

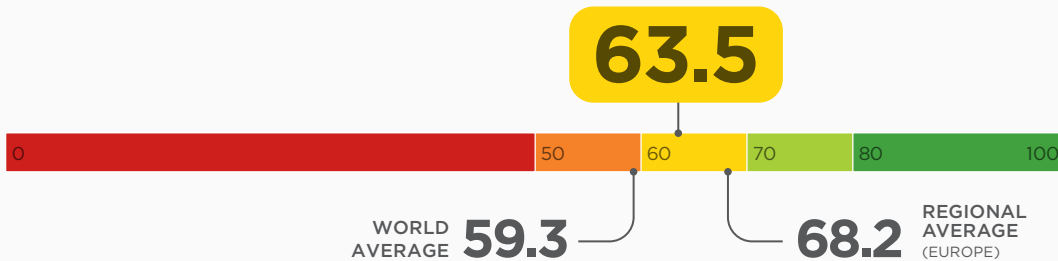
WORLD RANK: <b>58</b>	REGIONAL RANK: <b>34</b>
ECONOMIC FREEDOM STATUS: <b>MODERATELY FREE</b>	

# SERBIA

Serbia's economic freedom score is 63.5, making its economy the 58th freest in the 2023 *Index*. Its score is 1.7 points lower than last year. Serbia is ranked 34th out of 44 countries in the Europe region, and its overall score is above the world average and below the regional average.

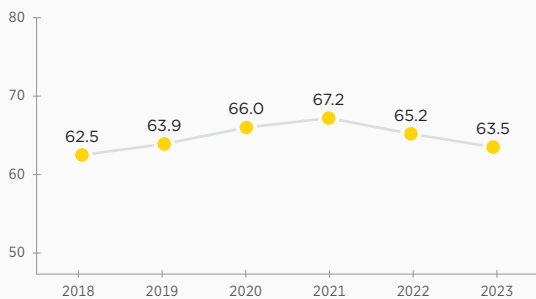
Competitiveness is supported by Serbia's relative openness to global trade and ongoing regulatory reform. Banking continues to evolve. However, there is a lack of political will to undertake the deeper institutional reforms that are needed to reduce corruption and strengthen a judicial system that is vulnerable to political interference.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 2002): +16.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
6.8 million

**GDP (PPP):**  
\$148.7 billion  
7.4% growth in 2021  
5-year compound annual growth 3.5%  
\$21,637 per capita

**UNEMPLOYMENT:**  
9.0%

**INFLATION (CPI):**  
4.1%

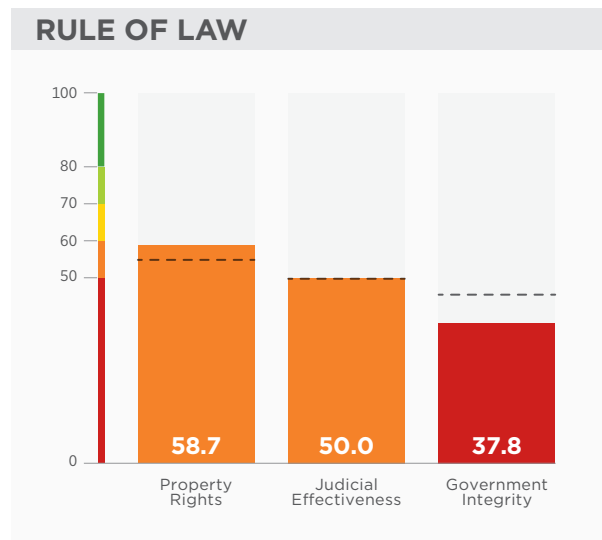
**FDI INFLOW:**  
\$4.6 billion

**PUBLIC DEBT:**  
57.9% of GDP

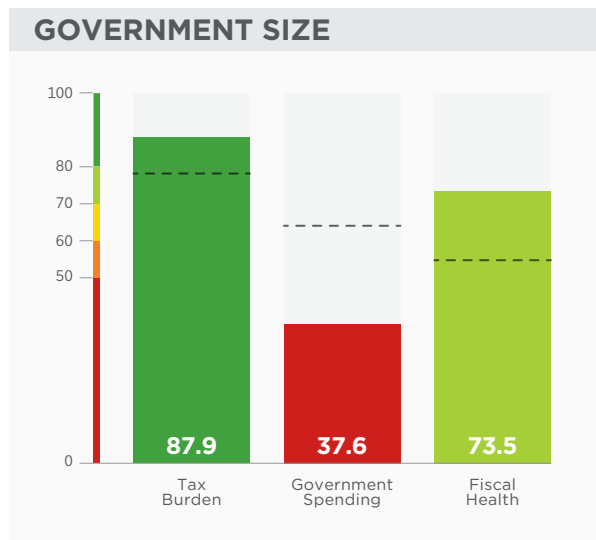
*2021 data unless otherwise noted. Data compiled as of September 2022*

**BACKGROUND:** Serbia became independent with the collapse of Yugoslavia in 1991. A 2013 agreement normalized relations with Kosovo. President Aleksandar Vucic won reelection in April 2022, but his center-right Progressive Party failed to win a parliamentary majority in legislative elections. Serbia has applied for membership in the European Union but cannot become a member without additional reforms, stronger rule of law, and improved relations with regional neighbors. Energy, historical, and political ties to Russia are strong, and links with China are growing. Serbia's largely market-based economy relies on manufacturing and exports, and state-owned companies remain a significant presence in certain sectors.

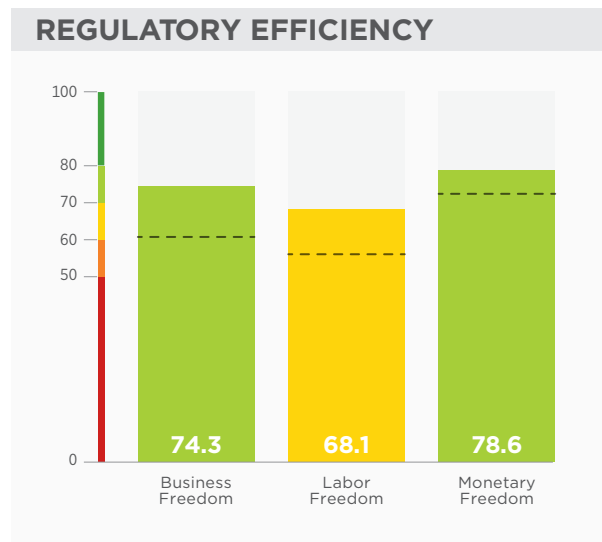
## 12 ECONOMIC FREEDOMS | SERBIA



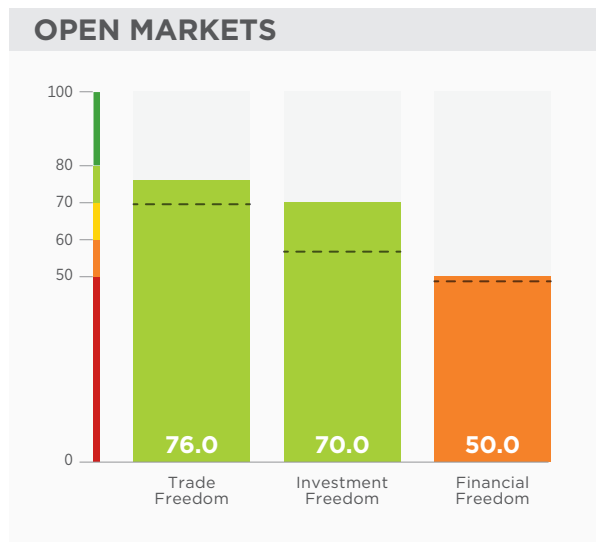
The overall rule of law is weak in Serbia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is below the world average.



The top individual and corporate tax rates are, respectively, 20 percent and 15 percent. The tax burden equals 24.1 percent of GDP. Three-year government spending and budget balance averages are, respectively, 45.6 percent and -3.5 percent of GDP. Public debt equals 57.9 percent of GDP.



Despite some streamlining of the process for launching a business, the overall regulatory environment can be costly and burdensome. A fully functioning modern labor market has not developed, and the informal sector remains significant. The most recent available inflation rate is 4.1 percent.



The trade-weighted average tariff rate is 7.0 percent, and layers of non-tariff barriers are in force. Most sectors are open to foreign investment, but regulatory uncertainty and lack of transparency deter growth. The private sector now has access to a wider range of credit instruments.