

COUNTRY FACTSHEET

Serbia



Economic growth in Serbia is projected at 2.8 percent in 2025.

Growth has slowed, mainly due to lower FDI and uncertainty on global markets.

Growth is expected to recover to a range of 3 to 4 percent in the medium term.

Serbia's economy is expected to grow at 2.8 percent in 2025. The economy has lost momentum, after a strong performance in 2024, due to lower private investment and net FDI inflows amid global uncertainty. Growth slowed to an estimated 2 percent in the first half of 2025, due to a sharp slowdown in construction activities and the poor performance of the agricultural sector resulting from adverse climatic shocks. In the first half of 2025: the fiscal deficit remained very low as a share of annual GDP (0.2 percent); public debt continued to decline reaching 45 percent of GDP; and the current account deficit increased by 82 percent (to 2.3 percent of GDP) due to faster growth of imports than exports of both goods and services, and lower net-inflow of remittances. On the labor market front, the unemployment rate continued to decrease to an average of 8.8 percent, while employment rate remains at a record high level of 51.6 percent.

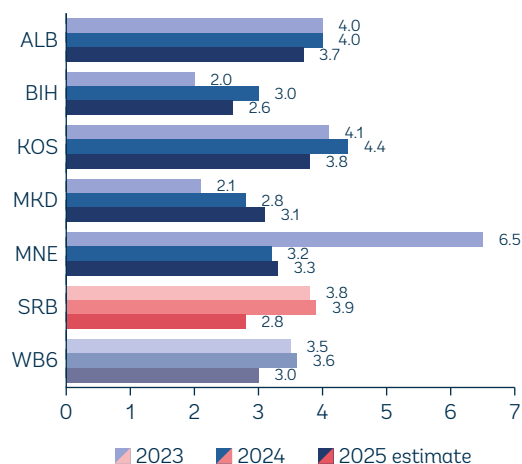
Serbia has performed well on the macroeconomic front, but growth needs to accelerate. Evidence suggests that escaping the middle-income trap requires switching to an innovation-driven economy that boosts productivity and allows domestic firms to integrate into EU (and global) value chains. For Serbia this would mean — among other things — attracting FDI in greenfield and higher-value added sectors, increase spending on R&D and boost human capital across the life cycle to strengthen capacities and skills.

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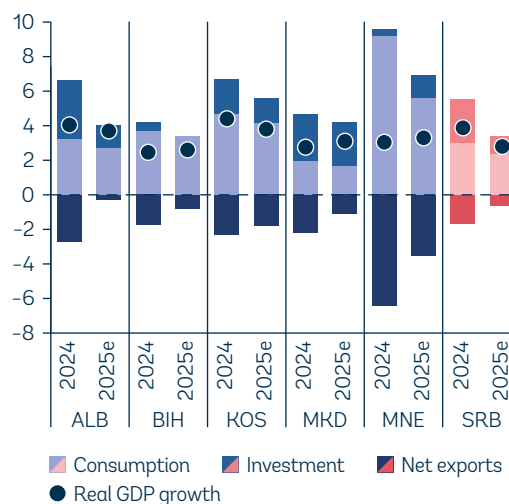
Serbia's expected rate of economic growth is around 3 – 4 percent in the coming years. Downside risks include potential budgetary support for struggling state-owned enterprises, weaker external demand for Serbian exports amid global trade policy uncertainty, and the impact of extreme weather on agriculture and infrastructure. Inflation is expected to return to the central point of the central bank's target band in 2027. Sustained economic growth, along with better targeted and more adequate social assistance, remains essential for further poverty reduction.

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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