



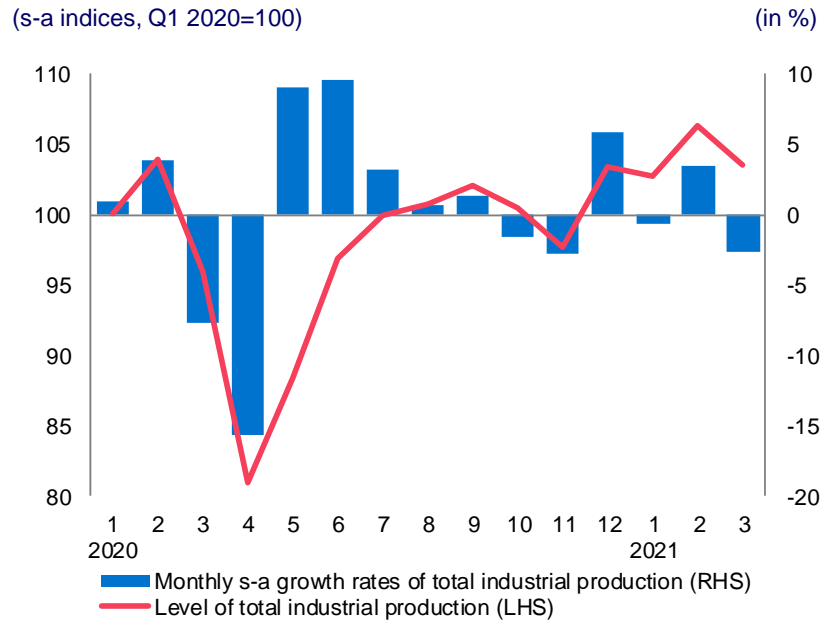
National Bank of Serbia

Inflation Report – May 2021

Belgrade, 19 May 2021

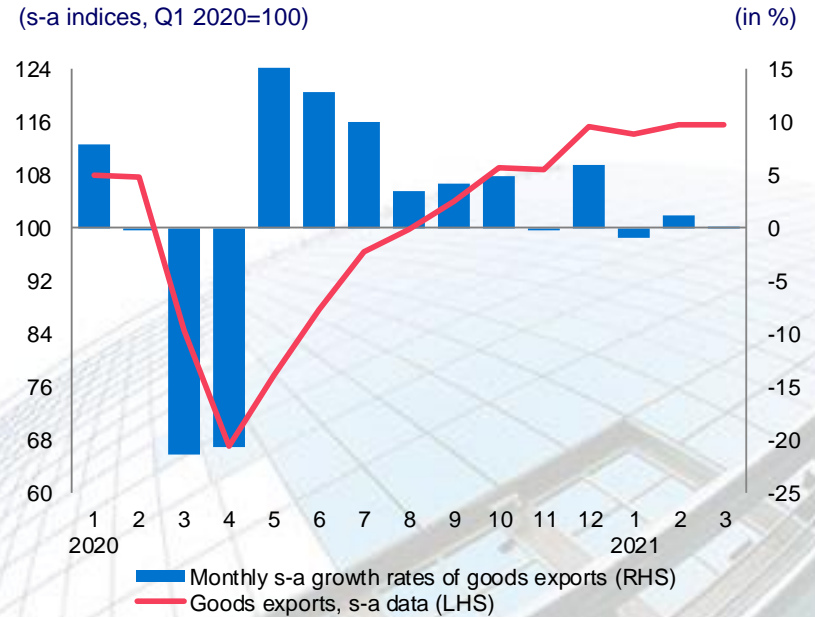
Industrial production and exports reached their pre-crisis levels in mid-2020

Chart 1 **Total industrial production**



Source: NBS.

Chart 2 **Goods exports (f.o.b.)**

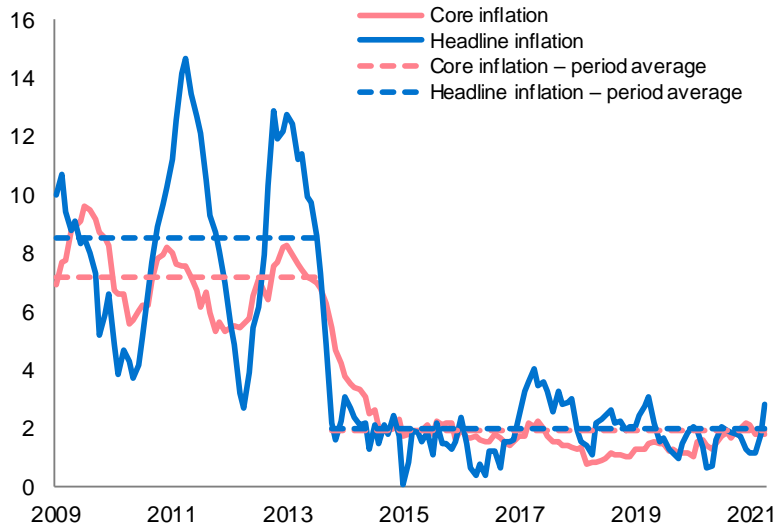


Sources: SORS and NBS.

Inflation will move around the target midpoint over the next twelve months

Chart 3 Headline and core inflation

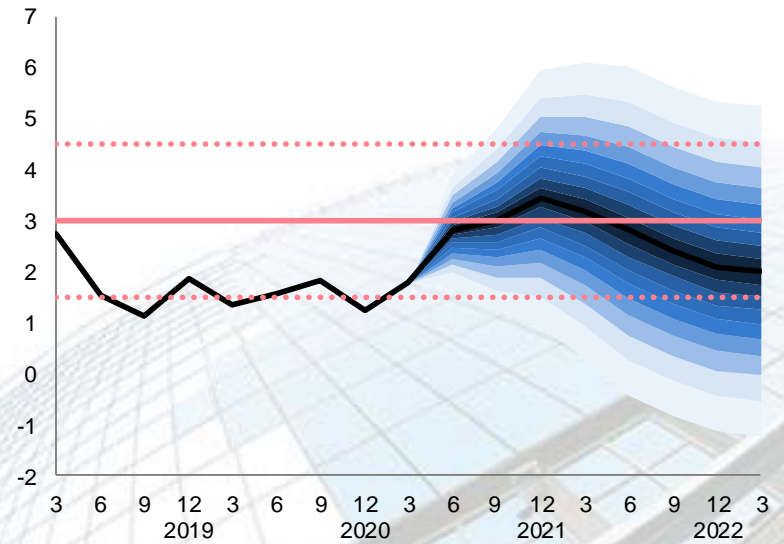
(y-o-y rates, in %)



Sources: SORS and NBS calculation.

Chart 4 Inflation projection

(y-o-y rates, in %)



Source: NBS.



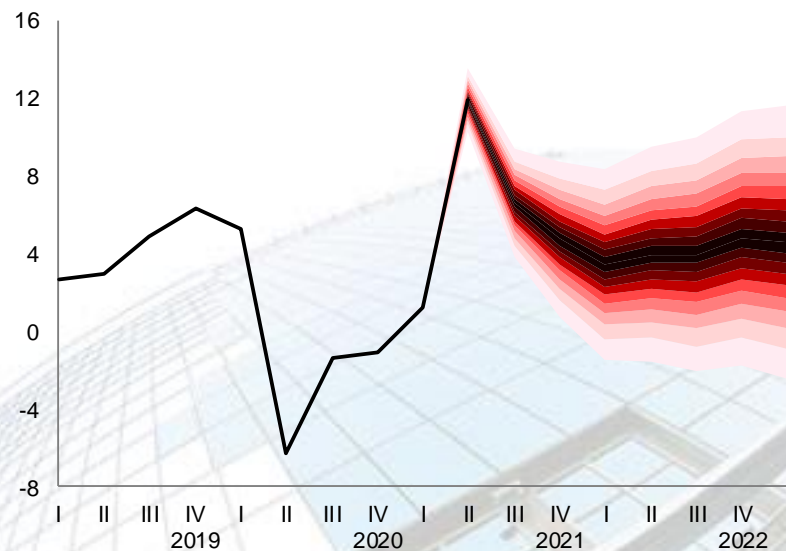
We expect GDP to grow 6% this year

Chart 5 GDP movement (in %)



Sources: SORS and NBS estimate.
* NBS estimate.

Chart 6 GDP growth projection (y-o-y rates, in %)

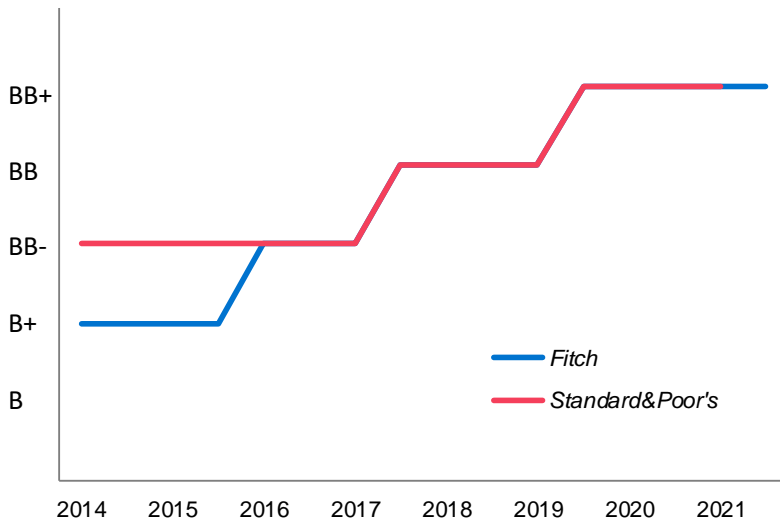


Source: NBS.



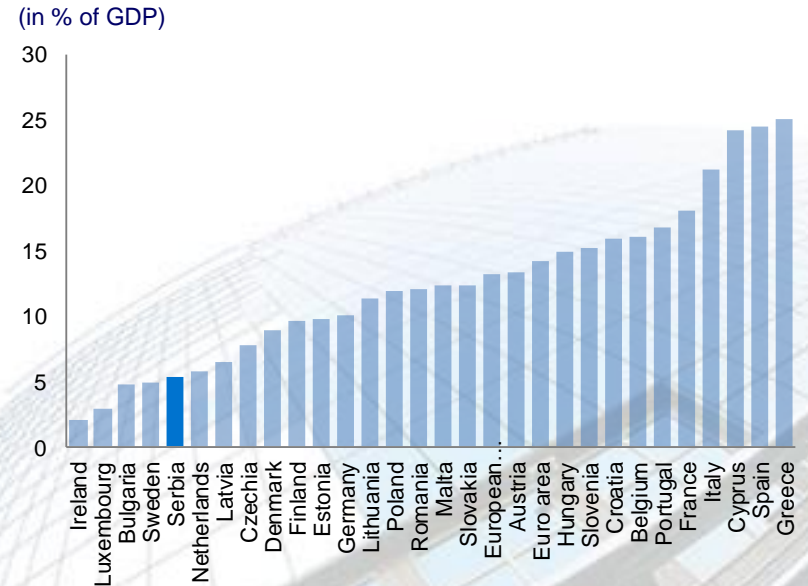
Credit rating has been maintained at a level just below investment grade, the rise in public debt in 2020 was among the smallest in Europe owing to a more favourable GDP outcome

Chart 7 Serbia's credit rating with Fitch and Standard & Poor's



Sources: Fitch and Standard & Poor's.

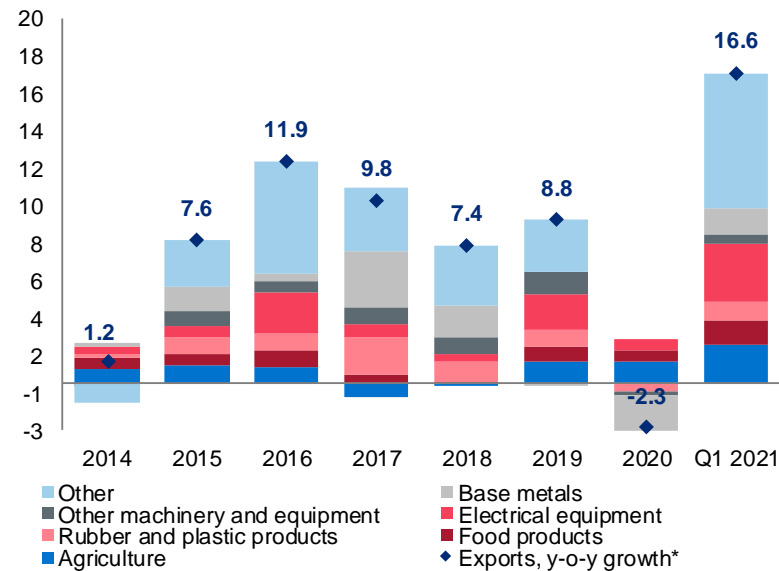
Chart 8 Change in general government public debt in EU countries and Serbia in 2020 (in % of GDP)



Sources: European Commission and Ministry of Finance.

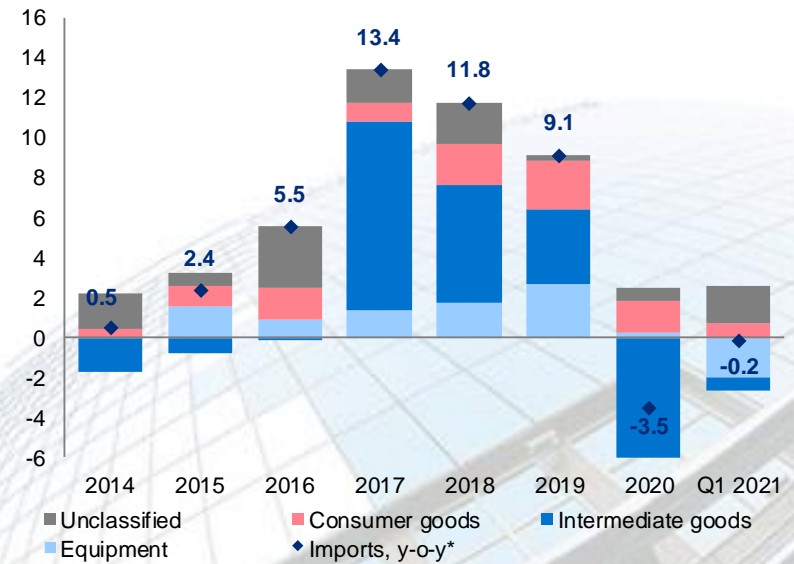
The current account surplus in Q1 was supported primarily by the two-digit growth in exports diversified by product and geographical region

Chart 9 **Movement of main goods export components**
(contributions to y-o-y growth, in pp)



Sources: SORS and NBS calculation.

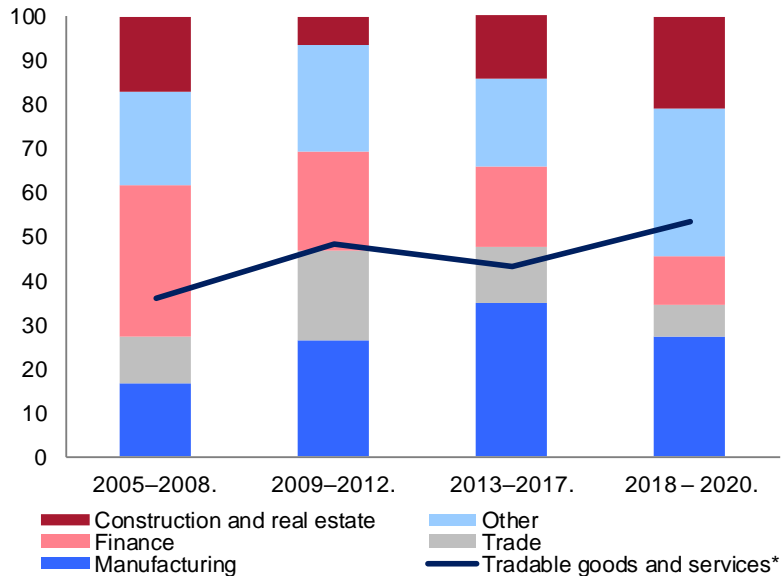
Chart 10 **Movement of main goods import components**
(contributions to y-o-y growth, in pp)



Sources: SORS and NBS calculation.

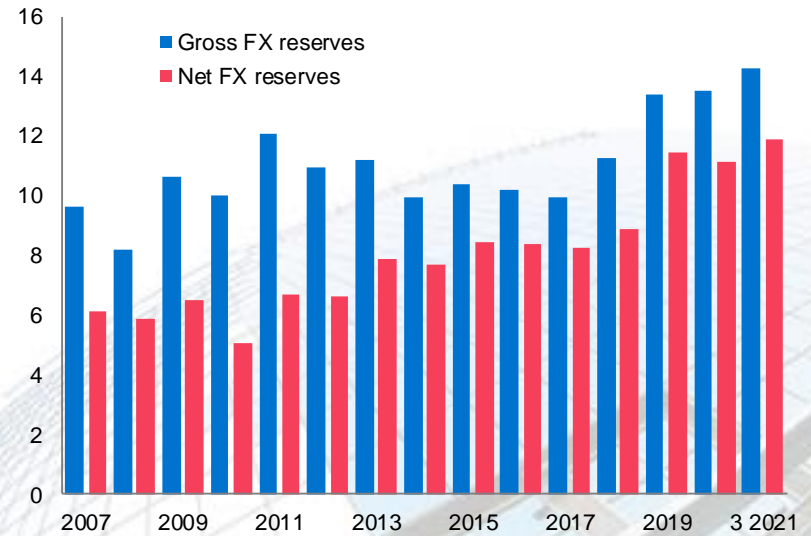
FDI diversified by project and geographical region and FX reserves at an adequate level are strengthening the external position

Chart 11 FDI structure by sector
(in %)



Source: NBS. * Agriculture, industry, mining, transportation, catering.

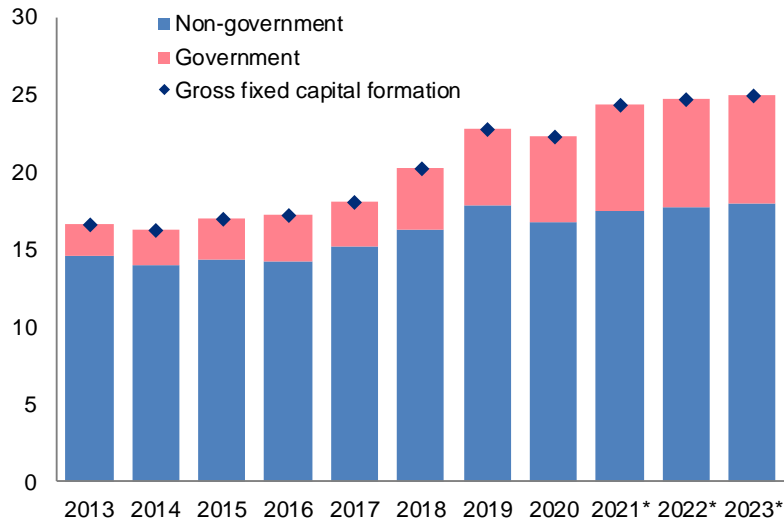
Chart 12 NBS FX reserves
(in EUR bn)



Source: NBS.

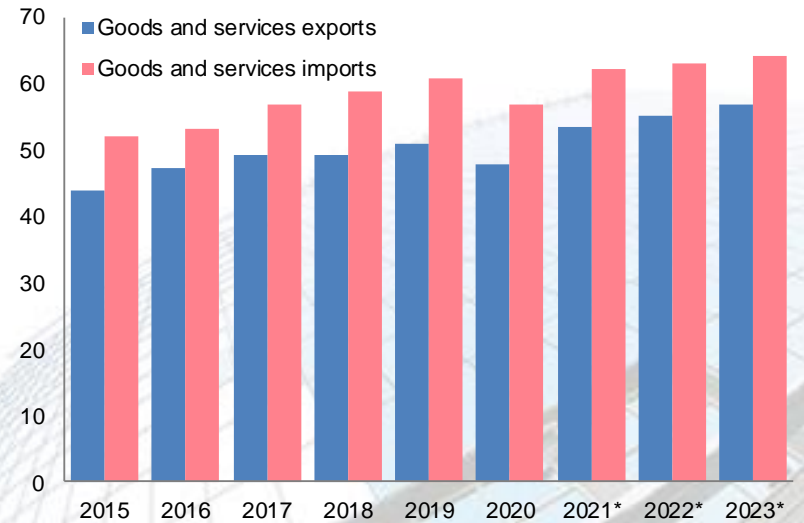
The sustainability of economic growth is supported by a rising share of investment and exports

Chart 13 **Fixed investments**
(in % of GDP)



Sources: SORS and NBS estimate.
* NBS estimate.

Chart 14 **Share of goods and services exports and imports in GDP**
(in %)

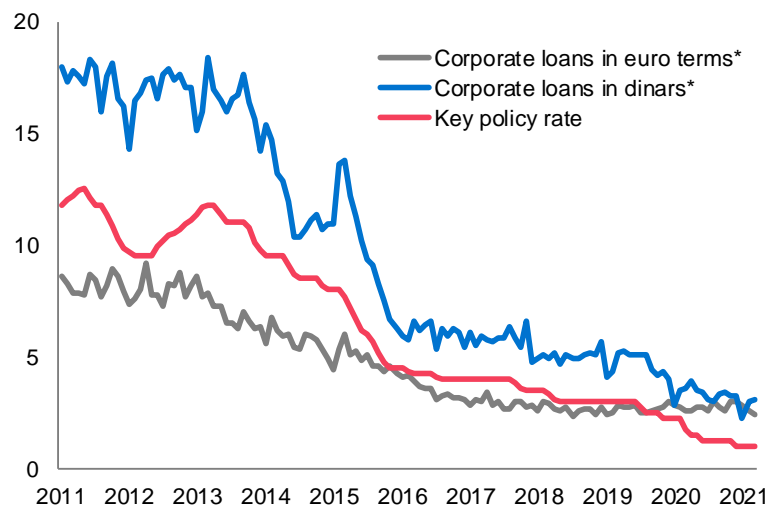


Source: NBS.
* NBS estimate.

Financing conditions remained favourable during the pandemic and the NPL share is below the pre-crisis level

Chart 15 Interest rates on new loans

(weighted average values, p.a., in %)

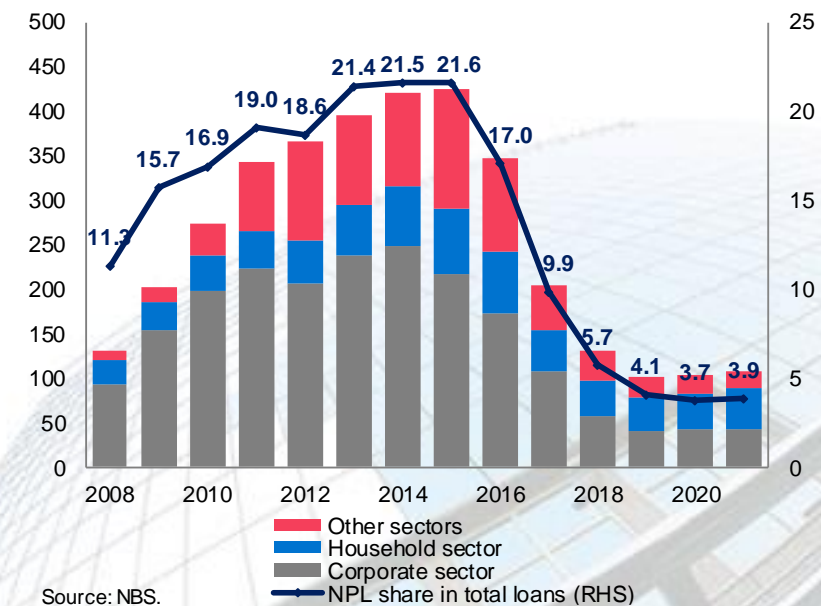


Source: NBS.

* Excluding revolving loans, current account overdrafts and credit card debt.

Chart 16 NPL share in total loans, gross principle

(in RSD bn) (in %)



Source: NBS.