

**EMBASSY OF INDIA  
BELGRADE**

**MONTHLY COMMERCIAL REPORT ON SERBIA  
NOVEMBER 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%	<b>2.8%</b>	1.0%	1.3%	2.1%	3.2%	<b>*1.9%</b>

Basic macroeconomic and fiscal indicators	2016	2017
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 %	1.9 % *
<b>Inflation</b>		
		In November 2017
Annual inflation target (y-o-y growth)	4.0 % +-1%	3.0 % +-1%
Monthly Inflation	0.1 %	0.0 %
Inflation rate – Consumer price index CPI (%)	1.6 %	2.8 %
<b>Foreign trade, in million USD</b>		
	<b>2016</b>	Up to November 2017
Export of goods	14,880.7	15,591.6
Import of goods	19,255.5	19,904.7
Foreign trade deficit	- 4,374.8	- 4,313.1
Total Trade	34,136.2	35,496.3
<b>Balance of Payment, in million USD</b>		
	<b>2016</b>	In October 2017
Current account deficit (exc. grants)	-1,512	-1,643
Current account deficit (exc. grants), as % of GDP	-	-
Balance of payments, total	-345	1,195
Foreign direct investments, net in million USD	2,057	2,216
<b>Monetary and Foreign Exchange Indicators</b>		
	<b>2016</b>	In November 2017
Foreign currency reserves of NBS, in Billion USD	12.5	13.7
Value of USD against Serbian Dinar (1USD)	117.14	100.6
Value of EUR against Serbian Dinar (1EUR)	123.47	119.4
<b>Employment, wages and pension benefits</b>		
		In November 2017
Unemployment rate, (%)	13.8 %	12.9 %
Net wages, period average, in Serbian Dinars.	53,456.-	47,575.-
Net wages, period average , in USD	456.4	473.0

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

\* Estimate GDP growth for 2017

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

Products	Values in 000 USD
Total	17,826,021
1. Iron, steel, copper, etc.	2,032,477
2. Medicaments & chemicals	1,826,603
3. Industrial Machinery	1,476,655
4. Food & agro-products	1,408,778
5. Automotive parts & vehicles	1,376,368

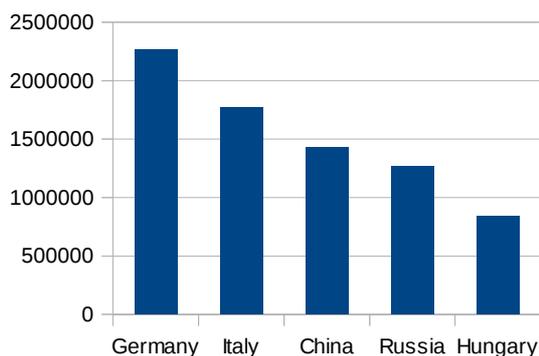
Top 5 Countries of Import	Values in 000 USD
Total	17,826,021
1. Germany	2,270,993
2. Italy	1,773,776
3. China	1,430,576
4. Russian Federation	1,265,835
5. Hungary	844,182

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

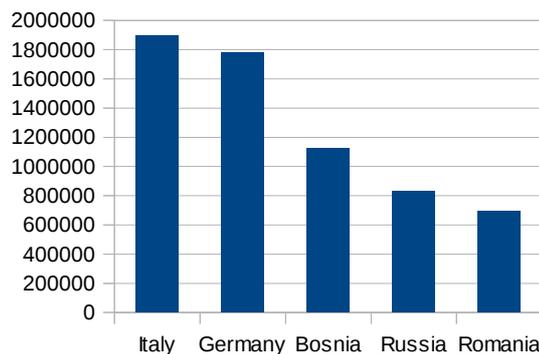
Products	Values in 000 USD
Total	14,059,096
1. Food & agro-products	2,697,960
2. Motor vehicle, parts & tires	2,235,775
3. Products of steel, copper	1,955,542
4. Electric appliances	1,249,991
5. Industrial machinery	1,191,650

Top 5 Export Destination Countries	Values in 000 USD
Total	14,059,096
1. Italy	1,897,097
2. Germany	1,776,281
3. Rep. of Bosnia & Herz.	1,125,206
4. Russian Federation	831,981
5. Romania	692,782

Countries by Import



Countries by Export



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

Countries	Values in 000 USD
Total Trade	31,885,117
1. Germany	4,047,274
2. Italy	3,670,873
3. Russian Federation	2,097,816
4. Bosnia and Herzegovina	1,599,713
5. China	1,480,758
6. Hungary	1,356,444
7. Romania	1,192,744
8. Poland	1,115,491
9. Slovenia	957,675
10. Croatia	956,089

Source: Statistical Office of the Republic of Serbia

#### 1. FOREIGN TRADE WITH INDIA

India-Serbia bilateral trade during January-October 2017 amounted to US\$ 157.1 million, **an increase of 32.2% compared to the same period in 2016**, with Indian exports to Serbia valued at US\$ 149.2 million and Serbian exports to India at US\$ 7.9 million.

India's top 5 Exports to Serbia (Jan-Oct 2017)	Values in 000, USD
1. Pharmaceutical & chemical products	33,718
2. Products of iron & steel	27,984
3. Coffee, sesame seeds & food prod.	20,553
4. Textile, yarn, garments & footwear	19,646
5. Industrial machinery	12,822

India's top 5 Imports from Serbia (Jan-Oct2017)	Values in 000, USD
1. CPU / storage units	2,131
2. Precious metals, silver	1,709
3. Chemical products	1,081
4. Tobacco / cigarettes	833
5. Industrial machinery	714

Top 10 Products Exported by India	Values in 000, USD
1. Aluminium, unwrought	16,185
2. Polyethylene in primary forms	8,935
3. Other heterocyclic compounds (with nitrogen)	7,681
4. Coffee	6,712
5. Medicaments, retail	4,788
6. Agricultural tractors	4,480
7. Zinc, unwrought	3,855
8. Soya bean oil-cake	3,202
9. Parts of pumps	3,113
10. Tobacco, raw	2,884

Top 10 Products imported from Serbia	Values in 000, USD
1. Storage units	2,094
2. Silver, unwrought	1,709
3. Cigarettes	833
4. Other phosphates of calcium	747
5. Plastic fittings for pipes, tubes	553
6. Other nitrile-function compounds	300
7. Metal working machinery	265
8. Telecom equipment	245
9. Parts of pumps	132
10. Motor vehicle parts	89

## 2. COMMERCIAL DEVELOPMENTS IN SERBIA

### 2.1 Main Economic Overview

On November 7<sup>th</sup>, the Executive Board of the International Monetary Fund (IMF) mission, led by James Roaf, completed the eighth review of Serbia's economic performance under the Stand-By Arrangement (SBA) signed in February 2015 worth Euro 1.2 billion. According to IMF statement, IMF and Serbian government have agreed key parameters of the 2018 state budget that will include increase in public sector salaries and state pensions. The IMF noted that Serbia continued its fiscal tightening and driven by strong revenues, this year's government balance sheet is projected to be around zero, compared to the original budget deficit target of 1.7 % of GDP. The public debt-to-GDP ratio fell to 65.4 % at end-September, a drop of more than 10 % when compared to the 2015 peak. In view of these results, the government has taken the decision to increase public sector salaries and state pensions from January 2018. Fiscal stability, implementation of growth-enhancing initiatives such as public infrastructure projects and reduction of the tax burden on low-income workers will remain the priority of the government. IMF projects fiscal deficit of 0.7% of GDP in 2018 and a further push for decrease of public debt.

According to the State Statistics Office (RZS), Serbia's GDP growth in the 3<sup>rd</sup> quarter reached 2.1% while industrial output increased 3.5% up to September 2017, with the processing industry registering a 6.8 % growth. The unemployment rate in Serbia in the third quarter of 2017 stood at 12.9% which is 1.2% higher than in the previous quarter and 0.9 percentage points lower than in the same period of the previous year. According to the latest poll of the labor force, the unemployment rate for men was 12% while it was 14% for women. Governor of National Bank of Serbia Ms Jorgovanka Tabakovic stated that Serbia is expecting an inflow of direct foreign investments of Euro 2 billion in 2017 compared to an earlier estimate of Euro 1.7 billion.

Serbia has improved its position by four places and is now ranked 43<sup>rd</sup> in the latest World Bank Doing Business 2018 list. World Bank Manager in Serbia Stephen Ndegwa stated that Serbia has improved regulations relating to doing business in absolute terms, and that the gap that separates it from countries with best business environment is narrowing. Serbia introduced significant changes in 2016/17 into the local regulatory network in areas such as company incorporation, reliability of cadastre system, introduction of geographical information system, and facilitation of application of contracts by adopting a new law on enforcement which widens and specifies the responsibility of bailiffs and the competence of courts in enforcement procedures. Serbia has been ranked 10<sup>th</sup> in this year's report when it comes to procurement of construction license. Prime Minister Ms Ana Brnabic stated that Serbia's progress in WB Doing Business List is a good signal for all investors across the world. She also announced further reforms in areas that were not assessed highly, so that Serbia could find itself among the first 30 out of 190 countries by the next year. PM Brnabic assessed that Serbia has to improve the areas of tax payments, bankruptcy cases solving, cadaster reform and the connection to the electricity network. Serbia achieved the best result on in the field of issuing building permits where it made the biggest progress from the 36<sup>th</sup> to the 10<sup>th</sup> place.

2.2 Inflation in November 2017 amounted to 2.8 %. Annual inflation during 2016 amounted to 1.6%.

### 2.3 Industrial production

Industrial production in Serbia increased by 3.8% during the period January to November 2017. Trends in the main sectors in November 2017 as compared to November 2016, were as follows:

- Electric power, gas and water supply – fall of 4.3 %
- Mining and quarrying– growth of 5.0 % and
- Manufacturing– growth of 8.2 %,

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

- Energy- fall of 0.5 %,
- Intermediate products -growth of 13.9 %,
- Durable consumer goods – fall of 4.2 %
- Non – durable consumer goods - fall of 3.9 % and
- Capital goods – growth of 4.2 %,

A rise in manufacturing of machinery & equipment, chemicals & chemical products, rubber & plastic products, pharmaceutical products and preparations and manufacturing of fabricated metal products were the main reasons for the increase of industrial production in November 2017.

## 2.4 Average Net Wages

The average net wages paid in November 2017 in Serbia stood at RSD 47,575.- which reflected an increase of 1.6 % in nominal terms and an increase of 1.5 % in real terms when compared to the average net wages paid in October 2017. The average gross wages in November 2017 amounted to RSD 65,609.-.

## 2.5 Serbia's Foreign Trade

The overall external trade of Serbia during January to November 2017 amounted to USD 35.5 billion, 15.1 % increase compared to the same period in 2016. The value of Serbian exports amounted to USD 15.6 billion, an increase of 14.3% when compared to the same period in 2016. The value of imports amounted to USD 17.7 billion, an increase of 14.6 % compared to the same period in 2016.

The trade deficit from January to November 2017 amounted to USD 4.3 billion - an increase of 21.7% in comparison to the same period in 2016. The external trade in the reference period touched the highest level with countries with whom Serbia has Free Trade Agreements. EU member countries accounted for 64.1 % 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 November 2017 amounted to USD 1.86 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 2.7 billion while imports from CEFTA were to the tune of USD 840 million.

Top exports in November 2017: Automotive cables & wiring (USD 88 million), copper refined (USD 38 million), automotive tyres (USD 36 million), hot rolled iron coils (USD 31 million), and petrol cars >1000cc<1500cc (USD 30 million).

Top imports in November 2017: Crude oil (USD 111 million), automotive parts (USD 86 million), retail medicaments (USD 51 million), natural gas (USD 36 million) and telecom equipment (USD 34 million).

## 3. MAJOR INVESTMENTS WITHIN AND OUTSIDE THE COUNTRY

## FOREIGN INVESTMENTS

The Managing Board of the World Bank Group (WB) has approved a loan of Euro 100 million to Serbia, for the Program for Improving Efficiency and Sustainability of the Infrastructure. Serbia will use the funds for proper maintenance of 8,000 kms of roads and improvement of energy efficiency of 234 public facilities.

Germany's KfW Development Bank and the Serbian Electric Power Corporation (EPS) have signed a loan agreement worth Euro 80 million intended for financing of construction of a wind farm in Kostolac town. The total output of the wind farm will be 66 MW, which is enough to supply around 30,000 households.

The European Bank for Reconstruction and Development (EBRD) signed agreements with the Banca Intesa on three credit lines of Euro 60 million for financing projects in Serbia. Banca Intesa will offer Euro 30 million in favorable housing loans, Euro 25 million will be loans for SME's and Euro 5 million program for supporting the development of women entrepreneurship.

Brazilian company EMS, through its Luxembourg-based subsidiary Aelius S.A.R.L., has taken over the Serbian pharmaceutical company Galenika. EMS will pay Euro 16 million for 93.7% of company shares and pay Euro 25 million outstanding Galenika's debt towards banks. The Brazilian company will also invest a minimum of Euro 5.5 million to upgrade production facilities and is obliged to keep 900 employees for at least two years.

Philippines based automotive part manufacturer IMI started construction of manufacturing plant in the Serbian city of Nis. IMI plans to invest Euro 30 million in the plant which will manufacture electrical components for the automotive industry.

The US Agency for International Development (USAID) will invest USD 12 million in the strengthening of the food processing industry in Serbia through the Competitive Economy Project in the next four years. The aim of the program is to educate Serbian businesses regarding new markets and new processing technologies which would increase competitiveness of local food processing companies. According to USAID, more than 3,400 companies in Serbia are engaged in the sector of food processing and employ over 80,000 people.

The International Finance Corporation (IFC) has granted Opportunity Bank Serbia (OBS) a loan of Euro 6.5 million intended for financing farmers and micro & small enterprises (MSEs). This will be the first IFC loan which will be denominated in Serbian Dinar, which will eliminate the inter-currency differences and risks for borrowers.

The 'Czechoslovak Group', owner of truck brands Tatra and Avia, has taken over the Serbian machinery and components industry in IMK 14<sup>th</sup> Oktobar. The Czech company will look to benefit from the Serbian based manufacturing industry since Serbia has signed free trade agreement with Turkey and Russia.

The Swiss software firm Namics is opening an office in Serbia and plans to employ 100 Serbian software engineers by 2019. Ian Keller, the new head of the Namics office in Belgrade, stated that the focus of the business will be hiring of IT experts for Java.

## SERBIAN INVESTMENTS

At the Summit of China and 16 countries of Central and Eastern Europe (CEE) in Budapest, Serbian and China have signed several infrastructure deals. Serbian Ministry of Civil Engineering, Transport & Infrastructure signed a deal worth Euro 450 with the China Communications Construction Company (CCCC) regarding construction of a 30.9 km highway section on Corridor XI from

Preljina to Pozega. The city of Belgrade and Chinese Machinery Engineering Corporation (CMEC) have signed a Euro 260 million deal regarding joint implementation of the project for waste-water processing and disposal. Belgrade city authorities also signed a deal worth Euro 190 million with the Power Construction Corporation of China for construction of the Obrenovac-New Belgrade heating pipeline.

China Railways International and China Communications Construction Company have started work on overhaul and upgrade of the first section of the Belgrade - Budapest railway line. The overhaul of the 34.5 kilometers long from Belgrade Center to Stara Pazova is worth USD 350 million.

The Serbian Electric Power Company (EPS) has contracted China Machinery Engineering Corp (CMEC) for construction of a new 350 MW block B3 of thermal-electric plant TE Kostolac. The Chinese Export-Import Bank has secured 85% of the funds for the financing of the project, and 15% has been provided by the Serbian Electric Power Company (EPS).

Serbian fashion textile company Mona is investing Euro 25 million in construction of a luxurious Mona Plaza hotel in Belgrade. The hotel will spread across 20,000 m<sup>2</sup> and have 150 rooms, Congress hall, two restaurants, fitness and parking facilities. Mona already owns several hotels such as "Mona Zlatibor", hotel "Javor" u Kusici and hotel "Argo" in Belgrade.

The Serbian government is investing Euro 20 million in improving IT & science facilities in Serbia. The funds are intended for three three projects: construction of a building for the Faculty of Electronic Engineering in Nis, construction of a Scientific and Technological Park (NTP) in Nis, as well as financing of the "Verokio" project of the Institute of Physics in Belgrade.

#### 4 OTHER COMMERCIAL ITEMS OF INTEREST

Serbia is working on becoming member of WTO. Minister of Trade, Tourism & Telecommunications Rasim Ljajic stated that Serbia belongs in the World Trade Organization (WTO), but it is still not known when all conditions will be met. A ban on GMO trade is still in force in Serbia, which is an obstacle to WTO membership. "There is a demand for amending the relevant legislation, but it has not begun yet. There is public resistance to the change. Unless we change the law, we can't expect to join the WTO," Ljajic said.

According to Vice-President of the Serbian Chamber of Commerce (PKS) Mr Zoran Vujovic investments of Euro 14 billion will be needed mostly in water management projects, decreasing of industrial pollution and construction of waste disposal units in the next 20 years for Serbia to adapt to EU ecological legislation and standards.

The Serbian government is working on a new Law on Foreign Currency operations which should ease doing business for IT companies. Amendments and supplements to the current law will allow firms to buy and sell software through the internet, as well as other digital products. Another innovation is that citizens of Serbia will be able to trade securities issued by EU member states.

Mr Branislav Nedimovic, Serbian Agriculture Minister stated that the Agriculture budget in 2018 is projected at Euro 340 million. The funds will be used for agriculture subsidies, financing of laboratories for food quality control, investments in processing industry and agriculture production.

The Serbian Ministry of Finance is also working on amendments of the laws regulating income of citizens with the aim of providing benefits such as tax and contribution relief in the first year of operation for business start-ups.

York Capital Management, US global institutional investment management firm and Slovenia based

Elements Capital Partners have expressed interest in investing in one of Serbia's largest food processing companies Victoria Group. The firms are ready to inject Euro 100 million in the operations of the Serbian conglomerate whose operations include manufacturing of soy, sunflower and rapeseed products, fish breeding, pellet production and distribution of other agro products.

Turkish Eximbank is interested to invest in road infrastructure in southern Serbia. Serbian Minister of Construction, Transport and Infrastructure Ms Zorana Mihajlovic met with Turkish Eximbank CEO Mr Adnan Yildirim and discussed the possibility of cooperation on overhaul and construction of several key roads in southern Serbia. Turkish Eximbank is ready to extend a soft loan for financing the overhaul of the road from Novi Pazar to Tutin and finance the international highway from Serbian capital Belgrade to Sarajevo (Bosnia & Herzegovina).

The Serbian Ministry of Mining & Energy and representatives of the Canadian Rio Tinto mining company held the first working group meeting on implementation of the Jadar Project. The goal of the working group is to enable efficient implementation of activities in the process of exploration and mining of lithium and borates. Exploration of the Jadar Project is being developed by Rio Tinto and the firm has so far invested over USD 90 million in the project.

## 5. SPECIAL INITIATIVES BY THE MISSION

Serbian participation in World Food India 2017: Mr. Branislav Nedimovic, Serbian Minister for Agriculture, Forestry & Water Management led a delegation of 11 agro processing companies, senior officials, Chamber of Commerce & Industry of Serbia, Development Agency of Serbia, Congress Travel International to World Food India 2017 held in New Delhi from 3-5 November 2017. The Chamber of Commerce & Industry of Serbia set up a 126 m<sup>2</sup> stall at the fair where 11 Serbian companies namely ITN Group, Yumis, All Berries, Mirax Agrar, Bambi Concern, Elixir Food, Lucic Group, Sirogojno Compnay, Agranela and Maize Research Institute "Zemun Polje" exhibited products like frozen fruits, confectionary, dried fruits, etc. The Serbian products received great interest at the fair and exhibitors had more than 600 bilateral meetings with potential Indian partners and representatives of various Indian states. The biggest interest was shown in the export of fresh and frozen fruits and vegetables. The media reports suggest that the Serbian companies have negotiated contracts worth EUR 2 million during the fair. Mr. Veljko Jovanovic, Director of the Agricultural sector at the Serbian Chamber of Commerce, who was present at the fair, acknowledged that India is a huge market with a big potential for cooperation and expressed hope to realize significant results. Minister Nedimovic held bilateral meeting with Shri Radha Mohan Singh, Minister of Agriculture and suggested harmonization of veterinary certificates of the two countries and early conclusion of phyto-sanitary agreement, which the two sides are negotiating. Indian Minister suggested that Serbia may consider importing tropical fruits such as mango, pineapple, banana, papaya etc. from India. Minister Nedimovic invited India to the annual International Agricultural Fair of Novi Sad held in May every year which was accepted by the Indian side. Minister Nedimovic discussed the scope of bilateral cooperation in the food processing sector during his meeting with Smt. Harsimrat Kaur Badal, Minister of Food Processing Industries. Indian Minister mentioned the vast opportunities available in India in the food processing sector under the Make in India initiative; the ongoing reforms leading to ease of doing business; and India emerging as one of the most favourable investment destinations. Minister met with representatives of Mahindra Group and visited TAFE's tractor manufacturing facilities in Madurai. Serbia is in negotiations with Indian companies namely, TAFE, Mahindra and Sonalika for manufacturing tractors in Serbia under Serbian brand IMT. Representatives of TAFE and Mahindra are expected to visit Serbia to continue negotiations initiated during the visit. CG Food India which has set up a noodle factory in Serbia, organized an Investors Forum at World Food India to raise awareness of investing in Serbia.

Serbian participation in the 5<sup>th</sup> Global Conference on Cyber Space – GCCS 2017: Ms. Irini Reljin, Assistant Minister, Electronic Communications & Postal Services, M/o Trade, Tourism and Telecommunication of Serbia led a 4-member delegation comprising Serbian cyber experts from public and private sector to the Global Conference on Cyber Space (GCCS-2017) in New Delhi on November 23-24, 2017. Ms Reljin met with Shri Rajiv Kumar, JS(IC), MeitY and co-chair of India-Serbia Joint Committee on IT & Electronics to discuss joint projects. GCCS 2017 was a great opportunity for developing India-Serbia cooperation in the field of Cyber Space with focus on policies and frameworks for inclusive, sustainable development, security, safety & freedom, technology and partnerships for strengthening security and safety and advocating dialogue for digital diplomacy.

Keynote address by Ambassador of India at the “BIZIT 2017 Conference”: Ambassador delivered a keynote address at the “BIZIT 2017 – regional conference on trends in software development and e-commerce organized by PC Press on 1-2 November 2017 in Belgrade. BIZIT Conference focused on business software, e-commerce, intellectual property, telecom, data centers, cyber security, IoT, Smart Cities, IT education etc. Ambassador presented the Indian Government flagship programmes launched 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.

Lecture by Ambassador at the University Union Nikola Tesla, Belgrade: Ambassador held an interactive presentation on India and India-Serbia relations with the students and the faculty of the Business & Law Studies of the University Union Nikola Tesla on Thursday, November 16, 2017. On this occasion, as a gesture of Embassy’s appreciation of the efforts to promote Indian studies in Serbia, Ambassador presented books on India for the University Union Nikola Tesla library. Ambassador in her presentation gave an overview of the development of relations between India and Serbia, emphasizing India's traditional openness to Serbia, along with the new possibilities for the development of cooperation, particularly in the trade and investment sectors, Indian studies, culture, yoga and science. For the benefit of the students, Indian documentaries on India’s civilizational heritage & Digital India were screened.

Trade & commercial visits to India:

Mr. Dobrosav Nikolic, Owner & GM of Magic Fruits Land along with his associate Mr. Dragan Gacrilovic visited Gee Kay Gourmet Pvt Ltd, New Delhi to discuss possibilities of cooperation in the field of export of frozen & dried fruits and import of Indian products to Serbia.

Ms Natasa Milanovic, Director, Biosil d.o.o participated in the 8<sup>th</sup> Global Entrepreneurship Summit (GES 2017) in Hyderabad from 28-30 November 2017. Biosil Ltd deals with organic production and processing of fruits & vegetables through innovation.

Dr. Goran Stankovic, Chief of Invasive and Intervention Cardiology and Director of the Department of Cardiology of the Clinical Center of Serbia attended the PCR Workshop organized by Sun Pharma from 9-14 November 2017 in Mumbai.

Mr. Miroslav Vukosavljevic and Ms Slavica Vucinic, Head of the National Poison Control Centre, Military Medical Academy, University of Defence, Belgrade participated in the 42<sup>nd</sup> World Congress of the International Committee of Military Medicine (ICMM) held at New Delhi from 19-24 Nov 2017. The Congress was be hosted by the Armed Forces Medical Services, Ministry of Defence.

Mr Miroljub Vuckovic Head International Relations at the Film Center of Serbia visited India in November as Guest/Jury Member at the 23rd Kolkata International Film Festival held from 10-17 Nov 2017 in Kolkata. Mr Vuckovic attended several press conferences, seminar etc.

Apart from above several Serbian companies visited India for commercial & trade purposes mainly from IT, engineering industry, aviation, sports, tourism and textile industry, etc. Some of the companies are Indicom, PTC Serbia, Siemens doo, IEG, MSGGlobal Solutions SEE doo, GL Trade Software FIS, Danieli & C, etc.

The Mission disseminated information on fairs/exhibitions/conferences held by center 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, Text-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 websites 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 November 2017, the Embassy issued 101 visas out of which 16 were for business. Apart from this 158 Serbians availed of e-visa facility to visit India.

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

Privatization and sale of the Agriculture Combine Belgrade (PKB): The Serbian Ministry of Agriculture 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 publish a tender for sale of Copper Mining and Smelting Complex RTB Bor by March 2018: The Serbian Ministry of Economy stated that the government plans to publish a public call for sale of the Copper Mining and Smelting Complex RTB Bor by March 2018. 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.

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

40 <sup>th</sup> International Tourism Fair	22-25 Feb 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 Mar 2018	<a href="http://sajam.rs/en/">http://sajam.rs/en/</a>
International Fair of Horticulture	4-7 Apr 2018	<a href="http://sajam.rs/en/">http://sajam.rs/en/</a>

International Building Trade Fair	18-21 Apr 2018	<a href="http://sajamgradjevine.rs/en/home/">http://sajamgradjevine.rs/en/home/</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>
<u>26th International IT &amp; Office Equipment Fair – BiroExpo</u>	26-29 Sep 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 Oct 2018	<a href="http://sajam.rs/en/">http://sajam.rs/en/</a>
International Fair of Cosmetics	13-14 Oct 2018	<a href="http://www.sajamkozmetike.com">www.sajamkozmetike.com</a>
International Belgrade Book Fair	21-28 Oct 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>
International Fair of Furniture, & Interior Decoration	Nov 2018	<a href="http://sajam.rs/en/">http://sajam.rs/en/</a>
Ethnic Food & Drinks Fair	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)

## TRADE ENQUIRIES DURING NOVEMBER 2017

### Trade Enquiries from India

- Indian company XO International has expressed interest in exporting potatoes to the Serbian market. List of Serbian importers has been provided to them.
- Indian company SUMIP Composites Pvt Ltd has expressed interest in export of industrial electrical & plastic composite products to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Foamtech Antifire Company has expressed interest in export of fire extinguishing products to the Serbian market. List of Serbian importers has been provided to them.
- Indian company H&R International expressed interest in exporting spices, dehydrated products and seeds to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Rajal Export has expressed interest in exporting ceramic wall & floor tiles to the Serbian market. List of Serbian importers has been provided to them.
- Indian Neelam Global has expressed interest in exporting pharmaceutical raw materials to the Serbian market. List of Serbian importers has been provided to them.
- Indian GO India Impex has expressed interest in exporting fresh bananas to the Serbian market. List of Serbian importers has been provided to them.
- Indian MS International has expressed interest in exporting food, agro & herbal products to the Serbian market. List of Serbian importers has been provided to them.

### Trade Enquiries from Serbia

- In November 2017, there were no queries by Serbian companies.

#### Useful Links:

Serbia Chamber of Commerce and Industry <http://www.pks.rs/Default.aspx?idjezik=3>

National Bank of Serbia [www.nbs.rs/internet/english/index.html](http://www.nbs.rs/internet/english/index.html)

Federal Statistical Office of Serbia <http://webrzs.stat.gov.rs/WebSite/>

Government of the Republic of Serbia [http://www.srbija.gov.rs/?change\\_lang=en](http://www.srbija.gov.rs/?change_lang=en)

Serbian Development Agency <http://ras.gov.rs/>