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April 2022

"Economic Collapse of the West": Media Narratives in Serbia about the consequences of the war in Ukraine

During April 2022, most of the tabloid media in Serbia reported in a dramatic way on the economic consequences of the war in Ukraine in the EU and the USA, mostly bypassing the economic situation in Russia, which is, according to all relevant indicators and predictions, far worse.

To describe the state of the economy in Western countries, the media in Serbia used terms such as "Catastrophe", "sliding to the bottom", "death sentence" pointing to the impending collapse of their economy. Although economic indicators in these countries have deteriorated since the beginning of the war, this way of reporting, often based on half-information and pulling things out of context, creates a distorted picture of the real situation in the world.

Earlier, during March, a trend of shifting the focus from the military operations themselves, which were the main thing these media initially reported in a very supportive tone towards Russia, towards the economic consequences across Europe and the world, with announcements of catastrophe and "economic end of the world", as well as emphasizing the need for stability. As observers concluded, this also had a function in the context of the election campaigns in Serbia and benefited the ruling parties. This trend of reporting, however, conveyed and in the period after the election.

"The economic confrontation between the West and Russia is causing great trouble in the world. The United States and Europe have found themselves in a bad situation, faced with an unprecedented deterioration in the quality of life and imbalances in markets, „experts” say, is one of the "representative" examples of these narratives from the daily [Alo](#) from April 16th.

The text was published under the title "WESTERN EXPERTS DO NOT HIDE PANIC: We walked into our own trap, this Russian move will break us ", and the mentioned Russian move refers to the decision Moscow to start production of domestic 3D printers that will help replace the supply components from abroad.

Another text [published by Alo](#) in this tone on April 4 informed readers that "Europe signed the death sentence "by imposing sanctions on Russia. This text was quoted by *Russia Today*, media under Kremlin control.

"By sanctioning Russia without a plan to find other fuel suppliers, the European Union has probably harmed herself more than Moscow, a former British diplomat Alastair said for *Russia Today*... He claims that sanctions against Russia by completely separating the prices of goods

((f)) Fake News and Disinformation

from the dollar are essential for destroying the credibility of the fiat currency system, and that Brussels made the wrong move by imposing sanctions Russia without finding other sources of fuel ", it is stated in this text.

On the other hand, in rare cases when *Alo* reported on the state of the Russian economy, such as, for example, on [18th of April](#), it was done in a far more neutral tone. Transmitting the speech of the Russian central bank governor Elvira Nabulina, this media wrote that the inflation will take two years to return to the target of 4%, and that sanctions are increasingly affecting the Russian economy, which will have to transform. The text did not mention "catastrophe", "panic" and other sensationalist expression as in the case of reports of the state of the economy of Western countries.

Inflation is a favorite topic

Inflation that occurred in the European Union was a particularly interested topic in this media during April, with similar "apocalyptic" tones.

"MILLIONS ENDANGERED!" The dizzying rise in energy prices has drastically lowered the standard of Europeans!" states one of the titles of the [portal Republika](#), whose owner is tabloid *Srpski Telegraf*. Text is published on 10th of April and it conveyed the situation in several EU countries.

Alo, which was also interested in the topic of inflation, but almost exclusively in Western Europe, [reported](#) on 9th of April that "Europe is threatened by economic collapse due to sanctions against Russia."

"Inflation in many, even in the most developed economies, is breaking all possible records, interest rates are rising" many do not even buy basic foodstuffs, electricity and gas are more expensive ... An even deeper crisis "It would indisputably lead to higher inflation and a sharp drop in living standards, economists claim" says the text.

These media also focused on individual countries, primarily the United States and Germany.

"The Americans will not ACKNOWLEDGE, sanctions against Russia are cutting them ... Biden PULLED A RADICAL MOVE!" *The Informer* [wrote on April 1](#), reporting that the administration of the US President Joe Biden considers releasing up to 180 million barrels of oil from strategic reserves to market over several months, trying to bring down high fuel prices. As in most other cases, the text is written in form of agency news, but the title is given a sensationalist tone.

On April 12, [the Espresso portal](#), on the other hand, reported that "Germany is on its knees" and that inflation reached 7.3% and is the highest since 1981. This portal also reported that the prices in Austria grew by 6.8%, which is also the highest level in the last 40 years.

In the meantime, the Republic Bureau of Statistics announced that in March 2022, inflation in Serbia amounted 9.1% compared to the same period last year, and that from the beginning of

((f)) Fake News and Disinformation

the year was above 8%, therefore more than Germany and Austria both. However, when it comes to Russia, it does not write in the same, sensationalist way. In fact, the interpretation that Serbia is in better and more stable condition than some EU countries has been reported on several occasions.

"SERBIA IS NOT IN DANGER, WE DO NOT GUARANTEE FOR EUROPE! If they do not pull the handbrake and stop going against Putin, this is next ... WE KNOW WHAT STAGFLATION IS, AND WHAT ABOUT BRUSSELS?! ", the title is on the [Informer portal](#) from April 25.

The *portal Republika* in a similar way, in the already mentioned text from 10th of April on the "endangerment of millions in Europe "concluded the article with a reassuring message for the citizens of Serbia.

"In Serbia, let us emphasize, there was no increase in the price of energy, and inflation is within projected limits ", says the end of this text.

The increase in fuel prices was limited by a decree of the Government of Serbia, the last time at the end of April, and the Republic Bureau of Statistics notes that in March 2022 in the consumer basket, in the category "Housing, water, electricity and gas", the price increase was 5%. On the other hand National bank of Serbia [announced](#) in November last year that inflation would rise above the upper limit of the target by mid-2022. With the start of the war in Ukraine, the situation changed for the worse.

A tabloid reader in Serbia, therefore, would get the impression that the European Union and the United States are on the brink of economic collapse, while Russia and Serbia face temporary and solvable problems.

What do the numbers actually say?

There is no doubt that both the countries of the European Union and the United States will be economically affected by the war in Ukraine and sanctions against Russia. However, according to the current projections, Russia will be affected even more, which is a conclusion that is not seen in Serbian tabloids.

[According to](#) the International Monetary Fund, Europe will be affected by the war through three main channels: higher gas prices, higher metal prices and a general decline in trade with Russia. GDP growth of 3% is projected for developed European economies, while Germany and France and Italy could also face very slight growth or even decline in economic activity in the second and third quarter. [The growth projection](#) for the United States for 2022 is 3.7%. For Russia, on the other hand, a GDP decline of 8.5% is projected. It is also projected that in this country unemployment which was about 5% before the start of the war will be doubled by the end of the year.

Eurozone countries are also projected to have inflation of 5.5% and the United States 7.7% in 2022. In Russia on the other hand, prices are expected to grow as much as 21.3%. Measures

((f)) Fake News and Disinformation

taken by the Russian Central Bank recovered the ruble from the sharp fall it experienced in early March. However, also American dollar remained stable, and the so-called U.S. Dollar Index, which is falling with the weakening of this currency, at the beginning of this year, it returned to the values from before the pandemic, and did not experience a new decline since the beginning of the war in Ukraine.

For Serbia IMF currently forecasts growth of 3.5% and inflation of 7.7% in 2022.

When it comes to foreign trade, the Research Center of the American Congress states that the volume of Russia trade has fallen sharply and Russian imports are projected to fall by almost 25% in 2022, and more than 750 international companies have restricted business in or with Russia.

"Russia's main economic salvation is still its energy export, especially to Europe. High prices of energy and a sharp decline in imports have created a historically high current account surplus in Russia. The Institute of International Finance (IIF) estimates that (without significant new sanctions on Russia energy) the Russia's current account surplus could exceed 250 billion \$ this year, which would allow the government to replenish frozen central bank funds (about 300 billion \$) stated in this study.

It is added that, within the coalition of states that imposed sanctions, the EU was the strongest economically partner of Russia, and that it is now facing the greatest potential economic disruption.

"Europe remains largely dependent on energy imports from Russia, especially natural gas and current EU sanctions on Russia include certain energy exemptions. The EU is considering new sanctions on Russian oil imports, but Germany, in particular, is reluctant to apply full energy embargo, including natural gas, which could cut Germany's GDP by 0.5% this year up to 2.5%, according to most estimates, "the researchers said, adding that efforts to diversify energy sources are in progress, but that they will take time.

Reporting by influential media in Serbia has been ignoring this nuanced analysis economic consequences of the war in Ukraine for months and has created a black and white image according to which the European Union and the United States pay a high price for the war, while the difficult economic situation in Russia is at best pushed into second plan. Part of this reporting relies on quoting Russian media such as Russia Today, and part on the original content, which is a continuation of the long-standing trend of pro-Russian and anti-Western reporting in Serbia.

The conclusion that the reader can draw on the basis of such writing is that sanctioning Russia for the war in Ukraine and the violation of international law can only lead to the economic collapse of Europe, as well as that western economies are insufficiently able to cope with the consequences of sanctions, unlike the Russia's. This distorted perception fits into the mosaic of anti-Western values that this part of the media has been marketed in Serbia for many years.

This text was written as part of the Regional Initiative to Combat Disinformation.