

COUNTRY FACTSHEET

Serbia



Economic growth in Serbia is projected at 2.7 percent in 2026

Growth momentum has slowed, reflecting lower private investment and a negative contribution from net exports

Risks are elevated in the context of the conflict in the Middle East, affecting external demand, imported energy prices, and investor sentiment

Growth is expected to recover to a range of 3 to 4 percent in the coming years

Serbia's economic growth is expected to increase slightly to 2.7 percent in 2026, after losing momentum in 2025 amid a series of domestic and external events. The resignation of prime minister and the delayed formation of the government, repeated political protests, Russia-related sanctions on the oil sector, and another poor agriculture season led to slower than expected GDP growth in 2025. These developments also contributed to a drop in net FDI inflows in 2025 by about 50 percent in euro terms. Private consumption remained resilient, supported by wage growth and increases in short-term consumer loans. The unemployment rate stabilized at around 8.7 percent, but with youth unemployment at over 23 percent, due to skills mismatches and limited job opportunities for labor market entrants.

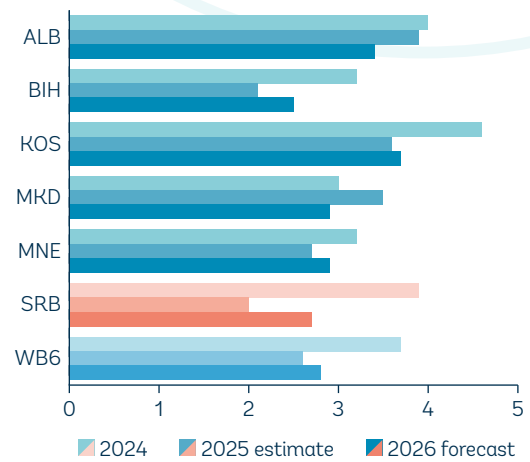
Serbia's progress on the macroeconomic front is undeniable. But a complete transition to a full-fledged market economy requires structural reforms—not only to accelerate growth and bring Serbia closer to its EU peers, but also to forge an economy that is innovative, inclusive and competitive globally, while delivering prosperity to its citizens. These reforms would also lead to higher quality institutions and improved business environment, as seen in countries that avoided the middle-income trap.

Nicola Pontara
Word Bank Country Manager for Serbia

Serbia's economy is expected to grow at around 3-4 percent over the medium term. Downside risks include risks related to struggling state-owned enterprises, a lack of progress in the next stage of structural reforms, and heightened global and domestic uncertainty. Inflation is expected to remain elevated in 2026 in part due to the expected impact of the conflict in the Middle East on energy prices but is projected to stay within the target range over the medium-term. Fiscal performance in 2026 should remain broadly in check, if energy-crisis support measures prove temporary or are offset by measures on the expenditure side.

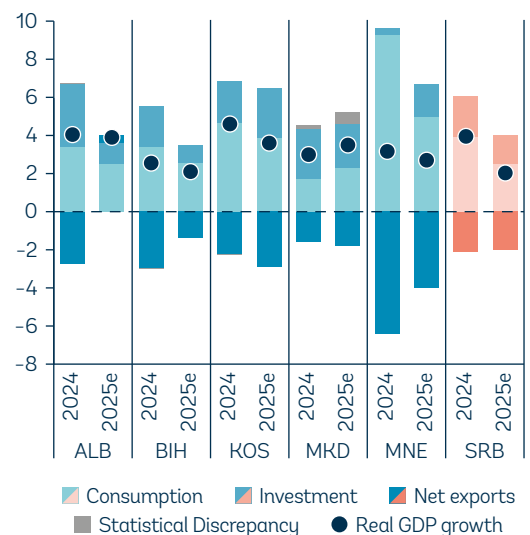
Real GDP growth

Percent

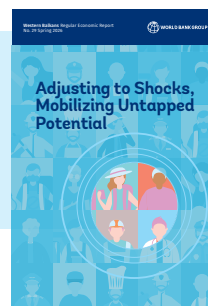


Annual Growth Composition

Percentage point



Source: National statistical offices and World Bank estimates.
Note: WB6 = Western Balkans six; e = estimate.



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