

**EMBASSY OF INDIA
BELGRADE**

**MONTHLY COMMERCIAL REPORT ON SERBIA
DECEMBER 2017**

Economic and Financial Indicators

| Quarterly figures→ | GDP Growth in 2016 | | | | | GDP Growth in 2017 | | | | |
|----------------------|--------------------|--------------------|--------------------|--------------------|-------------|--------------------|--------------------|--------------------|--------------------|-------------|
| | 1 st Q. | 2 nd Q. | 3 rd Q. | 4 th Q. | 2016 | 1 st Q. | 2 nd Q. | 3 rd Q. | 4 th Q. | 2017 |
| Quarterly GDP Growth | 3.9% | 2.0% | 2.8% | 2.5% | 2.8% | 1.0% | 1.3% | 2.1% | 3.2% | 1.9% |

| | | |
|---|-------------|---------------------|
| 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 % |
| Inflation | | In December 2017 |
| Annual inflation target (y-o-y growth) | 4.0 % +-1% | 3.0 % +-1% |
| Monthly Inflation | 0.1 % | 0.2 % |
| Inflation rate - Consumer price index CPI (%) | 1.6 % | 3.0 % |
| Foreign trade, in million USD | 2016 | 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 |
| Balance of Payment, in million USD | 2016 | In November 2017 |
| Current account deficit (exc. grants) | -1,512 | -1,871 |
| Current account deficit (exc. grants), as % of GDP | - | - |
| Balance of payments, total | -345 | 460 |
| Foreign direct investments, net in million USD | 2,057 | 2,560 |
| Monetary and Foreign Exchange Indicators | 2016 | 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 |
| Employment, wages and pension benefits | | 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

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 |

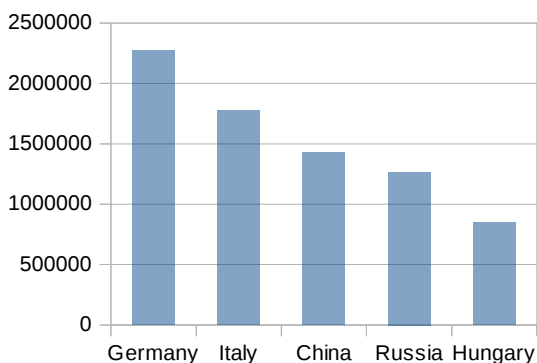
| Top 5 Countries of Import | Values in 000 USD |
|---------------------------|-------------------|
| Total | 17,826,021 |
| 1. Germany | 2,270,993 |
| 2. Italy | 1,773,776 |
| 3. China | 1,430,576 |
| 4. Russian Federation | 1,265,835 |
| 5. Hungary | 844,182 |

Top 5 Exports [January - October 2017]

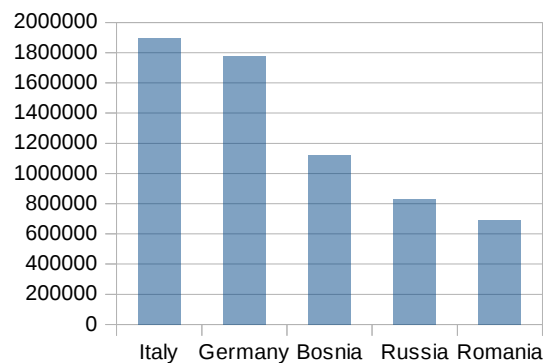
| Products | Values in 000 USD |
|---------------------------------|-------------------|
| Total | 14,059,096 |
| 1. Food & agro-products | 2,697,960 |
| 2. Motor vehicle, parts & tires | 2,235,775 |
| 3. Products of steel, copper | 1,955,542 |
| 4. Electric appliances | 1,249,991 |
| 5. Industrial machinery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

| Top 5 Export 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 | India's top 5 Imports from Serbia (Jan-Oct 2017) | Values in 000, USD |
|---|-----------------------|---|-----------------------|
| 1. Pharmaceutical & chemical products | 33,718 | 1. CPU / storage units | 2,131 |
| 2. Products of iron & steel | 27,984 | 2. Precious metals, silver | 1,709 |
| 3. Coffee, sesame seeds & food prod. | 20,553 | 3. Chemical products | 1,081 |
| 4. Textile, yarn, garments & footwear | 19,646 | 4. Tobacco / cigarettes | 833 |
| 5. Industrial machinery | 12,822 | 5. Industrial machinery | 714 |

| Top 10 Products Exported by India | Values in 000, USD | Top 10 Products imported from Serbia | Values in 000, USD |
|---|-----------------------|---|-----------------------|
| 1. Aluminium, unwrought | 16,185 | 1. Storage units | 2,094 |
| 2. Polyethylene in primary forms | 8,935 | 2. Silver, unwrought | 1,709 |
| 3. Other heterocyclic compounds (with nitrogen) | 7,681 | 3. Cigarettes | 833 |
| 4. Coffee | 6,712 | 4. Other phosphates of calcium | 747 |
| 5. Medicaments, retail | 4,788 | 5. Plastic fittings for pipes, tubes | 553 |
| 6. Agricultural tractors | 4,480 | 6. Other nitrile-function compounds | 300 |
| 7. Zinc, unwrought | 3,855 | 7. Metal working machinery | 265 |
| 8. Soya bean oil-cake | 3,202 | 8. Telecom equipment | 245 |
| 9. Parts of pumps | 3,113 | 9. Parts of pumps | 132 |
| 10. Tobacco, raw | 2,884 | 10. Motor vehicle parts | 89 |

2. COMMERCIAL DEVELOPMENTS IN SERBIA

2.1 Main Economic Overview

On Monday 11th December 2017, Serbia opened two new chapters in its EU accession talks . At the 7th inter-government conference in Brussels, Chapter 6 (Right of Establishment Business Entities) and Chapter 30 (External Economic Relations) were opened which brings the total to 12 negotiating chapters opened so far. Serbian officials had expected opening of Chapter 33 (financial and budgetary provisions) as well, but was put on hold due to objections from five EU member states (Germany, France, Sweden, Great Britain and Croatia) regarding the course of reforms, particularly in the area of the rule of law, fighting corruption and the restructuring of the judiciary in Serbia.

On 14th December 2017 The Serbian parliament passed the 2018 budget bill, which envisions revenues of Euro 9.8 billion and expenditure of Euro 10 billion. The planned national fiscal deficit for 2018 is 0.6 % of GDP. The 2018 budget is based on a projection that Serbian GDP growth will reach 3.5% of GDP. The economic growth forecast is based on expected increase of private spending as a result of the recent increase of public wages and pensions and the ongoing trend of rising FDI inflows. According to the National Bank of Serbia (NBS) foreign investment are expected to reach Euro 2.1 billion in 2017, up from Euro 1.9 billion in the previous year. Serbian GDP growth in 2017 has been revised to 1.9% mainly due to lower agriculture production as a result of drought and lower energy production in the first quarter of 2017. Inflation up to November 2017 amounted to 2.8% and annual inflation is expected to remain under the 3% target. Annual inflation in 2016 amounted to 1.6%.

According to Statistics Office of Serbia the unemployment rate reached 12.9% at the end of the third quarter of 2017, which is a 1.2% increase when compared to the second quarter figure. According to the labor force survey, the unemployment rate for men was 12% while it amounted to 14% for women.

In December 2017, Global credit ratings agency S&P improved Serbia's credit rating to BB level, with stable chances for improvement. S&P assessed that GDP would continue to increase in the period between 2018 and 2020 and that the growth would primarily be based on inflow of foreign direct investments and higher private consumption, which would be stimulated by the growth of employment, salaries and stable income of business entities.

Global credit ratings agency Fitch also improved Serbia's credit rating to BB with stable chances for improvement from an earlier estimate of BB-. Better marks for Serbia are a reflection of improved public finances, supported by better fiscal result and increased FDI.

The Austrian banking group Erste Bank estimated that Serbia's GDP growth rate in 2018 would gradually accelerate and reach 2.9%. A stable economic forecast for major trading partners will have a favorable impact on exports, but stronger domestic demand suggests further pressures to increase imports, so the bank's analysts anticipate a negative contribution to net exports.

2.2 Inflation up to December 2017 amounted to 3.0 %. 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 medicament (USD 51 million), natural gas (USD 36 million) and telecom equipment (USD 34 million).

3. MAJOR INVESTMENTS WITHIN AND OUTSIDE THE COUNTRY

FOREIGN INVESTMENTS

Smederevo Steelworks owned by the Chinese HBIS Group wished to increase its annual production in 2018 to 1.8 million tons of steel from 1.5 million tons produced in 2017. To realize the expand in production the company is investing USD 160 million in upgrading of the steel-works.

Hungarian OTP Bank takes over Vojvodjanska Bank. Hungarian OTP Bank finalized the takeover transaction, in which 100 % of share capital of Serbian Vojvodjanska Bank, owned by the National Bank of Greece will be purchased by OTP for Euro 125 million.

Serbian company Visokogradnja, subsidiary of civil engineering company Energoprojekt has won a 28.3 million Euro (\$33.5 million) contract for construction of a Chinese Cultural Centre in Belgrade. The contract was signed with Belgrade-based company Empiret, a subsidiary of Chinese construction company Shandong International Economic & Technical Cooperation Group (CSI). The construction works awarded to Visokogradnja will have to be completed within 420 days. The Chinese Cultural Centre will be built on the site of the former Chinese embassy in Belgrade, destroyed during the NATO bombing of Serbia in 1999.

German chemical and consumer goods company Henkel will invest Euro 25 million into expanding capacities in 2018. The Henkel company is looking to expand its manufacturing capacities in Serbia and offer new products to the market.

Inter Continental Hotels Group is opening a four-star Indigo hotel in central Belgrade with the investment of Euro 20 million. The international hotel chain has contracted Serbian Delta Holding for construction of the hotel.

The Italian company La Linea Verde is investing Euro 8 million in a vegetable processing and packaging factory in the village of Dobrinca near Ruma.

Swiss company Batagon International AG has bought the Serbian based Sombor Battery Factory (FAS) in the process of bankruptcy for Euro 7.4 million. Batagon will invest an additional Euro one million necessary to restart of production. FAS exports automotive batteries for the Russian, German, Swiss, Italian and France market.

SERBIAN INVESTMENTS

Serbian Railways is investing Euro 47 million in upgrading the railway maintenance depot in Zemun. The investment was made possible by the European Bank for Reconstruction & Development (EBRD) which provided a soft loan for the project. The Zemun depot will become the main maintenance site for the recently acquired fleet of Electric Multiple Units.

Serbian-Dutch joint venture MPC Group buys Mercator shopping mall in Belgrade for Euro 46 million. Slovenian retail corporation Mercator has sold the shopping center built in 2008 to cover part of companies debt toward banks.

Serbian AIK Bank becomes the majority owner of Gorenjska Bank by increasing its share from 20% to 55% of ownership. The transaction is estimated to be worth over Euro 30 million. AIK Bank is part of the business conglomerate MK Group and the bank has a 8.4% share in the Serbian banking sector while Gorenjska Bank has a 4.6% share in the Slovenian banking market.

The Serbian Office for Information Technologies & E-Government and state run Telekom Serbia have jointly invested Euro 9 million in setting up a government data center. The new facility will house key government information and communication infrastructure and will be of great importance for increasing of efficiency of e-government and other online services for citizens and companies.

4 OTHER COMMERCIAL ITEMS OF INTEREST

Mr Nenad Popovic, Minister for Innovations and Technological Development stated that according to the data of National Bank of Serbia (NBS), Serbian exports of software services amounted to Euro 750 million in 2017. This is significant as software exports were for the first time higher than than Serbia's grain exports.

The Serbian government has announced plans to construct 2 million sqm state housing projects in six major Serbian cities (Belgrade, Novi Sad, Kragujevac, Nis, Kraljevo and Vranje) for members of the Serbian Armed Forces (VS), the police (MUP), and the Security Information Agency (BIA). According to preliminary estimates Euro 250 million will be invested in the project.

On 14th December 2017, Serbian Minister of Civil Engineering, Traffic and Infrastructure Mrs Zorana Mihajlovic and Tunisian Foreign Minister Mr Khemaies Jhinaoui signed an agreement on air traffic between the governments of the two countries. Minister Jhinaoui stated that Tunisia was looking forward to larger Serbian participation in state infrastructure projects and that the two countries are looking to further improve cooperation in the area of tourism and commodity exchange.

The survey conducted by the Austrian Embassy about business environment in Serbia, shows that 66% of Austrian companies were convinced in the growing trend of their business turnover in 2018, 50% of companies expect to increase their investments in 2018 and as much as 90% of companies are satisfied with their business operations so far.

The Board of Directors of the National Petroleum Industry of Serbia (NIS) adopted a strategy for the development of the company until 2025, which stipulates the investment of USD 2.2 billion, with an average annual profit growth of 4%. The company will invest in projects in Serbia and the region.

Mr Goran Knezevic, Serbian Minister of Economy stated that Mining and Smelting Basin (RTB) Bor is having a good business year and that annual profits in 2017 are expected to amount to more than Euro 50 million. RTB Bor is no longer under government subsidies but is fully dependent on market conditions and its management. The Serbian government is looking for a strategic partner who will invest close to Euro 300 million in development of the company in the next three years. A tender for privatization or a strategic partnership for the RTB Bor is expected to be published by March 2018.

5. SPECIAL INITIATIVES BY THE MISSION

Ambassador calls on Minister for Agriculture, Forestry & Water Management of the Republic of Serbia: Ambassador called on Mr. Branislav Nedimovic, Serbian Minister for Agriculture, Forestry & Water Management of the Republic of Serbia on 8th December 2017 to discuss the Serbian participation in 'World Food India (WFI) 2017' held in New Delhi from 3-5 November 2017. Minister Nedimovic led a delegation comprising representatives from Ministry of Agriculture, Forestry & Water Management, Chamber of Commerce & Industry of Serbia, Development Agency of Serbia and 11 top Serbian agro-processing companies to WFI 2017. During his visit to India, Minister Nedimovic held bilateral meetings with Ms. Harsimrat Kaur Badal, Indian Minister of Food Processing Industries and Mr. Radha Mohan Singh, Minister of Agriculture & Farmers Welfare. He also visited TAFE's tractor manufacturing facilities in Madurai and discussed manufacturing of tractors in Serbia under Serbian brand IMT. During the visit Minister Nedimovic also met with representatives of Mahindra & Mahindra who expressed interest in investing in fruit-processing facilities in Serbia.

Ambassador of India calls on Serbian Minister of Youth and Sports: Ambassador called on H.E. Mr. Vanja Udovicic, Serbian Minister of Youth & Sports to discuss further development of bilateral cooperation in the field of youth and sports. On this occasion Ambassador presented Minister Udovicic with an invitation from Mr. Rajyavardhan Singh Rathore, Indian Minister of Youth Affairs & Sports to grace the Opening Ceremony of the 1st Khelo India National School Games scheduled to be held in New Delhi from 31st January to 8th February 2018.

India-Serbia Business Forum Roundtable: The Embassy organized India-Serbia Business Forum (ISBF) Roundtable in Belgrade on 13th December, 2017 as a follow up to the second meeting of the ISBF held on 27 February 2017. Ambassador convened the Roundtable which was attended by Ms. Iринi Reljin, Assistant Minister, ICT and Telecom; Mr. Viktor Nedović, Assistant Minister, Ministry of Science & Technology; Mr. Igor Grabež, Advisor to Minister of Agriculture; Ms. Violeta Jovanovic, Director of NALED; Ms. Sanja Vraneš, Director, Institute 'Mihajlo Pupin'; Ms. Sonja Vukadinovic, Head of Asia Dept.-Yugoimport-SDPR; Mr. Vladimir Radunović, Director of e-diplomacy and cyber security programmes, Diplo Foundation; Ms. Milica Božanić, Executive Director, Film Commission of Serbia and Mr. Pavle Zelić, Head of International Cooperation, Medicines & Medical Devices Agency of Serbia. The Participants outlined measures for further enhancing trade and investment. Prof. Reljin and Mr. Radunovic briefed on their visit to India in November for the Global Conference on Cyber Space and the official discussions with their Indian counterparts on the joint projects under the MOU on IT& Electronics, namely, digitalisation, e-governance, IOT, start ups etc. Dr. Sanja informed of her plans to attend IndiaSoft 2018 in Bengaluru. Yugoimport was positive on the prospects of trade with Indian defence companies including TOT under Make in India; Dr. Nedovic mentioned the agreed areas under MOU on S&T, namely, New Materials and Nano Technology, Energy and Energy efficiency, ICT, Biotechnology for human health and food security, including joint workshops on ICT and biotechnology; Mr. Igor Grabež, Advisor to Minister of Agriculture gave an overview of Serbian Minister's participation in World Food India in November and the immediate prospects of trade and investment, including phytosanitary agreement. The medical regulator informed of the liberalized measures to import medicines from India; Ms. Milica from Film Commission addressed ways and means to attract Bollywood film producers to Serbia. Director, NALED in her valedictory note offered to ease out hurdles.

Embassy of India takes part in IWC Charity Bazaar: The Embassy took part in the IWC Charity Bazaar also known as Christmas Charity Bazaar on 3rd December 2017 organized by the International Women`s Club at Belgrade Fair. The India stall displayed rice, spices, tea, textiles and personal care

products. The charity funds are distributed to the people in need, such as elderly, children and individuals with special needs.

Students of Law Faculty from the Belgrade University visit Indian Embassy: On 26th December 2017, Ambassador held an interactive presentation on India and India-Serbia relations to students of the Law Faculty from the University of Belgrade at the Embassy premises. 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. Indian documentaries on India's civilizational heritage & Digital India were screened.

Trade & commercial visits to India:

Ms Nina Krstic, Director of the Museum of Naïve and Marginal Art, Jagodina alongwith her associates Mr. Bratislav Markovic and Mr Nikola Paradanin were invited by the Nek Chand Foundation to visit India from 10-20 December 2017 to attend special events held in Rock Garden Chandigarh in commemoration birthday of the late creator Nek Chand.

Mr. Sreto Nogo, Secretary General, International Criminal Law Association alongwith Ms Danica Nogo, Mr. Miroslav Baljak, Mr. Radovan Bjelobaba, Mr Viktor Gostiljac, Mr Srđan Aleksic, Mrs Jelena Aleksic, Mr Miljkan Karlicic and Mr Ivan Sajn members of the International Criminal Law Association were invited by the Jindal Institute of Behavioural Sciences to visit India and participate in the 9th International Forum on Crime and Criminal Law in the Global Era held from 9-12 December 2017 at OP Jindal Global University, Sonapat, Haryana. This years forum was based on the theme Psycho-legal perspective on crime prevention and criminal justice with special focus on Refugees and Migration.

Mr. Danko Vujosevic, Manager, Patent d.o.o. visited NRight Nutrition Pvt Ltd (NNPL) to discuss cooperation to promote products of Patent d.o.o in India.

Mr. Sasa Maksimovic, Deployment Technician, Schneider Electric DMS visited India in connection with the Naya Raipur Smart Grid Project.

Mr. Marko Ristic, Painting and Impregnation Engineer, Siemens doo visited India in connection with the technology transfer project "Wind Generator" at Kalwa Mumbai.

Three member delegation from Glotec d.o.o comprising of Mr. Sinisa Sabovic, Project Manager, Mr. Stefan Vukicevic, Business Development Director and Mr. Slavomir Vukicevic visited India to conduct meetings related to overhaul of Viper Aero engines.

Mr. Eleonora Nan, Software Engineer from OBLO Living visited Reliance Jio to present the home automation technology for PAN India Broadband Wireless Access Infrastructure.

Other business entities that visited India in December include NCR doo, Mika Project Servis doo, Agrogas d.o.o., Robert Bosch, Ball Global Business Services Europe and AMEA, Siemens doo , etc.

The Mission disseminated information on fairs/exhibitions/conferences held by center and state governments (Telecom Indian 2018, IndiaSoft 2018, enTTech 2018, World Food India 2017, Global Conference on Cyber Space (GCCS 2017),GES 2017, iPHEx 2018, India Pharma 2018, India Medical Device 2018, 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 December 2017, the Embassy issued 57 visas out of which 9 were for business. Apart from this 179 Serbians availed of e-visa facility to visit India.

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

Serbia's Ministry of Economy has called a tender for the privatization of Serbian Methanol and Acetic Acid Complex MSK Kikinda (fully named „Metanolsko-sirćetni kompleks“ a.d. Kikinda). MSK Kikinda produces high-quality chemical products methanol and acetic acid, yearly production amounts to 200.000 t/g of methanol and 100.000 t/g of acetic acid. The starting price for sale of MSK is set at Euro 38.5 million (\$45.3 million) and the deadline for the submission of bids is 9th February 2018. Companies which have an annual revenue of over Euro 150 million may take part in the bidding. For additional information, interested parties may contact Mr Dusan Sutanovac, Advisor, Ministry of Economy, Republic of Serbia (Tel: + 381 11 3642 781 Email: dusan.sutanovac@privreda.gov.rs).

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. Annual profits of RTB Bor in 2017 amounted to more than Euro 50 million.

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.

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 th International Tourism Fair | 22-25 Feb 2018 | www.sajam.rs |
| Balkan Textile Fair | 08-11 March 2018 | http://www.balkantekstila.com/ |
| Automotive Show 2018 | 22-28 Mar 2018 | http://sajam.rs/en/ |
| International Fair of Horticulture | 4-7 Apr 2018 | http://sajam.rs/en/ |
| International Building Trade Fair | 18-21 Apr 2018 | http://sajamgradjevine.rs/en/home/ |
| International Fair of Agriculture | May 2017 | www.sajam.net/en |
| International Fair of Technics and Technical Achievements | 21-25 May 2018 | www.sajamtehnike.rs |
| 26th International IT & Office Equipment Fair – BiroExpo | 26-29 Sep 2018 | www.sajam.rs |
| 14 th International Energy Fair | 3-5 October 2018 | http://energetika-ekologija.talkb2b.net/en |
| 43 rd International Fair of Medicine | 11-13 Oct 2018 | http://sajam.rs/en/ |
| International Fair of Cosmetics | 13-14 Oct 2018 | www.sajamkozmetike.com |
| International Belgrade Book Fair | 21-28 Oct 2018 | http://sajamknjiga.rs/en/ |
| 13 th Fair of Ethnic Food & Drinks | 21-24 Nov 2018 | www.sajam.rs |
| International Fair of Furniture, & Interior Decoration | Nov 2018 | http://sajam.rs/en/ |
| Ethnic Food & Drinks Fair | Nov 2018 | www.sajam.rs |

More information available at: <http://sajam.rs/en/> (Belgrade Fair) <http://www.sajam.net/en> (Novi Sad Fair)

TRADE ENQUIRIES DURING DECEMBER 2017

Trade Enquiries from India

- Indian company Rishi Techtex has expressed interest in exporting PP woven bags and fabric to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Amuræ International has expressed interest in export of frozen french fries, gherkins, spices other agro products to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Vippy Industries has expressed interest in export of soybean meal to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Sulson Overseas expressed interest in exporting basmati and non-basmati rice to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Varni Tiles has expressed interest in exporting ceramic wall & floor tiles to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Jainsons has expressed interest in exporting scientific & laboratory equipment to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Rakesh Sandal has expressed interest in exporting essential oils and herbal extract to the Serbian market. List of Serbian importers has been provided to them.
- Indian Angelica International has expressed interest in exporting automotive parts to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Titan Biotech has expressed interest in exporting pharma, food and cosmetic industry products to the Serbian market. List of Serbian importers has been provided to them.

Trade Enquiries from Serbia

- In December 2017, Serbian firm B2B Foodlink expressed interest in importing sunflower oil from India. A list of large Indian manufacturing / processing companies has been provided to them.

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

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

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