It is predicted that the share of domestic investments by the end of 2024 will be around 12 percent, on which the projected total GDP growth of five percent will be based.

Economic policy makers planned for the domestic private sector to become the main driver of high and sustainable economic growth in the next three years with its production and exports, thus reversing the current trend according to which our businessmen invest less than foreigners and invest less than in comparable countries.

The revised Fiscal Strategy envisages that domestic private investments will be the main driver of accelerating Serbia's economic growth in the medium term. It is planned that the share of total investments in the gross domestic product (GDP) will increase from slightly more than 23 percent to 24.6 percent of GDP by 2024. The share of public investments should be reduced from the current 7.8 percent to 6.9 percent of GDP, and the share of foreign investments should be reduced from about 6.5 to about 5.5 percent. This means that it is calculated that the share of domestic investments by the end of 2024 will be around 12 percent, on which the projected total GDP growth of five percent will rest.

Zoran Drakulić, president of the business club "Privrednik", says that this is possible and it is the only way to achieve the high growth rates we dream of.

– Nobody addresses us. We tried to establish contact with the Minister of Economy. We have to feel a positive trend and see that at least something is changing in the attitude of the state towards us. The strategy has been written, but it needs to be realized. Everything must be accelerated. The state will have to determine some subsidies, but we are not asking for everything that was given to foreigners, Drakulić emphasizes and adds that a strategy for the development of the Serbian economy should be made first.

The lack of domestic investments so far is explained by unequal treatment in relation to foreign countries and the insecurity of domestic businessmen with regard to the treatment they had.

Miroljub Labus, editor of the "White Book" of the Council of Foreign Investors, presented the increase in private investments of the domestic economy, which fell to 10% of GDP this year, compared to 2012, as one of the main recommendations for further progress when they accounted for 15 percent. He mentioned that the state should deal with that, because if the share of private investments in GDP increases, it will be good for the growth of Serbia. Labus pointed out that new investments, which are based on production, are needed and that reindustrialization is needed. He also added that it is necessary for companies to invest more earned money back into production.

It may seem paradoxical, but the Council of Foreign Investors, which brings together foreign companies, in the "White Book 2021" draws attention to the fact that the problem in Serbia is the low level of private investment. According to estimates, the pandemic has reduced the share of investments in GDP by one percent in this short period, which is a significant negative effect. Before the crisis broke out, the share of investments in GDP was

22.5 percent. They estimate that the share of investments in 2021 will exceed the pre-crisis level and amount to about 23 percent, which is mostly owed to public investments.
According to the Millennium Goals of Sustainable Growth, countries such as Serbia should have a 25 percent share of investment in GDP, which would bring a sustainable GDP growth rate of five percent per year. In addition to low domestic investments, they draw attention to the fact that growth factors are fundamentally changing in the short term. In 2019, growth depended on investment and construction, and in 2021 it depended on consumption and trade. If there was a stable growth strategy, that would not be possible. In the absence of a growth strategy, it is very difficult to predict future GDP developments because it is uncertain what factors will create GDP growth in the future.
By the way, the share of foreign direct investments from 2017 to 2019 increased from 6.2 to 7.8 percent of GDP, and after last year’s fall due to the pandemic, President Aleksandar Vučić recently announced that Serbia would merge 3.14 billion euros in foreign direct investment by the end of October this year, Politika reports.