

The Governor of the National Bank of Serbia, Jorgovanka Tabakovic, stated today that the foreign exchange reserves were preserved at a record level despite the pandemic.

Tabakovic said at the Parliamentary Committee on Finance that the level of foreign exchange reserves at the end of 2020 was 13.5 billion euros, which is about 115 million euros more than at the end of 2019.

"Their growth has continued this year as well. Foreign exchange reserves in June amounted to 14.1 billion euros, and in July we additionally increased them," said Tabakovic.

She pointed out that the share of gold in foreign exchange reserves has also increased, stating that there are currently 36.6 tons of gold with a total value of 1.8 billion euros, which means that gold reserves make up 12.3 percent of the NBS's total foreign exchange reserves.

Gold, she says, is in the vaults of the National Bank of Serbia to the last gram. Tabakovic pointed out that Serbia ended 2020 with one of the best results in terms of economic activity in Europe.

"Without our measures, the fall in GDP would be greater than six percent, and the recovery would take several years. We reached the pre-crisis level of GDP in the first quarter of this year, and only the USA, China, Australia and only a few smaller EU countries managed to do that," stated Tabakovic.

According to her, the number of formally employed in the private sector is currently 4.8 percent above pre-crisis levels, reaching the highest level of formal employment in the private sector in more than a decade.

"Last year, we fulfilled our key goal, which is low and stable inflation, which remained firmly under our control with an average of 1.6 percent. Such a result was largely contributed to by the preserved stability of the exchange rate," she said.

By reducing the reference interest rate by a total of 1.25 percentage points, as well as prescribing a moratorium and providing dinar and foreign currency liquidity, the NBS, says Tabakovic, has contributed to maintaining favorable financial conditions for the economy, population and state.

Speaking about inflation, Tabakovic said that after the growth of oil and food prices on the world market, there will be a gradual calming down, even a decline, by the middle of this year.

"Inflation in Serbia is currently around the central value of the target of around three percent, and at that level it is among the lowest in comparison with countries with the same monetary policy regime," said the NBS governor.

She points out that inflation is expected to be driven by these temporary factors in the next few quarters.

"We estimate that core inflation will remain stable around the current two percent, which is another confirmation of the temporary character of the current inflation trend," said



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Tabakovic, Alo reports.