

Serbia: Pandemic affected 15 % decrease in fuel demand

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Since the start of the coronavirus pandemic, fuel consumption in Serbia dropped by 15 %, according to the Secretary General of the Serbian Association of Oil Companies Tomislav Micovic.

However, the demand is recovering in recent months and it could be expected that retail prices will not be increased.

The prices of petrol and diesel in Serbia initially fell by 0.24 euros/litre, but the price recovered and increased by 0.01 euros/litre on average. Micovic explained that prices followed periods of a large drop in oil prices and then a period of rising prices on the world market. Such changes in prices in Serbia can primarily be attributed to the change in the price of crude oil, although in the meantime there has been an increase in excise duty. Now the price of crude oil throughout August, between 40 and 45 dollars/barrel, and it can be said that it is stable, therefore there are no changes in the costs of oil companies and no changes in fuel prices.

This summer, there was no transit through Serbia, there is much less traffic due to working from home, but also citizens were unable to cross the border and buy fuel in Bosnia and Herzegovina and Northern Macedonia, where it is cheaper. He added that consumption in the domestic market is not returning to the expected dynamics, and it re-mains to be seen how September will affect the economy, especially in terms of the pandemic.

Regarding the excise duty on fuel, Micovic said that its reduction would increase fuel consumption and it will benefit oil companies, but at the same time it means less money in the state budget.