

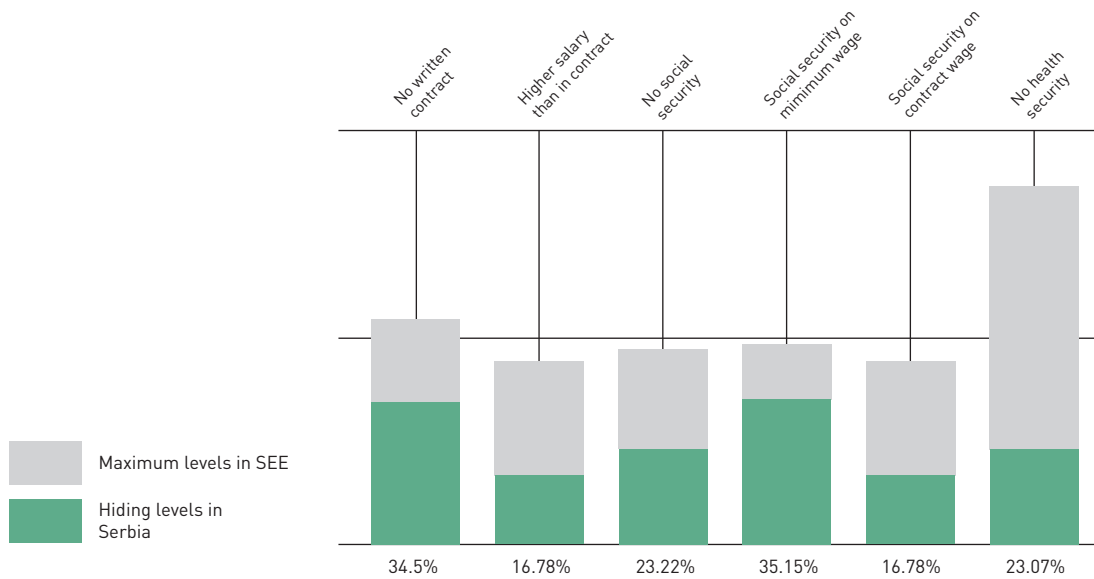
HIDDEN ECONOMY FACT SHEET: SERBIA

Data as of: June 2016.

SOURCE: SELDI, HIDDEN ECONOMY AND GOOD GOVERNANCE IN SOUTHEAST EUROPE: REGIONAL ASSESSMENT REPORT 2016.

KEY HIDDEN ECONOMY INDICATORS

Hidden economy is driven by high social security rates and a high share of remittances. The VAT registration threshold is the highest in the region, allowing SMEs to hide sales with a low probability of getting caught. The high minimum wage is a barrier to formalisation.



WAGE PREMIUM IN THE FORMAL ECONOMY OVER THE HIDDEN ECONOMY

Hiding contracts, social and health security payments and income tax does not benefit workers. Those employed in the formal economy earn up to 12.4% more than those in the hidden economy.

