SERBIA AND IMF TO CONTINUE TALKS ABOUT HIKING SALARIES

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"Economic activity continues to expand, notwithstanding a temporary slowdown in the first half of the year, largely reflecting disruptions in electricity production and the negative impact of the drought on agricultural output," James Roaf, who headed the IMF delegation that recently ended its visit to Serbia, said.

"Domestic demand growth is robust, with continued recovery of private consumption and strong foreign direct investment. Importantly, labor market conditions have continued to strengthen, with about 120,000 new jobs created in the 12 months through June. In this context, we project growth of 2.3 percent in 2017, increasing to around 3.5 percent in 2018," he said.
Earlier, the IMF predicted 2017 growth to reach three percent.
Economic policies should remain focused on improving the supply response of the economy, through the implementation of reforms aimed at fostering private sector activity. These include an improved business and investment environment; more efficient public administration and state-owned enterprises; and higher quantity and quality of public infrastructure," Roaf said in the statement.
According to him, the mission started discussions with the authorities on fiscal policy for the remainder of 2017 and the key parameters of the 2018 budget, to be concluded in the October review mission.
"Against continued strong fiscal over-performance in the first seven months of 2017, discussions also covered potential uses of the additional fiscal space, including additional investment in priority areas, prudent increases in public wages and pensions, a reduction of labor taxes, and faster debt reduction. These discussions will continue in the coming weeks," the IMF official said.
The IMF mission led by Roaf visited Belgrade September 13-19 "to initiate discussions on the 2018 budget and discuss progress in the implementation of structural reforms," the organization said on its website.
A full mission for the eighth and final review under Serbias precautionary stand-by arrangement with the IMF is planned for late October and early November.

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