

**EMBASSY OF INDIA  
BELGRADE**

MONTHLY COMMERCIAL REPORT FOR SERBIA  
SEPTEMBER 2017

Economic and Financial Indicators

Quarterly figures→	GDP Growth in 2016					GDP Growth in 2017				
	1 <sup>st</sup> Q.	2 <sup>nd</sup> Q.	3 <sup>rd</sup> Q.	4 <sup>th</sup> Q.	2016	1 <sup>st</sup> Q.	2 <sup>nd</sup> Q.	3 <sup>rd</sup> Q.	4 <sup>th</sup> Q.	2017
Quarterly GDP Growth	3.9%	2.0 %	2.8%	2.5%	2.8%	1.0%	1.3%			*1.2%

Source: Statistical Office of the Republic of Serbia, National Bank of Serbia

Basic macroeconomic and fiscal indicators	<b>2016</b>	<b>2017</b>
Gross domestic product, current prices, in billion Dinars	-	-
Gross domestic product, in billions USD approx.	-	-
Gross domestic product, per capita, USD approx.	-	-
Gross domestic product, real growth, in %	2.8%	2.3% *
Inflation		In September 2017
Annual inflation target (y-o-y growth)	4.0 % +1%	3.0 % +1%
Monthly Inflation	0.1 %	0.7 %
Inflation rate – Consumer price index CPI (%)	1.6 %	3.2 %
Foreign trade, in million USD	<b>2016</b>	Up to August 2017
Export of goods	14,880.7	10,896.5
Import of goods	19,255.5	13,803.4
Foreign trade deficit	- 4,374.8	- 2,906.9
Total Trade	34,136.2	24,699.9
Balance of Payment, in million USD	<b>2016</b>	In August 2017
Current account deficit (exc. grants)	-1,512	-1,265
Current account deficit (exc. grants), as % of GDP	-	-
Balance of payments, total	-345	630
Foreign direct investments, net in million USD	2,057	1,651
Monetary and Foreign Exchange Indicators	<b>2016</b>	In August 2017
Foreign currency reserves of NBS, in Billion USD	12.5	13.8
Value of USD against Serbian Dinar (1USD)	117.14	100.4
Value of EUR against Serbian Dinar (1EUR)	123.47	119.2
Employment, wages and pension benefits		In August 2017
Unemployment rate, (%)	13.8 %	11.4 %
Net wages, period average, in Serbian Dinars.	53,456.-	47,220.-
Net wages, period average , in USD	456.4	470.3

Source: Statistical Office of the Republic of Serbia, National Bank of Serbia

\* Estimate GDP growth for 2017

### Top 5 Imports [January – August 2017]

Products	Values in 000 USD
Total	13,803,374
1. Iron, steel, copper, etc.	1,563,454
2. Medicaments & chemicals	1,401,460
3. Industrial Machinery	1,088,260
4. Automotive parts & vehicles	1,046,420
5. Food & agro-products	1,023,984

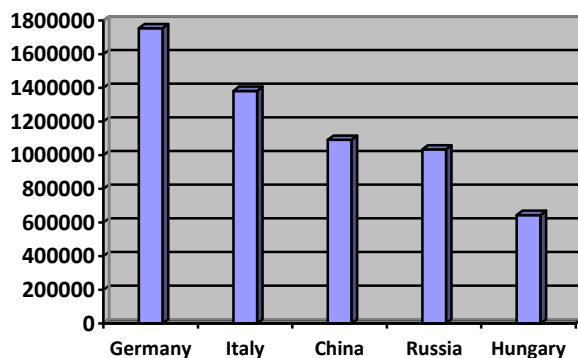
Top 5 Countries of Import	Values in 000 USD
Total	13,803,374
1. Germany	1,753,726
2. Italy	1,381,555
3. China	1,091,548
4. Russian Federation	1,034,227
5. Hungary	645,211

### Top 5 Exports [January - August 2017]

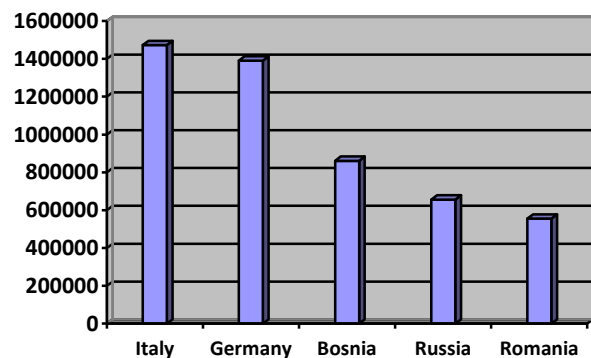
Products	Values in 000 USD
Total	10,896,480
1. Food & agro-products	2,199,468
2. Motor vehicle, parts & car tires	1,679,334
3. Products of iron, steel, copper	1,526,815
4. Electric appliances	933,916
5. Industrial machinery	918,885

Top 5 Export Destination Countries	Values in 000 USD
Total	10,896,480
1. Italy	1,472,627
2. Germany	1,390,758
3. Rep. of Bosnia and Herzegovina	861,070
4. Russian Federation	656,237
5. Romania	555,719

Countries by Import



Countries by Export



## Top Ten Trading Partners [January- August 2017]

Countries	Values in 000 USD
Total Trade	24,699,853
1. Germany	3,144,484
2. Italy	2,854,183
3. Russian Federation	1,690,464
4. Bosnia and Herzegovina	1,223,578
5. China	1,130,162
6. Hungary	1,033,935
7. Romania	935,274
8. Poland	852,835
9. Slovenia	740,855
10. Croatia	734,610

Source: Statistical Office of the Republic of Serbia, National Bank of Serbia

### 1. FOREIGN TRADE WITH INDIA

India-Serbia bilateral trade from January - August 2017 amounted to US\$ 120.5 million, **an increase of 27.0% compared to the same period in 2016**, with Indian exports to Serbia valued at US\$ 114.0 million and Serbian exports to India at US\$ 6.5 million.

#### India's top 5 Exports to Serbia (Jan-Aug 2017)

#### India's top 5 Imports from Serbia (Jan-Aug2017)

Product Groups	Values in 000, USD	Product Groups	Values in 000, USD
1. Pharmaceutical & chemical products	25,897	1. CPU / storage units	2,131
2. Products of iron & steel	19,907	2. Precious metals, silver	1,173
3. Textile, yarn, garments & footwear	14,891	3. Chemical products	1,072
4. Coffee, sesame seeds & food prod.	14,665	4. Tobacco / cigarettes	765
5. Industrial machinery	9,743	5. Industrial machinery & equipment	411

Top 10 Products Exported by India (Jan-Aug 2017)	Values in 000, USD	Top 10 Products imported from Serbia (Jan-Aug 2017)	Values in 000, USD
1. Aluminium, unwrought	11,599	1. Storage units	2,094
2. Polyethylene in primary forms	6,369	2. Silver, unwrought	1,173
3. Other heterocyclic compounds (with nitrogen)	6,019	3. Cigarettes	756
4. Coffee	5,431	4. Other phosphates of calcium	747
5. Medicaments, retail	3,538	5. Plastic fittings for pipes, tubes	371
6. Zinc, unwrought	2,779	6. Other nitrile-function compounds	300
7. Agricultural tractors	2,770	7. Telecom equipment	152
8. Parts of pumps	2,730	8. Metal working machinery	141
9. Groundnuts, not roasted	2,465	9. Printed circuits	66
10. Tobacco, raw	2,445	10. Parts of pumps	66

Source: Statistical Office of the Republic of Serbia

## 2. COMMERCIAL DEVELOPMENTS IN SERBIA

### 2.1 Main Economic Overview

Serbia is likely to achieve 2.3% GDP growth in 2017 according to Mr. Dusan Vujovic, Serbian Minister of Finance. Public debt has been reduced from 72.9% in December 2016 to 64.4% in June 2017 and is expected to further decline to 62% of GDP by the end of 2017. The state also achieved a budgetary surplus of Euro 505 million in the period January to June 2017. In the second quarter of 2017, the unemployment rate has dropped to 11.9% compared to 14.5% from the previous quarter. Minister Vujovic stated that around Euro 2 billion of foreign direct investments are expected by the end of 2017 which would be equal to FDI inflow in 2016. Minister Vujovic also stated that w.e.f. January 2018, the minimum wage in Serbia will be raised to RSD 143/hour which is an increase of 10%. National Bank of Serbia (NBS) decided to lower its key policy rate by 0.25% to 3.75% in view of the positive trends and the fact that the current inflation of 2.5% is below the NBS target of  $3\% \pm 1.5\%$ .

The Serbian Finance Ministry initiated discussions draft 2018 state budget with International Monetary Fund (IMF). Mr. Sebastian Sosa, IMF Resident Representative in Serbia stated that the Serbian government's proposal for increase in public sector wages and state pensions should not impair the achieved fiscal stability. The IMF representative also assessed that it was necessary for speeding up reforms of state administration, public services and state-owned enterprises. The Finance Ministry has recently announced that public sector wages will increase by 10% while state pensions will increase by 5%. The increase will come into effect from 1st January 2018.

The Serbian government has on 22 September adopted a Resolution on Action Plan for implementation of the National Program for Curbing the Grey Economy. The document envisages increasing the number of measures and stepping up activities to reduce the volume of illegal trade, unreported labor and tax evasion. The main focus will be on improvement of the fiscal system and reduction of administrative burdens on businesses and citizens.

In the latest Global Competitiveness Index for 2017 and 2018 brought out by the World Economic Forum, Serbia has advanced 12 places and is now ranked 78th out of 137 countries that are being evaluated. Serbian Association of Managers stated that with an index of 4.14 this is the best result Serbia achieved since 2010. The improved ranking is the result of stable GDP growth, decrease of the budget deficit, higher level of national savings, improvement of the country's credit rating and lower level of the public debt. Further improvement is expected in the field of efficiency of public administration, reduction of the tax burden and the fight against corruption.

Mr. Aleksandar Antic, Serbian Minister of Mining & Energy stated that Serbia was actively working on the project of the gas interconnection with Bulgaria and also doing a feasibility study for gas interconnection with Romania, as the country has good results in exploring its gas fields in the Black Sea. It is expected that Serbian, Bulgarian and Romanian Energy Ministers will have a trilateral meeting in November 2017 with the aim of discussing the dynamic of realization of the projects.

2.2 Inflation in September 2017 amounted to 3.2 %. Annual inflation during 2016 amounted to 1.6%.

### 2.3 Industrial production

From January to August 2017, industrial production in Serbia increased by 3.0%. Trends in the main sectors in July 2017 as compared to August 2016, were as follows:

- Electric power, gas and water supply – fall of 1.1 %,
- Mining and quarrying– growth of 4.7 % and
- Manufacturing– growth of 9.7 %,

The product-wise data on industrial production in August 2017 was as follows:

- Energy- growth of 2.5 %,
- Intermediate products -growth of 11.6 %,
- Durable consumer goods – fall all of 7.1 %
- Non – durable consumer goods - growth of 4.1 % and
- Capital goods – growth of 29.1 %,

A rise in manufacturing of machinery and equipment, rubber and plastic products, refined petroleum products, electrical equipment and beverages were the main reasons for the increase of industrial production in August 2017.

## 2.4 Average Net Wages

The average net wages paid in August 2017 in Serbia stood at RSD 47,220.- which reflected a decrease of 1.8% in nominal terms and a decrease of 2.0 % in real terms when compared to the average net wages paid in July 2017. The average gross wages in August 2017 amounted to RSD 65,094.-.

## 2.5 Serbia's Foreign Trade

The overall external trade of Serbia during January to August 2017 amounted to USD 24.7 billion, 11.8% increase compared to the same period in 2016. The value of Serbian exports amounted to USD 10.9 billion, an increase of 11.9 % when compared to the same period in 2016. The value of imports amounted to USD 13.8 billion, an increase of 11.6 % relative to the same period in 2016.

The trade deficit from January to August 2017 amounted to USD 2.9 billion - an increase of 10.5 % in comparison to the figure for the same period in 2016. The external trade in the reference period touched the highest level with countries with which Serbia has signed agreements on free trade. EU member countries accounted for 64.3 % of Serbia's total external trade. Serbia's second major partners were the CEFTA countries. The surplus in external trade with CEFTA from January to August 2017 amounted to USD 1.3 billion, resulting mainly from export of agricultural products (cereals and produces thereof and various types of drinks), steel and various finished products. Major items of import were iron and steel, coal, fruits & vegetables and medicaments. Exports to CEFTA countries valued USD 1.7 billion while imports from CEFTA were to the tune of USD 517 million.

Top exports in August 2017: Automotive wires (USD 64 million), automotive tyres (USD 50 million), hot - rolled iron products (USD 33 million), copper refined (USD 29 million) and cigarettes containing tobacco (USD 22 million).

Top imports in August 2017: Crude oil (USD 97 million), automotive parts (USD 44 million), retail medicaments (USD 36 million), natural gas (USD 32 million), coke/semi coke (USD 20 million) and coke and semi-coke obtained from hard coal (USD 28 million).

## 3. MAJOR INVESTMENTS WITHIN AND OUTSIDE THE COUNTRY

### FOREIGN INVESTMENTS

The European Investment Bank (EIB) has announced release of Euro 150 million for its Apex program and funding small and medium-sized companies in Serbia through the network of local

commercial banks. In September 2017 EIB has also approved a soft loan of Euro 15 million to the Serbian Government for financing port, railway and road infrastructure and reconstruction of several clinical centers in Serbia.

Swedish furniture manufacturer IKEA announced that after opening its first retail store in Belgrade in August 2017, it plans to invest an additional Euro 140 million in construction of two more department stores in Serbia.

Belgian Renewable energy producer Elicio NV through its local subsidiary Electrawinds Mali WF has invested Euro 14 million in 8 MW Malibunar wind park in the village of Vladimirci. For this project UniCredit Bank Serbia approved a loan of Euro 10 million. In the second project of 42 MW wind park in Alibunar, Elicio will invest Euro 80 million out of which Euro 19 million has been made available by the World Bank and Euro 40 million by commercial banks.

Israeli real estate firm Ashtrom Group has completed construction of “Rajiceva Shopping Center” in central Belgrade street of Knez Mihajlova in which Euro 80 million has been invested. The shopping mall spreads across 60,000 square meters and has more than 80 single and multi-brand stores.

The German governments signed a protocol on intergovernmental cooperation on providing development aid worth Euro 40 million. The funds will be available for different projects in the field of environmental protection, sustainable economic development, rule of law and education.

Japanese automotive part manufacturer Yazaki opened up its manufacturing facility in the town of Sabac with an investment of Euro 25 million. The Japanese firm will manufacture automotive cable sets for Daimler trucks. The planned annual export is expected to be approximately EUR 120 million. Yazaki is currently the largest factory in Šabac and one of the largest greenfield investments in Serbia. Yazaki has already hired more than 350 workers, and by the end of 2019 it plans to hire up to 1,700 workers. The total area of the factory is 29,488 square meters, and the factory premises covers about seven acres in the industrial zone.

Italian company Caminada which specializes in production and shaping of plastic moulds used for home appliances, electrical industry and automotive industries will invest Euro 5 million in a manufacturing facility in the city of Subotica.

The Belgian-based company Ravago Chemicals plans to invest Euro 5 million in a plant for the production of animal nutrition premix in the Serbian town of Feketic. The plant's annual capacity would be 2,000 tons of animal nutrition premix, or some 25% of the demand of the entire region. The Belgian company is known for animal nutrition premix used in pig, poultry, sheep, goat and fish farming.

Italian company Calzedonia is set to open its second factory of cloths and underwear in the northern Serbian town of Kikinda. The plant will be operational by spring 2018 and will manufacture shirts, socks and underwear under its own brand.

## SERBIAN INVESTMENTS

The Serbian Electrical Power Industry (EPS) and Japanese Mitsubishi Hitachi Power System signed an agreement on installation of flue gas desulfurization (FGD) systems in the Nikola Tesla A coal-fired power plant (TENT A) in Serbia. The project worth EUR 167 million will help reduce sulfur dioxide (SO<sub>2</sub>) and particulates emissions, and enable Serbia to meet EU environmental standards. The new desulfurization plant would ensure greater energy security and will be financed through a Japanese line of credit, with a 0.6% annual interest rate and a 10-year repayment period.

Belgrade-based Delta Real Estate, a part of Delta Holding, signed an agreement worth Euro 120 million with Bulgaria's AP Investment on acquisition of a shopping mall in Varna, Bulgaria. Delta also announced construction of two shopping malls one in Belgrade and one in Nis during 2018.

The Serbian MK Group announced opening of a Sheraton Hotel in Novi Sad by the end of 2017. According to the announcement this will be the first Sheraton Hotel in the region, with the signature of the highest standards and quality and with an enormous potential concerning the development of congressional tourism. The Hotel will spread across 11,000 sqm and will have seven conference halls.

#### 4 OTHER COMMERCIAL ITEMS OF INTEREST

According to the Serbian Regulatory Agency for Electronic Communication and Postal Services (RATEL), total revenue of the telecom market in 2016 amounted to Euro 1.58 billion. The telecom sector amounted to 4.5% of Serbia's GDP in 2016. Mobile telephony accounted for 59% of total market revenue while investment in the telecom industry in the period from January to December 2016 amounted to Euro 270 million.

According to a recent survey around 60% of Serbian citizens pay their bills in a post office or bank while 40% use online platforms for payment of bills. More than 67 % of Serbian citizens have bank accounts and more than 50% are using a "smart" phone.

Serbia and Morocco sign Air Traffic Agreement: On September 15 2017, Deputy Prime Minister and Minister of Construction, Transport & Infrastructure Ms Zorana Mihajlovic signed an Agreement on Air Traffic between Serbia and Morocco with Minister of Tourism, Air Transport, Craft and Social Economy of Morocco Mr. Mohamed Sajid. The two Ministers stated that there were great possibilities for a further enhancement of bilateral economic cooperation and that signing of this agreement is the first step in this process.

Serbian Minister of Labor, Employment, Veterans and Social Affairs Mr Zoran Djordjevic held a meeting with a delegation of Turkish businessmen to discuss investment opportunities in Serbia. Representatives of Turkish Teklas, Aster, Beko Balkans, LC Waikiki, Tibet Moda, Jeancy, Halkbank, and others were briefed on the investment opportunities and the national legislation of relevance.

Bolivia is interested in expanding its bilateral economic relations with Serbia and to achieve this Bolivian Vice President Alvaro Garcia Linera has proposed Serbia to open a representative office in La Paz. Bolivia has expressed special interest in cooperating with Serbian companies which are engaged in construction of hydroelectric power plants, hospitals, roads and bridges.

At a meeting with Serbian Minister of Mining and Energy Mr Aleksandar Antic, British Ambassador to Serbia Mr Dennis Keefe stated that British companies are interested in increasing their presence in Serbia's mining industry. Two British companies - Mineco and Metalfer - are already present in Serbia, while other companies have shown interest in projects of energy production from renewable sources.

Chinese e-commerce platform Alibaba is looking to build a logistics center in Serbia. According to the Serbian Ministry of Trade, Tourism & Telecommunications Chinese Alibaba is looking for a local partner to run the center. Also Chinese YinLong Group has expressed interest in the Serbian bus manufacturer Ikarbus. Representatives of the Chinese group are exploring the possibilities of production of electrical public transport buses.

Several companies have shown interest in starting strategic cooperation with the Serbian Mining and Smelting Basin (RTB) Bor. The Serbian Government is said to be negotiating with Canadian, Russian and Chinese mining companies and is expecting fresh investments of more than USD 500 million in RTB.

## 5. SPECIAL INITIATIVES BY THE MISSION

Minister of State for External Affairs meets Serbian Foreign Minister in Beld: Mr. M.J. Akbar, Minister of State for External Affairs met with Serbian First Deputy Prime Minister & Foreign Minister Ivica Dacic on the sidelines of the Bled Strategic Forum in Slovenia on 5th September, 2017. The two leaders agreed that the visit of H.E. Mr. Aleksandar Vucic, President (then PM) to India in January 2017 for Vibrant Gujarat Summit has given a significant boost to the political dialogue and cooperation at strategic and economic levels and reaffirmed mutual readiness to further promote bilateral cooperation. During the meeting, the officials exchanged opinions on new Indian investments in Serbia, in addition to previous successful investment by the Embassy Group in an IT park in Indjija. Mr. Dacic accepted the invitation to visit India, especially in the context of 70th anniversary of establishment of diplomatic relations. This was the second meeting of the two leaders, earlier they had met in New York on September 21, 2016.

Ambassador attends working lunch with Serbian Prime Minister: On 1<sup>st</sup> September, Ambassador attended the NALED organized working lunch with Serbian Prime Minister Ms Ana Brnabić, where nearly 200 Serbian and foreign business leaders, Mayors, representatives of the international community and members of the diplomatic corps were present. At the meeting key priorities such as combating of grey economy, reducing red-tape and corruption through the introduction of e-governance, conducting reforms in the agriculture sector and strengthening the IT sector were mentioned.

Ambassador's meeting with Serbian Agriculture Minister and TAFE Representatives: On 1<sup>st</sup> September Ambassador arranged meeting between Mr. Branislav Nedimovic, Serbian Minister of Agriculture, Forestry & Water Management and TAFE Representatives to discuss the modalities of tractor manufacturing under the Serbian State brand IMT through sale of IPR. Minister Nedimovic is leading a delegation comprising representatives from Ministry of Agriculture, Forestry & Water Management, Chamber of Commerce & Industry of Serbia, Development Agency of Serbia and 10 top Serbian agro-processing companies to World Food India 2017 from 3-5 November 2017 in New Delhi. During his stay in India, Serbian Minister will also visit TAFE's tractor manufacturing facilities in Madurai.

Keynote address by Ambassador at the "Digital 2017 Conference": Ambassador delivered a keynote address at the "Digital 2017 – Regional Conference on trends in telecommunications and media" organized by Color Communications on September 7, 2017 in Belgrade. Ambassador presented to the Serbian businesses the flagship programmes launched by the Government of India in the fields of information technology, manufacturing, real estate, services etc., and discussed the opportunities available for the Serbian and regional businesses especially regarding the "Digital India" programme and other government initiatives.

Ambassador calls on Serbian Minister of Trade, Tourism and Telecommunication: On 12th September, Ambassador called on Mr. Rasim Ljajic, Deputy Prime Minister and Minister of Trade, Tourism & Telecommunication of the Republic of Serbia to discuss further improvement of bilateral trade & tourism relations, especially after Serbia has abolished visas for Indian citizens. Indian companies are taking interest in the Serbian economy and it was emphasized that regular bilateral interaction of both the sides is vital to increase the levels of economic partnership. Additionally, it was agreed to have early meeting of the Joint Committee on IT & Electronics to create the necessary synergies between Digital India and digitalization & e-governance programme of the new Serbian government.

IITEC Day marked in Serbia: Ambassador along with Mr. Nemanja Stevanovic, State Secretary, Ministry of Foreign Affairs and Ms. Tatjana Matic, State Secretary, Ministry of Trade, Tourism & Telecommunications, IITEC alumni, prominent Indian and Serbian business persons, etc. marked the Indian Technical & Economic Cooperation (IITEC) Day on 22nd September, 2017. In her address, Ambassador gave an overview of the IITEC programme, stressing that it was an important pillar of



bilateral cooperation with Serbia. She underlined India's desire to share its experience and expertise in areas critical to economic growth and development with fellow developing countries. Mr. Nemanja Stevanovic, who also co-chairs the Joint Economic Committee, mentioned that India and Serbia shared an excellent bilateral relationship, encompassing diverse areas and expressed the hope that the bonds created through this education and capacity building partnership would continue to nurture our bilateral ties. Ms Tatjana Matic, the co-chair of Joint Committee on IT & Electronics, expressed hope that such training cooperation would continue to grow in future also and make a contribution towards the digitalization programme of her government.

Familiarization visit of Serbian Tour Operators to India: With the aim of promoting India tourism, Embassy of India in Belgrade in association with Union Ministry of Tourism of India and Turkish Airlines organized a familiarization trip of Serbian Tour Operators to India from September 23-28, 2017. Ministry of Tourism provided full local hospitality to the group comprising eight prominent Serbian tour operators, namely, S.A.B. Travel, Kontiki Travel, Disko Drugar, Manga Travels, Travelland, Travel Boutique, I.Travel, Jungle Travel and a representative of Turkish Airlines. The Group undertook the Golden Triangle tour of Delhi, Jaipur and Agra. A workshop was organized by the Ministry of Tourism on 27<sup>th</sup> September in New Delhi where 25 top Indian tour operators and government officials participated. The platform was used to exchange ideas, establish contacts and form a network of professionals. The Familiarization visit enabled Serbian tour operators to get first hand experience of India Tourism that would help them to properly present it to their local clients. Tourism promotion was one of the major action points arising from the visit of Serbian Prime Minister (now President) H.E. Aleksandar Vucic to India in January 2017. There has been year on growth of 26% in the number of Serbian nationals visiting India and India's e-visa facility is gaining popularity. Serbia has abolished visas for Indian nationals holding ordinary passports w.e.f. 2nd September 2017.

Days of the Indian Science in Serbia: As part of the celebration of 70 years of India's Independence and 70th Anniversary of establishment of diplomatic relations between India and Serbia, Faculty of Philology, University of Belgrade in association with the Institute of European Studies organized 'Days of the Indian Science in Serbia' including the First India International Scientific Conference in Belgrade and Matica Srpska, Novi Sad from September 26-28, 2017. The Conference highlighted the relation between cultural and political legacy of European Union and India in the light of contemporary social changes and historical influence of Mahatma Gandhi's political thought. Ambassador delivered keynote Address at the 3-day event which was attended by scholars from Serbia, India, USA, Ireland, Czech Republic, and Montenegro as well as representatives of local educational, scientific, cultural institutions and prominent academicians.

The Mission undertook several trade promotion efforts: The Mission disseminated information on fairs/exhibitions/conferences held by centre and state governments (World Food India 2017, Global Conference on Cyber Space (GCCS 2017), Indian Mobile Congress (IMC 2017), Textile India 2017, GES 2017, India Stonemart, GRAM 2017, Tex-Style India 2017, India Steel Expo, India Pharma 2017, India Medical Device 2017, etc being the recent ones) to Serbian companies and to the regional/local Chambers of Commerce. Wide publicity was given to Indian trade events through website and social media platforms. Monthly "India Newsletter" focusing on economic and commercial news was sent to the Serbian Government Ministries, Agencies, Chambers of Commerce, Municipalities and the local business community.

During September 2017, the Embassy issued 56 visas out of which 10 were for business. Apart from this 127 Serbians availed of e-visa facility to visit India.

## 6. INDIA'S INVESTMENT INTERESTS/FUTURE AUCTIONS AND TENDERS

Indian GMR Group is shortlisted for 25 years concession of Belgrade International Airport "Nikola Tesla": On 13th February 2017 the Serbian government issued an invitation for bids for a 25 year concession on Nikola Tesla International Airport, the main Belgrade airport and the biggest in

the Western Balkan region. The long-term strategic goal of the government is to ensure that Nikola Tesla becomes the dominant airport in the western Balkans region. The sale of the concession is expected to yield an upfront payment of approaching Euro 400 million, plus an annual fee of Euro 11 million. In the longer term, the goal is to increase the capacity of the airport from a current maximum of 7m passengers to around 17m by 2025. The Nikola Tesla international airport serviced 4,92 million passengers in 2016, 3 % more than a year earlier. It currently reports an annual net profit of around Euro 25 million. The offers were made by a Indian-Greek consortium (India's GMR Infrastructure Limited and Greek company Terna), a Swiss-French consortium (Meridiam Eastern Europe Investments, Zurich Airport AG and France's Eiffage), a South Korean-Turkish-Cypriot consortium (South Korea's Incheon International Airport Corporation, Turkey's Yatirimlar ve isletme and VTB Capital Infrastructure), a China's consortium (China's Hainan Air Travel Service, HNA and China National Aero Technology) and France's Vinci Airports.

The Serbian Agriculture Ministry will decide on the model to be used for the privatization and sale of the Agriculture Combine Belgrade (PKB) by the end of this year. The Ministry is in consultation with potential investors to see what kind of privatization model would suit them. In 2015 a tender was published for PKB with a starting price of Euro 154 million, but despite several interested companies no binding offers had been submitted. PKB is one of the largest agricultural producers in Serbia and one of the largest milk producers in Europe. It employs 1,782 workers, has crops planted on 20,500 hectares of arable land and has about 23,000 of cattle. In 2016, PKB produced 60 million liters of milk which accounts for around 10-12% of the total milk production in Serbia and 53% of the dairy market in the capital city of Belgrade.

The Serbian Government to appoint professional management in the Copper Mining and Smelting Complex RTB Bor: The Serbian Ministry of Economy stated that the government plans to publish a public call for engagement of professional management to run the Copper Mining and Smelting Complex RTB Bor. Since RTB Bor is considered a company of strategic importance for the Republic of Serbia, recently a pre packaged reorganization plan was adopted during which USD 1.35 billion of debt is intended to be restructured. The Government aims to restructure the company so that with fresh capital of a strategic partner RTB Bor can continue its development of new mines and realize fresh investment projects.

The Serbian Government is looking to privatize the petro-chemical complex: According to Mr. Goran Knezevic, Serbian Minister of Economy, the government is looking to publish public calls for privatization of the Methanol Plant, Azotara- Fertilizer Plant and HIP Petrochemicals, three companies which are part of the petro-chemical complex. Several investors have shown interest in taking part in the privatization and the government is looking to finish the process by the end of 2017.

It is worth mentioning that Serbia should be seen both as a local market of about 7.2 million inhabitants and as a regional hub for access to a number of lucrative markets in Europe with which Serbia enjoys preferred trade status because of FTAs with the EU, US, Russia, EFTA, Turkey, Belarus, Azerbaijan, Kazakhstan and CEFTA, etc. Thus, by investing in a Serbian manufacturing facility, Indian companies would gain preferential access to these markets. Serbia is also the only country outside the CIS that enjoys preferential trade access to Russia. This provides an added advantage as the goods produced in Serbia with prevailing value added in Serbia are considered of Serbian origin and can therefore be exported with 1% custom duty to Russia. Serbia offers itself as a low cost manufacturing base with technically qualified manpower to set up manufacturing for local consumption and exports.

#### UPCOMING TRADE FAIRS AND EXHIBITIONS IN SERBIA

International Jewellery Show	02-05 Nov 2017	<a href="http://www.sajam.net/en/">www.sajam.net/en/</a>
International Fair of Furniture, & Interior Decoration	7-12 Nov 2017	<a href="http://sajam.rs/en/">http://sajam.rs/en/</a>
12 <sup>th</sup> Ethnic Food & Drinks Fair	22-25 Nov 2017	<a href="http://www.sajam.rs">www.sajam.rs</a>
40 <sup>th</sup> International Tourism Fair	22-25 February 2018	<a href="http://www.sajam.rs">www.sajam.rs</a>

Balkan Textile Fair	08-11 March 2018	<a href="http://www.balkantekstila.com/">http://www.balkantekstila.com/</a>
Automotive Show 2018	22-28 March 2018	<a href="http://sajam.rs/en/">http://sajam.rs/en/</a>
International Fair of Horticulture	4-7 April 2018	<a href="http://sajam.rs/en/">http://sajam.rs/en/</a>
International Building Trade Fair	18-21 April 2018	<a href="http://sajamgradjevine.rs/en/home/">http://sajamgradjevine.rs/en/home/</a>
International Fair of Cosmetics	12-13 May 2018	<a href="http://www.sajamkozmetike.com">www.sajamkozmetike.com</a>
International Fair of Agriculture	May 2017	<a href="http://www.sajam.net/en">www.sajam.net/en</a>
International Fair of Technics and Technical Achievements	21-25 May 2018	<a href="http://www.sajamtehnike.rs">www.sajamtehnike.rs</a>
26th International IT & Office Equipment Fair – BIROEXPO	26-29 Sept 2018	<a href="http://www.sajam.rs">www.sajam.rs</a>
14 <sup>th</sup> International Energy Fair	3-5 October 2018	<a href="http://energetika-ekologija.talkb2b.net/en">http://energetika-ekologija.talkb2b.net/en</a>
43 <sup>rd</sup> International Fair of Medicine	11-13 October 2018	<a href="http://sajam.rs/en/">http://sajam.rs/en/</a>
International Fair of Cosmetics	13-14 October 2018	<a href="http://www.sajamkozmetike.com">www.sajamkozmetike.com</a>
International Belgrade Book Fair	21-28 October 2018	<a href="http://sajamknjiga.rs/en/">http://sajamknjiga.rs/en/</a>
13 <sup>th</sup> Fair of Ethnic Food & Drinks	21-24 Nov 2018	<a href="http://www.sajam.rs">www.sajam.rs</a>

More information available at: [www.sajam.rs](http://www.sajam.rs) (Belgrade Fair) [www.sajam.net](http://www.sajam.net) (Novi Sad Fair)

## 7. TRADE ENQUIRIES DURING SEPTEMBER 2017

### Trade Enquiries from India

- Indian company Zenon Healthcare Limited has expressed interest in exporting finished dosage, and pharma formulation to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Elegant India has expressed interest in exporting supplements and nutraceutical products to the Serbian market. List of Serbian importers has been provided to them.
- Indian company R.P. Welltar Ltd. has expressed interest in export of solid dosage formulation, therapy & nutritional products to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Alfanso Vitrified has expressed interest in export of ceramic tiles to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Vinayak Textiles has expressed interest in exporting sarees, garments, fabrics to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Zibon Ceramic has expressed interest in exporting ceramic wall tiles to the Serbian market. List of Serbian importers has been provided to them.
- Indian IRIS Group has expressed interest in exporting polymer stretch film to the Serbian market. List of Serbian importers has been provided to them.

### Trade Enquiries from Serbia

- In September 2017, Serbian company Vajs Kvarc doo expressed interest in exporting power aggregates and machinery to the Indian market. List of Indian power companies has been provided to them.

#### Useful Links:

Serbia Chamber of Commerce and Industry  
National Bank of Serbia  
Federal Statistical Office of Serbia  
Government of the Republic of Serbia  
Serbian Development Agency

<http://www.pks.rs/Default.aspx?idjezik=3>  
[www.nbs.rs/internet/english/index.html](http://www.nbs.rs/internet/english/index.html)  
<http://webrzs.stat.gov.rs/WebSite/>  
[http://www.srbija.gov.rs/?change\\_lang=en](http://www.srbija.gov.rs/?change_lang=en)  
<http://ras.gov.rs/>