The GII indicators are grouped into innovation inputs and outputs. The following table reflects Serbia’s ranking over time.\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>GII</th>
<th>Input</th>
<th>Output</th>
<th>Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>55</td>
<td>56</td>
<td>58</td>
<td>57</td>
</tr>
<tr>
<td>2017</td>
<td>62</td>
<td>58</td>
<td>61</td>
<td>67</td>
</tr>
<tr>
<td>2016</td>
<td>65</td>
<td>68</td>
<td>63</td>
<td>70</td>
</tr>
</tbody>
</table>

- Over the last three years Serbia has improved in innovation inputs, reaching the 56th position this year, up from the 58th in 2017 and 68th in 2016.
- Its rank in innovation outputs improves too, ranking 58th this year, up 3 spots from last year and 5 from 2016.
- Serbia places 57th globally in the Innovation Efficiency Ratio, moving up from the 67th position it held last year and the 70th in 2016. Such advancement in the Efficiency Ratio is partly influenced by the improved ranking in innovation outputs. It shows that the country is becoming increasingly efficient in translating its innovation inputs into more outputs.

\(^1\) Note that year-on-year comparisons of the GII ranks are imperfect and influenced by changes in the GII model and data availability.
Benchmarking Serbia to other upper-middle-income countries and the Europe region

Serbia’s scores by area

Upper-middle-income countries

Serbia has high scores in 5 of the 7 GII areas – Institutions, Human Capital & Research, Infrastructure, Knowledge & Technology Outputs, and Creative Outputs, in which it scores above the average of the upper-middle-income group.

Top scores in areas such as Business environment, Education, Information & Communication Technologies (ICTs), Knowledge impact, and Intangible assets are behind these high rankings.

Europe region

Compared to other countries in the Europe region, Serbia performs below-average in all GII areas.

Serbia’s innovation profile

Strengths

- **Infrastructure** (48th) is the top-ranked GII area for Serbia. Here the country shows strong performance in three indicators: Government’s online service (24th), E-participation (17th), and ISO 14001 environmental certificates (8th).

- The indicator Cost of redundancy dismissal ranks 1st in the world and is highlighted as a strength in Institutions (50th).

- Among innovation inputs, Serbia is strong also in the indicator Pupil-teacher ratio (11th) in Human Capital & Research (58th) and FDI inflows (28th) in Business Sophistication (70th).

- On the innovation output side, Serbia achieves comparatively strong results in Knowledge & Technology Outputs (50th), where GII strengths lie in three indicators – Scientific & technical articles (5th), ISO 9001 quality certificates (7th), and ICT services exports (21st).

- In Creative Outputs (64th), the newly-introduced indicator Mobile app creation (15th) presents a strong performance for Serbia.

Weaknesses

- Serbia demonstrates most of its relative weaknesses on the innovation input side, among four of the five GII input areas.
• **Market Sophistication** (101st), the lowest-ranked GII area for Serbia, is signaled as a GII weakness. Here the country performs rather weakly in the area *Trade, competition & market scale* (102nd) as well as in the indicators *Microfinance gross loans* (63rd) and *Intensity of local competition* (107th).

• In **Human Capital & Research** (58th), two indicators – *Government funding per pupil* (80th) and *Global R&D companies expenditures* (40th) – are marked as GII weaknesses.

• Moreover, two indicators – *Gross capital formation* (99th) and *GDP per unit of energy use* (95th) – rank rather weakly within **Infrastructure** (48th).

• Only one indicator – *High-tech imports* (101st) – is relatively weak within **Business Sophistication** (70th).

• On the **innovation output** side, two of the three GII weaknesses are found in **Knowledge & Technology Outputs** (50th), where Serbia performs relatively weakly in the indicators *Productivity growth* (103rd) and *Computer software spending* (104th).

• In **Creative Outputs** (64th) Serbia shows weak performance in only one indicator – *ICTs & business model creation* (92nd).

The following figure presents a summary of Serbia’s ranks in the 7 GII areas, as well as the overall rank in the GII 2018.

---

**Serbia’s rank in the GII 2018 and the 7 GII areas**

*Rank 1 is the highest possible in each pillar*

*Total number of countries: 126*

<table>
<thead>
<tr>
<th>Area</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>48</td>
</tr>
<tr>
<td>Knowledge and technology outputs</td>
<td>50</td>
</tr>
<tr>
<td>Institutions</td>
<td>50</td>
</tr>
<tr>
<td>Global Innovation Index 2018</td>
<td>55</td>
</tr>
<tr>
<td>Human capital and research</td>
<td>58</td>
</tr>
<tr>
<td>Creative outputs</td>
<td>64</td>
</tr>
<tr>
<td>Business sophistication</td>
<td>70</td>
</tr>
<tr>
<td>Market sophistication</td>
<td>101</td>
</tr>
</tbody>
</table>
Expected vs. Observed Innovation Performance

The GII bubble chart shows the relationship between income levels (GDP per capita) and innovation performance (GII score). The depicted trendline gives an indication of the expected innovation performance at different levels of income. Countries located above the trendline are performing better than what would be expected based on their income level. Countries below the line are Innovation Under-performers relative to GDP.

Relative to GDP, Serbia performs above its expected level of development.
Missing and Outdated Data

More and better data improves the ability of a country to understand its strengths and weaknesses and give policymakers greater capacity to plan and adapt public policies accordingly. The GII 2018 covers 126 countries that complied with the minimum indicator coverage of 35 indicators in the Innovation Input Sub-Index (66%) and 18 indicators in the Innovation Output Sub-Index (66%).

The following tables show data for Serbia that is not available or that is outdated.

### Missing Data

<table>
<thead>
<tr>
<th>Code</th>
<th>Indicator</th>
<th>Country Year</th>
<th>Model Year</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.2.3</td>
<td>Venture capital deals/bn PPP$ GDP</td>
<td>n/a</td>
<td>2017</td>
<td>Thomson Reuters, Thomson One Banker Private Equity, SDC Platinum</td>
</tr>
<tr>
<td>4.3.1</td>
<td>Applied tariff rate, weighted mean, %</td>
<td>n/a</td>
<td>2016</td>
<td>World Bank, World Development Indicators</td>
</tr>
<tr>
<td>7.2.3</td>
<td>Entertainment &amp; Media market/th pop. 15–69</td>
<td>n/a</td>
<td>2016</td>
<td>PwC’s Global Entertainment and Media Outlook, 2017–2021</td>
</tr>
</tbody>
</table>

### Outdated Data

<table>
<thead>
<tr>
<th>Code</th>
<th>Indicator</th>
<th>Country Year</th>
<th>Model Year</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1.4</td>
<td>PISA scales in reading, maths &amp; science</td>
<td>2012</td>
<td>2015</td>
<td>OECD PISA</td>
</tr>
<tr>
<td>4.2.2</td>
<td>Market capitalization, % GDP</td>
<td>2011</td>
<td>2016</td>
<td>World Bank, World Development Indicators</td>
</tr>
</tbody>
</table>
## SERBIA

### Country/Economy Profiles

<table>
<thead>
<tr>
<th>Output rank</th>
<th>Input rank</th>
<th>Income</th>
<th>Region</th>
<th>Efficiency ratio</th>
<th>Population (mn)</th>
<th>GDP, PPP$</th>
<th>GDP per capita, PPP$</th>
<th>GII 2017 rank</th>
<th>GII 2018 rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>58</td>
<td>56</td>
<td>Upper-middle</td>
<td>EUR</td>
<td>57</td>
<td>8.8</td>
<td>106.6</td>
<td>15,000.0</td>
<td>62</td>
<td>55</td>
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</table>

### Institutions

<table>
<thead>
<tr>
<th>Score/Value</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>67.2</td>
<td>50</td>
</tr>
</tbody>
</table>

1. **Political environment**  
2. **Political stability & safety**  
3. **Government effectiveness**  
4. **Regulatory environment**  
5. **Regulatory quality**  
6. **Rule of law**  
7. **Cost of redundancy dismissal, salary weeks**  
8. **Business environment**  
9. **Ease of starting a business**  
10. **Ease of resolving insolvency**

### Human capital & research

<table>
<thead>
<tr>
<th>Score/Value</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>32.2</td>
<td>58</td>
</tr>
</tbody>
</table>

21. **Education**  
21.1 **Expenditure on education, % GDP**  
21.2 **Government funding/ pupil, secondary, % GDP/cap**  
21.3 **School life expectancy, years**  
21.4 **PISA scales in reading, maths & science**  
21.5 **Pupil-teacher ratio, secondary**  
22. **Tertiary education**  
22.1 **Tertiary enrolment, % gross**  
22.2 **Graduates in science & engineering, %**  
22.3 **Tertiary inbound mobility, %**  
23. **Research & development (R&D)**  
23.1 **Researchers, FTE/m cap**  
23.2 **Gross expenditure on R&D, % GDP**  
23.3 **Global R&D companies, top 3, mm US$$**  
23.4 **QS university ranking, average score top 3**

### Infrastructure

<table>
<thead>
<tr>
<th>Score/Value</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>49.6</td>
<td>48</td>
</tr>
</tbody>
</table>

31. **Information & communication technologies (ICTs)**  
31.1 **ICT access**  
31.2 **ICT use**  
31.3 **Government’s online service**  
31.4 **E-participation**  
32. **General infrastructure**  
32.1 **Electricity output, kWh/cap**  
32.2 **Logistics performance**  
32.3 **Gross capital formation, % GDP**  
32.4 **Ecological sustainability**  
33.1 **GDP/unit of energy use**  
33.2 **Environmental performance**  
33.3 **ISO 14001 environmental certificates/bn PPP$ GDP**

### Market sophistication

<table>
<thead>
<tr>
<th>Score/Value</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>39.2</td>
<td>104</td>
</tr>
</tbody>
</table>

41. **Credit**  
41.1 **Ease of getting credit**  
41.2 **Domestic credit to private sector, % GDP**  
41.3 **Microfinance gross loans, % GDP**  
4.2 **Investment**  
4.2.1 **Ease of protecting minority investors**  
4.2.2 **Market capitalization, % GDP**  
4.2.3 **Venture capital deals/bn PPP$ GDP**  
4.3 **Trade, competition, & market scale**  
4.3.1 **Applied tariff rate, weighted mean, %**  
4.3.2 **Intensity of local competition**  
4.3.3 **Domestic market scale, bn PPP$$**

### Business sophistication

<table>
<thead>
<tr>
<th>Score/Value</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>29.2</td>
<td>70</td>
</tr>
</tbody>
</table>

51. **Knowledge workers**  
51.1 **Knowledge-intensive employment, %**  
51.2 **Firms offering formal training, % firms**  
51.3 **GERD performed by business, % GDP**  
51.4 **GERD financed by business, %**  
51.5 **Females employed w/advanced degrees, %**  
5.2 **Innovation linkages**  
5.2.1 **University/industry research collaboration**  
5.2.2 **State of cluster development**  
5.2.3 **GERD financed by abroad, %**  
5.2.4 **JV-strategic alliance deals/bn PPP$ GDP**  
5.2.5 **Patent families 2+ offices/bn PPP$ GDP**

### Knowledge & technology outputs

<table>
<thead>
<tr>
<th>Score/Value</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.7</td>
<td>50</td>
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</tbody>
</table>

61. **Knowledge creation**  
61.1 **Patents by origin/bn PPP$ GDP**  
61.2 **PCT patents by origin/bn PPP$ GDP**  
61.3 **Utility models by origin/bn PPP$ GDP**  
61.4 **Scientific & technical articles/bn PPP$ GDP**  
61.5 **Citable documents H index**  
6.2 **Knowledge impact**  
6.2.1 **Growth rate of PPP$ GDP/worker, %**  
6.2.2 **New businesses/ht pop 15–64**  
6.2.3 **Computer software spending, % GDP**  
6.2.4 **ISO 9001 quality certificates/bn PPP$ GDP**  
6.2.5 **High- & medium-high-tech manufactures, %**  
6.3 **Knowledge diffusion**  
6.3.1 **Intellectual property receipts, % total trade**  
6.3.2 **High-tech net exports, % total trade**  
6.3.3 **ICT services exports, % total trade**  
6.3.4 **FDI net outflows, % GDP**

### Creative outputs

<table>
<thead>
<tr>
<th>Score/Value</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>28.1</td>
<td>64</td>
</tr>
</tbody>
</table>

71. **Intangible assets**  
71.1 **Trademarks by origin/bn PPP$ GDP**  
71.2 **Industrial designs by origin/bn PPP$ GDP**  
71.3 **ICTs & business model creation**  
71.4 **ICTs & organizational model creation**  
7.2 **Creative goods & services**  
7.2.1 **Cultural & creative services exports, % total trade**  
7.2.2 **National feature films/mn pop. 15–69**  
7.2.3 **Entertainment & Media market/ht pop. 15–69**  
7.2.4 **Printing & other media, % manufacturing**  
7.2.5 **Creative goods exports, % total trade**  
7.3 **Online creative**  
7.3.1 **Generic top-level domains (TLDs)/ht pop. 15–69**  
7.3.2 **Country-code TLDs/ht pop. 15–69**  
7.3.3 **Wikipedia edits/mn pop. 15–69**  
7.3.4 **Mobile app creation/bn PPP$ GDP**

**NOTES:** * indicates a strength; † a weakness; ◊ an income group strength; ◊ an income group weakness; * an index; † a survey question.  
Square brackets indicate that the data minimum coverage (DMC) requirements were not met at the sub-pillar or pillar level; see page 75 of this appendix for details.