

Serbia

The financial situation of the citizens in Serbia is rapidly getting worse and optimism is falling!

The large majority of the population of Serbia (almost two thirds) feels that their financial situation is getting worse and the main reason for this is a substantial fall in their income. How the liquidity crisis in Serbia also affects the standard of living of the citizens is demonstrated by the fact that one in every eight respondents complains they have less regular income. The most concerning fact is that 7% of the population says they have lost their source of income.

In response to a clear negative trend in the purchasing power of the population together with the accelerated manifestation of the negative consequences of the global economic crisis (which is strengthened considerably by the specific economic environment in Serbia), GfK Belgrade continued with its research in March guided by the desire to understand in what way the crisis is affecting overall demand from the population. The main goal is to help companies, brand owners and service industries in the fields of finance and telecommunication to understand how and in what direction the demand from their consumers and clients is moving as well as how quickly overall demand changes in the markets.

The data show that more than 60% of the population rates their financial situation as being worse than it was 12 months ago (with one in five respondents saying that the situation is much worse than it was then). Only 5% of the respondents said they felt that things are improving. Males feel this deterioration to a greater extent than women, as does the segment of the population in the 35 to 65 year-old age bracket (in particular, the 55-64 year-olds where as many as 73% of them say that the situation is worse and with almost 1 in 3 feeling it is much worse than 12 months ago). The residents of Belgrade perceive this deterioration to a lesser extent whilst in Vojvodina the respondents' assessment of the financial situation being worse is strongest. The main reason cited by the respondents for their financial situation worsening is a reduction in their real income (almost every second person gave this as the reason). That the liquidity crisis in the economy clearly impinges on the standard of living of the citizens is shown by the data that one in every eight respondents (13%) is complaining of having less regular income (especially those aged 25 to 44). Furthermore, 7% say that they have lost the source of their income (either their permanent or additional job) and this is especially noticeable in the group of 45 to 54 year-olds.

Alongside this fall in purchasing power, there is a dramatic falling away of optimism amongst the population. Even in the short period of three months since the previous survey was carried out, optimism has fallen by a significant amount: in January only a third of respondents expected their financial situation to get worse in the next 12 months whilst by March this number had increased to almost 50%.

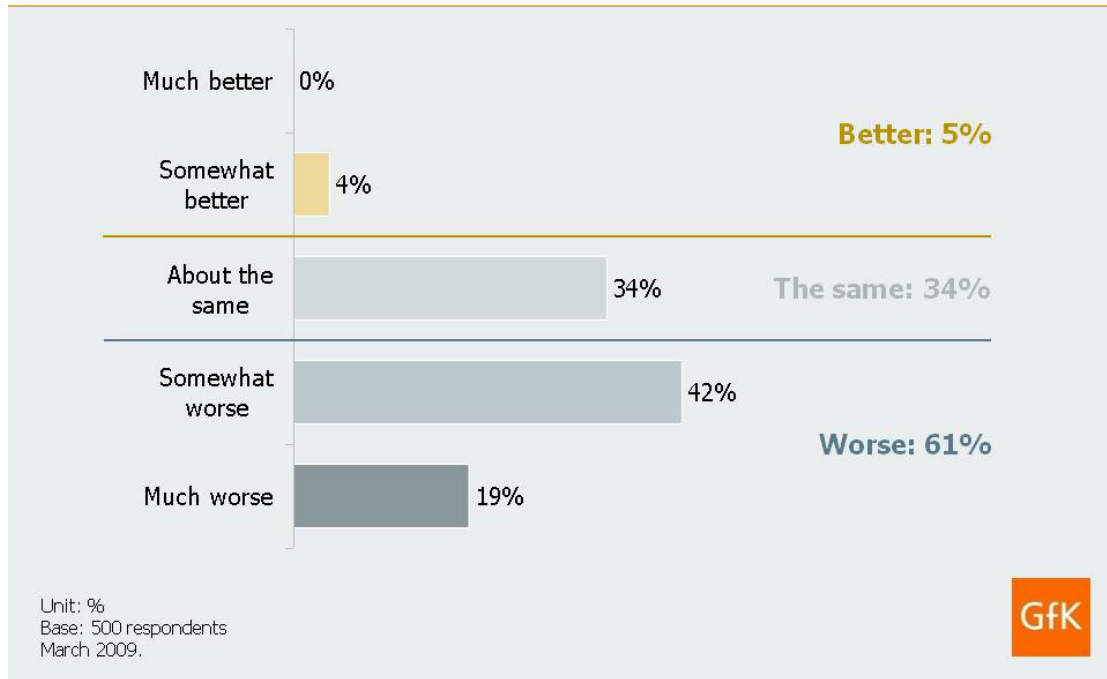
These are only a few of the indicators which explain the changes in behaviour seen on the part of consumers in Serbia.

About the research

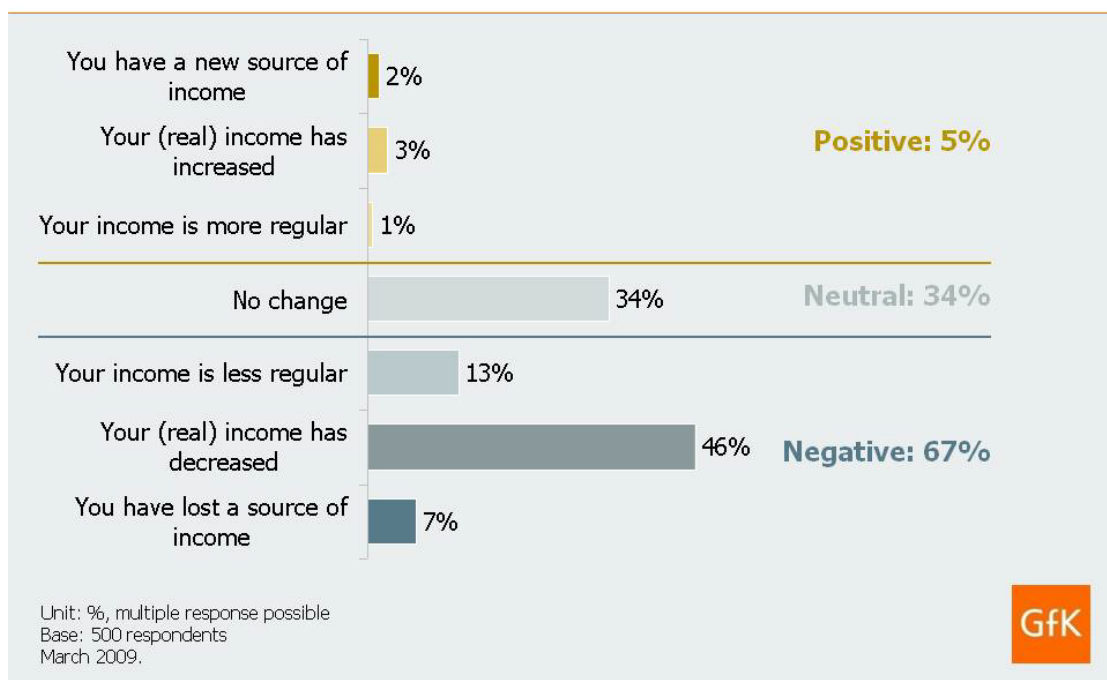
The last wave of the research was carried out in March with a nationally representative sample of 500 respondents aged 18 years and over. Their answers were collected by telephone. Previous research was mainly carried out using the face-to-face technique, also on nationally representative sample of the population but over the age of 15 years.

In addition to this research, in January GfK conducted a variety of studies relating to the current situation and projections of the impact of the crisis on consumers.

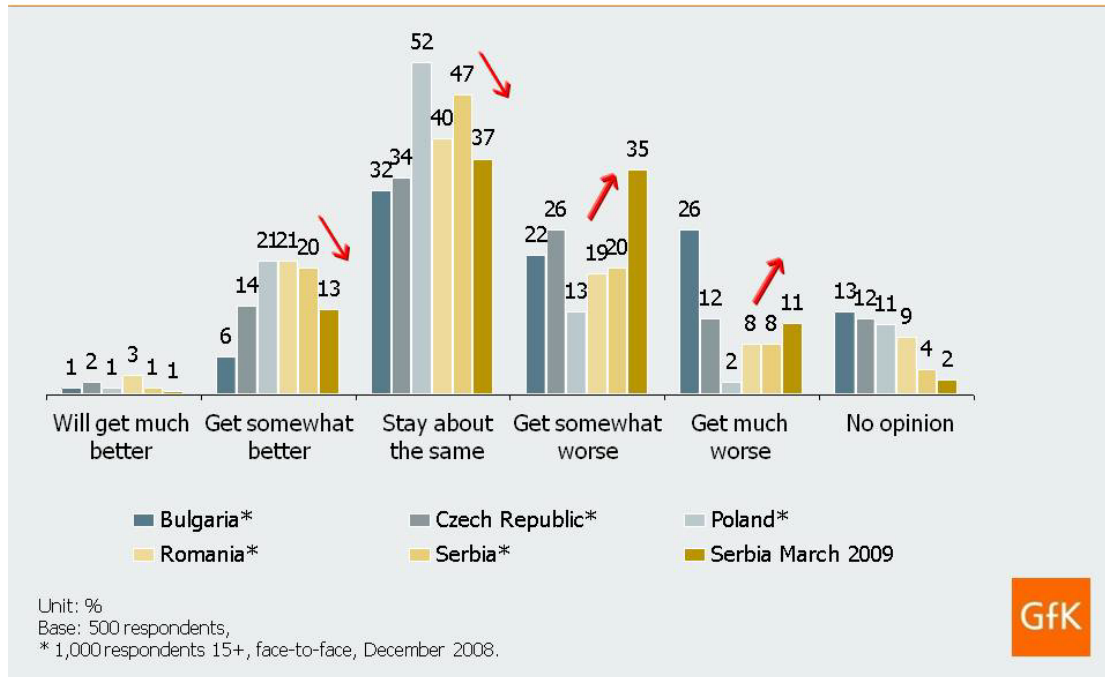
Is your financial situation better, worse or about the same as it was 12 months ago?



What has changed in particular?



What are your personal financial expectations for the next 12 months?



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