

An increase of public sector salaries would be no threat to the economic stability achieved – it can only boost demand, a significant element that can help revive overall economic activity and boost GDP growth, National Bank of Serbia Governor Jorgovanka Tabakovic said Wednesday.

An increase of salaries that would boost aggregate demand does not mean price hikes and inflation growth, Tabakovic said at the presentation of the central bank's August inflation report.

The National Bank of Serbia has not been analysing the economic effects of a potential increase of salaries, and it is currently focused on solving the issue of non-performing loans, Tabakovic said.

Source; SerbGov