

## **Pensions threaten stability of the Serbian government**

Since the October 28<sup>th</sup>, 2008, representatives of the International Monetary Fund (IMF) have discussed with the government of Serbia recommendations for the State Budget 2009.

The IMF proposed Serbia to stop increase of pensions in 2009 or to decrease salaries in public administration. Pensions increase would in current circumstances lead to an inflation, which would in turn devalue the money.

The strongest opposition to this proposal comes from the coalition party, PUPS (Party of United Pensioners). They, on the contrary, demand pensions to be increased by 10% in the upcoming year, which was a pledge made before elections. If the government will not meet this promise, PUPS threatens to leave the coalition.

According to Mladjan Dinkic, the Deputy Prime-Minister and Minister of Economy and Regional Development, Serbia will come to an agreement with the IMF soon. He didn't comment whether the pensions will increase or not.

Sources: B92, RTS, FONET

## **Serbians are waiting for Russian response**

Serbian Minister of Economy and Regional Development Mladjan Dinkic and Prime Minister Mirko Cvetkovic have sent the official letter to the Russian negotiating group including full proposal of contract in regards to energy treaty between Serbia and Russia.

Russia has not answered yet, despite the head of Russian negotiation group Dmitrij Malishev visited Belgrade on the 12<sup>th</sup> November. Dinkic says that meeting with Malishev has not been appointed so far.

On the January 25<sup>th</sup>, 2008, the Russian company Gazprom signed an agreement with Serbia about buying and modernizing of the NIS (Naftna Industrija Srbije), which included pipelines construction. The agreement was ratified by the Serbian parliament already this year, but new Serbian government re-evaluates it.

Source: RTS