



EMBASSY OF THE REPUBLIC OF SERBIA
STOCKHOLM - KINGDOM OF SWEDEN

Newsletter July 2014

Enjoy summertime while scanning through the new editor`s picks

It's late July and looks like the summer season is in its peak with high temperatures and empty city streets. So if you want to receive a brief glance on what is going on in the Serbian economy and business arena today why not continue with scrolling your screen and reading our new editor`s picks. We bring you trade news, FDI headlines, and insight into the Balkan region today, prepared and wrote by Ms. Anita Tregner Mlinaric, regional expert and project manager META Group's Economic Development Department. See you all in late August, after a brief summertime hiatus.

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



INVESTMENTS: Norway`s Emisoft says: "Serbia is a prime location for investments"

The Bergen-based consultancy company Emisoft sees Serbia as one of best emerging market countries to invest in, although there is still room for improvement of business conditions. "Serbia's privileged location as a middle point in the Balkans emerges as a prime location for new investments." Emisoft obtained a foothold in the Serbian market in 2005, when its personnel started to work on its first project in the Balkan country. "Today, we as a company have made progress in successfully completing a three-year project with our partners [in Serbia]. Emisoft has also hired a local representative based in Belgrade," the Norwegian company said. Its partners in

Serbia include: Tigar, Sojaprotein, RTB BOR, Petrohemija...According to Emisoft, the Serbian business environment continues to demonstrate great interest in cooperation with European companies. This goes along with Serbia's EU integration path. The Balkan country officially started EU accession talks in January 2014. Emisoft has registered successful results from the years of operations in Serbia, and has ambitions to continue the positive dialogue with Serbian partners and seek new business opportunities. "As long as the business platform allows and facilitates growth, we will try to expand our partnerships in terms of more business and local employment," Emisoft said. [Read more...](#)



EXPORT: With 62.3% EU tops the Serbian export list

In the total external trade, EU member countries account for 62.3 percent, followed by CEFTA countries, the Statistical Office of the Republic of Serbia (RZS) said. Serbia gained external trade surplus to the total value of USD 1.76 billion, resulting mainly from exports of agricultural products and various final products. The external trade in 2013 achieved its peak in the trade with the counties with which Serbia has signed agreements on free trade. The value of exports amounted to USD 14.61 billion, which constitutes a 30.1 percent increase compared to the year before, while the value of imports amounted to USD 20.55 billion, or 8.6 percent more than in the previous year, RZS data shows. The deficit dropped by 22.9 percent in relation to the same period last year, amounting to USD 5.93 billion. The export - import ratio totaled 71.1 percent and was higher than in the year before, when it added up to 59.3 percent. In relation to imports, Serbia mainly imported iron and steel, electricity, as well as fruit and vegetables. Along the export increase, the country has managed to reduce its foreign exchange deficit by 22.9 percent.



TRADE: 200 % growth in Serbian export to Norway

Serbian export to Norway in 2013 increased with more than 200 per cent from 2012. The industry- and agricultural sector have done particularly well. Norwegian import from Serbia has had a remarkable increase from 2012 to 2013, from 7 million euros in 2012 to approximately 22 mill euros in 2013. According to the Chamber of Commerce and Industry in Serbia, it is within the sectors of machines and food where the main growth in Serbian export to Norway can be found. Food and living animals represent 43.9% of the exports, while machines and transport tools make up 29.7%.



PRIVATIZATION: Up-to-date information about business companies in restructuring and privatization process

With the aim to support process of restructuring and privatization in Serbia our monthly Newsletter will publish up to date news and public announcements made available by the Privatization Agency in Serbia.

[Restructuring](#)

[Privatization](#)

[Public invitation](#)



PARLAMENT: Amendments to labor and PIO laws adopted

Members of the Serbian Parliament adopted amendments to the labor Law and the Law on Pension Insurance. Minister for Labor and Social affairs Aleksandar Vulin said that Serbia has all reasons to be satisfied as this law will help labor market to develop, workers to keep their jobs and employers to improve their production. Head of the EU Delegation Michael Davenport assessed that the Labor Act is the first step in implementing economic and structural reforms in Serbia and that it is in line with the European legislation.

ANITA TREGNER MLINARIC, PROJECT MANAGER,
META GROUP



Meet the Balkans: Still unexplored oasis for investments and new business opportunities

Anita is a senior consultant with over 18 years of experience in economic development covering different areas; from capacity building and association strengthening, access to finance, capital markets to corporate governance and risk management.

She has over 12 years of working experience on donor-funded economic growth and development projects in South East Europe and Eurasia (USAID, UNDP, U.S. Embassy); and more than 5 years of professional working experience working in the field of SME development sector (growth, policy, pipeline, strategies, analysis); management of EU programs, procedures and policy monitoring.

It has been twenty-two years since so called Yugoslavia fell out and broke out into 6 smaller countries, a process accompanied by the regional war that made the transition extra difficult. Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Montenegro, Macedonia and later on Kosovo (in 1998, autonomous province of Serbia, Kosovo, declared its independence, which is still not being recognized by Serbia and some other countries) were transitioning from one political and economic mindset and regime to another that they consider as their own, being an independent country.

The regional war did not hit all of the countries with the same strength, which resulted in a faster recovery and later on stronger economy for some of them. Beside that factor, the size of the country's market and previous "economy health and wealth" was playing an important role in its further development of an individual and independent countries. Generations of people that grew up under the Yugoslav flag were raised to follow the communist philosophy of workers' self – management that was different from nourishing the individual entrepreneurial spirit we try to achieve nowadays. The post war generations are showing a different attitude now as they have the opportunity to learn what it means to be open, positively candid and proactive in a business sense.

Yet the remains of the post Yugoslav mindset legacy can still be found as a majority finds their professional development should lay in hands of Government's Bodies. This type of thinking can also be considered as a post economic crisis effect, as the job insecurity is now mostly related to the private sector. On another hand, the high unemployment ratio that unfortunately puts the mark on all of the above noted countries made people realize they should rely on oneself rather than on some Government entity or from the outside, which is a huge difference from what the generations knew and have been used to in the former regime.

We see younger generations, especially students being very much pro-business and innovation but they lack on domestic support and influence, looking up to American Silicon Valley as their dream end destination. For years we have been seeing investors avoiding this region, which is now identified as South East Europe or very often as the Balkans, with an excuse that the business climate is unfriendly.

Numerous donor organizations that are present in this region for many years now have been working hard to improve the political and business environment, attract foreign investors and mark the Balkans on the investors' map. The progress is visible and lately we witness the entry of big funds and different initiatives.

Anita is also an experienced fund manager in the field of real estate and was in charge of development of complex projects in Croatia. Anita is currently undertaking a role of Project Manager at META Group's Economic Development Department and is based in Brussels, Belgium.

When asking them why they see this region different now and worth of investing, apart from saying they see a huge undiscovered potential, their list the following pro's:

- Sizeable market of 20.5 million
- EU convergence potential (Slovenia and Croatia are already members, while on 21 January 2014, the 1st Intergovernmental Conference took place, signaling the formal start of Serbia's EU accession negotiations.)
- Relatively cheap labor force and low taxes
- Long term growth higher than EU average
- Current lack of credit and equity presents the need for investment opportunity
- Large scale of ongoing privatization opportunities etc.
- Different stages of development=diversified investment portfolio

The lack of positive influence from the Northern Europe, i.e. more abundant business relationships with countries like Sweden is yet to be accomplished, especially in business innovation, which presents an opportunity for the region and a new positive influence in both business and social sense, because Sweden and Scandinavia are viewed as true European role models as they strive both economically and socially, which sounds like an ideal and balanced society.

Stay tuned for more news from the Balkans!

Anita Tregner-Mlinarić

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