



EMBASSY OF THE REPUBLIC OF SERBIA
STOCKHOLM - KINGDOM OF SWEDEN

Newsletter Feb 2014

New cooperation prospects

Over the past year we have seen some positive changes in the Serbian economic environment that resulted in record high exports, increase of GDP and some new imminent partnership deals. Still we have some “unfinished business” thus by commitment to informing you better about economic news, challenges and opportunities in Serbia we hope to make some positive and inspiring impact on businesses while creating new prospects for economic cooperation.

Want to get in contact with us? [Feel free to send us an e-mail.](#)



Record Increase of Exports in 2013

Ministry of Internal and External Trade and Telecommunications announced that the 2013 was a record year when it comes to exports as well as foreign trade deficit decrease. Foreign companies contributed the most to exports increase while out of 15 biggest exporters, 13 are foreign companies which came to Serbia. According to the release, 58% of exports go to EU countries and some 30% to countries which signed CEFTA agreement. Record export of cars generated the most of country's export increase.

Moreover, Serbia registered a surplus of USD 1.73 billion in trade with CEFTA countries in 2013, mainly as a result of the export of agricultural products, various beverages and finished products. Serbia's exports in the given period totalled USD 2.72 billion; whereas imports amounted to USD 988.9 million, meaning that the coverage of imports by exports was at 274.6%.

HOW ON EARTH CAN WE LIVE SMARTER?

SMART LIVING CHALLENGE

Smart Living Challenge Innovation Contest in Belgrade

Smart Living Challenge SLC is an open international innovation competition designed to generate business opportunities and ideas that foster a sustainable lifestyle in urban environments. This could be products, services and solutions that will make it easier for individuals to live smarter and more sustainable lives. The SLC innovation contest is presented by the Swedish Institute, and is open to anyone interested in presenting ideas on how to make daily life more sustainable. The first presentation in Belgrade planned for March 2014, is organized in collaboration with the Design incubator Nova Iskra and the Swedish Embassy in Belgrade. The deadline for submitting ideas is 1 July 2014. More info about the SLC program is available at the [Design incubator Nova Iskra web site](#).



Serbian GDP Q4 growth by 2.6%

The Serbian economy expanded by real 2.6% year-on-year in the fourth quarter of 2013, according to flash estimate of the country's statistics office. The Serbian economy expanded by real 3.2% year-on-year in the third quarter of 2013. In 2012 it contracted by 1.7%. Industrial output rose by 0.5% on the year in December after a 4.2% increase a month earlier. More information on the country's fourth-quarter gross domestic product (GDP) will be available on 31 March 2014.



Serbia eyes to set up "Diaspora Bank"

Serbia plans to create "Diaspora Bank" aiming to support increase of direct remittance towards investments. Serbian diaspora's transfers amount to an average EUR 2.5 billion per year. The project draft proposal is completed hoping to attain institutional support from the government. The National Bank of Serbia (NBS) have participated in the project and is expected to discuss the issue shortly. An estimated 4 million Serbian citizens live abroad, including 30,000 highly educated people.



Serbia's Ikarbus poised for deal with Mercedes

Serbian majority state-owned bus maker Ikarbus expects its imminent partnership deal with Mercedes to result in an annual production of around 250 vehicles at its Zemun factory. "The six-month talks on a strategic partnership between the two companies are nearing completion and the production of a prototype vehicle has begun", said Aleksandar Vicentic, Director of Ikarbus. Mercedes plans to produce buses for urban, intercity and liner transport as well as vans in Serbia.

CARL BILDT, SWEDISH MINISTER FOR FOREIGN AFFAIRS



Unfinished Business

Few politicians in the EU understand Serbia and the Balkans like Carl Bildt. He was co-chairman during the Dayton Peace Conference in 1995 and spent many of the following years working in the region. So it's no surprise that the current Swedish Foreign Minister retains an interest in the EU ambitions and future of Serbia and Bosnia-Herzegovina

Serbian officials hope that Serbia could become an EU member by 2020. Do you think this is realistic?

With such a comprehensive process it is difficult to point out an exact point in time – but if Serbia remains committed, we will see continued results. I think that we have seen strong commitment during the last year, and that is what is required for a speedy progress. However, speed is not the only important factor; it is also important that the process is thorough, transparent and driven by a national consensus.

You have been quoted recently as saying that Europe still had some “unfinished business” in the Balkans. Were you referring only to the EU accession process or do you think that certain territorial decisions from the 1990s failed to stand the test of time?

The enlargement policy of the European Union has proven to be a success story and a source of peace, stability and prosperity. This is a door that remains open. The general inclusiveness of the EU is enshrined in the treaties through Article 49 and the specific commitment towards the Balkans was affirmed more than 10 years ago with the Thessaloniki Agenda. In that respect, Europe most certainly has unfinished business in the Balkans. We still have countries that remain in the EU waiting room. But it should also be noted that we have seen remarkable progress of enlargement in the last year, with membership for Croatia and the opening of negotiations for Serbia serving as two examples.

You have met many Serbian politicians. Which of them has impressed you most and why?

- In my opinion, several Serbian politicians from different political camps, since the fall of Milošević up until the opening of negotiations for EU membership, have shown impressive courage and commitment.

Apart from open war wounds, the whole region is also suffering due to poverty. Regional economies are so weak that even the EU's staunchest proponents believe Western Balkan states would be treated as second class and a source of raw materials and cheap labour when (or if) they become EU members. How should Brussels respond to these claims?

- You are right in that the Balkans, just as Europe as a whole, is going through a rough patch. It is also true that with membership and access to the market follows initial difficulties in adapting to the new



environment. Exactly for that reason I welcome the renewed focus of the Commission – within the framework of enlargement – on economic reform early on in the process of negotiations. That way new members will have better conditions for an easier transition. However, just as we should not turn a blind eye to the initial difficulties of acceding, we must not forget the many benefits and opportunities that come with membership. Look at the Eastern Enlargement – celebrating 10 years now in May – and the outcome that has been made possible through hard work, openness and a readiness to change. [Read more...](#)

Source: [CorD Magazine](#)

Copyright © Embassy of the Republic of Serbia to the Kingdom of Sweden, All rights reserved.

Our mailing address is:

Embassy of the Republic of Serbia to the Kingdom of Sweden

Valhallavägen 70, 100 41 Stockholm Box 26209

Phone: +46 8 24 77 48 · Fax: +46 8 21 84 95

E-mail: serbiaemb.economic@telia.com

