Inflation in Serbia is a consequence of global price growth due to the start of the economy, after the shock wave of the corona virus pandemic, and it will calm down in the fall of 2022, economist Sasa Djogovic said today.

"The growth of prices in the world, and even in Serbia, is stimulated by the growth of demand due to the start of the economy, which is why the prices of oil and transport have also increased. At the same time, the prices of primary agricultural products are rising due to bad weather conditions and falling production, and inflation will calm down in the fall of next year, when the demand and price of oil will stabilize," Djogovic told Beta.

He said that the drought in Serbia has reduced the production of primary agricultural products and food, that, for example, in Switzerland, the rain has destroyed wheat, and the common consequence is reduced supply and price increases.

He added that this year's inflation is not a disease of the Serbian economy, but that the trigger for the growth of prices in the world was a pandemic that first brought down, and then started demand.

According to the National Bank, year-on-year inflation in Serbia amounted to 4.3 percent in August and was lower than year-on-year inflation in most Central and Southeast European countries – 4.9 percent in Hungary, 5.3 percent in Romania, and in Poland 5.5 percent. Only the Czech Republic had slightly lower year-on-year inflation than Serbia in August, where the year-on-year overall inflation was 4.1 percent.

Djogovic said that inflation in Serbia had risen because "it is not an isolated island" and that a new "freeze" of demand should not be expected due to the pandemic flare-up because world economies do not plan new closures and aggravated and reduced business operations, but resort to various models of coronavirus infection.

Many countries in the world, as he said, resort to stimulating vaccination and introducing various certificates that restrict the movement of unvaccinated citizens, but do not plan to stop the economy again.

He assessed that the state can only, in order to calm the growth of prices of certain food products, intervene and place goods on the market from commodity reserves, which would increase the supply and stop the growth of prices.

"It is possible, for example, to take edible oil out of commodity reserves and stop the growth of the price of that or some other product," said Djogovic, Politika reports.