fourth quarter of 2024, with a value of 104.3, saw a fall of 1.4 pp. compared with the previous quarter, when it was by 11.6 pp. above the 2020 average (92.7), which was marked by the coronavirus pandemic. However, ESI has still been lacking back from the average before the pandemic in 2019, by 8.8 pp. (113.1).

The value of the indicator reflects the growth of expectation only in Retail trade (+1 pp.), but fall was recorded in Consumption (-2.9 pp.), Services (-1.2 pp.) and Manufacturing (-0.4 pp.), while expectations in Construction remained unchanged in relation to the previous quarter.

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

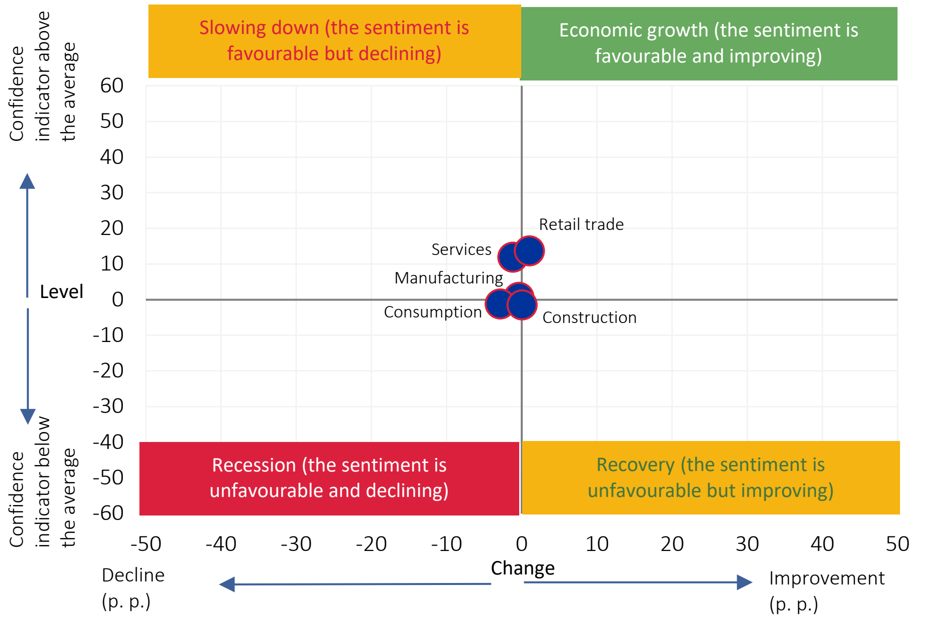
Table 11.1. Confidence indicators by sections and Economic Sentiment Indicator – growth to the long-term average (%)

Confidence indicators	Minimum		Average	Maximum		2023				2024			
	Quarter	Value		Quarter	Value	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Manufacturing	Q2 2020	-8.9	3.2	Q3 2018	7.9	-1.8	-0.8	-2.1	1.0	2.1	-0.1	1.1	0.7
Services	Q2 2020	-42.9	6.9	Q2 2016	16.3	4.6	4.3	5.6	8.2	9.6	11.3	13.2	12.0
Consumption	Q4 2014	-20.6	-4.5	Q1 2020	10.7	-8.4	-6.5	-5.5	-2.4	0.9	2.6	1.7	-1.2
Retail trade	Q2 2020	-12.5	8.6	Q4 2019	16.2	7.6	8.8	11.5	11.7	12.2	13.2	12.7	13.7
Construction	Q3 2013	-40.8	-9.4	Q3 2019	7.1	-3.1	-3.8	-3.9	-2.2	-0.8	-2.2	-1.5	-1.5
Economic Sentiment Indicator	*Q2 2020*	*70.9*	*102.5*	*Q4 2019*	*115.0*	95.1	96.5	96.5	102.0	105.2	104.2	105.7	104.3

[10] ESI is calculated as an index with a mean value of 100 and standardised deviation of 10. More on the methodology on: https://ec.europa.eu/economy_finance/db_indicators/surveys/documents/methodological_guidelines/bcs_user_guide.pdf

[11] 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

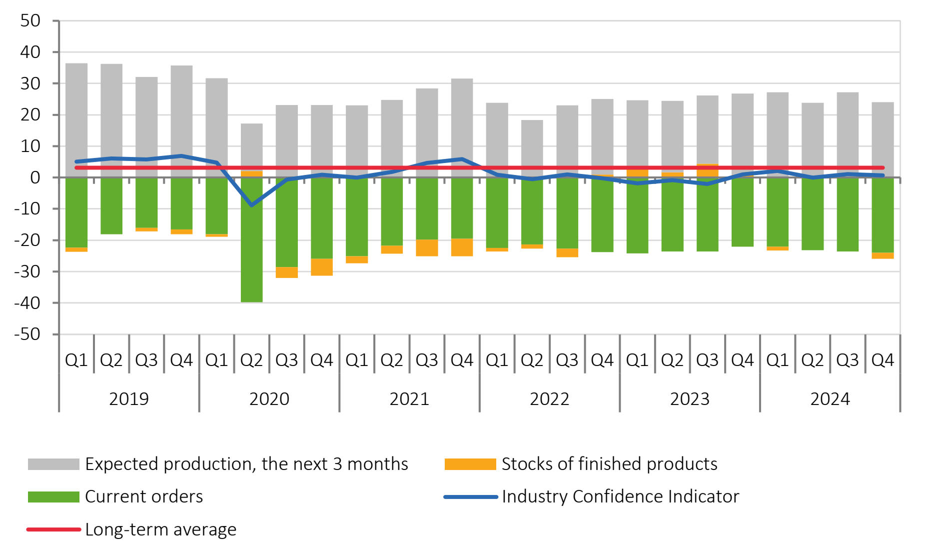


Economic Sentiment Tracer, created on the basis of seasonally adjusted confidence indicators, shows that only Retail trade is in the phase of economic growth (expansion), with the economic climate being above the average and with a tendency of improving. Manufacturing and Services are in the phase of slowing down, while Construction, with a tendency of climate improvement, is in the phase of recovery. Consumption, with a climate, which is declining further (expansion), is in the phase of recession.

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.

Графикон 11.3. Industry Confidence Indicator (%) (seasonally adjusted data)

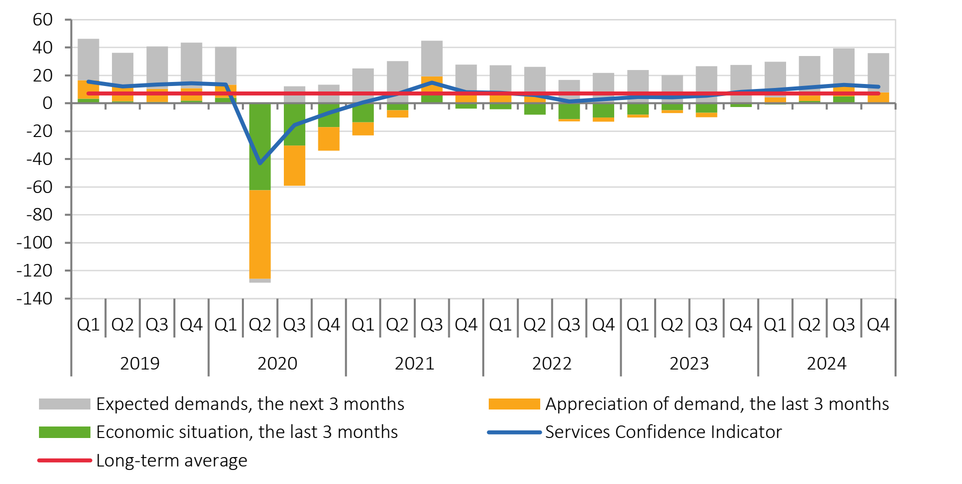


The Industry Confidence Indicator – ICI in the fourth quarter of 2024 went down by 0.4% pp. compared with the previous quarter, by 2.5 pp. under the long-term average. All three components of this indicators regressed, the largest fall being recorded for appraisals regarding expected production in the next quarter (-2.9 pp.) and stock of finished products (-2.2 pp.).

11.3. SERVICE CONFIDENCE INDICATOR

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

Chart 11.4. Service Confidence Indicator (%) (seasonally adjusted data)

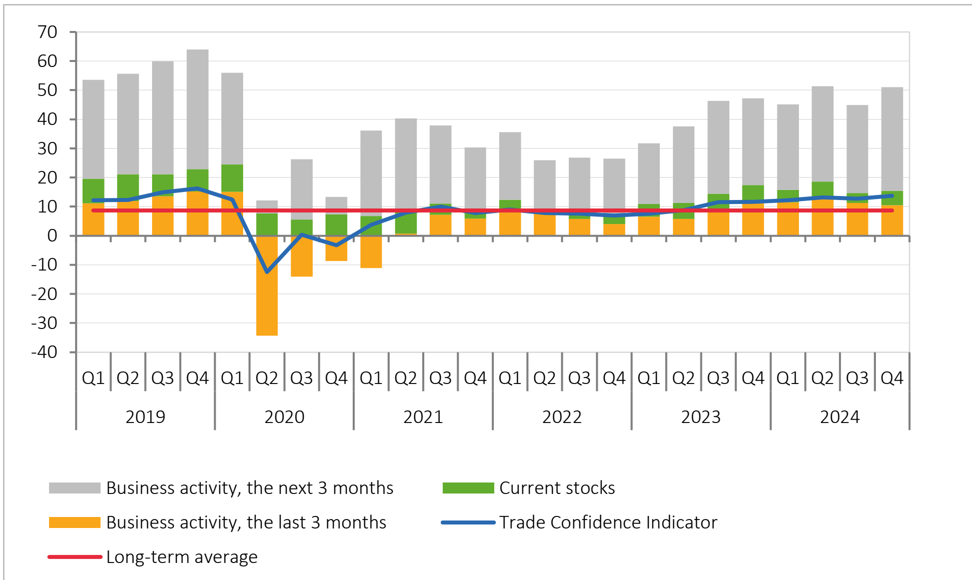


The Service Confidence Indicator – SCI, with a value of 12%, in the fourth quarter of 2024 is lower by 1.2 pp. than in the previous quarter, still exceeding the long-term average by 5 pp.
Only appraisals concerning demands saw a growth in the next three months (+2.4 pp.), while pessimistic appraisals were expressed regarding the economic situation (-5 pp.) and demands in the previous quarter (-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.

Chart 11.5. Trade Confidence Indicator (%) (seasonally adjusted data)

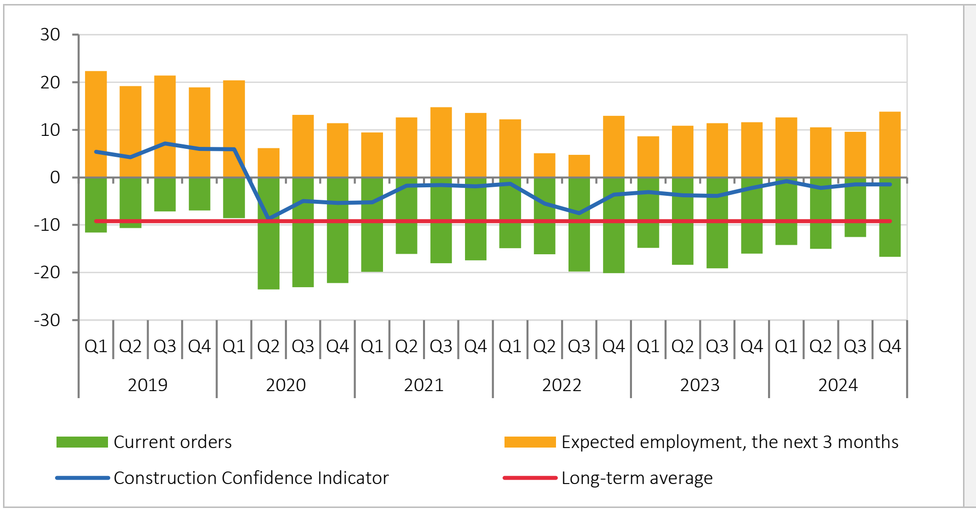


The Trade Confidence Indicator – TCI in the fourth quarter of 2024, with a value of 13.7%, was higher by 1 p. than in the previous quarter, exceeding by 5 pp. the long-term average (8.7%).
The movement of this indicator reflects an increase in the appraisal of the business activity in the next months (+5.4 pp.), as well as in current stocks (+1.5 pp.), contrary to the appraisal of the business activity in the last quarter, which recorded a fall of 0.7 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)

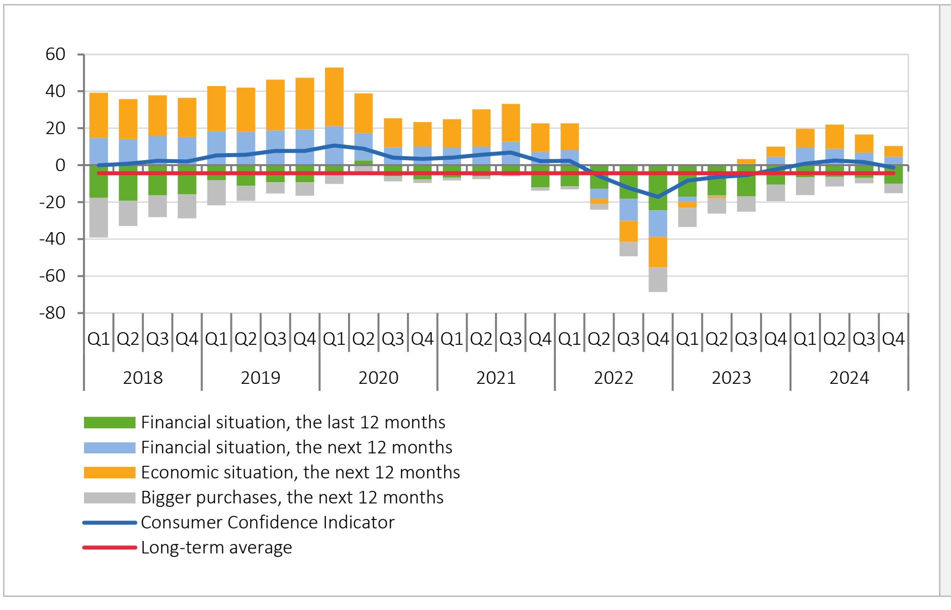


The Construction Confidence Indicator – CCI, with a value of -1.7% in the fourth quarter of 2024, remained unchanged in relation to the previous quarter, being above the long-term average by 7.7 pp. The value of this indicator suggests that expectations concerning employment in the next three months grew (by 4.3 pp.), and appraisals of current orders fell (4.2 pp.).

11.6. CONSUMER CONFIDENCE INDICATOR[12]

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 Consumer Indicator (%) (seasonally adjusted data)



The Consumer Confidence Indicator – CCI in the fourth quarter of 2024 saw a fall of 2.9 pp. compared with the previous quarter, exceeding the long-term average by 3.2 pp. All the components of this indicator recorded fall, among which the appraisal of the economic situation in the next twelve months is leading (-4.1 pp.), followed by the financial situation in the last and next twelve months (-3 pp. and -2.2 pp., respectively), as well as expected larger purchases for the next year (-2.3 pp.).

[12] The methodology of calculating the consumer confidence indicator has been changed by the European Commission since 2018, therefore the data have been revised.

11.7. CORRELATION OF ESI AND GDP OF THE REPUBLIC 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 0.66.

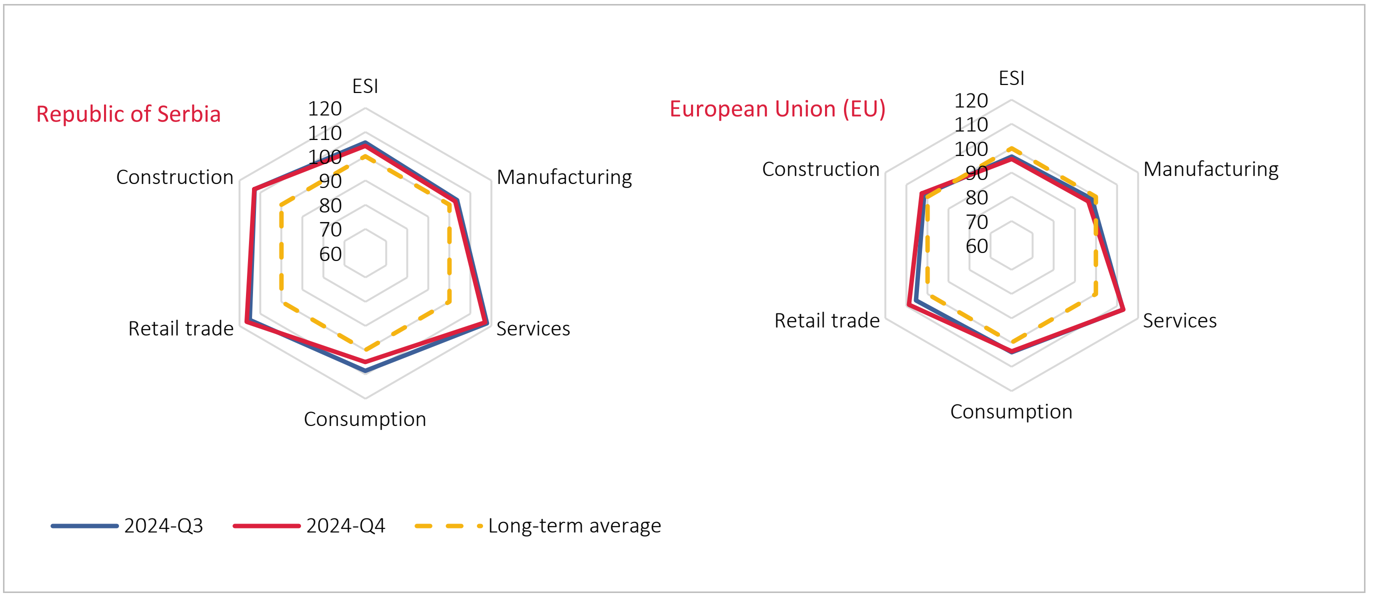
Chart 11.8. Correlation of ESI and GDP of the Republic of Serbia[13]

[13] Quarterly GDP has been revised in line with the revised annual data.

11.8. ECONOMIC SENTIMENT INDICATOR IN THE EUROPEAN UNION

Economic expectations in most of EU member states improved in the fourth quarter of 2024 (relative to the previous quarter), which made ESI go down by 1 p.p. (from the value of 95.6). The largest growth in expectations in the EU was recorded in Retail trade (+3.3 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 (Q3 2024) are compared with the previous quarterly outcomes (Q3 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

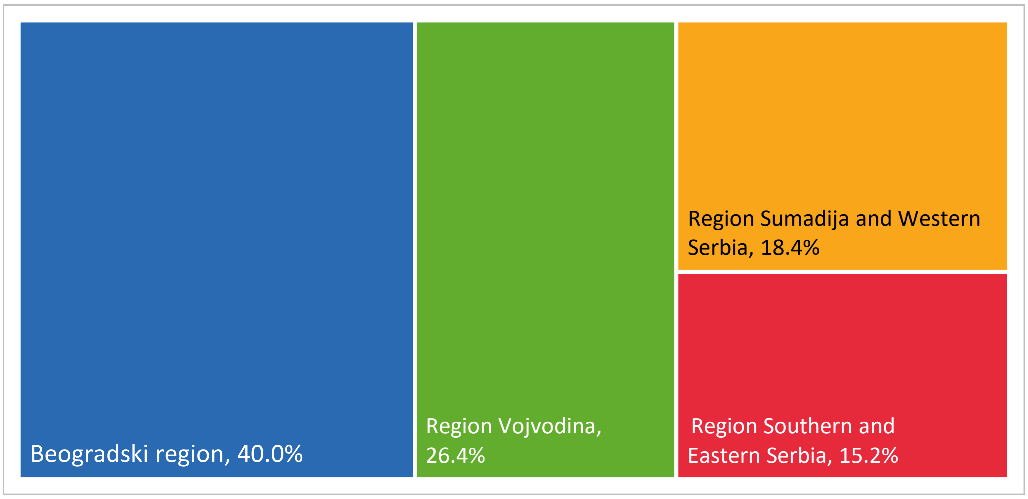
Gross domestic product

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 2023, observed by level of NSTU 2 regions, the greatest realized GDP was in Beogradski region (43.3%), followed by Region Vojvodina (24.6%), Region Šumadija and Western Serbia (17%) and Region Southern and Eastern Serbia (15.1%).

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 (1 331 000 RSD / per capita, i.e. 70.6 % above the republic average, followed by Region Vojvodina that is by 0.1% below the average, then Region Šumadija and Western Serbia by 37.9% and Region Southern and Eastern Serbia by 28.4% below the average of the Republic.

Chart 12.1. Share of the region in the national GDP, 2023



Average salaries and wages

Level of regions' development, measured by average net salaries and wages in 2024 varies in ratio 1.5:1, i.e. the highest salaries and wages are recorded in Beogradski region, and the lowest ones in Region Šumadija and Western Serbia. Average net salaries and wages in Beogradski region amounted to RSD 124 010, or 126% of RS average (RSD 98 143), in Region Vojvodina, they were insignificantly below RS average (RSD 92 725, or 94.5% of RS average), while in Region Southern and Eastern Serbia and Region Šumadija and Western Serbia, they were about 86% and 84% of the Republic average (RSD 84 043 and RSD 82 433, respectively). In all regions, average salaries and wages recorded growth relative to the same period of the previous year, and the greatest relative increase was noted in Region Šumadija and Western Serbia, by 15.1%.

In 77 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 Bojnik (with the lowest average salaries and wages of RSD 66 941). Moreover, at the bottom of the list are the municipalities of Presevo (RSD 67 234), Crna Trava (RSD 68 191) and Vlasotince (RSD 68 661).

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 12.3% in 2024, by 43% exceeds the average of Serbia (8.6%). On the other hand, in Beogradski Region, unemployment rate was the lowest, 6.2%, i.e. 27.4% below the national average. Additionally, referring to employment rate, it is the highest in Beogradski region (56% or 8.8% above the average of Serbia), while in Region Southern and Eastern Serbia, noted was the lowest employment rate of 47%, or 8.5% below the Republic average (51.4%). In 2024, Beogradski Region noted the highest share in total employment (27.5%), with the simultaneous lowest share in unemployment (19.5%). On the contrary, Region Southern and Eastern Serbia, with 19.5% has the lowest share in total employment, with the highest share in unemployment (29%) (according to the Labour Force Survey).

Export activity

In contrast to other indicators, in 2024, Beogradski region was not on the first place regarding total export of Serbia (share of 23.8%). Region Vojvodina is on the first place with the share of 33.3% in export, followed by Region Southern and Eastern Serbia (21.5%) and Region Šumadija and Western Serbia (19.9%). Export per capita reflects regional asymmetries – Region Vojvodina records the export of EUR 5 608 per capita, by 27% exceeding the Republic average and by almost double the export value per capita in Region Šumadija and Western Serbia (EUR 3 211), which is by 27% below the average of the Republic. Region Vojvodina, as the leading exporter in 2024, recorded the greatest share in export[14] and the greatest share in export of agricultural and food products (21.5%), primarily cereals (31.5%), the most important export product being corn (15.1% of export of agricultural and food products).

Demographic structure

According to the last available data for 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 Šumadija 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 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.

[14] 19 According to the Standard International Trade Classification (ISTC).

Transport infrastructure

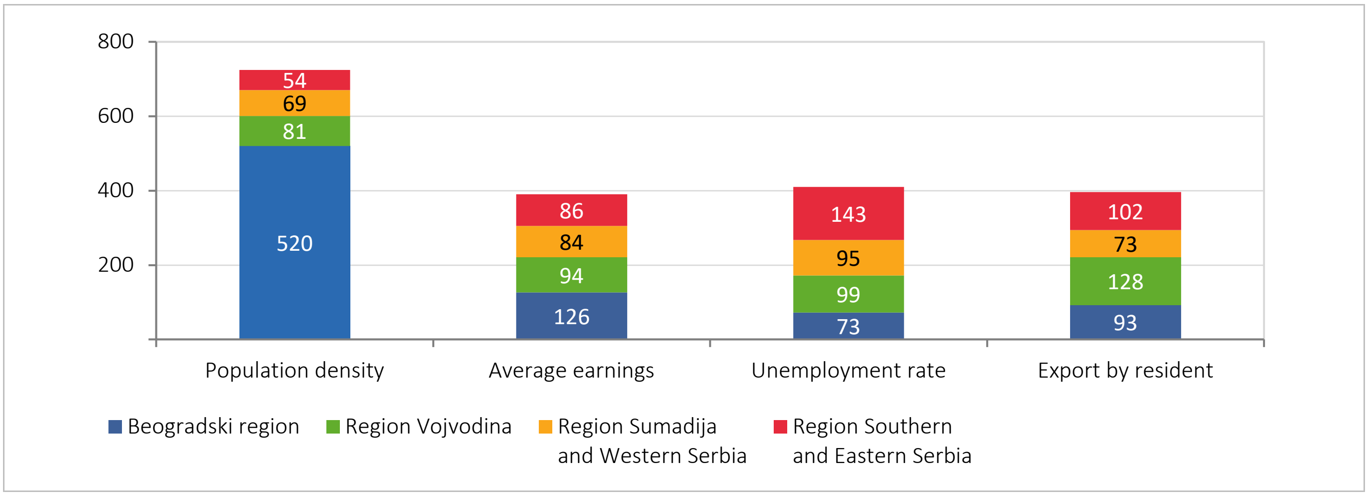
In the Republic of Serbia, there are huge regional and interregional differences regarding infrastructure equipment (transport, telecommunication and water management, i.e., accompanying supra structures). In roads' quality, telecommunication and modern living conditions, differences are, first of all, 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[1515] 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 Šumadija 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 2024 reflects a similar ratio, with Beogradski region leading up to 42.3% above the average of the Republic of Serbia versus Region Southern and Eastern Serbia, with 27% 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, 2024

Indicators	Population density, km2, 2023	GDP/per capita, 2023	Average net salaries and wages	Unemployment rate	Export per capita	Demographic emptying, 2011–2023 (%)
Extreme Values (the highest: the lowest)	9,8 : 1	2,7 : 1	1,5 : 1	2 : 1	1,7 : 1	(-10,9) : (+1,4)
	Beogradski region: Region Southern and Eastern Serbia	Beogradski region: Region Šumadija and Western Serbia	Beogradski region: Region Šumadija and Western Serbia	Region Southern and Eastern Serbia: Beogradski region	Region Vojvodina: Region Šumadija and Western Serbia	Region Šumadija and Western Serbia: Beogradski region

Chart 12.2. Disproportions at the regional level in Serbia (RS level = 100%), 2024



[15] Data relate to 2022.

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	Q3	Q4
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	125.6	127.2
Employment rate	107.6	108.2	110.6	110.2	110.7	109.9	111.0	111.1	110.0	109.1	107.1	108.6
Unemployment rate	75.2	83.1	82.2	83.0	75.2	80.2	71.1	73.6	69.1	76.8	72.8	72.1
Exports per capita in euros	88.9	89.2	92.0	98.2	93.8	99.0	93.0	94.3	92.0	92.5	92.3	97.7
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	134.5	140.6
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	94.6	94.4
Employment rate	98.8	99.4	100.6	99.2	99.8	102.2	97.8	101.2	100.6	100.0	98.8	100.0
Unemployment rate	89.9	85.4	76.7	83.0	87.1	82.3	112.2	101.1	102.1	92.7	102.5	93.0
Exports per capita in euros	128.2	131.4	127.8	125.5	124.9	126.1	128.2	132.3	130.9	126.4	126.7	125.5
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	92.4	92.7
Region Šumadija 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	84.4	84.0
Employment rate	101.2	98.8	97.2	101.0	99.4	98.8	99.6	96.6	97.2	98.8	100.0	97.9
Unemployment rate	112.8	122.5	116.7	110.6	101.0	106.3	97.8	108.8	96.8	95.1	93.8	109.3
Exports per capita in euros	76.7	77.2	76.8	76.8	74.6	76.3	75.6	77.2	74.8	72.1	72.8	72.0
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	93.6	89.6
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	86.1	84.3
Employment rate	89.5	93.2	90.2	89.6	88.5	87.3	90.7	89.9	90.4	90.7	92.5	92.6
Unemployment rate	126.6	109.0	132.2	130.9	147.5	143.8	126.7	123.1	143.6	146.3	140.7	133.7
Exports per capita in euros	101.4	95.4	90.8	89.7	94.1	88.0	96.7	88.8	97.9	107.6	104.1	98.8
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	76.2	73.6

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 Šumadija 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.

13. AGRICULTURE

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 in the fourth quarter of 2024 and the whole 2024. The following occurrences have been analysed:

- Plant production, with a review of the autumn sowing,
- Occurrences in livestock production (number of livestock, production of consumption of cow’s milk in dairy factories and livestock slaughtering in slaughtering houses),
- Prices of agricultural products and intermediate goods, and
- External trade in agricultural products.

13.1. PLANT PRODUCTION AND AUTUMN SOWING IN 2024

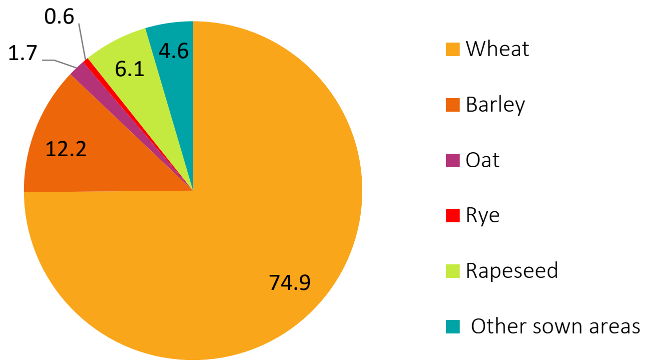
Plant production can be broken down into crop and vegetable farming, fruit growing and viticulture. However, crop and vegetable farming are the most important branches of plant production, accounting for 80.5% of the total plant production in 2024, followed by fruit growing and viticulture accounting for 17.8% and 1.8%, respectively. In 2024, plant production (looking at the value) was lower by 12.1% than in the previous year. This fall was primarily affected by unfavourable weather conditions that drove crop and vegetable production to decrease by 14.4%, when compared with the previous agricultural year 2023. On the other hand, fruit production, which accounts for 17.8% of the total value of plant production, saw a fall of 1.3% in 2024 relative to the previous year. The indices (2024/2023) by groups of products are as follows:

- Cereals: 80.3 (wheat 84.1; maize 77.0)
- Industrial crops: 76.4 (sunflower 90.7; soya 57.8)
- Vegetables: 119.4 (potatoes 101.6; tomatoes 154.8; paprika 160.0)
- Fodder crops: 71.5
- Fruits: 98.7 (apples 102.5; plums 106.8; raspberries 95.3)
- Viticulture: 98.6

Weather conditions affect considerably the moment of sowing, therefore plant production is often called “open air factory“. When looking at crop production (October is the optimal time for autumn sowing of most of crops), the factors, such as tillage, selection of varieties, and the sowing moment, will significantly influence later yields. However, unstable weather conditions will extend the autumn sowing beyond the optimal time. As there are on the market various seed varieties which resilience differs, the impact of unfavourable weather conditions on sowing will be smaller. On the other hand, even though there are different seed varieties on the market it is recommended to keep sowing withing the optimal time limit. In the previous year, October was beneficial for sowing, therefore it can be said that autumn sowing in 2024 was carried out within the optimal time limit.

In autumn sowing in 2024 sown areas saw a year-on-year growth of 8.5%. Wheat was sown on 590.5 thousand hectares, by 8.6% more than in 2023. Increase in areas in autumn sowing was also noted with barley (growth of 1%) and rapeseed (growth of 36.8%). On the other hand, sown areas in autumn sowing recorded a year-on-year fall, compared to 2023, with the following crops: oat (fall of 9%) and rye (fall of 1.7%).

Chart 13.1. Structure of sown areas, 2024 (%)



The largest share in the structure of sown areas in autumn 2024 was that of wheat with 74.9% (590.5 thousand hectares), and barley with 12.2% (96.4 thousand). Rapeseed and other sown areas accounted for 6.1% and 4.6%, respectively, while oat and rye accounted for 1.7% and 0.6%, respectively.

Table 13.1. Sown area and year-on-year growth rate (%)

	2024						
	Total sown area	Wheat	Barley	Oat	Rye	Rapeseed	Other sown areas
Sown area, ha	788 815	590 483	96 369	13 040	4 531	48 445	35 947
Annual growth rate[1)]	8.5	8.6	1.0	-9.0	-1.7	36.8	7.7

[1)] 2024 to 2023.

13.2. LIVESTOCK PRODUCTION

In 2024, livestock production accounted for 36.2% of the total value of agriculture (the share of plant production was 63.8%). According to the downward share, the most important branches within the value of livestock production are:

- Cattle farming (share of 39%),
- Pig farming (share of 33.7%),
- Poultry farming (share of 16.5%),
- Sheep farming (8.9%), and
- Apiculture (1.9%).

When looking at the ten-year period (2015–2024), one notices a fall of the number of heads of all livestock species. Over 2015–2024 the number of bovine animals decreased by 3.2% every year, i.e. 1.5% for poultry. On the other hand, in the observed ten-year period sheep saw a growth of 0.2% on annual basis.

Table 13.2. Livestock balance

	Livestock balance, thous.			
	Bovine animals	Pigs	Sheep	Poultry
2022	800	2 667	1 721	14 817
2023	725	2 141	1 717	14 278
2024	699	2 349	1 759	14 774

Compared with 2023, in 2024 the number of all livestock species fell: bovine animals (fall of 3.7%), while the other livestock species saw a growth: pigs (growth of 9.7%), sheep (growth of 2.5%) and poultry (growth of 3.5%).

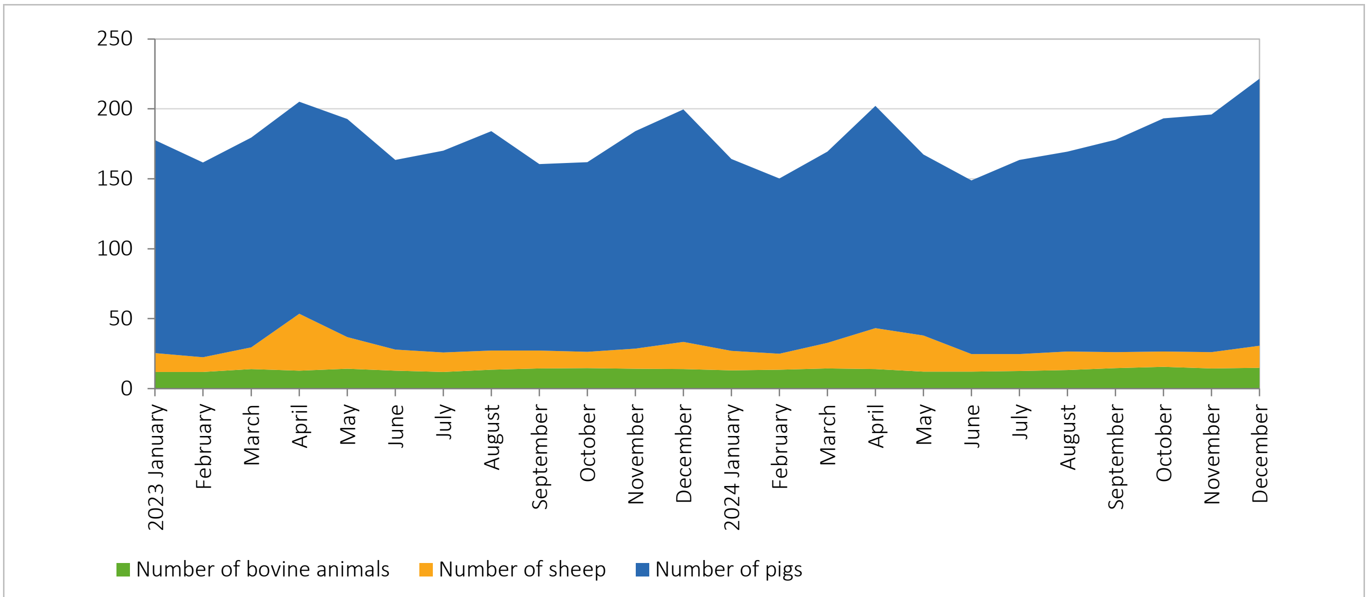
Negative trends in cattle breeding may cause serious consequences in this sector, including the decrease in the production of meat, milk and other cattle products, which can lead to higher prices on the market. On the other hand, in 2024 there was a positive growth in other sectors of livestock breeding, but it is still necessary to continue the monitoring and support to this sector, having in mind the negative growth (except for sheep) in the ten-year period.

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 include slaughter in all registered slaughtering houses on the territory of the Republic of Serbia, totalling to 358 in December 2024. In this issue of Trends, the analysis is focused on livestock slaughter in slaughtering houses.

In 2024, compared with the previous year, the number of bovine animals slaughtered in slaughtering houses amounted to 164.3 thousand, by 2.9% higher. Observed quarterly, in the fourth quarter in relation to the same quarter of the previous year, the number of bovine animals slaughtered in slaughtering houses went up by 5.1%. The category of slaughtered bovine animals that recorded the largest growth of total slaughter in the fourth quarter refers to bovine animals of 2 years and over (growth of 12%) to the same quarter of the previous year). The category of bovine animals that had the largest share in total slaughter in the fourth quarter of 2024 was that of bovine animals of 1-2 years, totalling to 74.9%.

Chart 13.2. Number of pigs, sheep and bovine animals slaughtered in slaughtering houses (in thous.)



The number of pigs slaughtered in slaughtering houses (1.8 mill.) in 2024 was lower by 0.2% than in 2023. Observed quarterly, in the fourth quarter the number of pigs in slaughtering houses (457.2 thous.) was higher than in the same period of the previous year by 15.4% than in the same period of the previous year. The category of slaughtered pigs that saw the largest growth in the total slaughter of this livestock species during the fourth quarter of 2024 refers to fattening pigs of 50 kg (growth of 18.7% in relation 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 2024 was that of pigs over 50 kg, 86.7%.

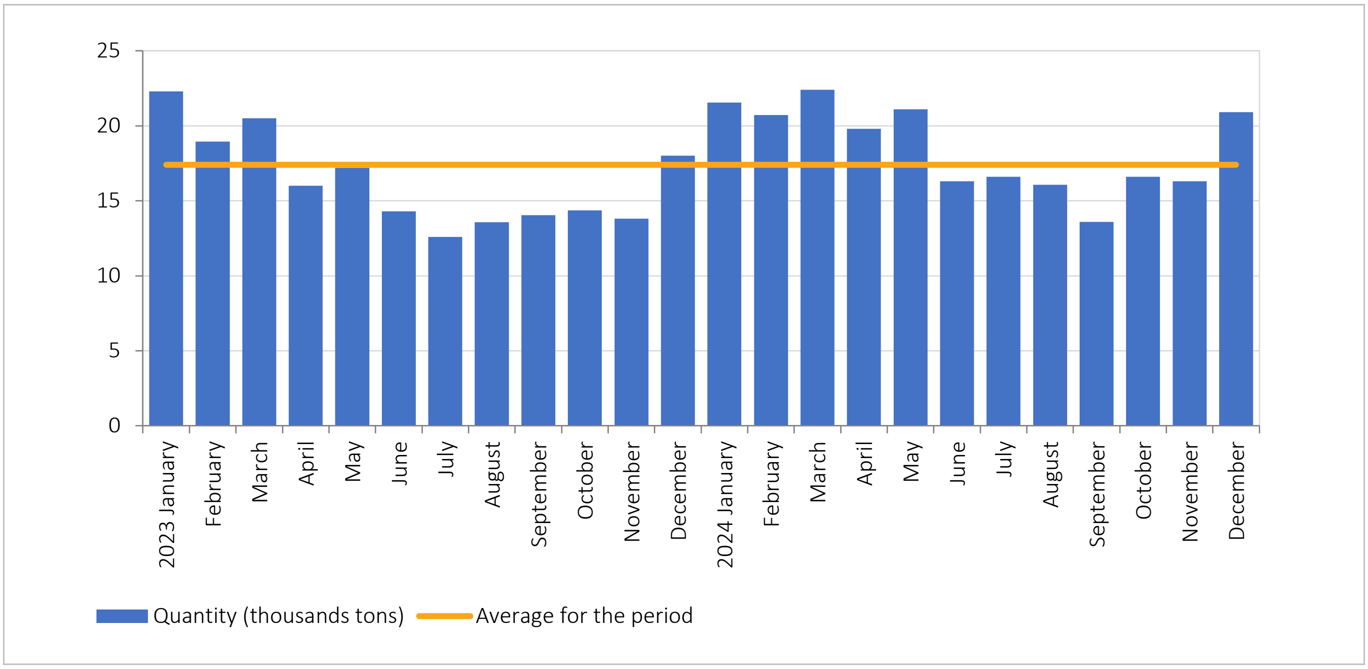
Of the total number of slaughtered sheep on the territory of the Republic of Serbia only approximately 17% are slaughtered in slaughtering houses. Observed quarterly, in the fourth quarter of 2024 the number of sheep slaughtered in slaughtering houses amounted to 38.4 thousand, by 15.7 less than in the same quarter of the previous year. Of totally slaughtered sheep in slaughtering houses in 2024 the largest share (95.5%) in the total slaughter of this species was that of the category of lambs up to six months.

13.4. PRODUCTION AND PRICES OF MILK, CEREALS AND LIVESTOCK

Estimates show that farms dealing with the production of cow's milk distribute to milk collection stations (dairy factories) account for 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 2024, the production of consumption cow milk in dairy factories is higher by 13.4% than that in the same period of the previous year. Observed by quarters, in the fourth quarter of 2024 the production of cow's milk saw a growth of 16.5%, when compared with the fourth quarter of 2023.

Chart 13.3. Production of consumption milk in dairy factories



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

Purchase prices of cow milk decreased by 2.9% over January-December of the current year relative to the same period of the previous year[18]. Looking at quarters, in the fourth quarter of 2024 milk prices were down by 0.4% than in the same quarter of the previous year.

Consumer prices of cow milk decreased by 3.4% over January-December 2024of the current year relative to the same period of the previous year. In the fourth quarter of 2024 the average price of milk was 144.4 dinars per litre, a decrease of 3.3% compared to the same quarter of the previous year.

Based on the comparative review it can be concluded that the purchase prices of cow milk kept a stable stagnating during the whole 2024.

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.

In 2024, producers' prices of **agricultural and fishing products** grew on average by 2.1% compared to 2023.

Prices of cereals in 2024 were lower by 2.3% than in the previous year. Over this period producers' prices of **livestock and poultry** increased by 5.1%: for bovine animals by 3.7% and pigs by 8.0%, compared to 2023.

Table 13.3. Comparative review of purchase and consumer prices of cow's 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
July	54.8	144.8
August	54.8	145.2
September	54.8	144.8
October	55.1	144.8
November	55.2	144.2
December	55.3	144.2

Table 13.4. Indices of producers' prices of agricultural and fishing products

	XII 2024 / XII 2023	XII 2024 / XI 2024	Ø 2024 / Ø 2023
Cereals	101,7	100,1	102,1
Wheat	108,1	98,9	97,7
Maize	109,2	100,7	91,7
Industrial crops	108,0	98,0	100,4
Livestock and poultry	92,1	100,8	105,1
Cattle	100,3	99,6	103,7
Pigs	86,9	102,5	108,0

[17] Consumer prices refer to cow's 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.

13.5. INTERMEDIATE GOODS

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 fourth quarter of 2024 increased by 1.2% compared with the same quarter of the previous year. Observed by groups of products, the largest price increase in the fourth quarter of 2024, relative to the same quarter of the previous year, was recorded in: Other products and services (growth of 6.6%), maintenance of facilities (6.1%) and maintenance of equipment (5.6%).

The prices of intermediate goods, capital goods and services in agriculture in the fourth quarter of 2024 relative to the third quarter of 2024 remained, on average, on the same level.

Table 13.5. Indices of the prices of intermediate goods, capital goods and services in agriculture

	Quarter IV 2024 / Quarter IV 2023	Quarter IV 2024 / Quarter III 2024	Ø 2024 / Ø 2023
Total	**101.2**	**100.0**	**95.5**
Products and services for current use in agriculture	**101.2**	**100.0**	**95.5**
Seed	96.2	117.6	89.8
Energy commodities	101.5	98.6	105.4
Mineral fertilizers	97.2	97.8	77.4
Plant protection preparations	74.4	89.7	78.1
Animal feed	103.0	100.8	92.4
Equipment maintenance	105.6	100.4	105.1
Facilities maintenance	106.1	100.2	107.7
Other products and services	106.6	102.0	104.4
Products and services for investments in agriculture	**102.8**	**100.7**	**102.0**
Machinery in agriculture	102.8	100.7	102.0

13.6. EXTERNAL TRADE IN AGRICULTURAL PRODUCTS

The significance of the agricultural sector is particularly visible through external trade. Let us take into account that the external trade balance was negative in 2024 (-9.9 bill. euros), and in this context the section Agriculture, forestry and fishing is among the rare ones with a positive balance of 59.5 billion euros. This emphasis the vital role of this section not only in domestic production and economy but also in maintaining a positive contribution in global trade “competition”.

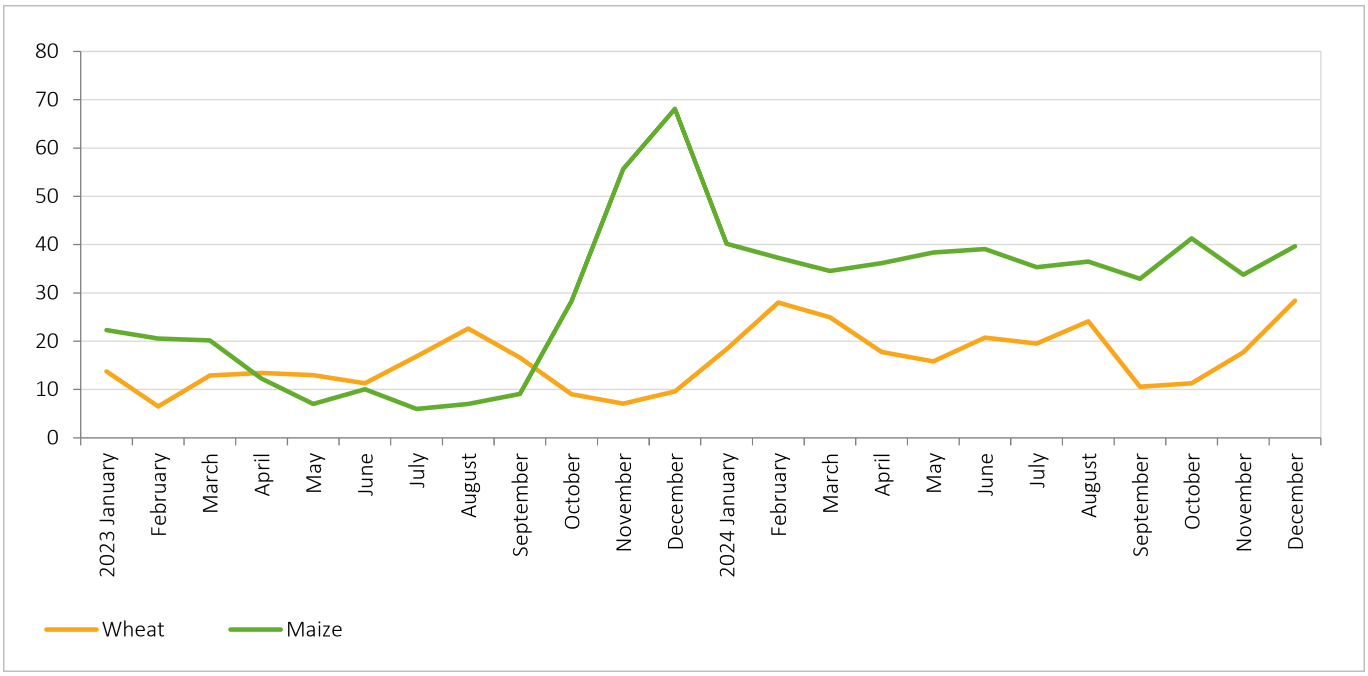
In 2024, the section Agriculture, forestry and fishing[19] realised a positive external trade balance of about EUR 59.5 billion euros. Exports of this section amounted to EUR 1.3 billion euros, by 29% more than in 2023, and the share in total exports in the observed period grew from 3.4% to 4.4%, amount reached in 2023. Imports of this section over January-December 2024 amounted to EUR 1.2 billion euros, by 24.1% more than in the same period of the previous year, and the share in total imports grew from 2.7% to 3.1%.

Exports growth in 2024 was mostly a result of a cumulative growth of 48.2% in exports of cereals (except for rice), leguminous and oil seed, the most representative groups in this section (share of 66.3%). As in exports, the most representative group of products on import side in the section of Agriculture, forestry and fishing was Growing of cereals (except rice), leguminous and oil seed (share of 21.9%), which realized a cumulative growth of 31.3% in 2024.

Export of wheat in 2024 amounted to EUR 237.1 million, a growth of 55.4% relative to 2023. Over the period January-December 2024, when looking at the value, wheat was the crop mostly exported to Romania (56.8% of total exports of this crop), then to Italy (20.3%), Bosnia and Herzegovina and North Macedonia, accounting for 10% and 5.2% and 3.8%, respectively of total export of this crops.

Export of maize over January-December 2024 amounted to EUR 445.1 million, a growth of 67%% relative to the same period of the previous year. In 2024, when looking at the value, most of maize was exported to Romania (40.2% of total exports of this crop). To Italy 23.3% were exported, then to Bosnia and Herzegovina and Austria, accounting respectively for 8.8% and 7.6% of total export of this crop.

Chart 13.4. Export of wheat and maize by months (in mill. euros)



[19] According to CA (2010).

14. BUSINESS SERVICES

Business services are the key factor to drive a knowledge-based economy as they stand out for their labour-intensive nature, which 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 characterised 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 whose end users are mostly enterprises and/or public administrations, but also individuals (physical persons) and/or households. Business services include:

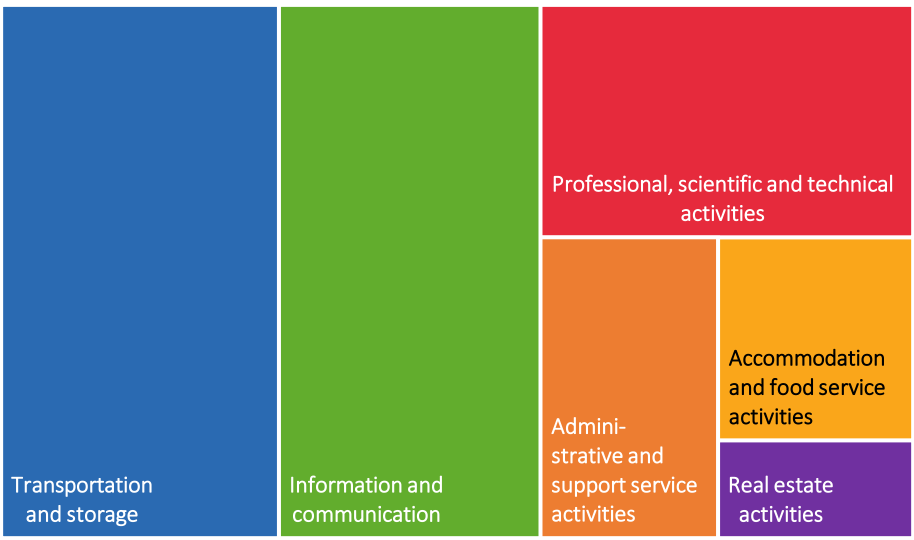
– Transport services, such as: road and railway transportation and storage and postal/courier services;
– Technical services, such as: engineering, architecture and technical studies;
– Computer services, such as: software design and database management;
– Other professional services, such as: legal, accounting, consultancy and managerial services.

Many of these services could be performed by the enterprises itself, but their outsourcing from service suppliers 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 services can contribute to economy competitiveness.

The index of service turnover is one of the most essential indicators 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 statistics of national accounts.

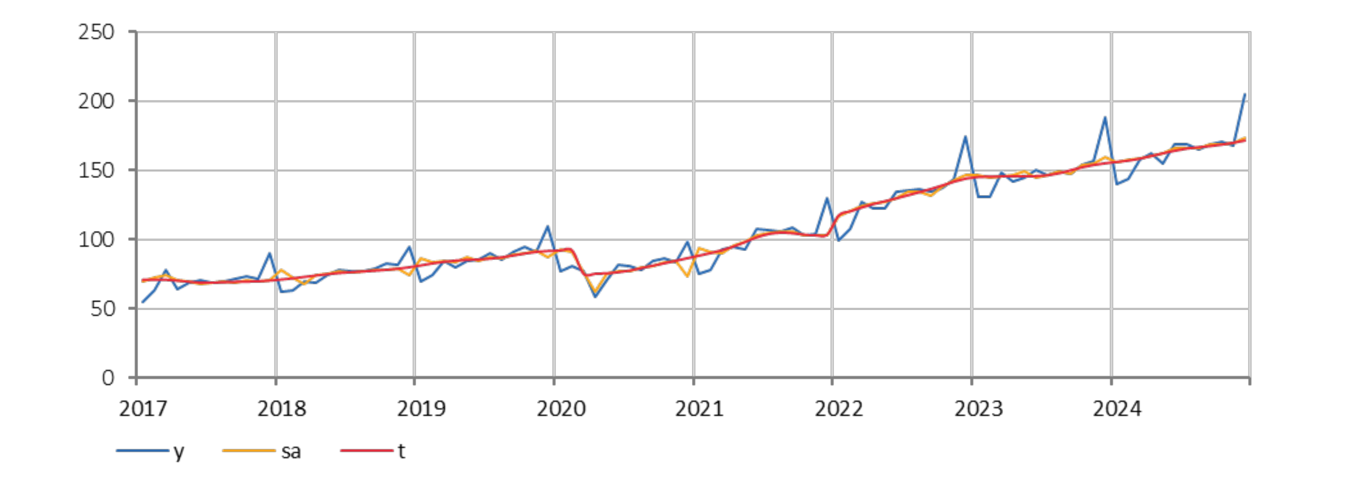
Business services cover service activities of the non-financial economy, specifically activities according to the official national Classification of Activities (2010), from the sections: H – Transportation and storage (divisions 49–53); I – Accommodation and food services (divisions 55 and 56); J – Information and communications (divisions 58–63); L – Real estate activities (division 68); M – Professional, scientific, innovation 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 the turnover by sections of business services



The largest share in the turnover in the structure of the turnover of business services in the fourth quarter of 2024 was recorded in the sections H – Transportation and storage, with 30.5%, and J – Information and communications, with 28.7%. M – Professional, scientific and technical activities, and N – Administrative and support service activities participated with 17.8% and 11.0%, respectively, and I – Accommodation and food service activities, and L – Real estate activities with 8.1% and 3.9%, respectively.

Chart 14.2. Components of the time series of the turnover in business services
(y – original series, sa – series with excluded seasonal component, 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.

In 2024, the total realised turnover in business services was higher by 10.2% than in the same period of 2023. For the observed period, the largest growth of turnover was recorded in the section I – Accommodation and food service activities (18.7%), and the smallest in the section H – Transportation and storage (3.0%).

14.1. COMPARISON WITH THE SAME QUARTER OF THE PREVIOUS YEAR

The turnover of business services in the fourth quarter of 2024 saw a growth of 9.0% compared with the same quarter of the previous year. Observed by sections, the largest growth rate in the fourth quarter of 2024, compared with the same quarter of 2023, was recorded in the sections N – Administrative and support service activities, and I – Accommodation and food service activities, 18.3% and 14.5%, respectively.

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

	2022				2023[1]				2024[2]			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Services – total	**135.4**	**128.8**	**126.5**	**135.3**	**122.6**	**115.0**	**109.4**	**109.5**	**107.8**	**111.0**	**113.1**	**109.0**
H – Transportation and storage	126.5	127.6	123.4	148.5	133.4	116.2	110.2	101.7	95.8	104.3	105.4	106.6
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	117.6	114.5
J – Information and communications	132.6	122.1	128.9	125.5	122.2	124.7	113.7	120.7	115.4	109.5	111.9	108.9
L – Real estate activities	126.2	146.3	133.8	137.7	133.4	120.1	121.2	121.2	109.6	101.5	105.1	104.7
M – Professional, scientific and technical activities	147.5	124.1	117.2	125.8	103.8	101.9	100.0	106.0	114.0	119.9	127.6	107.1
N – Administrative support service activities	133.2	131.3	127.8	120.9	109.9	104.8	102.2	102.4	111.2	117.2	117.9	118.3

[1] Final data.
[2] Provisional data.

14.2. COMPARISON WITH THE PREVIOUS QUARTER

The turnover of business services in the fourth quarter of 2024 was higher by 8.3% than in the previous quarter. This growth was mostly conditioned by the growth of the realised turnover in the sections H – Transportation and storage (growth of 4.4%), and J – Information and communications (growth of 17.8%).

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

	2022				2023[1]				2024[2]			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Services – total	**99.1**	**113.9**	**106.8**	**112.2**	**89.9**	**106.8**	**101.6**	**112.3**	**88.5**	**110.0**	**103.5**	**108.3**
H – Transportation and storage	110.1	110.1	109.5	111.9	98.9	95.9	103.8	103.2	93.3	104.3	104.9	104.4
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	102.8	102.5
J – Information and communications	91.4	110.2	109.2	114.1	89.0	112.4	99.6	121.1	85.1	106.7	101.8	117.8
L – Real estate activities	103.0	120.6	99.0	112.1	99.7	108.6	99.9	112.1	90.2	100.5	103.4	111.6
M – Professional, scientific and technical activities	89.8	118.7	97.9	120.6	74.1	116.5	96.1	127.8	79.7	122.5	102.3	107.2
N – Administrative support service activities	91.6	120.0	108.4	101.4	83.3	114.4	105.7	101.7	90.4	120.5	106.4	102.0

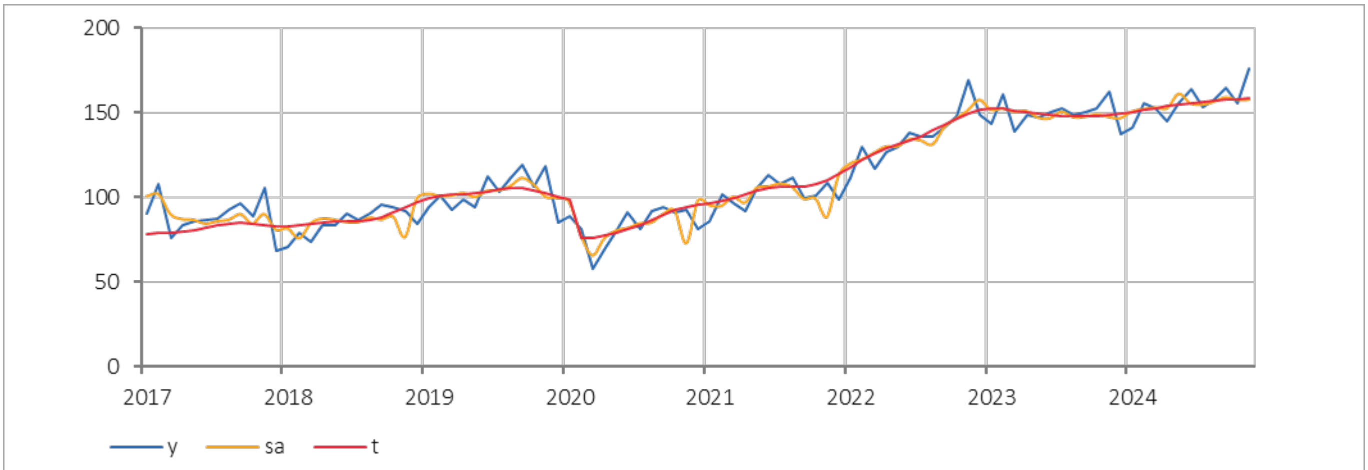
[1] Final data.
[2] Provisional data.

Growth was recorded in all the sections of business services in the fourth quarter of 2024, compared with the previous quarter. The largest growth of the turnover was realised in the sections J – Information and communications and L – Real estate activities, 17.8% and 11.6%, respectively.

14.3. TRANSPORTATION AND STORAGE (section H)

(share of 30.5% in the total turnover of business services in the fourth quarter of 2024)

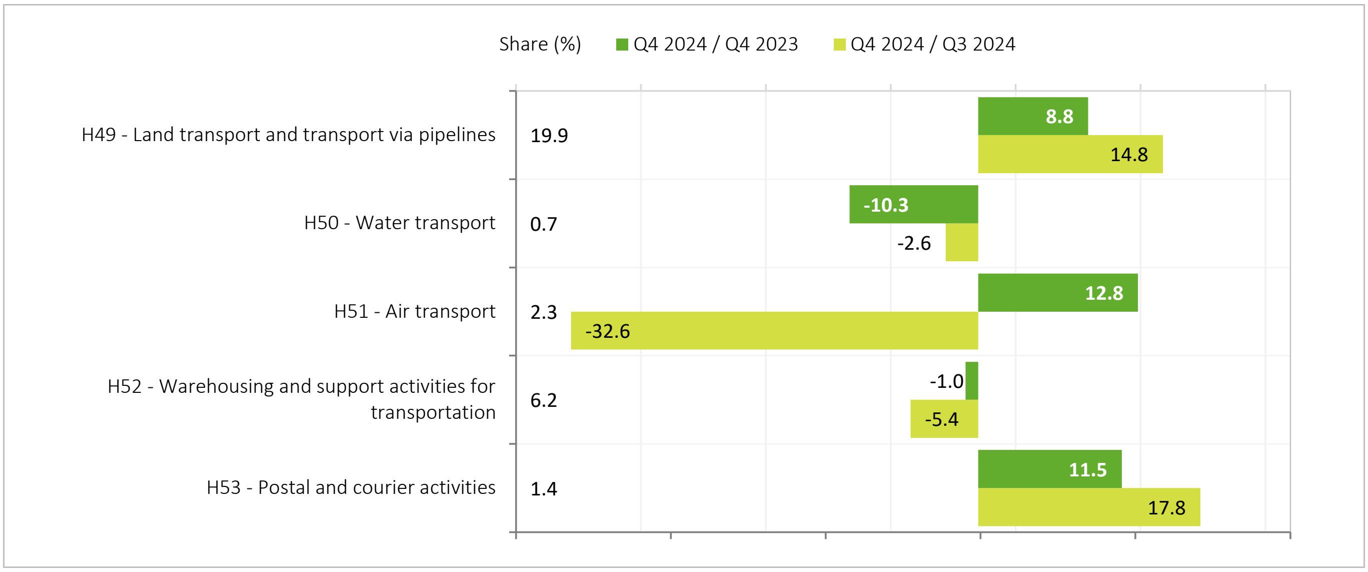
Chart 14.3. Components of the time series of the turnover in section H – Transportation and storage (y – original series, sa – series with excluded seasonal component, t – trend-cycle component; average 2021 = 100)



Service activities of Transportation and storage were affected by the pandemic – a decrease 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.

In 2024, compared with the same period 2023, the turnover in the section Transportation and storage went up by 3.0%.

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 fourth quarter of 2024.

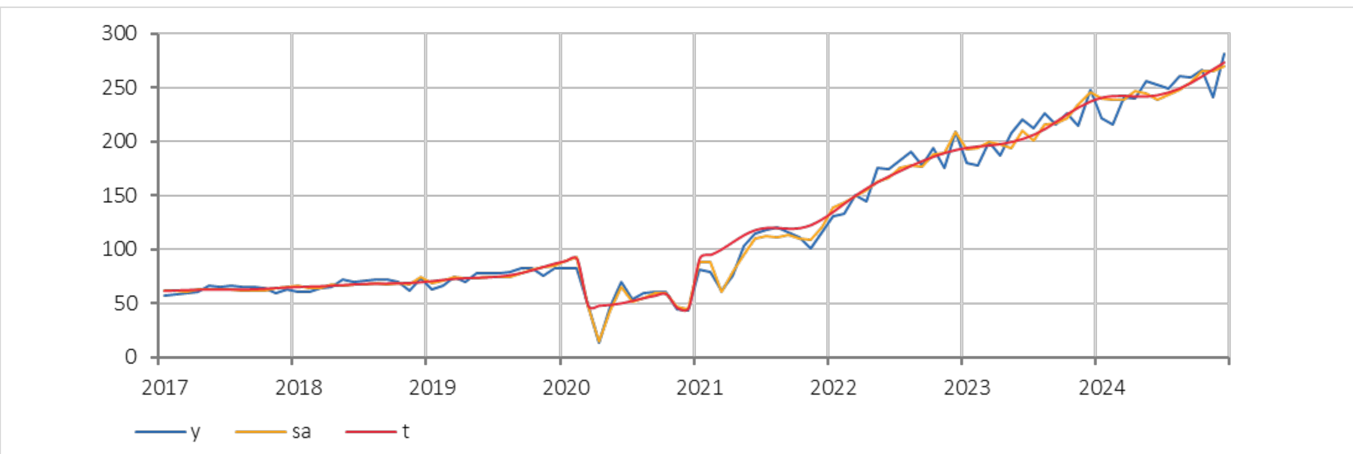
The turnover in the section of Transportation and storage in the fourth quarter of 2024 saw a growth of 6.6% compared with the previous quarter. The largest growth was realised in the divisions H51 – Air transport and H53 – Postal and courier activities, 12.8% and 11.5%, respectively. Decrease of turnover, compared with the same quarter of 2023, was recorded in the division H50 – Water transport (-10.3%) and H52 – Warehousing storage and support activities for transportation (-1.0%).

Compared with the previous quarter, turnover grew by 4.4% in the section Transportation and storage. The largest growth in the fourth quarter of 2024, compared with the previous quarter, was recorded in the division H53 – Postal and courier activities (growth of 17.8%), and H49 – Land transport and transport via pipelines (growth 14.8%). Compared with the previous quarter a significant drop in turnover of 32.6% was recorded in the division H51 – Air transport.

14.4. ACCOMMODATION AND FOOD SERVICE ACTIVITIES (section I)

(share of 8.2% in the total turnover of business services in the fourth quarter of 2024)

Chart 14.5. Components of the time series of the turnover in section Accommodation and food service activities (y – original series, sa – series with excluded seasonal component, 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 plummeted by more than 80%. Except from the initial economic shock that occurred with the pandemic, faster and significant recovery of this section were hindered also by epidemiological measures for suppressing the COVID-19 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 by the end of 2021 and since then has been intensively going upward.

Over the period January –December 2024, compared with the same period of 2023, the turnover in the section Accommodation and food service activities grew by 18.7%.

In the fourth quarter of 2024, compared with the same quarter of the previous year, the turnover realised in the division I56 – Food and beverage service activities went up by 23.6%, while in – Accommodation saw a fall of 12.1%.

On the other hand, in the fourth quarter of 2024 compared with the previous quarter, the turnover grew by 4.7% in the division I56 – Food and beverages service activities, but it fell by 5.7% in I55 – Accommodation.

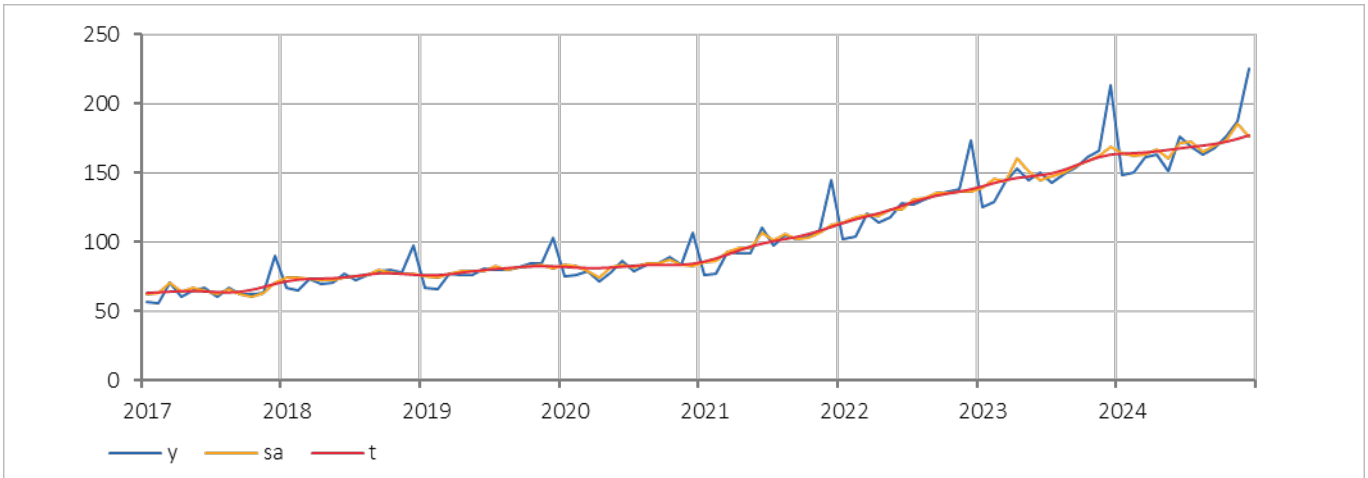
Table 14.3. Accommodation and food service activities, indices

	Q4 2024 / Q4 2023	Q4 2024 / Q3 2024
Accommodation	87.9	94.3
Food and beverage service activities	123.6	104.7

14.5. INFORMATION AND COMMUNICATION (section J)

(share of 28.7% in the total turnover of business services in the fourth quarter of 2024)

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



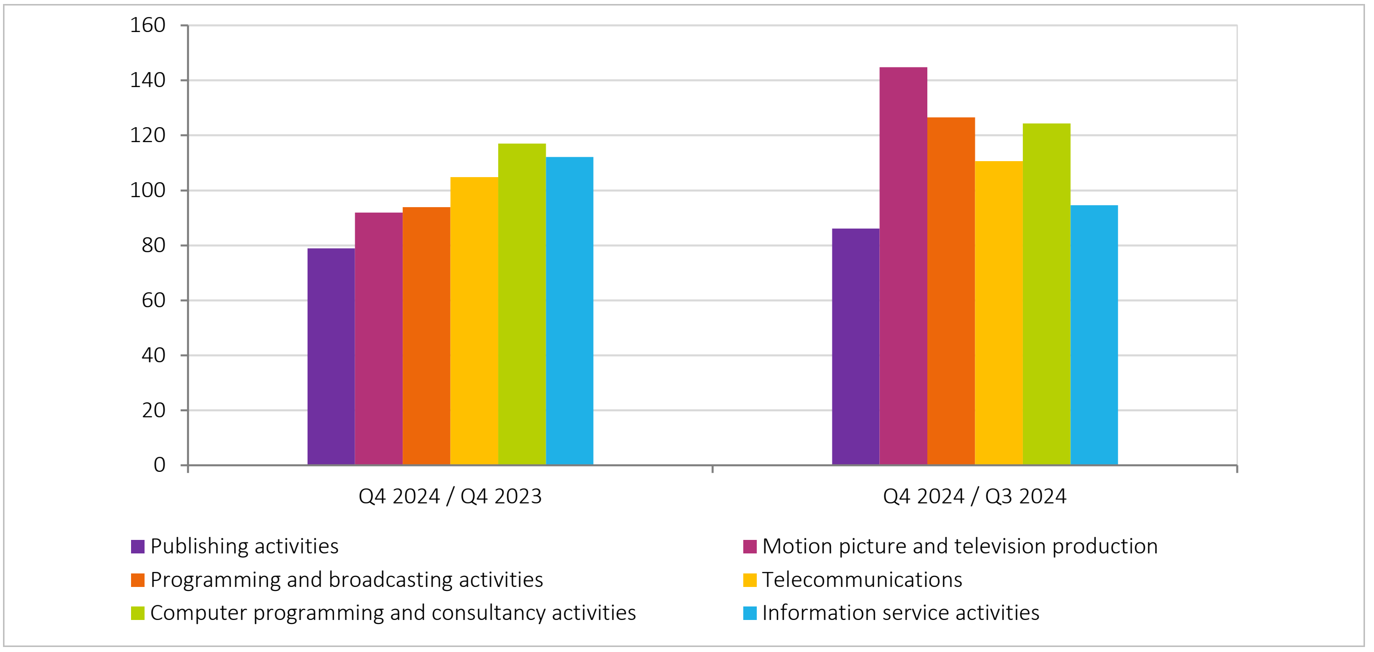
The section Information and communication includes the production and distribution of information and cultural content, activities providing telecommunication and related services, as well as information technologies and data processing activities, and other information service activities. This is one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

In 2024, compared with 2023, the turnover of the section Information and communication increased by 11.2%.

In the fourth quarter of 2024, there was a growth of business operations in the section Information and communication of 8.9%, compared with the same quarter of 2023. The division J62 – Computer programming and consultancy activities saw the largest growth (17.0%). Noticeable decrease was recorded in business operations in the division J58 – Publishing activities (-21.1%), and also in the divisions J59 – Motion picture, video and television programme production (-8.1%), and in the division J60 – Programming and broadcasting activities (-6.1%).

Compared with the previous quarter, the turnover in the section Information and communication recorded a growth of 17.8%. The largest growth of the turnover was realised in J59 – Motion picture, video and television programme production (+44.8%) and J60 – Programming and broadcasting activities (+26.6%). Business operations fell in the divisions J58 – Publishing activities and J63 – Information service activities, -13.9% and -5.4%, respectively.

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

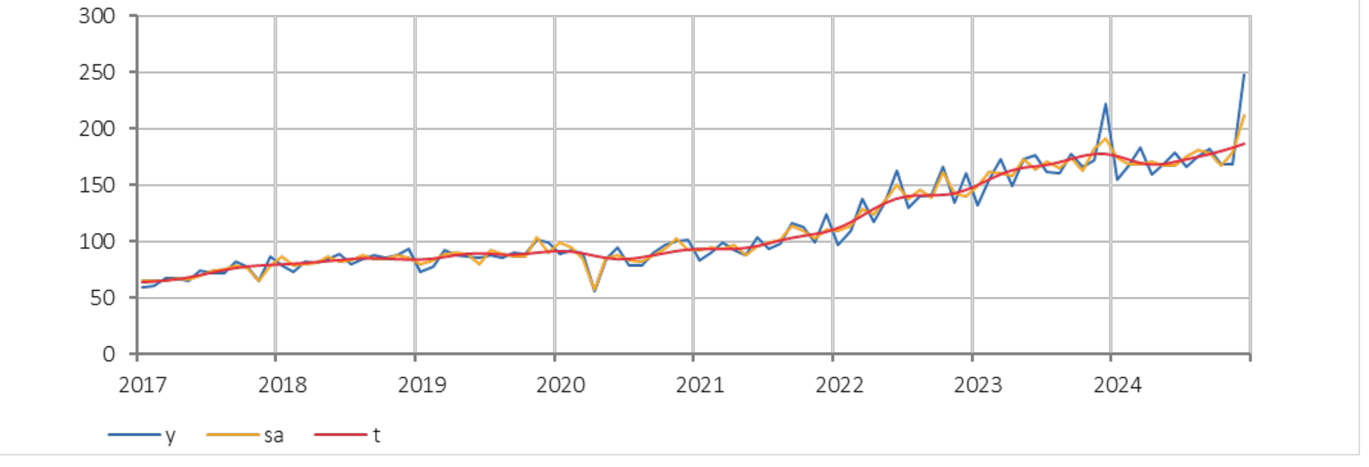


14.6. REAL ESTATE ACTIVITIES (section L)

(share of 3.9% in the total turnover of business services in the fourth quarter of 2024)

The crisis caused by the COVID-19 pandemic had a negative impact on the development of business operation in the section Real estate activities. The index of Real estate activities saw a decline of 40% from February to April 2020. Except of the initial economic shock, the turnover generated in this section has returned very quickly to the level that preceded the pandemic and has been recording an intensive upward trend ever since.

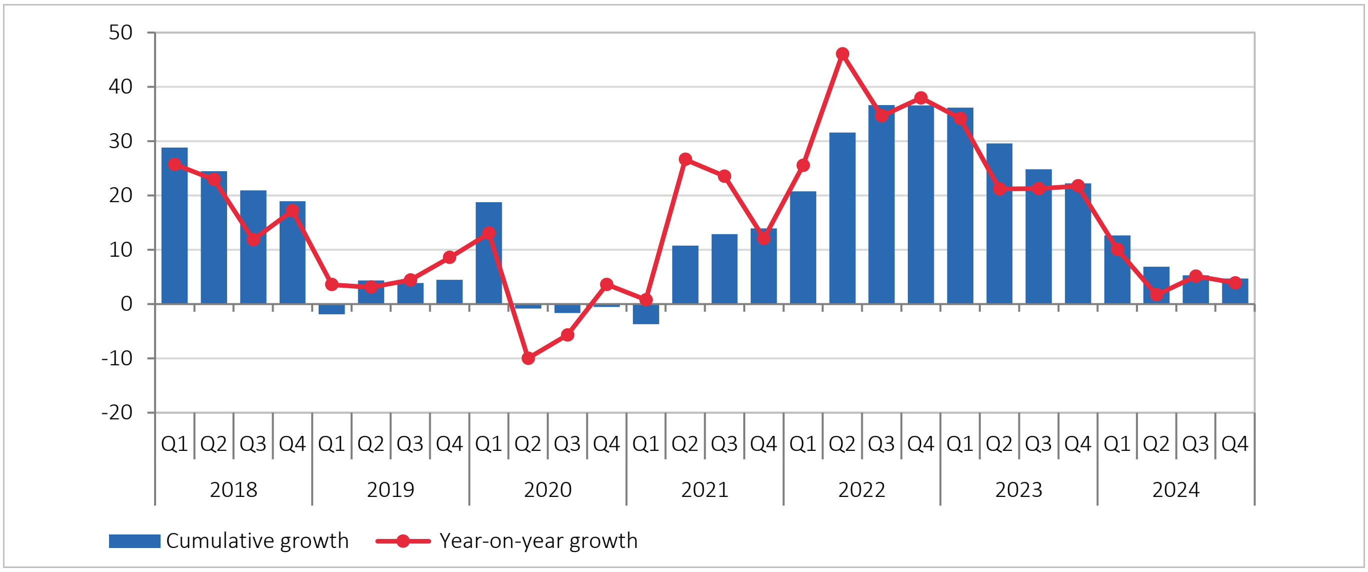
Chart 14.8. Component of the time series of the section Real estate activities
(y – original series, sa – series with excluded seasonal component, t – trend-cycle component, average 2021 = 100)



Over the period January-December 2024, compared with the same period of 2023, the turnover in the section Real estate activities increased by 5.1%.

The realised turnover in the section Real estate activities in the fourth quarter of 2024, compared with the same quarter of 2023, increased by 4.7%, while when compared with the previous quarter it saw a growth of 11.6%.

Chart 14.9. 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)

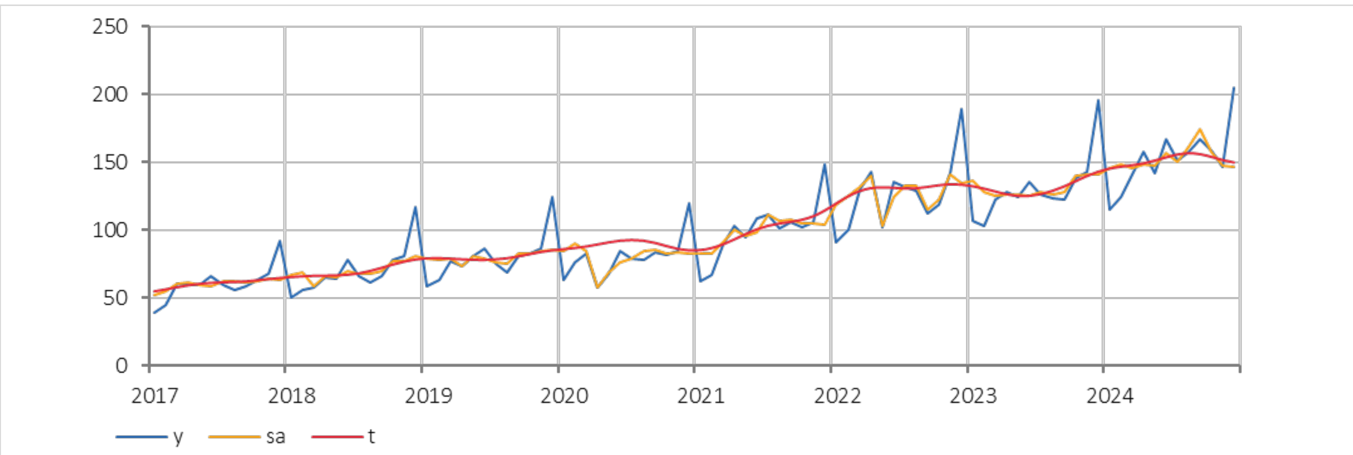


14.7. PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES (section M)

(share of 17.8% in the total turnover of business services in the fourth 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. Components of the time series of the turnover in section Professional, scientific and technical activities (y – original series, sa – series with seasonal component excluded, t – trend-cycle component, average 2021 = 100)



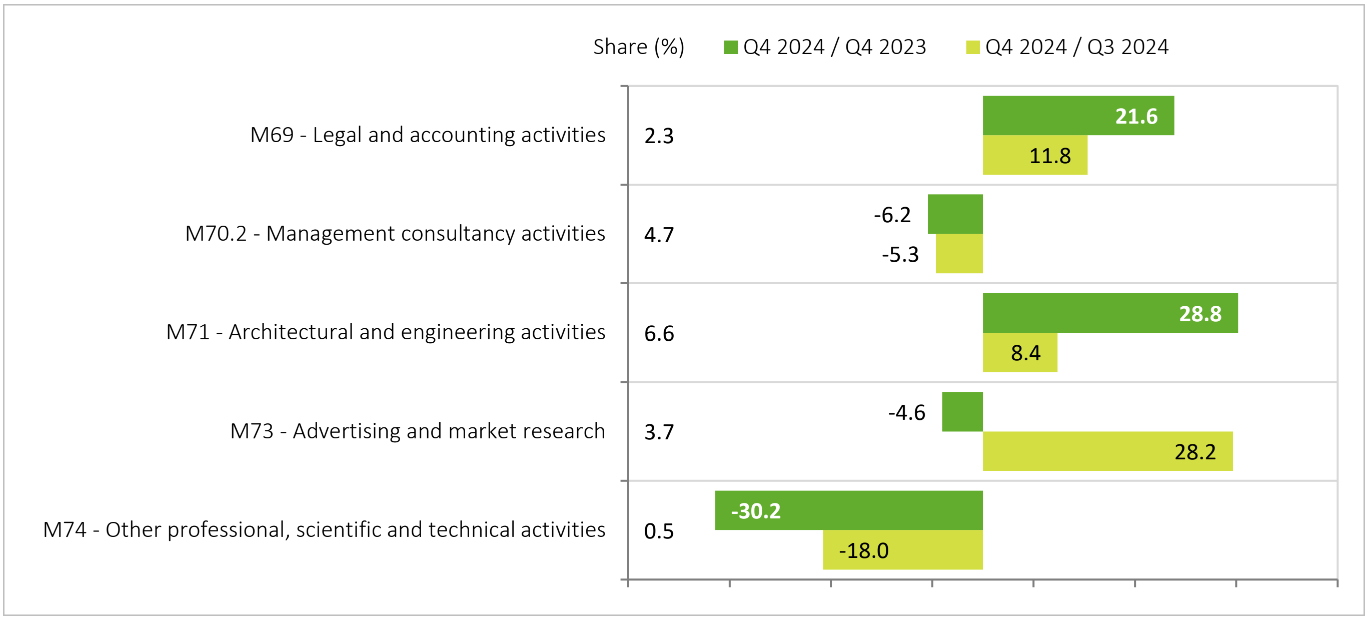
The section Professional, scientific and technical activities includes specialised professional, scientific and technical activities, which require a high degree of training and make specialised knowledge and skills available to users. The crisis caused by the COVID-19 pandemic had a negative impact on the development of business operations in this section – a decrease of 24% in the

[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 of the European Parliament and of the Council and Commission Implementing Regulation 2020/1197 laying down technical specifications and arrangements pursuant to the mentioned EBS Regulation (General Implementing Act).

generated turnover was recorded from February to April 2020. Business operations in these activities returned very quickly, after the initial economic shock, to the level that preceded the pandemic and has been recording an intensive upward trend ever since.

In 2024, compared with the turnover of the previous year, the turnover in the section Professional, scientific and technical activities increased by 16.6%.

Chart 14.11. 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 fourth quarter of 2024.

The section Professional, scientific and technical activities recorded a 7.1% of growth of turnover was in the fourth quarter of 2024, compared with the turnover of the same quarter of the previous year. A growth was also recorded (+ 7.2%), when compared with the previous quarter.

Observed by main aggregates of CA (2010), in the fourth quarter of 2024, compared with the same quarter of 2023, growth was recorded in the divisions M71 – Architectural and engineering activities (+28.8%) and M79 – Legal and accounting activities (21.6%). The largest fall of 30.2% was noted in the division M74 – Other professional, scientific and technical activities.

On the other hand, when compared to the third quarter of 2024, turnover in the fourth quarter grew in the divisions M73 – Advertising and market research (+28.2%), M69 – Legal and accounting activities (11.8%), and M71 – Architectural and engineering activities (8.4%). In other aggregates of CA (2010) the turnover of this section realised in the fourth quarter of 2024 saw a fall compared with the previous quarter.

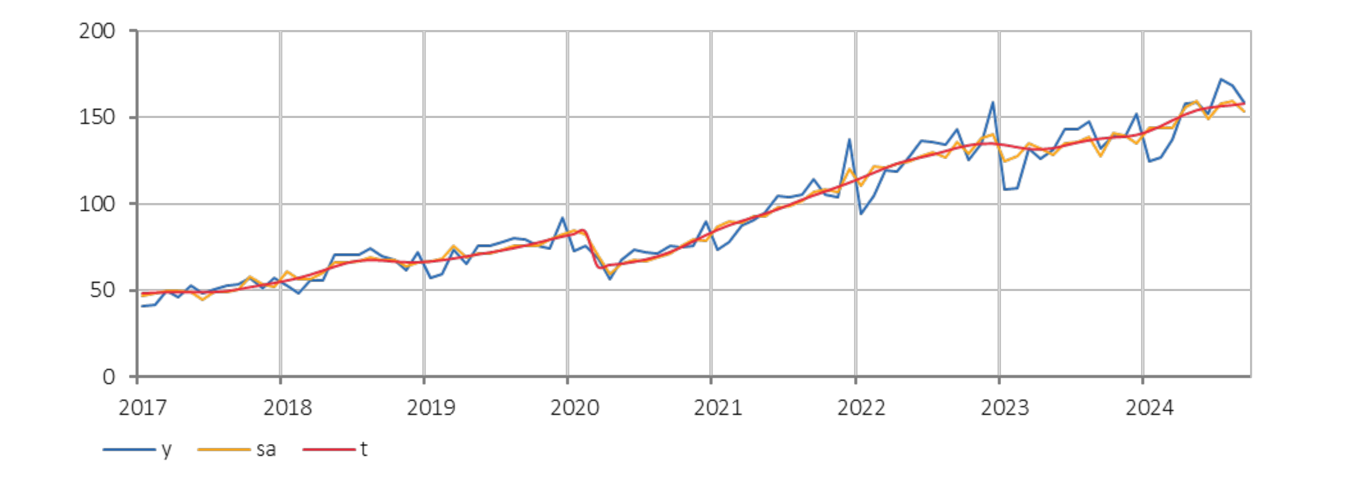
14.8. ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES (section N)

(share of 11.0% in the total turnover of business services in the fourth quarter of 2024)

The activities of the section N – Administrative and support service activities were also affected by the COVID-19 pandemic. The economic impact of the pandemic and the state of emergency introduced in mid-March 2020 was extremely negative – the turnover in Aprila 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, the positive trend continued ever since.

Over the period January-December 2024, compared with the same period 2023, the turnover in the section Administrative and support service activities increased by 16.4%.

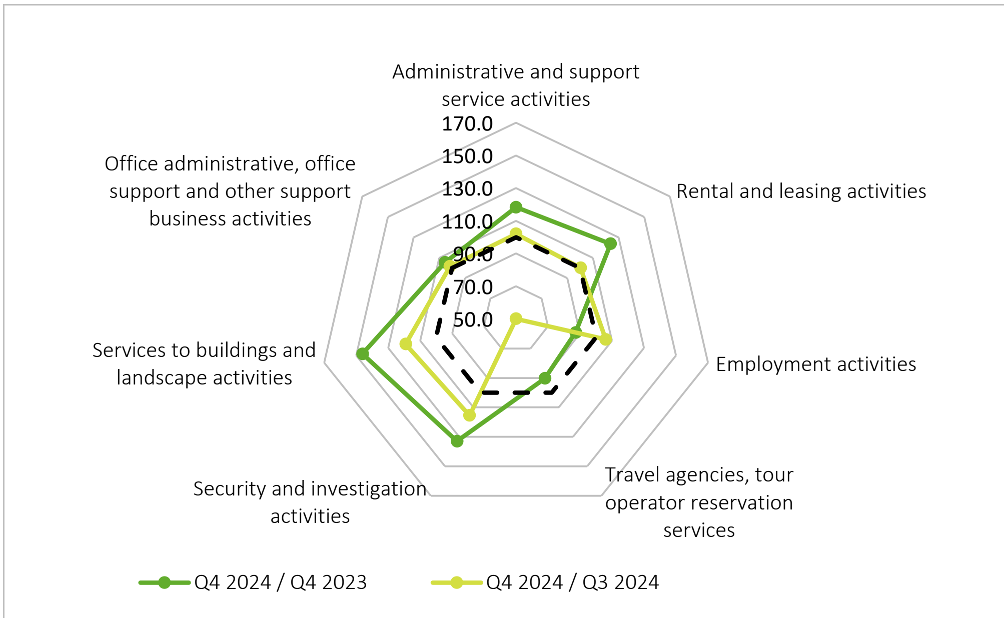
Chart 14.12. Components of the time series of the turnover in section Administrative and support activities (y – original series, sa – series with excluded seasonal component, t – trend-cycle component; average 2021 = 100)



In the fourth quarter of 2024, when compared with the same quarter of the previous year, the turnover in the section Administrative and support service activities recorded a growth of 18.3%. The divisions recording major positive results in the fourth quarter of 2024, compared with the same quarter of 2023 are: N81 – Services to buildings and landscape activities (46.1%, the share in the section N was 17.7%) and N80 – Security and investigation activities (32.9%, the share in this section was 28.4%). Fall was recorded in the divisions N78 – Employment activities, and N79 – Travel agency, tour operator reservation services, 12.8% and 9.6%, respectively.

The turnover in the section Administrative and support service activities in the fourth quarter of 2024 increased by 2.0% compared with the turnover from the previous quarter. In the fourth quarter of 2024, compared with the previous quarter and looking at the divisions, the largest growth was recorded in the division N81 – Services to buildings and landscape activities (19.0%) and the smallest in N77 – Rental and leasing activities (0.2%). A fall of 50.1% was recorded in the divisions N79 – Travel agency, tour operator reservation service, accounting for 5.5% total turnover in section N.

Chart 14.13. Indices of the turnover in 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.

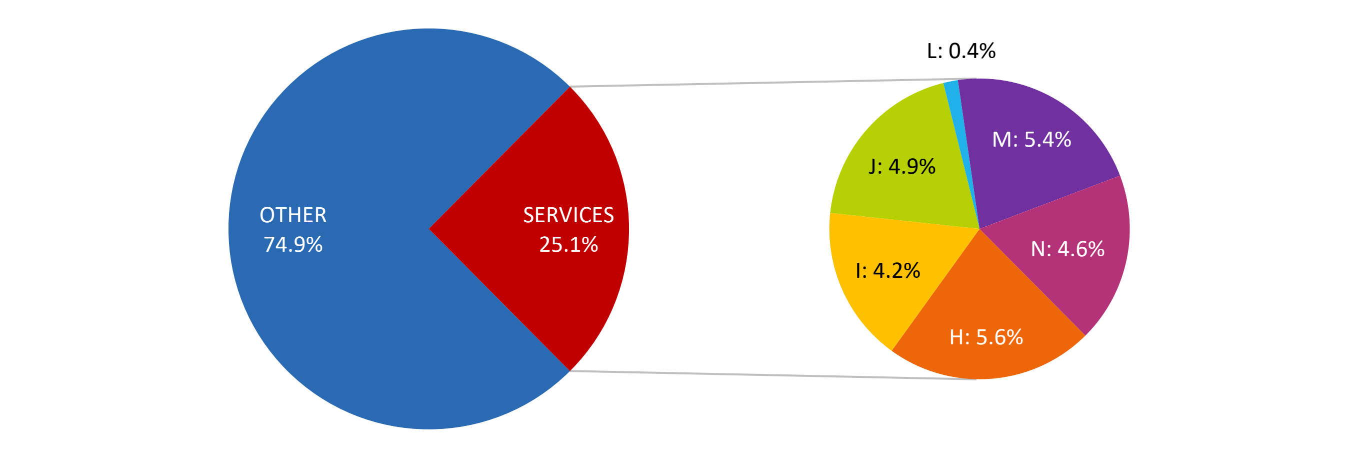
The values outside the yellow heptagon represent positive growth rates.

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

14.9. NUMBER OF EMPLOYED PERSONS[21] IN BUSINESS SERVICES

In the fourth quarter of 2024, more than 585 thousand persons were employed in business service activities in the Republic of Serbia. In other words, every fourth registered employed person (in 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 that fall in the coverage of business services, except the section L – Real estate activities which have 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 125 thousand workers, and in the section I – Accommodation and food service activities there are more than 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.

[21] According to the official statistics *registered employment* in legal entities, persons performing independently an activity, 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.

In order 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 traffic expressed in passenger and ton kilometres is weighted differently, depending on the applied technological and economic criteria.

Quarterly index of physical traffic volume recorded a growth of 2.5% in the fourth quarter of 2024 compared to the same quarter of the previous year, and a fall of 23.0% compared to the previous quarter.

In the period January-December 2024, index of physical traffic volume is higher by 5.7% compared to the same period in 2023.

Table 15.1. Physical volume indices

	Q4 2024 / Q4 2023	Q4 2024 / Q3 2024	Q4 2024 / Ø 2023
TRANSPORT – TOTAL[1]	**102.5**	**77.0**	**100.1**
Railway transport[1]	106.7	112.3	107.1
Road transport [1]	101.9	98.2	103.4
Public transport [1]	98.7	104.9	104.1
Pipeline transport[1]	102.1	114.0	115.0
Inland waterway transport[1]	131.8	147.5	110.3
Air transport[1]	103.2	63.4	96.8
Passenger transport[1]	102.7	70.1	98.9
Freight transport[1]	102.3	101.6	103.4
Post activities[2]	**86.8**	**104.2**	**92.5**
Telecommunications[2]	**101.8**	**107.6**	**105.0**

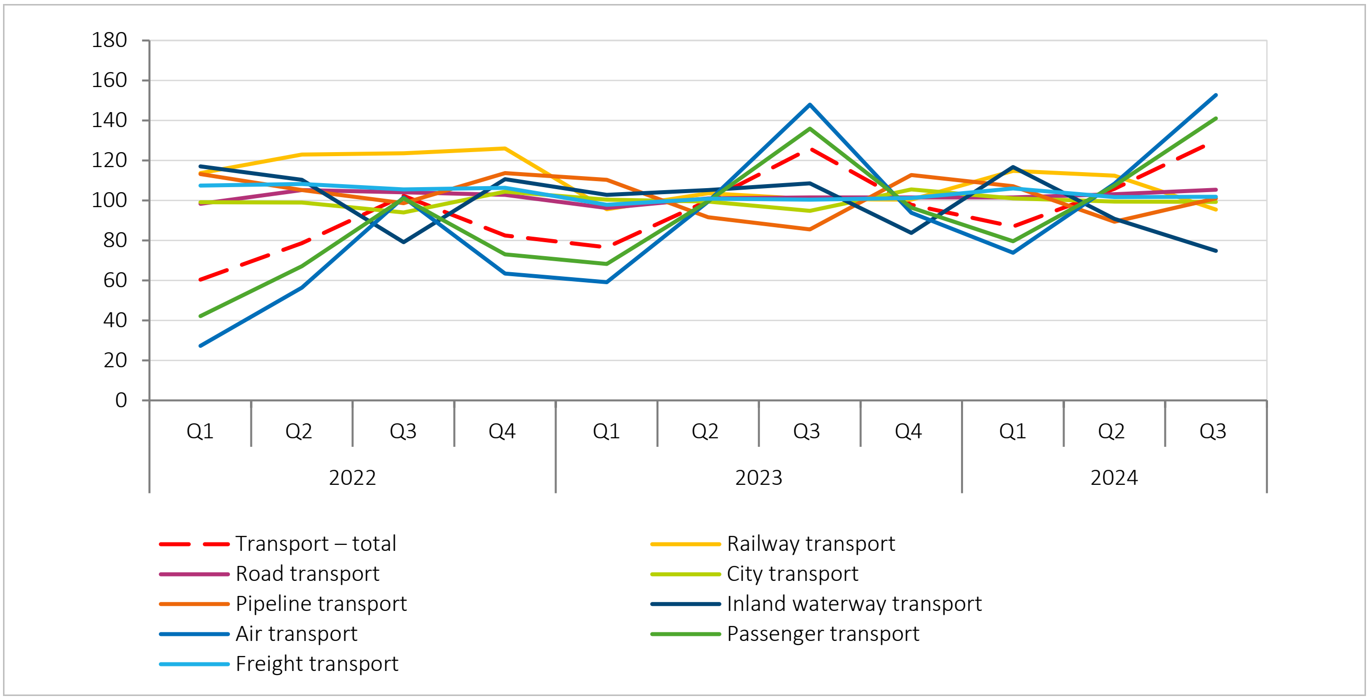
[1] Indices are calculated on the basis of weighted passenger and ton kilometres.
[2] Indices are calculated on the basis of weighted postal and telecommunication services.

In the fourth 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 2.7% and 2.3%, respectively. In the same observed period, the index of physical volume of postal activities recorded fall of 13.2% and telecommunications services index recorded an increase of 1.8%.

When the fourth quarter of 2024 is compared with the previous quarter, it can be seen that index of physical volume in passenger transport recorded decrease of 29.9% and in freight transport increase of 1.6%. In the same observed period, indices of physical volume of post activities and telecommunication services recorded growth of 4.2% and 7.6%, respectively.

In the period January-December 2024, compared to the same period in 2023, index of physical volume of postal activities is lower by 5.8% and of telecommunication services is higher by 0.3%. In the same observed period, indices of physical volume of passenger and freight transport recorded growth of 6.7% and 3.2%, respectively.

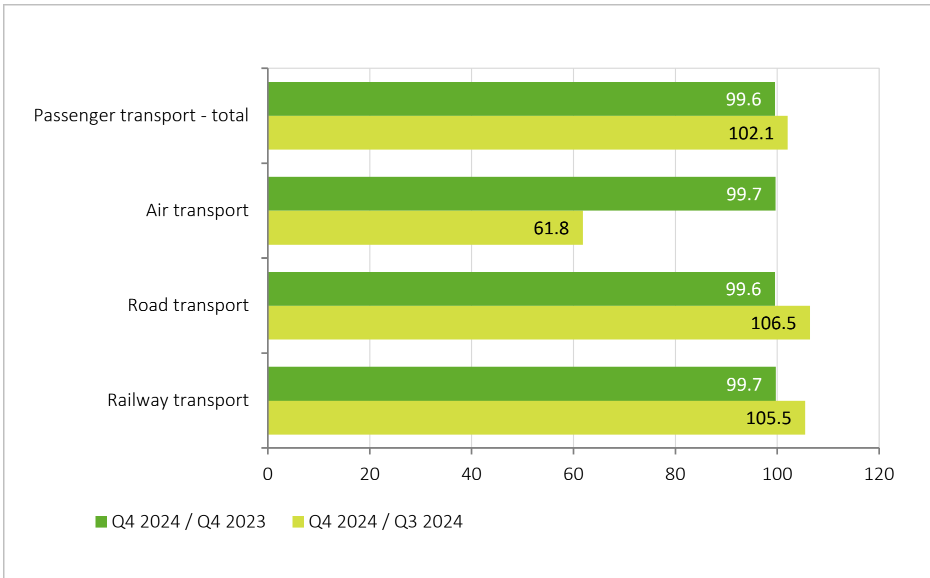
Chart 15.1. Quarterly index of physical traffic volume, 2023=100



15.1. PASSENGER TRANSPORT

In the period January-December 2024, the total number of transported passengers is by 2.9% higher compared to the same period in 2023. In the same observed period, all transport branches recorded increase in the number of transported passengers. The highest growth was recorded in railway transport (11.5%).

Chart 15.2. Transported passengers by branches of traffic, indices

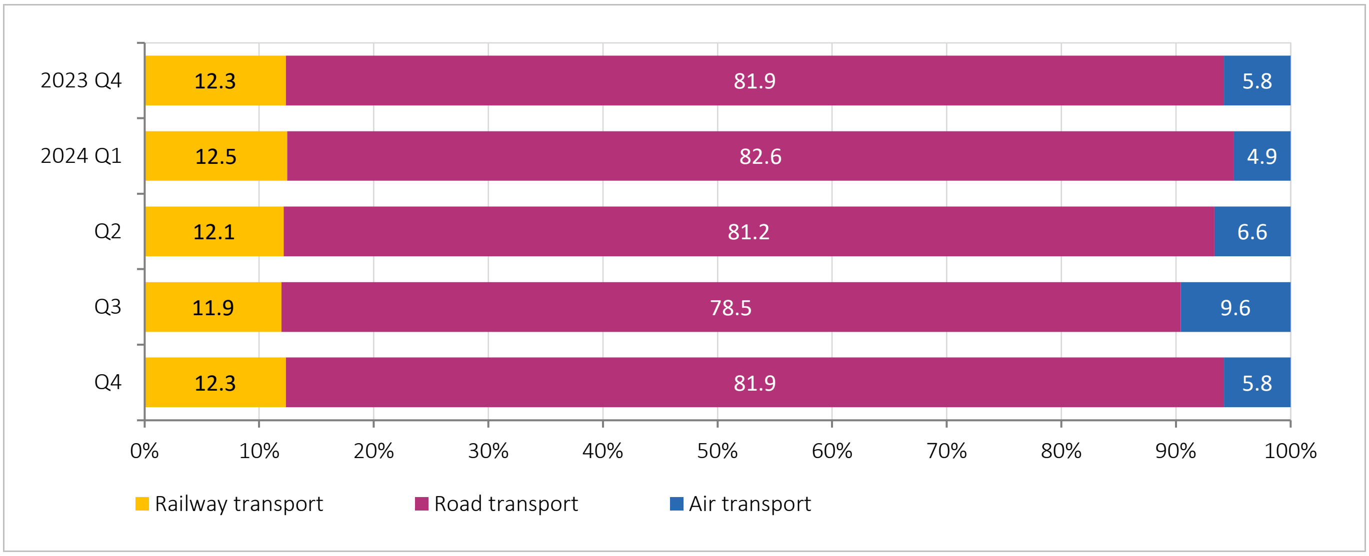


Total number of transported passengers in the fourth quarter of 2024, compared to the same quarter of the previous year, achieves a fall of 0.4%, and compared to the previous quarter, a growth of 2.1%.

Observed by transport branches and the number of transported passengers, **in the fourth quarter of 2024, compared to the same quarter of the previous year**, all transport branches recorded fall. The highest fall was achieved in road transport (0.4%). **Compared to the previous quarter**, growth was recorded in road transport (6.5%) and railway transport (5.5%), while fall was noted in air transport (38.2%).

Observed by transport branches, in the fourth quarter of 2024, the largest number of passengers (81.9%) was transported by road, and only 5.8% by air transport.

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



In the period January-December 2024, compared to the same period in 2023, a growth in the number of passenger kilometres was realized, by 6.9%. In the same observed period, the highest growth was recorded in railway transport (10.8%), and the lowest in road transport (5.7%).

In the fourth quarter of 2024, compared to the same quarter of the previous year, railway transport recorded decrease in the number of passenger kilometres (3.4%). The growth was recorded in road (4.2%), and air (3.2%) transport.

Compared to the previous quarter, all transport branches recorded decrease in the number of passenger kilometres. The smallest decrease was recorded in road (1.1%), and the highest in air (37.0%) transport.

Table 15.2. Passenger kilometres, indices

	Q4 2024 / Q4 2023	Q4 2024 / Q3 2024
Passenger kilometres - total	**103.3**	**78.2**
Railway transport	96.6	95.3
Road transport	104.2	98.9
Air transport	103.2	63.0

In the period January-December 2024, compared to the same period 2023, total number of passenger motor vehicles and passengers that entered the Republic of Serbia increased by 5.1%, that is 4.3%, respectively. In the same observed period, the exit of passenger motor vehicles and passengers from the Republic of Serbia increased by 2.6%, i.e. 3.4%.

Total number of passenger motor vehicles and passengers that entered the Republic of Serbia in the fourth quarter of 2024 decreased by 12.0%, while **total number of passengers** increased by 12.7%, 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 increased by 8.6% and 10.7%, respectively.

In the fourth quarter of 2024, compared to the previous period, total number of passenger motor vehicles and passengers that entered the Republic of Serbia decreased by 34.9% and 43.1%, respectively. In the same observed period, the exit of passenger motor vehicles and passengers from the Republic of Serbia decreased by 40.3% and 48.1%, respectively.

The countries with the most frequent registration of passenger motor vehicles entering and leaving the Republic of Serbia belong to the following countries: Germany, Hungary, Austria, Romania, Bosnia and Herzegovina and North Macedonia.

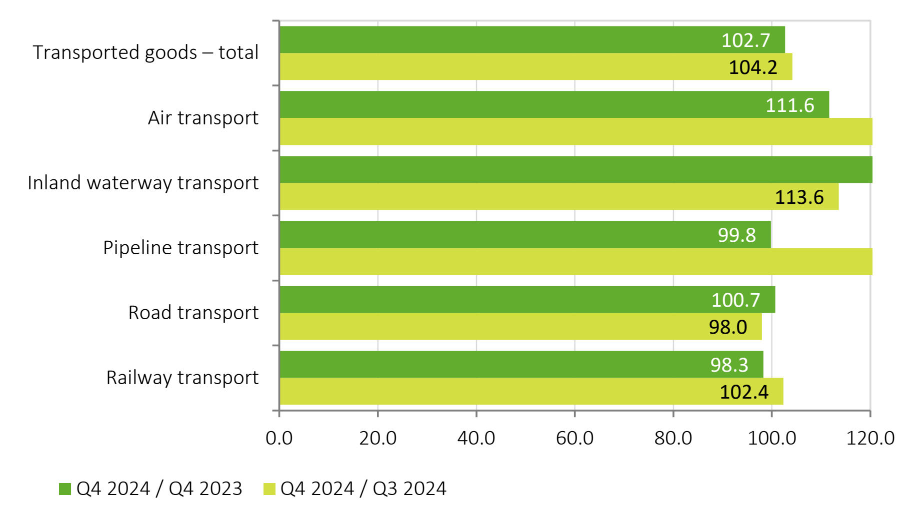
Table 15.3. The most frequent registrations of passenger motor vehicles on entering the Republic of Serbia and exiting the Republic of Serbia in the fourth quarter 2024

Entry		Exit	
Foreign registration	number of passenger motor vehicles, thousand	Foreign registration	number of passenger motor vehicles, thousand
Romania	66.7	Germany	61.2
Germany	63.4	Hungary	43.2
Hungary	48.9	Austria	37.1
Austria	42.6	Bosnia and Herzegovina	36.4
Bosnia and Herzegovina	35.0	North Macedonia	32.2

15.2. FREIGHT TRENSPORT

In the period January-December 2024, total quantity of transported goods is by 2.7% higher compared to the same period in 2023. In the same observed period, the increase in the amount of transported goods was recorded in air transport (25.0%), while the decrease was recorded only in Inland waterway transport (2.7%).

Chart 15.4. Transported goods by transport branches, indices

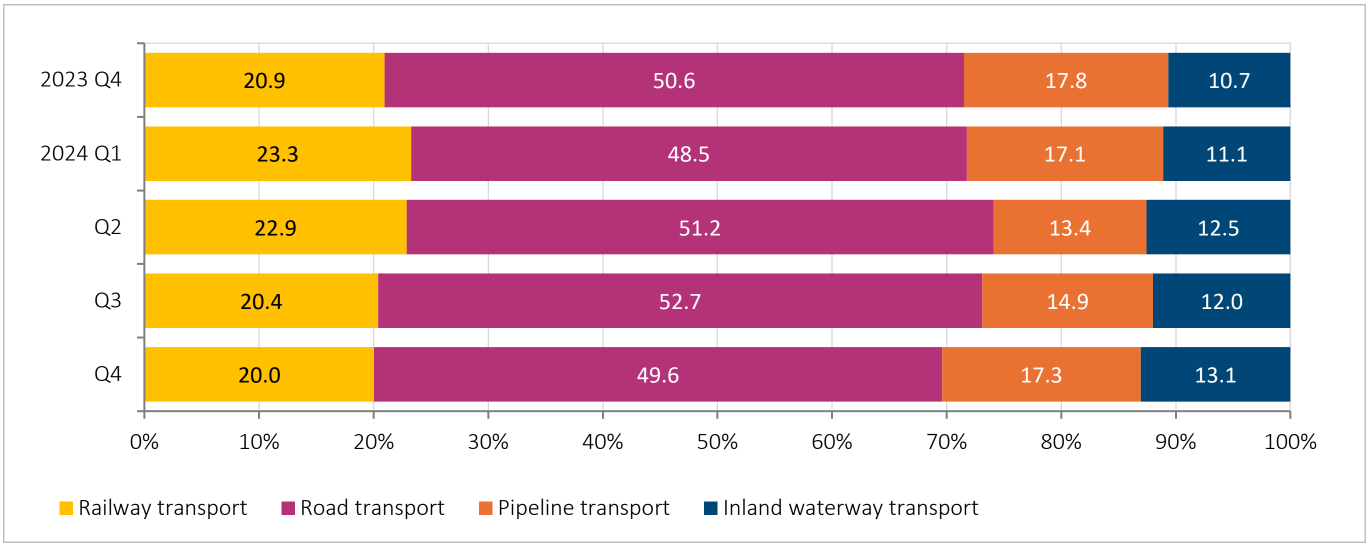


The total amount of transported goods in the fourth quarter of 2024, compared to the same quarter of the previous year, achieves a growth of 2.7%, and compared to the previous quarter, a growth of 4.2%.

Observed by transport branches and in the amount of transported goods, **in the fourth quarter of 2024, compared to the same quarter of the previous year,** the decrease was noted in pipeline (0.2%) and railway (1.7%) transport. The greatest increase was realized in inland waterway transport (25.8%). **Compared to the previous quarter**, the decrease was recorded only in road transport (2.0%). The smallest growth was noted in railway transport (2.4%).

Total amount of transported goods in the fourth quarter of 2024, observed by the transport branches is distributed as follows: 49.6% of goods were transported by road, 20.0% by rail, 17.3% by pipeline transport, and 13.1% 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-December 2024, compared to the same period in 2023, there was a growth in the number of ton kilometres, by 2.7%. For the same observed period, air transport recorded the highest growth (27.8%), while the fall was noted only in inland waterway transport (1.8%).

In the fourth quarter of 2024, compared to the same quarter of the previous year, inland waterways transport recorded the largest increase in the number of ton kilometres (31.8%), while the smallest growth was recorded in air transport (0.6%).

On the other hand, in the fourth quarter of 2024, compared to the previous quarter, decrease was recorded only in road transport (2.1%). The greatest increase was recorded in inland waterway transport (47.5%).

Table 15.4. Ton kilometres, indices

	Q4 2024 / Q4 2023	Q4 2024 / Q3 2024
Ton kilometres – total	**105.2**	**106.0**
Railway transport	109.4	117.4
Road transport	101.0	97.9
Pipeline transport	102.1	113.9
Inland waterway transport	131.8	147.5
Air transport	100.6	134.8

Total amount of cargo handling the fourth quarter of 2024 was reduced by 21.7% 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	Q3	Q4
Handled tons	82.0	111.0	79.4	112.5	95.8	74.5	112.2	92.6	84.4	89.4	84.5	78.3

15.3. POST ACTIVITIES AND TELECOMMUNICATIONS

In the period January-December 2024, package and express shipments recorded a growth of 5.8% and 12.2%, respectively, and letter shipments and payment services decreased by 8.2% and 4.8%, respectively, in relation to the same period 2023.

In the fourth quarter of 2024, compared to the same quarter of the previous year, express shipments recorded a growth of 19.5%. For the same observed period, payment services, letter and parcel shipments recorded a decrease of 2.4%, 19.4% and 28.0%, respectively.

Package service has experienced exponential growth during the coronavirus pandemic years (2020-2021), and from 2020 to mid-2024 it dominated postal activities. In the last two quarters, the package delivery service has seen a significant decline, while the express delivery service has taken over the lead in postal 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	Q3	Q4
Letter shipments	116.4	89.2	87.1	89.2	74.4	91.4	92.6	106.9	87.9	103.8	96.0	80.6
Package shipments	158.7	115.4	155.6	222.2	190.2	156.4	195.5	119.5	120.7	155.4	81.7	72.0
Express shipments	99.1	102.3	100.4	93.9	98.9	96.0	102.0	105.3	104.2	106.4	117.6	119.5
Payment service	97.1	88.9	93.4	89.0	95.3	95.5	95.6	94.0	95.3	93.8	94.3	97.6

In the period January-December 2024, a decrease of 24.1% was recorded in the number of minutes in fixed network, an increase of 0.3% in the number of outgoing calls' minutes and a decrease of 17.4% in the number of short messages sending (SMS), 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 fourth quarter of 2024, compared to the same quarter of the previous year, a decrease of 27.4% was recorded. In the same observed period, a decline was also noticed in mobile network in number of SMS (short messages sent) by 15.6%, while in number of outgoing calls' minutes growth of 1.9% was observed.

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	Q3	Q4
Fixed telephone network, minutes	83.6	82.5	84.7	77.8	78.1	87.3	88.1	92.0	80.0	75.2	75.6	72.6
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	98.3	101.9
Mobile telephone network – SMS	100.9	97.5	90.7	92.1	90.0	88.8	88.4	84.5	82.2	82.4	81.7	84.4

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