



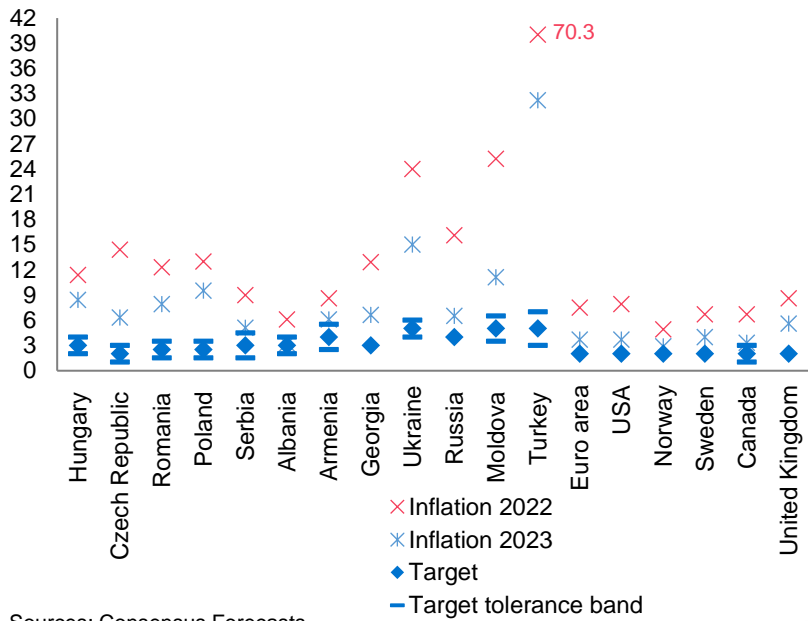
National Bank of Serbia

# **Inflation Report – August 2022**

**Belgrade, 17 August 2022**

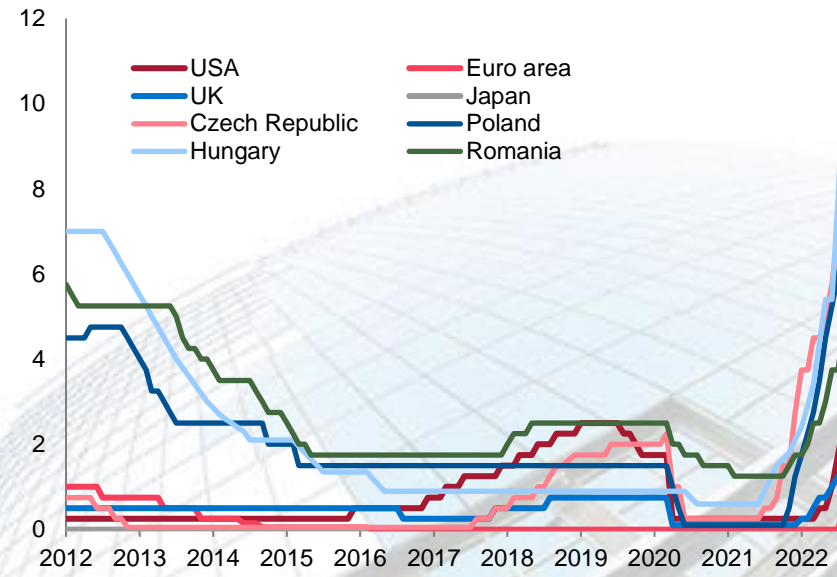
# Inflation growth is the key challenge for central banks of advanced and emerging economies

Chart 1 **Projected average inflation and target by country**  
(in %)



Sources: Consensus Forecasts.

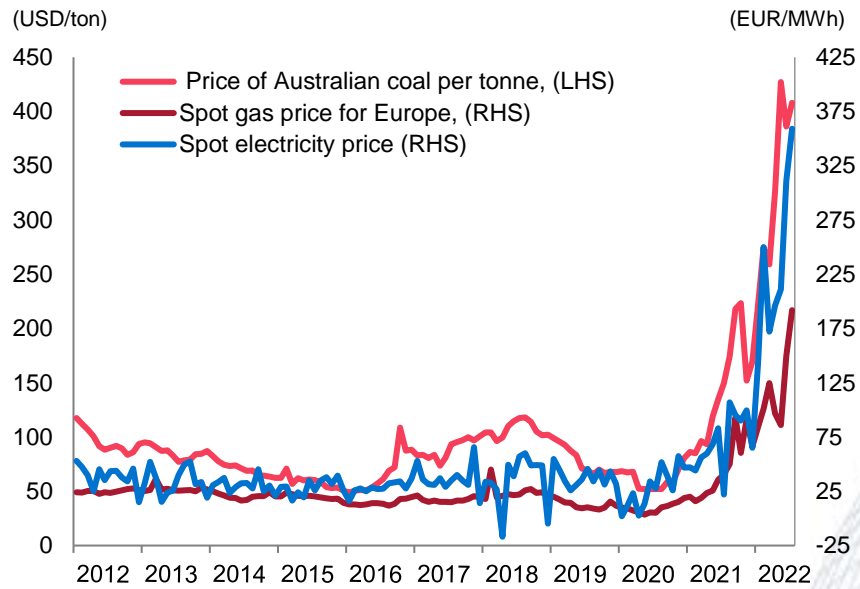
Chart 2 **Policy rates across selected countries**  
(in %)



Sources: Central banks of selected countries.

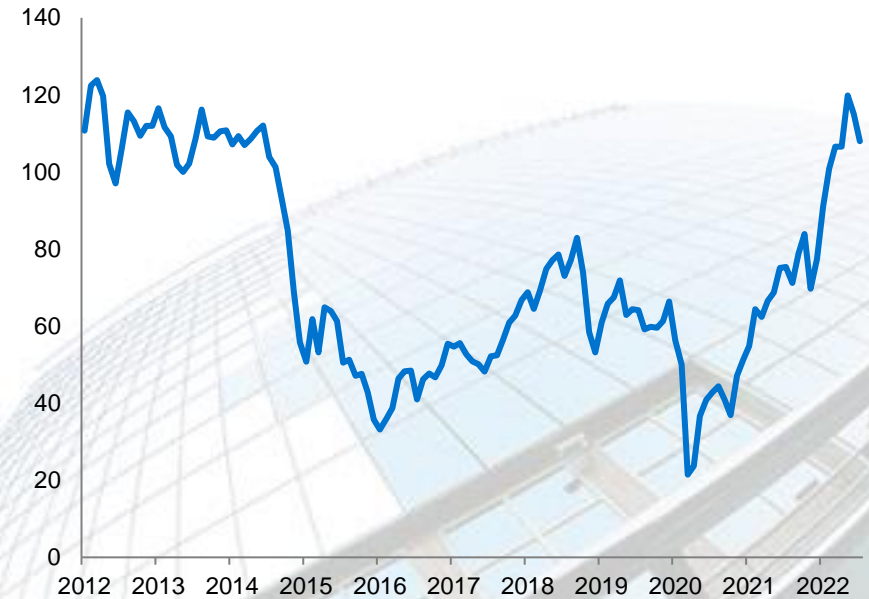
# The magnitude of the current energy crisis unprecedented since the 1970s

**Chart 3 Electricity, natural gas and thermal coal price movements**  
(end-of-month)



Sources: Refinitiv and World Bank.

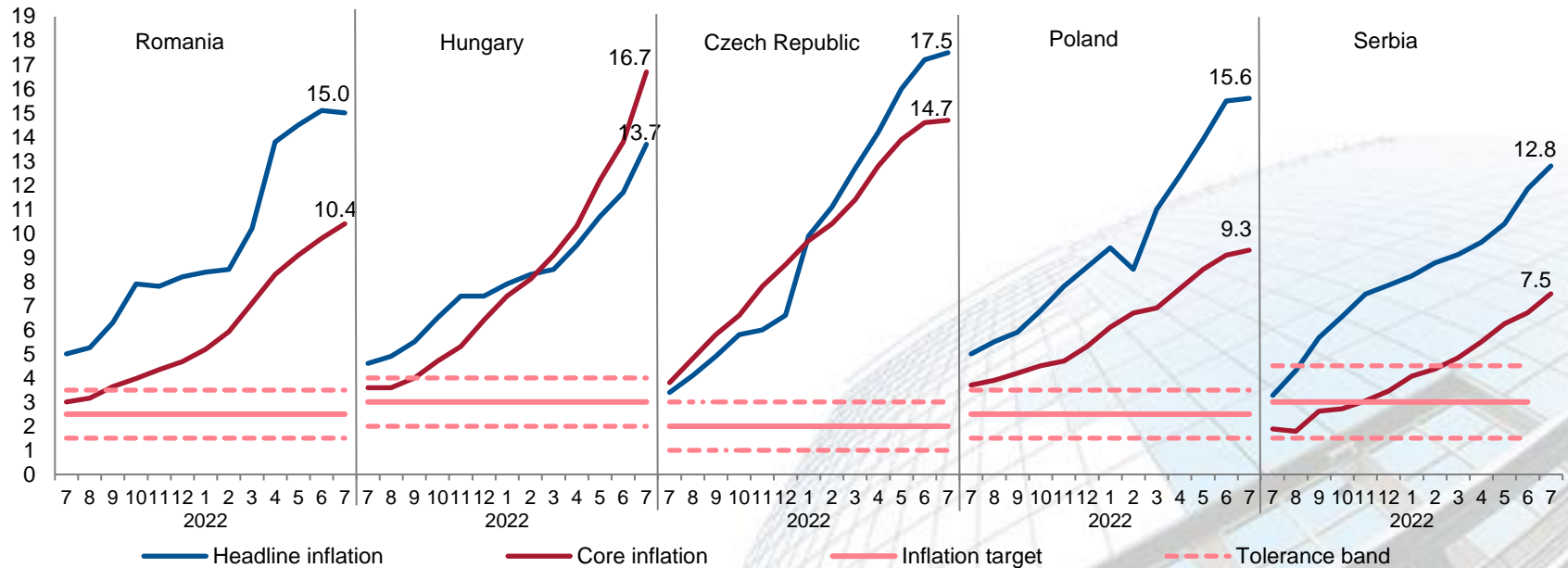
**Chart 4 World oil price movements**  
(end-of-month, in USD)



Sources: Bloomberg.

# Both headline and core inflation in inflation-targeting regional peers are higher than in Serbia

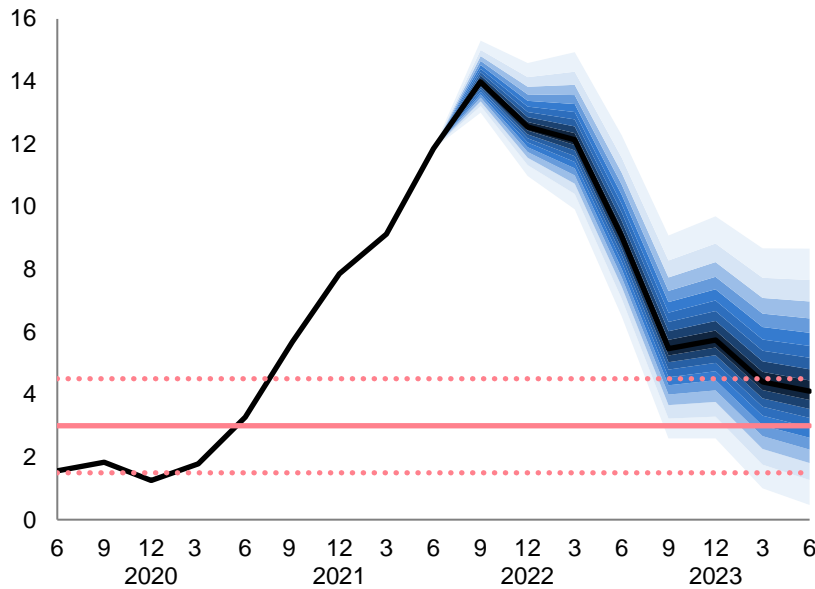
Chart 5 Consumer price index by selected CEE countries  
(y-o-y rates, in %)



Source: central banks.

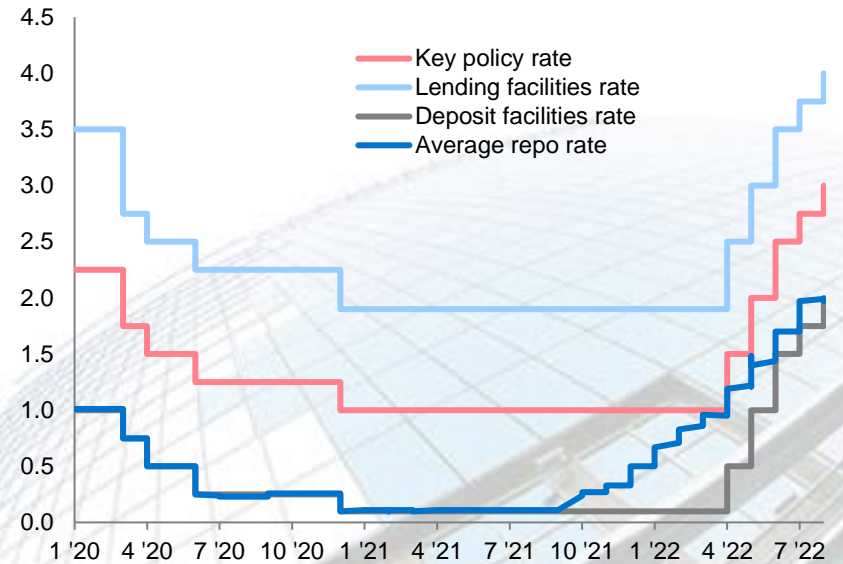
# Inflation will peak in Q3 (most likely in September), and strike a downward path thereafter

**Chart 6 Inflation projection**  
(y-o-y rates, in %)



Source: NBS.

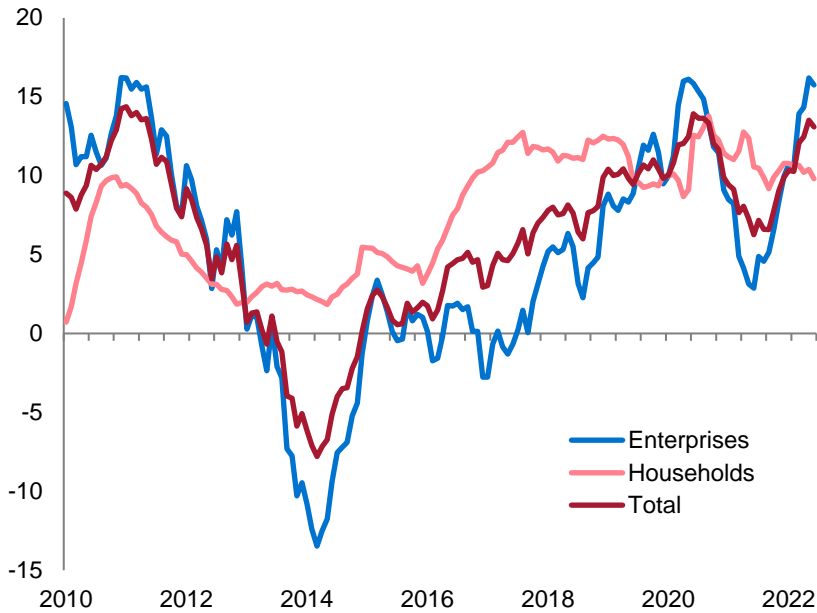
**Chart 7 Movements of key policy rate and average repo rate**  
(daily data, annually, in %)



# Lending remains an important source of financing production, investment and consumption

Chart 8 Lending to non-monetary sector

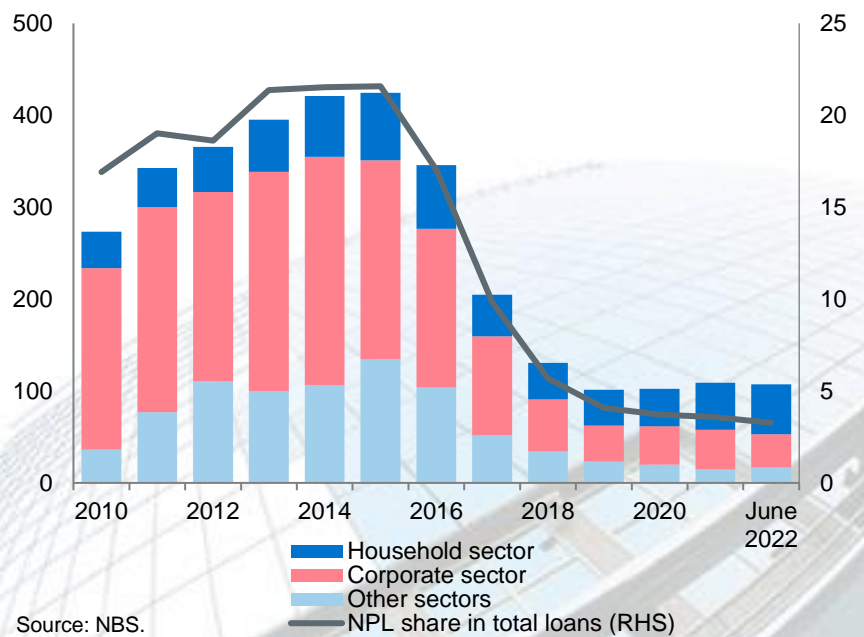
(y-o-y growth rates in %, excluding the exchange rate effect)



Source: NBS.

Chart 9 NPL share in total loans, gross principle

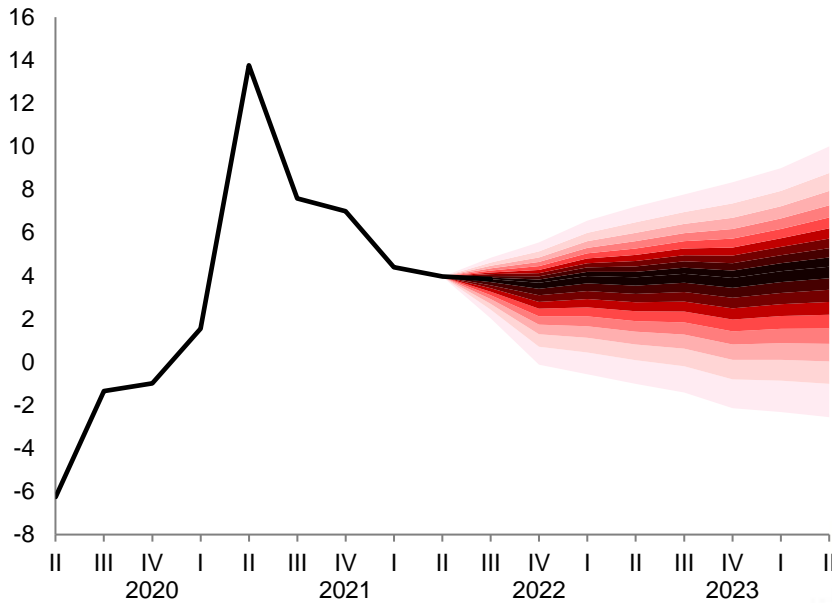
(in RSD bn) (in %)



Source: NBS.

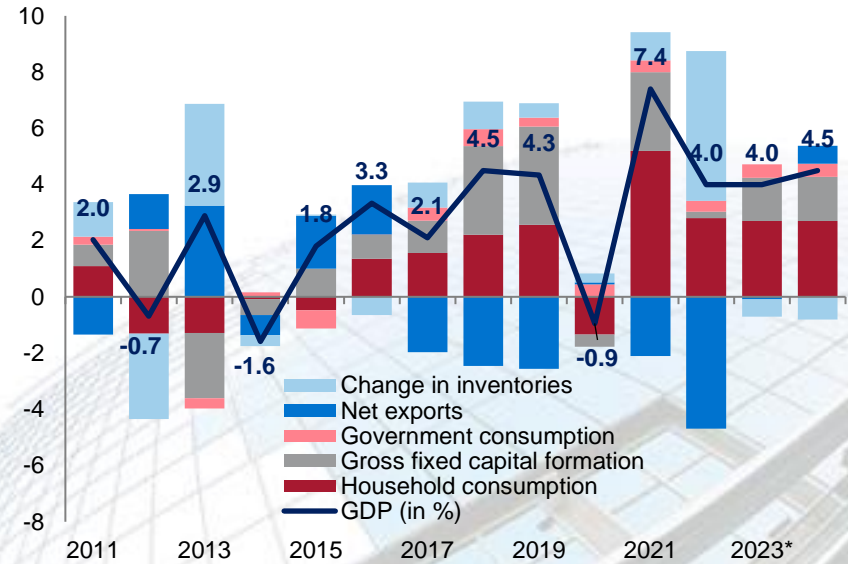
# GDP growth is projected at 3.5–4.5% in 2022 and 2023, and at 4–5% p.a. in the years beyond

Chart 10 **GDP growth projection**  
(y-o-y rates, in %)



Source: NBS.

Chart 11 **Contributions to real GDP growth, expenditure side**  
(in pp)

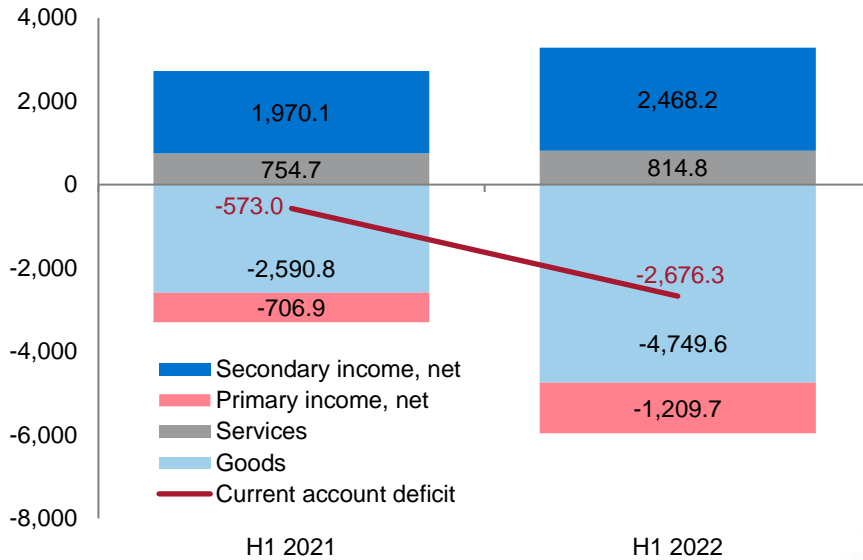


Sources: SORS and NBS.

\* NBS estimate for 2022, 2023 and 2024.

# The entire CAD increase in H1 is due to energy imports; FDI exceeded EUR 2 bn in the first seven months

Chart 12 **Current account structure**  
(in EUR mn)



Sources: NBS.

Chart 13 **Current account and FDI projection**  
(in % of GDP)

