

Economist Goran Radosavljević stated that the purchasing power of Serbian citizens has significantly decreased in the last year and that they are yet to experience a drastic drop in standards.

Radosavljević said that the statistics at the moment do not faithfully follow what is really happening when it comes to the living standard of the population.

According to the latest data from the Republic Institute of Statistics, the average net salary in May of this year was 74,168 dinars, while the median net salary (50 percent of employees in Serbia) for the same period was 56,582 dinars.

Radosavljević emphasizes that Serbia has reached a relatively high level with average salaries, however", average prices are catching up, and not only average prices, but also prices of basic foodstuffs".

"The essential problem is that the citizens of Serbia spend the largest part of their income on food, housing and energy, and these are the three components that have become significantly more expensive in Serbia", he said.

According to the latest available information from the Ministry of Trade, Tourism and Telecommunications of Serbia, the average consumer basket in April of this year was worth 83,633 dinars, which is 1.15 times higher than the average salary at that time.

Today, citizens of Serbia can provide themselves with 1.1 tons of T-500 flour, 343 liters of oil, 765 kilograms of sugar, or 674 liters of milk for an average salary. For the current net average salary, customers will be able to provide themselves with 105 kilograms of boneless pork leg, around 4,000 eggs or 742 kilograms of potatoes.

Based on this analysis, it can be seen that although the average salary has increased almost twice compared to 2012, the purchasing power of citizens has not increased so much, and in relation to medial earnings, the consumer basket is even more expensive.

The average net salary in May 2012 was 40,442 dinars, which is almost half less than today.

"The price of food in Serbia has risen significantly more on average than in the European Union, while energy prices are not because they are controlled by the state, but it is only a matter of when it will happen. The price of housing had a drastic jump in the price of square meters, and when we take those three components, we arrive at the fact that our inflation is not 11 percent, as official statistics say, but the inflation that affects the largest number of citizens is 15, 20 and more percent", stressed Radosavljević.

Ten years ago, when the average net salary was 40,442 dinars, the citizens of Serbia could afford 321 liters of sunflower oil, 440 kilograms of white crystal sugar, or 901 kilograms of T-500 flour for one net average salary.

Also, citizens could buy almost 3,000 eggs, 1.2 tons of potatoes, 620 liters of milk or 96 kilograms of boneless pork leg for their average salary. The average consumer basket for May 2012 was 57,921 dinars, which was 1.43 times higher than the average salary at that time. 30,581 dinars should have been set aside for the minimum average basket.

Radosavljević, who is a professor at the FEFA faculty, adds that it is not only the level that has been reached that is important, but also the dynamics with which one moved.

“The dynamics was very slow until 2017, since then it has been a bit faster, and then it was slowed down by covid like everyone else. If we compare some other countries, Romania was at the same level as us in 2011, and now it has 20 - 30 percent better standard of living than Serbia”, explained Radosavljević.

He estimated that basically the standard of living compared to 2012 is not significantly better so that the citizens of Serbia could say that they live better than in 2012 and that they have a worse perspective, but also that it is a fact that some live better and some worse.

“In Serbia, there is a society of paradoxes in the economic sense, in our country, apartments are bought for cash, and people live on credit, and it is only a question of the moment when that life will pay off, and at that moment it will be seen what the quality of life in Serbia really is”, concluded Goran Radosavljević and emphasized that interest rates will continue to rise, and after that the real quality of life in Serbia will be seen, 021 writes.