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Com/Bel/205/1/16

Dear Sir / Madam

Enclosed herewith is the Commercial Report in respect of the Republic of Serbia for the month of November 2016.

2. We would like to draw your kind attention to the investment opportunities available in Serbia listed on page 11-12 of the report. The information may please be disseminated suitably at your end.

Regards

Yours sincerely

(Upendra Singh Negi)
Attaché (Economic & Commercial)

**EMBASSY OF INDIA
BELGRADE**

**COMMERCIAL REPORT FOR SERBIA
FOR THE MONTH OF NOVEMBER 2016**

Economic and Financial Indicators

Quarterly figures→	GDP Growth in 2015					GDP Growth in 2016				
	1 st Q.	2 nd Q.	3 rd Q.	4 th Q.	2015	1 st Q.	2 nd Q.	3 rd Q.	4 th Q.	2016
Quarterly GDP Growth	-2.0 %	1.0 %	2.2 %	2.0 %	0.8%	3.8%	2.0 %	2.6%		2.7*

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

Basic macroeconomic and fiscal indicators	2015	2016
Gross domestic product, current prices, in billion Dinars	3,995.5	-
Gross domestic product, in billions USD approx.	36.5	-
Gross domestic product, per capita, USD approx.	5140.-	-
Gross domestic product, real growth, in %	0.8 %	2.7*
Inflation	2015	In October 2016
Annual inflation target (y-o-y growth)	4.0 % (Target)	4.0 % +-1%
Monthly Inflation	-	0.9 %
Inflation rate – Consumer price index CPI (%)	1.5 %	1.5 %
Foreign trade, in million USD	2015	Up to October 2016
Export of goods	13,365.2	12,360.4
Import of goods	18,216.2	15,890.6
Foreign trade deficit	- 4,851.0	- 3,530.2
Total Trade	31,581.4	28,251.0
Balance of Payment, in million USD	2015	In September 2016
Current account deficit (exc. grants)	-1.765	-982
Current account deficit (exc. grants), as % of GDP	/	-
Balance of payments, total	164	-905
Foreign direct investments, net in million USD	1,650.0	1,415
Monetary and Foreign Exchange Indicators	2015	In October 2016
Foreign currency reserves of NBS, in Billion USD	13.0	12.5
Value of USD against Serbian Dinar (1USD)	111.9	112.31
Value of EUR against Serbian Dinar (1EUR)	121.8	123.16
Employment, wages and pension benefits	2015	In October 2016
Unemployment rate, (%)	16.7 %	13.8 %
Net wages, period average, in Serbian Dinars.	51,485.-	45,281.-
Net wages, period average, in USD	460.1	403.2

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

* Estimate GDP growth for 2016

Top 5 Imports [January- September 2016]

Products	Values in 000 USD
Total	14,239,303
1. Medicaments & chemicals	1,518,789
2. Automotive parts & vehicles	1,463,589
3. Iron, steel, copper, etc.	1,323,034
4. Industrial Machinery	1,058,817
5. Food & agro-products	992,265

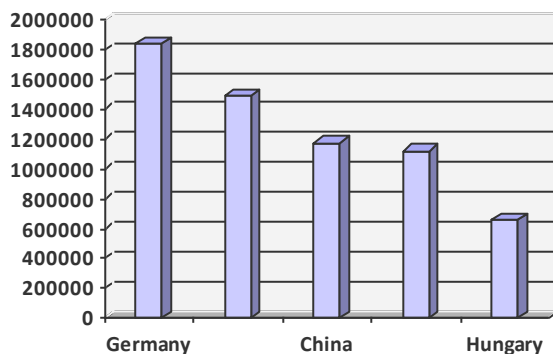
Top 5 Countries of Import	Values in 000 USD
Total	14,239,303
1. Germany	1,839,291
2. Italy	1,491,612
3. China	1,173,529
4. Russian Federation	1,122,626
5. Hungary	654,836

Top 5 Exports [January - September 2016]

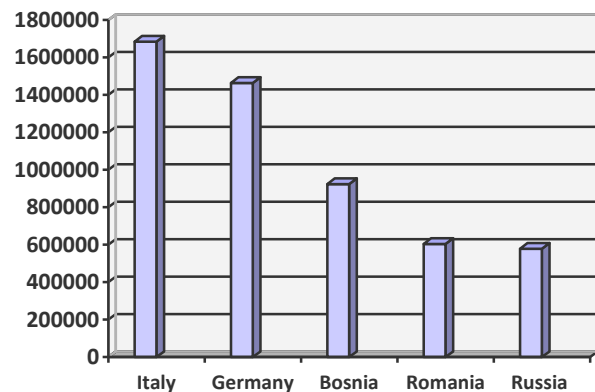
Products	Values in 000 USD
Total	11,087,384
1. Food & agro-products	2,337,835
2. Motor vehicle, parts & car tires	1,894,238
3. Products of iron, steel, copper	1,294,129
4. Industrial machinery	955,299
5. Electric appliances	909,291

Top 5 Export Destination Countries	Values in 000 USD
Total	11,087,384
1. Italy	1,684,539
2. Germany	1,463,500
3. Rep. of Bosnia and Herzegovina	924,253
4. Romania	604,558
5. Russian Federation	579,313

Countries by Import



Countries by Export



Top Ten Trading Partners [January- September 2016]

Countries	Values in 000 USD
Total Trade	25,326,687
1. Germany	3,302,792
2. Italy	3,176,151
3. Russian Federation	1,701,939
4. Bosnia and Herzegovina	1,245,618
5. China	1,192,220
6. Romania	1,010,313
7. Hungary	998,373
8. Poland	887,118
9. Slovenia	794,034
10. France	741,808

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

1. FOREIGN TRADE WITH INDIA

India-Serbia bilateral trade from January to October 2016 amounted to US\$ 118.8 million, a decrease of 5.0% compared to the same period in 2015, with Indian exports to Serbia valued at US\$ 110.6 million and Serbian exports to India at US\$ 8.2 million. The bilateral trade decreased mainly due to acquisition of Smederevo Steel Mill by Chinese HeSteel Group in April 2016 which resulted in drop of Indian iron & steel exports by approx. USD 14 million over the corresponding period in 2015. Similarly privatization process of Galenika Pharmaceuticals led to reduction in Indian export of pharma & chemical products by USD 4.2 million.

India's top 5 Exports to Serbia (Jan-September 2016)

India's top 5 Imports from Serbia (Jan-September 2016)

Product Groups	Values in 000, USD	Product Groups	Values in 000, USD
1. Pharmaceutical & chemical products	27,311	1. Pharma / chemical formulation	3,205
2. Textile, yarn, garments & footwear	17,960	2. Tobacco / cigarettes	2,501
3. Products of iron & steel	10,263	3. Industrial machinery	544
4. Coffee, sesame seeds & food prod.	8,130	4. Plastic products	282
5. Plastic products	6,170	5. Telecom equipment	245

Top 10 Products Exported by India (Jan-Sep 2016)	Values in 000, USD	Top 10 Products imported from Serbia (Jan-Sep 2016)	Values in 000, USD
1. Other heterocyclic compounds (nitrogen hetero-atom)	6,571	1. Cigarettes	2,501
2. Medicaments, retail	5,071	2. Acetic acid	2,315
3. Coffee	4,097	3. Derivatives containing nitro and nitroso group	874
4. Polyethylene in primary forms	3,568	4. Plastic fittings for pipes, tubes	209
5. Aluminium, unwrought	3,556	5. Telecom equipment	191
6. Zinc, unwrought	2,033	6. Other air conditioning machines	154
7. Shirts and vests, knitted	1,729	7. Parts, n.e.s., articles of group 748	82
8. Polystyrene in primary forms	1,555	8. Machinery for moulding ceramics	73
9. Heterocyclic compounds, n.e.s.	1,554	9. Polyamide	53
10. Parts for pumps, compressors, fans	1,465	10. Printed circuits	53

Source: Statistical Office of the Republic of Serbia

2. COMMERCIAL DEVELOPMENTS IN SERBIA

2.1 Main Economic Overview

The National Bank of Serbia (NBS) has in consultations with the Serbian Government and International Monetary Fund (IMF) lowered its target inflation for 2017 by one percentage point to 3%. The main reason for lowering of the target inflation is the significant improvement of macroeconomic fundamentals and Serbia's outlook in for the forthcoming period – primarily the sustainable external and internal finances and the decreased investment risks. Serbia has been able to curb inflation as it gradually decreased from 12.8% in 2012 to 1.5% in October 2016. The NBS increased its GDP growth projection for 2016 to 2.7% and an estimated 3% GDP growth in 2017. NBS Governor Jorgovanka Tabakovic also voiced expectations that FDI in 2016 will amount EUR 1.8 billion which would amount to 5.2% of GDP. In the period from January to September Foreign Direct Investments amounted to EUR 1.3 billion. Prime Minister Aleksandar Vucic stated that Serbia was successful in attracting foreign investors and that a level close to Euro 2 billion will be achieved without the sale of large state companies such as Telecom Serbia, Belgrade Airport etc.

The Serbian Ministry of Finance is looking to reform of the Tax Administration and Customs with the aim of combating the gray economy. Finance Minister Dusan Vujovic stated that the government plans to bring down the gray economy from the current 30-40% of share in the market to 15%. The new law and strategy should be implemented by the beginning of 2018. The Finance Ministry has also prepared a draft budget for 2017 based on a GDP growth forecast of 3% and annual inflation around 2%. The Ministry expects the 2017 budget deficit to reach 1.7% of GDP. The Government plans to reduce public debt from the current 74% of GDP to less than 70% by 2018.

Minister for State Administration and Local Self-Government Ana Brnabic emphasized that Serbia's problem is an inefficient state administration. In Serbia, 6.5 state employees are on average per 100 citizens which is below the level of most EU countries. During 2016 Serbia has significantly reduced the number of employees in the public sector and is planning to do so in the local administration during the coming years.

Minister of Labour, Employment and Social Issues Aleksandar Vulin stated that Serbia's unemployment rate decreased from 23.9% in 2012 to 15.2% in October 2016. Although the percentage of unemployed remains high, positive tendencies are visible. The Serbian Government has set a goal of reaching an unemployment rate of 11% which is the average unemployment rate in EU member countries.

The European Bank for Reconstruction and Development (EBRD) has raised its projection for Serbian GDP growth to 2.5% in 2016 and 2.7% in 2017, from an earlier prediction of 0.4% and 0.7% growth. According to the EBRD, increased private investments continue to be the key stimulator of Serbian economic growth and growth of exports. Also key for Serbia was the recent privatization of its Smederevo based steel mill and the ambitious investment plans of its new Chinese owner. The Serbian Government has also planning large infrastructure investment that will contribute to overall economic growth.

Serbia improves 12 places in latest World Bank "Doing Business" report for 2017. In the latest World Bank Doing Business list, Serbia was ranked 47th out of 189 countries. This is Serbia's best overall ranking ever in terms of doing business. In the previous year Serbia improves 12 places in the list and the country the biggest progress in the field of issuing construction permits. Serbia also ranked among this year's 10 most-improved countries. According to Thomas Lubeck, Western Balkan Regional Manager at the International Finance Corporation, a branch of the World Bank, over the past decade, Serbia has worked continuously on improving the business environment. Serbia should remain resolutely committed to this goal in the future in terms of improving the legislative framework, as well as in terms of boosting the efficiency of government agencies.

2.2 Inflation in October 2016 amounted to 1.5 %. Annual inflation during 2015 amounted to 1.5%.

2.3 Industrial production

During the period from January to October 2016, industrial production in Serbia increased by 5.2 %. Trends in the main sectors in October 2016 as compared to October 2015, were as follows:

- electric power, gas and water supply – growth of 4.1 %,
- mining and quarrying– growth of 4.1 % and
- manufacturing– growth of 2.9 %,

The product-wise data on industrial production in October 2016 was as follows:

- Energy- growth of 3.1 %,
- Intermediate products -growth of 4.5 %,
- Durable consumer goods – growth of 7.6 %
- Non – durable consumer goods - growth of 3.8 % and
- Capital goods – fall of 5.2 %,

The biggest reason for growth of industrial production in October 2016 was the increase of manufacturing of chemicals, food products, natural gas, generation of electricity and mining of metal ores.

2.4 Average Net Wages

The average net wages paid in October 2016 in Serbia stood at RSD 45,281.- which reflected a decrease of 2.7% in nominal terms and a decrease of 3.4 % in real terms when compared to the average net wages paid in September 2016. The average gross wages in October 2016 amounted to RSD 62,414.-.

2.5 Serbia's Foreign Trade

The overall external trade of Serbia from January - October 2016 amounted to USD 28.3 billion, a 7.2% increase compared to the same period in 2015. The value of Serbian exports amounted to USD 12.4 billion, an increase of 10.1 % when compared to the same period in 2015. The value of imports amounted to USD 15.9 billion, an increase of 5.1% relative to the same period in 2015.

The trade deficit from January to October 2016 amounted to USD 3.5 billion, a decrease of 9.3 % in comparison to the figure for the same period in 2015. 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 64.7 % of Serbia's total external trade. Serbia's second major partners were the CEFTA countries. The surplus in external trade with CEFTA up to October 2016 amounted to USD 1.6 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 2.2 billion while imports from CEFTA were to the tune of USD 623 million.

Top exports in October 2016 were: automotive wires (USD 56 million), diesel cars up to 1500 cm³ (USD 32 million), maize (USD 30 million), automotive tyres (USD 17 million), petrol cars up to 1500 cm³ (USD 24 million), cigarettes /tobacco (USD 22 million), frozen raspberries (USD 19 million), panty hose (USD 18 million), wind mill rotors (USD 18 million) and ac generators over 750 KVA (USD 18 million).

Top imports in October 2016 were: automotive parts (USD 61 million), retail medicaments (USD 37 million), crude oil (USD 31 million), diesel cars 1500-2500 cm³ (USD 30 million), natural gas (USD 22 million), railway coaches (USD 16 million), telecom equipment (USD 16 million), coke/coal (USD 15 million), gaseous oils (USD 14 million), and electric conductors <1000V (USD 13 million).

3. MAJOR INVESTMENTS WITHIN AND OUTSIDE THE COUNTRY

FOREIGN INVESTMENTS

Bank of China to open a subsidiary in Serbia: The Executive Board of the National Bank of Serbia (NBS) has given approval to the Bank of China in Serbia. The Chinese bank will open its offices in Belgrade in January 2017 and besides Serbia, will cover the markets of Greece, Romania, Bulgaria, Albania and all countries of the former Yugoslavia. The Bank of China Ltd. is one of the top five banks in the world according to the value of market transactions.

Automotive company Meita plans to invest an additional Euro 60 million: The Chinese-French joint venture company Meita, which is currently building a automotive engine parts factory near Belgrade is buying another 17-hectare of land for construction of a second factory. The investment is estimated at Euro 60 million. The new plant will produce engine blocks and engine mounts, turbochargers and other parts for automobile brands such as Renault, Ford, BMW, and Daimler.

Petroleum Industry of Serbia (NIS) invests Euro 30 million into environmental protection: The Petroleum Industry of Serbia (NIS), in which the Russian Gazprom Neft holds 51% stake, has recently invested Euro 30 million in its amine facility in Elemir. The facility which is used for purification of natural gas is equipped according to the latest environment protection standards and will contribute to the reduction of CO₂ emissions.

European Commission financing Serbian Antares project with Euro 28 million: European Commission will finance the Serbian company BioSens and its Antares project as part of the 'Europe at the Horizon 2020' project for creating of European Centers of Excellence in scientific research. The goal of the Antares project is to develop the institute into a European Center of Excellence for advanced technologies in sustainable agriculture.

European Investment Bank approves loan worth Euro 26 million: European Investment Bank (EIB) Vice-President Dario Scannapieco stated that Serbia has achieved extremely good economic results and the EIB will continue to support the process of reforms in the country. EIB has recently approved Euro 26 million, the second tranche of a Euro 41 million loan intended for support of the judiciary reform in the Republic of Serbia.

Chinese Eurofiber invests in yarn and fibre factory in Cuprija, central Serbia: Chinese company Eurofiber which manufactures yarn, plans to invest up to Euro 13 million in construction of a factory in the Serbian town of Cuprija.

EFSE approves Euro 10 million loan to Intesa Leasing: The European Fund for Southeast Europe (EFSE) signed a contract with Intesa Leasing Serbia regarding a soft loan of Euro 10 million for financing micro and small enterprises (MSME's) in Serbia. According to Intesa Leasing the soft loans are intended for purchase of equipment and commercial vehicles by MSME's.

Italian La Linea Verda group starts construction of food processing factory near Ruma: Italian La Linea Verda group plans to invest Euro 8 million in construction of factory for production and processing of vegetables in Dobrinici, near the town of Ruma.

European Investment Fund extends loan worth Euro 5 million to Erste Bank: The European Investment Fund (EIF) has signed an agreement with Erste Bank Serbia regarding a loan worth Euro 5 million intended for support of small enterprises in Serbia as part of EU Program for Recruitment and Social Innovation. Around 800 small companies from Serbia will be able to apply for favorable loans, without providing additional guarantees.

German Statt Werk buys former BeoBanka headquarters building in Belgrade: Statt Werk company based in Stuttgart has bought the former Beobanka office building in central Belgrade for Euro 4.25 million. Statt Werk GmbH is a German real estate company which is looking to invest in development of the office space which is located in the center of Belgrade.

Slovenian Direktna Bank acquires Findomestic Bank Serbia: Slovenian Direktna Banka has acquired 100 % ownership of Findomestic Bank in Serbia which has around 400 employees, around Euro 200

million in assets and covers the entire territory of Serbia. Findomestic Bank has been operating in the Serbian market since 2006 and is the leader in the car-loan sector, and it was fully-owned by BNP Paribas since 2011.

SERBIAN INVESTMENTS

Delta Real Estate buys Holiday Inn and BelExpo Center: Serbian company Delta Real Estate which is part of Delta Holding has bought the Holiday Inn in Belgrade and the BelExpo Centre, while the value of the transaction is kept confidential. Holiday Inn Belgrade is a four-star hotel with 140 rooms while BelExpo is a multifunction exhibition and conference space connected to the hotel, covering an area of 2500 sqm. Delta Holding has recently also started building the hotel InterContinental Ljubljana in Slovenia while an InterContinental hotel in Beograd will be constructed in the near future.

Tri Serbian state companies form consortium for construction of defense vehicles: State owned automotive manufacturer Zastava Trucks has signed a contract with Automotive Factory Priboj (FAP) and defense company Prva Petoletka from Trstenik to form a consortium for manufacturing state of the art defense vehicles. The new combat vehicles will be based on a FAP 2026 truck all wheel drive 6X6. Zastava will mount the armored cabin while Prva Petoletka will arm the vehicle with the BOFORS defense system.

4 OTHER COMMERCIAL ITEMS OF INTEREST

Summit of countries of Central and Eastern Europe and China (CEEC) held in Latvia: The fifth summit of the Heads of Governments of the countries of Central and Eastern Europe (CEEC) and China, known as the “16 + 1” took place in the Latvian capital Riga on 4- 5 November 2016. The Serbian delegation was led by Prime Minister Aleksandar Vucic and comprised of First Deputy Prime Minister and Minister of Foreign Affairs Ivica Dacic, Deputy Prime Minister and Minister of Construction, Transport and Infrastructure Zorana Mihajlovic and Minister of Mining and Energy Aleksandar Antic. The summit was attended by Chinese Premier Li Keqiang, Prime Ministers of Latvia, Albania, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Lithuania, Macedonia, Poland, Romania, Slovak Republic, and Slovenia, Chairman of the Council of Ministers of Bosnia & Herzegovina and Deputy Prime Minister of Montenegro. Representatives of Austria, Belarus, EBRD, EU, Greece and Switzerland were present as Observers. Serbia signed with their Chinese counterparts contracts worth Euro 734 million. Serbian and Chinese Railways signed a contract worth Euro 319 million regarding construction of the first stage of the Belgrade-Budapest railway project. Also, a Memorandum of Understanding with the Chinese Exim Bank was signed regarding financing of joint infrastructure projects. A contract worth Euro 208 million was signed for the construction of the highway section between Surcin and Obrenovac on the Corridor XI and construction of the Belgrade Bypass roads. Serbian Prime Minister also presented to Chinese investors the possibility of investing in the Mining and Smelting Complex (RTB) Bor.

Serbo- Hungarian Business Forum held in Serbia: Hungarian Prime Minister Viktor Orban visited Serbia and held talks with Serbian Prime Minister Vucic. The joint session of the two Governments, Serbo- Hungarian Business Forum was held on 21 November 2016 in the southern Serbian city of Nis. The Forum was attended by 250 companies out of which 170 were Hungarian. Bilateral talks were held on increasing cooperation in agriculture and food processing, ICT, Pharma, chemical industry, construction, energy, environmental protection and renewable energy, textiles, furniture and machinery industry. Bilateral trade between Hungary and Serbia in 2015 amounted to Euro 1.1 billion out of which Euro 320 million were Serbian exports.

Serbia and Qatar expand cooperation: Serbian Minister of Trade, Tourism and Telecommunications Rasim Ljajic signed five documents on cooperation between Serbia and the State of Qatar on 9 November 2016 in Doha. The documents included – (i) Agreement on economic, trade and technical cooperation, (ii) Agreement on mutual encouragement and protection of investments, (iii) Agreement on cooperation in the field of culture, (iv) Memorandum on cooperation in agriculture and (v)

Memorandum of Understanding on cooperation in the field of youth and sports. Minister Ljajic also discussed the possibilities of bilateral business cooperation between Serbian and Qatari companies and presented the possibilities for Greenfield investment into Serbia as well as sale of state owned companies in the process of privatization.

The French-Serbian Chamber is looking to boost entrepreneurship in Serbia: The French-Serbian Chamber has published an invitation on 23 November 2016 which includes a mentorship program for start-ups and young entrepreneurs who wish to speed up the growth of their business. The program includes a full year of support, free of charge, from members of the French-Serbian Chamber of Commerce in all the most important aspects of business management such as the drafting of business plans, legal consultations, finances, sales and marketing.

Foreign Investors Council delivers annual report on doing business in Serbia: On 28 November 2016 the Foreign Investors Council (FIC) presented its annual report "The White Book 2016" to Serbian Prime Minister Aleksandar Vucic, officials of the Serbian Government and representatives of business community. The White Book has been published by FIC for the past 14 years, in which FIC members give recommendations aimed to support growth of business activities and improvement of the doing business environment in Serbia. FIC members, who are among the main investors and main driving engines of Serbia's economic growth share their knowledge and expertise with the aim of assisting the Serbian Government to create a more attractive and sustainable business environment and achieving swifter integration into the EU market. During the event, FIC Chairperson Yana Mikhailova stated that great progress has been made in the issuing of electronic building permits, while more needs to be done in the field of labour legislation. In addition to the successful reform of public enterprises, additional effort are welcome regarding reform of taxation and harmonization local legislation with EU standards.

Foreign investments push economic growth in Serbia: In the last 18 months the inflow of net Foreign Direct Investments (FDI) amounted to Euro 2.6 billion which is the main reason for the rise of GDP from 0.8% in 2015 to an estimated 2.7% in 2016. In 2015 FDI inflow exceeded EUR 1.8 billion which is also the minimum expectation in 2016. Experts claim that "greenfield investments" in particular have had significant impact as they led to erection of new production facilities, increase of industrial production, employment and exports. According to the latest report by consulting firm "Ernst & Young", Serbia is among the five most attractive countries for FDI in the European industry. The Serbian Government has set a goal of attracting Euro 3 billion FDI's in 2017.

Personal saving of Serbian citizens surpasses Euro 9 billion: Bank clients in Serbia have the option of 18 foreign currencies but 91% of all saving are in Euros. According to data released by the National Bank of Serbia (NBS), personal savings reached Euro 8.5 billion, Serbian citizens hold an additional RSD 49 billion (Euro 400 million) in local currency, while the remaining saving are in US dollars and Swiss Francs.

Serbian telecommunication market worth Euro 1.5 billion: According to Serbian Minister of Trade, Tourism and Telecommunication Rasim Ljajic the local telecommunication services are a high-potential market with ample growth opportunities. In 2015 telecommunication services had a combined income of over Euro 1.5 billion. Mobile telecom services are leading the way with annual revenues of Euro 920 million, landline telephony revenues amounted to Euro 206 million while internet services bagged Euro 180 million.

One third of Serbia's electric energy is generated in hydro electric power plants: According to Serbian Electric Power Industry (EPS) Director of Strategic Development Currently Aleksandar Jakovljevic Serbia is currently using 55% of its hydro energy potential which accounts to 1/3 (10.5 TW) of electric energy needs of the country. If Serbia utilized its full hydro energy potential it could almost meet all of its electric energy needs which would considerable increase the countries energy security.

IFC to aid city of Belgrade in increasing energy efficiency: The International Finance Corporation (IFC) will advise the City of Belgrade authorities in ways to improve energy efficiency of public offices, government building, hospitals and schools. The IFC is already actively advising Belgrade

City officials on implementation of public-private partnerships in the field of waste management and waste water treatment.

Serbian furniture exports reach USD 300 million: In the period from January to September 2016, Serbian furniture exports amounted to USD 300 million while USD 117 million of furniture items was imported. Serbian furniture manufacturers export mostly to EU markets such as the Czech, German, Spanish, French, Romanian, Greek and Russian market. Serbia also exports furniture to regional markets such as Montenegro, Bosnia & Herzegovina, Croatia and Slovenia.

5. SPECIAL INITIATIVES BY THE MISSION

The first Meeting of India-Serbia Joint Commission on Agriculture through video conferencing: The first meeting of India-Serbia Joint Commission on Agriculture was held on 15th November through video conferencing. The JCM was co-chaired on the Indian side by Mr Rajesh Kumar Singh, Joint Secretary, Ministry of Agriculture, Cooperation and Farmers Welfare and Ms. Milanka Davidovic, Assistant Minister for International Cooperation, Ministry of Agriculture & Environmental Protection of Serbia. Both sides underscored the importance of the JCM mechanism in deepening cooperation, reviewed bilateral ties, and exchanged potential areas of cooperation identified in the bilateral MOU on Agriculture and Allied Sectors signed in March 2009. Ambassador emphasized the need for regular meetings and time bound action plan to boost R&D, trade & investment in agriculture. Soyabean and oil seeds for India's requirements were identified as an immediate action point. Both sides also agreed to exchange certificates to boost trade in fruits, horticulture and animal & marine products.

Serbian Seed Expert attends GRAM 2016: On Embassy of India's initiative Dr. Vladimir Miklic, Principal Research Fellow, Seed Production, Institute of Field & Vegetable Crops, Novi Sad (NS Seme), Serbia was invited by the Government of Rajasthan as an Expert Speaker at the Global Rajasthan Agritech Meet (GRAM 2016) which was held in Jaipur on 9-11 November 2016. Dr. Miklic made a presentation on "Growing of herbicide tolerant sunflower hybrids" in the conference and informed the participants about the new technologies and its benefit to the farmers. Prior to the Meet, Embassy arranged Dr Miklic's meetings with senior officers in Ministry of Agriculture, Department of Commerce, ICAR and IARI in New Delhi where he discussed partnership for the breeding of winter nursery, scientific collaboration, establishment of joint sunflower hybrids programme etc.

Defence Cooperation: Serbia is an important source of technology for defence cooperation. In November, technicians from Yugoimport SDPR, Serbian state-owned intermediary company for the import and export of defense-related equipment, visited India on the invitation of Bharat Dynamics Limited for refurbishment and life extension of the vintage KVADRAT missiles of India army.

Ambassador's presentation "India in the World" at the NGO European Movement in Serbia: Ambassador Smt. Narinder Chauhan delivered an interactive lecture on "India in the World" at the NGO European Movement in Serbia on November 23. The event brought together Ambassadors, journalists and professionals from Serbia and the Balkans and was organized by the Forum for International Relations of the European Movement in Serbia. The opportunity was also utilized for examining the present state and scope of India-Serbia bilateral relations.

Indian Food at the 11th International Ethnic Food and Drink Fair: The Embassy participated in the 11th International Ethnic Food and Drink Fair from 23-26 November 2016 at the Belgrade Fair, Belgrade organized under the auspices of the Ministry of Agriculture and Environmental Protection of the Republic of Serbia and the City of Belgrade. The Embassy promoted and showcased Indian tea, coffee, basmati rice, spices and other food products. Himalaya Herbal products were also promoted while visitors had the opportunity to taste Indian tea and coffee. Presentations on different Indian food products were carried out and information on doing business with India and on India Tourism was given at the Pavilion. The Embassy's participation in this event generated lot of interest among the visitors.

Festival of Indian Film in Novi Sad: On the occasion of Diwali, the Embassy of India in collaboration with the Cultural Center Novi Sad organized the Festival of Indian Films from 30th October to 3rd November 2016 which included Indian movies: The Making of the Mahatma, Queen, 3 Idiots, Bajirao Mastani and Bajrangi Bhaijaan.

Commercial & trade visits to India: Mr. Demir Shkodra, CEO of Gentipharm, pharma manufacturing factory based in Kosov visited India to attend CPHI and P-MEC India 2016 held from 21-23 November at Mumbai. Mr Shkodra also visited the manufacturing facility of Century Pharmaceuticals Ltd and held discussion on business possibility. Representatives from Pestan d.o.o. visited India to participate in the Economic Times ACETECH 2016 in Mumbai. Petan d.o.o. is cooperating with Madhura Corporation, New Delhi. Milan Pavlovic, Professor, University Business Academy, Novi Sad attended 6th International Conference on Solid Waste Management from Nov 24-26 at Jadavpur University, Kolkata. Srdjan Pavlovic of Air Serbia visited India for business meetings with Jet Airways in connection with Airline Maintenance and Operating System (AMOS). Mr Milan Magazinovic, a Serbian Mechanical Engineer is scheduled to work with the Project Monitoring and Supervision Consultant employed by Public Health Engineering Department, Government of Rajasthan on Rajasthan Rural Water Supply and Fluorosis Mitigation Project in Nagaur. Mr Magazinovic will work as an International Mechanical Engineer (Pump Specialist) in the project which aims to provide safe and adequate drinking water supply. Apart from above several Serbian companies visited India for commercial & trade purposes mainly from the IT, aviation, defence, agriculture, food, energy, engineering, construction, steel, cement industry. Some of the companies are IKEA Serbia, RZD International, Microsoft Software d.o.o., EDePro d.o.o., Institute of Field and Vegetable Crops Novi Sad, AF Consultant Energy, RT-RK Computer system, Europos a.d, Roaming Networks, State Lottery of Serbia, Mika Projekt Servis, Lafarge Serbia, Mondelez Europe Services, M+W Process Engineering, Trizma d.o.o, FIGA, Enmon, Mecfor Inc. etc.

The Mission has been making several trade promotion efforts to enhance bilateral trade and investment between India and Serbia. The Mission regularly disseminates information on fairs/exhibitions/conferences held by centre and state governments (Vibrant Gujarat, IE29BF, India Stonemart, Global Rajasthan Agri-tech Meet, 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 is given to Indian trade events through Mission's website and social media platforms. Also monthly "India Newsletter" focusing on economic and commercial news are being sent to the Serbian Government Ministries, Agencies, Chambers of Commerce, Municipalities and the local business community.

Number of travel visas issued by the Mission: In the month of November 2016, the Embassy issued 140 visas out of which 32 were for business. eTV is gaining popularity and 171 Serbian nationals utilized the facility between March and September 2016.

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

The Serbian Government will look to appoint professional management in the Copper Mining and Smelting Complex RTB Bor: The Serbian Ministry of Economy stated that by the end of 2016 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 has declared 2016 the "Year of Entrepreneurship" and has introduced a new program for support of start-ups and entrepreneurship: Around USD 150 million of funds have been made available for encouraging entrepreneurs out of which 30% will be specifically directed towards women entrepreneurship. The government support for entrepreneurs will not only be financial, but

interested parties will receive assistance with preparation of necessary documents, business plans and will undergo training if necessary. The Serbian Chamber of Commerce and Industry as well as the Serbian Development Fund will play an important role in implementation of the new government program.

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.

French firm Lazard chosen as consultant for development of the Belgrade International Airport Nikola Tesla: French consultancy firm Lazard Freres SAS has been chosen as the main expert counselor for the development of Belgrade International Airport Nikola Tesla. Lazard is expected to define a development strategy that will be implemented by January 2018 when the sale of the airport is expected. Director of the Belgrade Airport stated earlier that investments could be expected in a second airport runway, a new passenger and cargo center, business center, hotel and parking garage. The current projected cost of the project is around USD 650 million.

Serbian state owned companies up for sale: Serbia's Government has announced plans for sale of several large state companies and their subsidiaries, including Trayal rubber products, Bor Copper Mine and Smelter, PKB Corporation, Car Factory Priboj (FAP), Resavica coal mines, Azotara fertilizer plant, furniture manufacturer Simpo, etc. More information is available at: <http://www.privreda.gov.rs/kontakt/>

UPCOMING TRADE FAIRS AND EXHIBITIONS IN SERBIA

39 th International Fair of Tourism	23-26 February 2017	www.beogradskisajamturizma.rs/en/
5 th Balkan Textile Fair	9-11 March 2017	http://www.balkantekstila.com/
54 th International Automotive Show	23 March- 2 April 2017	www.sajam.rs
International Fair of Horticulture	6-9 April 2017	www.sajam.rs
International Fair of Cosmetics	8-9 April 2017	www.sajamkozmetike.com
International Construction Trade Fair	19-23 April 2017	http://sajamgradjevine.rs/en/home/
International Fair of Agriculture	13-19 May 2017	www.sajam.net
International Fair of Technical Achievements	15-19 May 2017	www.sajamtehnike.rs
International Fair of Medicine	12-14 October 2017	www.sajam.rs
International Fair of Cosmetics	14-15 October 2017	www.sajamkozmetike.com
International Energy Fair	04-06 October 2017	http://energetika-ekologija.talkb2b.net/en
International Belgrade Book Fair	22-29 October 2017	http://sajamknjiga.rs/en/
International Jewellery Show	02-05 November 2017	www.sajam.rs
International Fair of Furniture, Equipment & Interior Decoration	7-12 November 2017	www.sajam.rs
12th Ethnic Food & Drinks Fair	22-25 November 2017	www.sajam.rs

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

7. TRADE ENQUIRIES DURING NOVEMBER 2016

Trade Enquiries from India

- Indian company Alps Export has expressed interest in exporting granite natural stones to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Zen Technologies Limited expressed interest in exporting defence training and simulation systems to the Serbian market. List of Serbian defence companies has been provided to them.
- Indian company Whitefields Overseas Ltd has expressed interest in exporting rice to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Shipra Enterprise has expressed interest in exporting handicrafts to the Serbian market. List of Serbian exporters has been provided to them.
- Indian company Khedut Agro Engineering Pvt. Ltd has expressed interest in exporting agriculture implements to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Al Rabih Steel Trading has expressed interest in exporting stainless steel products to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Kisan Kraft Machine Tools has expressed interest in exporting agriculture implements to the Serbian market. List of Serbian importers has been provided to them.

Trade Enquiries from Serbia

- In November 2016 there were no enquiries from Serbian companies.

Useful Links:

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

<http://www.pks.rs/Default.aspx?idjezik=3>
<http://www.nbs.rs/internet/english/index.html>
<http://webrzs.stat.gov.rs/WebSite/>
http://www.srbija.gov.rs/?change_lang=en
www.privreda.gov.rs
<http://ras.gov.rs/>