

Last year, five billion euros flowed into Serbia on the basis of remittances, according to data from the balance of payments published by the National Bank of Serbia.

Of that, only [remittances](#) from workers working abroad amounted to **3.9 billion euros**. In relation to the gross domestic product, remittances reached **8.2 percent last year, and** in the previous 20 years, the inflow of foreign currency on this basis was not even close to that figure, the portal reports.

Last year, remittances exceeded foreign direct investments, which also had a record amount of **4.4 billion euros**. For example, in 2021 they amounted to 3.9 billion, while remittances amounted to 3.6 billion euros, writes Danas.

According to Nenad Jevtović, director of the **Institute for Development and Innovation**, the increase in remittances is a consequence of inflation and salary increases abroad.

“That amount should be adjusted to inflation.” Let’s say, if our man’s salary abroad increases, he will be able to send more money home,” explains Jevtović.

Another reason is the increasing emigration abroad.

“Every year, **25,000 to 30,000 people go abroad**. In the previous 11 years, according to data from **the Bureau of Statistics**, 330,000 people left. Finally, the structure of emigration also seems to be changing. Although we don’t have research, it seems that a lot of people go to work abroad for a few months and then come back to the country. For example, employees of foreign companies in Serbia go to their branches in other countries,” says Jevtović.

Most of that money is spent unproductively, that is, to maintain standards. Earlier data show that only one to three percent of remittances are used for investments. More than **60 percent of those revenues** go to consumption, which would be more than three billion euros at last year’s level.

Also, about 24 percent of remittances are used for the purchase of real estate. This could also be an explanation for the high prices and the general inflation of the real estate market in Serbia, and above all in Belgrade.

“Without remittances and foreign direct investments, we would not be able to cover the deficit in the trade balance. Usually we have about seven, eight billion deficit in the trade balance. On the one hand, money enters the economy through remittances and investments, and on the other hand, it comes out through imports,” notes Jevtović.

Last year, **the trade deficit amounted to as much as 9.35 billion euros** due to the huge prices of energy products, and with services the deficit was 7 billion euros.

Even with such a high amount of remittances, Serbia is not even close to the countries with the highest share of remittances in [GDP](#), reports that portal. According to Eurostat data, for the year 2021 **in Serbia**, personal transfers and wages of workers from abroad accounted for **7.2 percent of GDP**.

In Montenegro, this inflow was 13.5 percent of GDP, in BiH 10.5 percent, and in Albania 9.4 percent of GDP. It is interesting that, for example, the income from remittances in Croatia, which is a member of the EU, was higher than in Serbia and amounted to 7.3 percent of GDP. The record holder is Kosovo and Metohija with as much as 18 percent of GDP coming from abroad.

[Sign up for business updates & specials.](#)