

**EMBASSY OF INDIA
BELGRADE**

**MONTHLY COMMERCIAL REPORT FOR SERBIA
AUGUST 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%			*1.2%

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

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%	2.3% *
Inflation		In August 2017
Annual inflation target (y-o-y growth)	4.0 % +1%	3.0 % +1%
Monthly Inflation	0.1 %	- 0.7 %
Inflation rate – Consumer price index CPI (%)	1.6 %	2.5 %
Foreign trade, in million USD	2016	Up to July 2017
Export of goods	14,880.7	9,491.9
Import of goods	19,255.5	12,212.1
Foreign trade deficit	- 4,374.8	-2,720.2
Total Trade	34,136.2	21,704.0
Balance of Payment, in million USD	2016	In July 2017
Current account deficit (exc. grants)	-1,512	-1,342
Current account deficit (exc. grants), as % of GDP	-	-
Balance of payments, total	-345	196
Foreign direct investments, net in million USD	2,057	1,386
Monetary and Foreign Exchange Indicators	2016	In July 2017
Foreign currency reserves of NBS, in Billion USD	12.5	13.2
Value of USD against Serbian Dinar (1USD)	117.14	102.6
Value of EUR against Serbian Dinar (1EUR)	123.47	120.4
Employment, wages and pension benefits		In July 2017
Unemployment rate, (%)	13.8 %	11.4 %
Net wages, period average, in Serbian Dinars.	53,456.-	48,101.-
Net wages, period average, in USD	456.4	468.8

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

* Estimate GDP growth for 2017

Top 5 Imports [January – July 2017]

Products	Values in 000 USD
Total	12,212,136
1. Iron, steel, copper, etc.	1,354,067
2. Medicaments & chemicals	1,244,287
3. Automotive parts & vehicles	959,422
4. Industrial Machinery	954,955
5. Food & agro-products	926,072

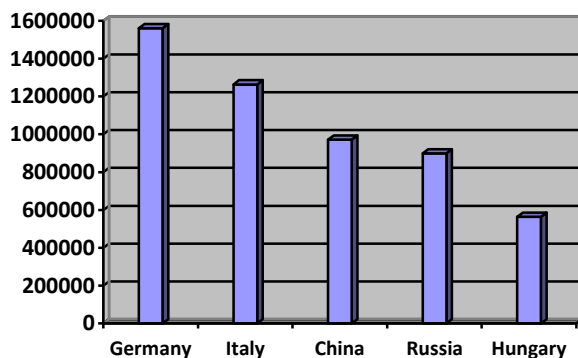
Top 5 Countries of Import	Values in 000 USD
Total	12,212,136
1. Germany	1,560,223
2. Italy	1,263,502
3. China	972,009
4. Russian Federation	898,783
5. Hungary	563,809

Top 5 Exports [January - July 2017]

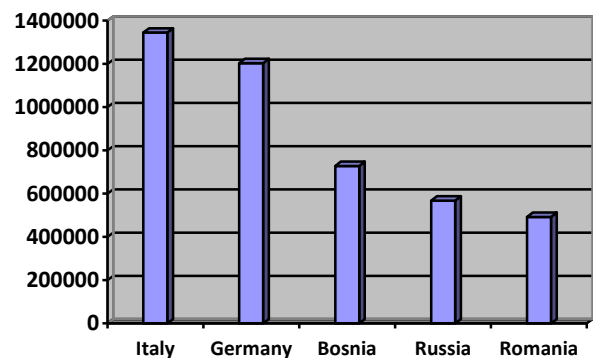
Products	Values in 000 USD
Total	9,491,901
1. Food & agro-products	1,918,779
2. Motor vehicle, parts & car tires	1,461,446
3. Products of iron, steel, copper	1,314,441
4. Electric appliances	797,800
5. Industrial machinery	807,910

Top 5 Export Destination Countries	Values in 000 USD
Total	9,491,901
1. Italy	1,344,648
2. Germany	1,203,875
3. Rep. of Bosnia and Herzegovina	727,922
4. Russian Federation	567,859
5. Romania	492,858

Countries by Import



Countries by Export



Top Ten Trading Partners [January- July 2017]

Countries	Values in 000 USD
Total Trade	21,704,037
1. Germany	2,764,098
2. Italy	2,608,150
3. Russian Federation	1,466,642
4. Bosnia and Herzegovina	1,034,997
5. China	1,006,071
6. Hungary	893,231
7. Romania	836,657
8. Poland	751,984
9. France	644,865
10. Austria	643,789

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

1. FOREIGN TRADE WITH INDIA

India-Serbia bilateral trade from January - July 2017 amounted to US\$ 99.8 million, **an increase of 24.9% compared to the same period in 2016**, with Indian exports to Serbia valued at US\$ 95.4 million and Serbian exports to India at US\$ 4.4 million.

India's top 5 Exports to Serbia (Jan-Jul 2017)

India's top 5 Imports from Serbia (Jan-Jul 2017)

Product Groups	Values in 000, USD	Product Groups	Values in 000, USD
1. Pharmaceutical & chemical products	21,182	1. Precious metals, silver	1,173
2. Products of iron & steel	15,533	2. Chemical products	1,070
3. Textile, yarn, garments & footwear	13,241	3. Tobacco / cigarettes	646
4. Coffee, sesame seeds & food prod.	11,310	4. Industrial machinery & equipment	404
5. Industrial machinery	8,079	5. Plastic fittings for pipes, tubes	322

Top 10 Products Exported by India (Jan-Jul 2017)	Values in 000, USD	Top 10 Products imported from Serbia (Jan-Jul 2017)	Values in 000, USD
1. Aluminium, unwrought	8,316	1. Silver, unwrought	1173
2. Polyethylene in primary forms	5,984	2. Other phosphates of calcium	747
3. Coffee	4,654	3. Cigarettes	646
4. Other heterocyclic compounds (with nitrogen)	4,220	4. Plastic fittings for pipes, tubes	312
5. Medicaments, retail	3,553	5. Other nitrile-function compounds	300
6. Zinc, unwrought	2,395	6. Storage units	229
7. Groundnuts, not roasted	2,255	7. Metal working machinery	141
8. Tobacco, raw	2,093	8. Telecom equipment	66
9. Parts of pumps	1,913	9. Printed circuits	66
10. Other heterocyclic compounds (nitrogen hetero-atom)	1,469	10. Parts of pumps	66

Source: Statistical Office of the Republic of Serbia

2. COMMERCIAL DEVELOPMENTS IN SERBIA

2.1 Main Economic Overview

On August 30th, International Monetary Fund (IMF) completed the seventh 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, real GDP is now at a higher level than before the crisis, conditions on the labor market are improving, inflation is within the target corridor, and the deficit of the balance of current transactions has been reduced. The IMF assessed that it is necessary to build stronger institutions in Serbia as well as further progress in the implementation of structural reform programs to be carried in order to improve economic efficiency, accelerate private sector-based economic growth and convergence in order to lay the foundations for the EU membership. Serbia's business environment has strengthened, but impediments to private investment and growth remain. Initiatives to improve property registration need to be followed and efforts are needed to strengthen judicial processes, especially to improve judicial independence and reduce delays in court decisions. Strengthening labor force participation, particularly among women, is also essential. With the completion of the review a total amount of Euro 918.5 million is made available to the Serbian Government. However, the government has no need to withdraw the emergency funds under the arrangement.

The Statistics Office of Serbia announced that the real GDP growth in the second quarter of 2017 amounted to 1.3% which is below the 3% GDP growth target set by the government for 2017. Serbian Prime Minister Ms Ana Brnabic announced that the Serbian government will introduce short-term measures with the aim of boosting GDP growth. Since the state budget is managed well, with very good fiscal discipline and surplus, the government has room for short-term measures that will have a positive impact on GDP growth, such as increasing wages and pensions and higher capital investments. With implementations of the planned measures it is expected that GDP growth will reach 2.5% in 2017. The main reason for the lower growth in the first half of 2017 in Serbia were the harsh winter which led to a steep drop in mining and energy production by 20%. Also the slowing down of growth in EU countries contributed to the drop of GDP as did the summer drought which reduced corn and maize yields by as much as 40%. However most of the reasons are seasonal and one-time factors which should not derail Serbia's growth in the medium and long term.

Serbia ranks first in a global greenfield FDI performance index, produced by fDi Intelligence, the Financial Times' data division. Serbia scored 12.02 in the index, which measures the appeal of countries as destinations for greenfield FDI relative to their GDP. Foreign investors announced 77 green-field projects in 2016 compared to 57 in 2015 with more than half (53%) in the processing industry, primarily in the production of electronic components and car parts along with real estate and textile. Serbia's somewhat lower economic performance has been outweighed by regulatory reform, low labor costs and access to the EU single market - and most investors are attracted to Serbia as an export platform rather than as a market in its own.

The Serbian government has adopted amendments to the law on sale of agricultural land. As per the SAA agreement with the EU, citizens of EU member countries are allowed to buy agricultural land in Serbia from 1st September 2017. Foreigners from EU countries will now be able to buy up two hectares of arable land in Serbia - if they meet legal requirements, which include at least ten years of residence in Serbia - in the unit of self government where the land is located. They must also have cultivated the land for at least three years, have an agricultural household registered to their name, and own agricultural equipment necessary to cultivate the land. The amended law prevents foreigners from EU countries from buying agricultural land in the 10-kilometer zone next to the country's borders.

2.2 Inflation up to August 2017 amounted to 2.5 %. Annual inflation during 2016 amounted to 1.6%.

2.3 Industrial production

From January to July 2017, industrial production in Serbia increased by 2.5%. Trends in the main sectors in July 2017 as compared to July 2016, were as follows:

- Electric power, gas and water supply – growth of 3.1 %,
- Mining and quarrying– growth of 3.2 % and
- Manufacturing– growth of 4.5 %,

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

- Energy- fall of 0.5 %,
- Intermediate products -growth of 11.8 %,
- Durable consumer goods – all of 5.8 %
- Non – durable consumer goods - growth of 1.4 % and
- Capital goods – growth of 6.6 %,

A rise in manufacturing of metal products, electric equipment, paper products, industrial machinery and rise in electricity production were the main reasons for the increase of industrial production in July 2017.

2.4 Average Net Wages

The average net wages paid in July 2017 in Serbia stood at RSD 48,101.- which reflected an decrease of 2.3% in nominal terms and an decrease of 1.9 % in real terms when compared to the average net wages paid in June 2017. The average gross wages in July 2017 amounted to RSD 66,251.-.

2.5 Serbia's Foreign Trade

The overall external trade of Serbia during January to July 2017 amounted to USD 21.7 billion, 10.6% increase compared to the same period in 2016. The value of Serbian exports amounted to USD 9.5 billion, an increase of 10.7 % when compared to the same period in 2016. The value of imports amounted to USD 12.2 billion, an increase of 10.6 % relative to the same period in 2016.

The trade deficit from January to July 2017 amounted to USD 2.7 billion - an increase of 10.2 % in comparison to the figure for the same period in 2016. 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 64.8 % 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 July 2017 amounted to USD 1.1 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 1.6 billion while imports from CEFTA were to the tune of USD 489 million.

Top exports in July 2017: Automotive wires (USD 48 million), automotive tyres (USD 40 million), hot - rolled iron products (USD 27 million), copper refined (USD 25 million), cigarettes containing tobacco (USD 24 million), rape seeds (USD 20 million), diesel cars up to 1500 cm³ (USD 35 million), paper and paperboard (USD 19 million), retail medicaments (USD 19 million) and raspberries, frozen (USD 19 million).

Top imports in July 2017: Crude oil (USD 80 million), retail medicaments (USD 48 million), automotive parts (USD 47 million), natural gas (USD 29 million), coke/semi coke (USD 20 million), telecom equipment (USD 18 million), gaseous oils (USD 18 million), iron ore agglomerates (USD 17 million), diesel cars 1500-2500 cm³ (USD 15 million) and electric conductors <1000V (USD 15 million).

3. MAJOR INVESTMENTS WITHIN AND OUTSIDE THE COUNTRY

FOREIGN INVESTMENTS

Hungary's OTP Bank has acquired 100% ownership in Serbian Vojvodjanska Banka and Greek NBG Leasing with an investment of USD 125 million. OTP Bank has increased its share on the Serbian banking market to 5.7%, making it the seventh largest bank in the country.

Israeli real estate firm Ashtrom International has opened up the "Rajiceva Shopping Center" in central Belgrade main pedestrian-street of Knez Mihajlova in which Euro 80 million has been invested. The center will host shops of some of the most famous global brands such as Hugo Boss, Ralph Lauren, Calvin Klein, Armani, Tommy Hilfiger, Scotch & Soda, Lindex, Springfield, Levis, Huawei, Timberland, Esprit, Yamamay etc.

German company Leoni which is manufacturing automotive wiring systems is expanding its production in Serbia and plans to invest around Euro 20 million in upgrading of its factories. The German firm has three factories in Serbia in which it has invested Euro 75 million so far and employs 5,800 workers.

Bulgarian based investment fund River Styxx Capital has acquired 85% in Serbian Telenor Bank. Norwegian telecommunications group Telenor will keep 15% stake in the capital of Telenor Bank. Telenor established the online banking unit in September 2014 after setting foot in Serbia in 2006 by acquiring local mobile communication company Mobi63. Telenor Bank has more than 300,000 customers and is an internet-based mobile banking platform.

Italian footwear manufacturer Progetti will open its fourth manufacturing facility in Serbia in the town of Knajzevac. Progetti has three factories in Serbia – in Sombor, Vladimirci and Vrsac and employs close to 1,000 workers and is the biggest exporter of shoes from Serbia.

Manufacturer of automotive exhaust systems GLM Group which is based in Italy will invest Euro 3.5 million in a manufacturing facility in the town of Zrenjanin. The facility will have 5,000m² and the Italian manufacturer will employ 150 workers.

Bulgaria's largest pharmaceutical company by revenue, Sopharma Trading bought a 70% stake in Serbian pharma wholesale firm Lekovit. The remaining 30% shares will remain in ownership of Lekovit CEO Dragan Petrovic. Lekovit was founded in 1992, it has 150 employees and achieved more than Euro 50 million of revenue in 2016.

Swiss IT firm Namics Software Agency announced it is opening a branch office in Serbia and will employ 100 Serbian software engineers. The Serbian offices will be linked to its branches in Switzerland and Germany and will work on "Sitecore" the firms integrated experience management platform.

SERBIAN INVESTMENTS

Electric Power Industry of Serbia (EPS) has invested Euro 200 million in reconstruction of hydroelectric power plants in the last two years. The company is planning to invest an additional Euro 600 million in hydroelectric power and other renewable energy projects by 2025.

City of Belgrade and French-Japanese consortium "Suez – Itochu" signed a contract worth Euro 300 million for a 25 year contract for overhaul and upgrading of community waste treatment and disposal dumpsite Vinca. The project includes closure of the existing landfill, building of a new state of the art landfill which will from communal waste produce energy, treat waste waters and recycle construction waste.

As part of Serbian Government's investment in irrigation facilities, construction of four irrigation systems in the northern Serbian province of Vojvodina started in August 2017. The Government plans to construct a total of 11 irrigation systems across the country, which will be financed by the credit line of USD 100 million approved by UAE to Serbia. The eleven irrigation systems, once

completed, will cover more than 50,000 hectares of land. Total arable land in Serbia amounts to 4.2 million hectares and only 3% is being irrigated.

The Serbian Government will through state owned company “Corridors of Serbia”, invest Euro 38 million in construction of the highway section on European Corridor X between Grdelica and Caricina Dolina. The funds for the highway section have been made available by the European Investment Bank and work will be carried out by the Bulgarian construction firm Trace Group Hold Plc-Mostovik.

4 OTHER COMMERCIAL ITEMS OF INTEREST

Serbian Minister of Construction, Traffic and Infrastructure Ms Zorana Mihajlovic stated that Serbia is one of China’s most important economic partners in Southeast Europe. The current value of infrastructure projects being undertaken by China and Serbia amounts to USD 2.5 billion, while when the projects are added which are currently being negotiated, total joint projects amount to USD 6 billion. Most of the projects are in the area of road and railway infrastructure.

Mr Goran Trivan, Serbian Minister of Environmental Protection visited the US to discuss cooperation in the areas of waste and waste water management. Serbia would need an estimated investment of Euro 900 million in solid waste management and Euro 4.9 billion in water management to meet EU standards in ecology and environmental protection.

Serbian Minister of Mining and Energy Mr Aleksandar Antic stated that by 2020 Serbia will get an additional 600 MW power from renewable energy sources, out of which 500 MW will come from wind energy, and 100 MW from small hydro and biomass projects. Currently 205 power plant are producing 97.5 MW of renewable energy in Serbia. Large upcoming projects include Kovacica and Cibuk wind farms which are estimated to have a combined output of 262 MW by 2019. Plandiste wind farm is expected to be operational by 2020 and deliver an additional 102 MW.

Serbian defense sector exports are expected to increase by 20% in 2017. According to Serbian Defense Minister Mr Aleksandar Vulin defense export contracts worth USD 754 million were signed during the period Jan-Aug 2017. In 2016, Serbia exported a total of USD 800 million of defense equipment. The largest increase in exports is witnessed in shipments to the Middle East, Africa and Asia.

Mr Miodrag Popovic, Director, Tourism Organization of Belgrade stated that in the first six months of 2017, Belgrade has earned USD 100 million more revenues than in the same period of 2016. From January to June 2017, the city of Belgrade witnessed an increase of tourist arrivals by 19%. The largest amount of foreign tourists came from Turkey, Israel, China, Croatia, Slovenia, Germany and Bosnia. The fact that Belgrade is one of the oldest cities in Europe plays a big part in attracting guests, as does the good atmosphere in the city. In 2016 the city of Belgrade achieved tourism revenue of Euro 850 million.

Due to a long summer drought, Serbian agriculture production in 2017 is expected to be USD 4.2 billion which would be 18% decline when compared to 2016. Farming output valued at USD 3.8 billion is expected to drop by 15.5%. The grain yield is expected to reach Euro 1.1 billion which is a 33% drop. It should be stressed that this year's climate conditions have been less harmful to orchards and vineyards because of their deeper root systems which will be beneficial for fruit production.

5. SPECIAL INITIATIVES BY THE MISSION

Independence Day of India: The Embassy of India celebrated 70 years of India’s Independence on August 15 with the unfurling of the Indian national flag by Ambassador and the rendering of the Indian national anthem by Serbian school children. On the occasion, Ambassador hosted a VIP reception for eminent persons including Minister of Defence Aleksandar Vulin, Minister of Labour, Employment & Social Affairs Zoran Djordjević, Minister for Innovation & Technological Development Dr. Nenad Popović, President of Vojvodina Provincial Government Igor Mirović,

Secretary General to President Nikola Selakovic, President of India-Serbia Parliamentary Friendship Group Ms Ivana Stojiljkovic, Deputy Mayor Andreja Mladenović, religious leaders, senior officials, Ambassadors, CEOs, media persons and other local dignitaries. As a goodwill gesture by the Serbian Government, two iconic buildings, Ada Bridge and Palace of Albania were lit up in the colors of Indian national flag.

With this, both countries begin 70th anniversary of establishment of diplomatic relations. Leading Serbian dailies brought out special supplements with congratulatory messages from President Aleksandar Vucic, Deputy Prime Minister & Foreign Minister Ivica Dacic and State Secretary, Ministry of Foreign Affairs Nemanja Stevanovic.

www.eoibelgrade.gov.in/pdf/Politika%20Indija.pdf

www.eoibelgrade.gov.in/pdf/Novosti%20India.pdf

www.eoibelgrade.gov.in/pdf/Informer%20India.pdf

www.eoibelgrade.gov.in/pdf/Diplomacy%20&%20Commerce.PDF

www.eoibelgrade.gov.in/pdf/CorD%20India.pdf

TV Pink interviews Ambassador: On 11th August 2017, Mrs. Narinder Chauhan , Ambassador was guest at the morning program of TV Pink. Ambassador mentioned about the positive trend of improvement of bilateral relations since the recent visit of President Aleksandar Vucic to India in January 2017.

Ambassador calls on Minister of Public Administration and Local Self Government of Serbia: Ambassador called on Mr. Branko Ruzic, the newly appointed Minister of Public Administration and Local Self Government of Serbia on 1st August 2017 to discuss ongoing ITEC programme and new areas of collaboration. Minister Ruzic impressed upon the importance of training to Serbian civil servants and said that strengthening of cooperation with India was important as it has projects for increasing capacities and improving various skills. Ambassador emphasized that India is willing to extend assistance to Serbia in different fields and offered ITEC courses to Serbian civil servants.

Ambassador calls on Minister of Labor, Employment, Veterans & Social Affairs: Ambassador called on Mr. Zoran Djordjevic, the newly appointed Minister of Labor, Employment, Veterans & Social Affairs of the Republic of Serbia on 10th August 2017 to congratulate him on his appointment and to discuss ways to enhance cooperation in building human resources and social entrepreneurship. Minister Djordjevic called for cooperation in the areas of social security, labor and veteran affairs. Ambassador expressed readiness for further development of bilateral relations especially in the field of women empowerment in Serbia, fight against domestic violence and strengthening of gender equality issues. Both sides agreed that signing of Social Security Agreement would be helpful in promoting relations especially in view of the considerable potential for bilateral economic cooperation. The two officials agreed on the joint visit to social protection institutions in Serbia.

Ambassador calls on Minister for Agriculture, Forestry & Water Management: Ambassador called on Mr. Branislav Nedimovic, Serbian Minister for Agriculture, Forestry & Water Management on 17th August 2017 to handover the letter of invitation from Union Minister of Food Processing Industries of India for participation in 'World Food India 2017' to be held in New Delhi from 3-5 November 2017. Minister Nedimovic expressed Serbia's willingness to participate with the possibilities of presenting Serbian agricultural products such as fruits, vegetables and meat in the fair. Both sides agreed to intensify talks about investments by leading Indian companies in the production of tractors and machinery in Serbia. This will be important not just for commerce as a whole but also for small farmers, through the greater availability of quality tractors and mechanization. Indian companies TAFE, Mahindra and Sonalika sell tractors in Serbia and have a fine reputation, including Jain irrigation equipment.

Serbia abolishes visas for Indian nationals holding ordinary passport: The Government of Serbia abolished visas for Indian nationals vide official notification No. 3059 published in the Official Gazette of the Republic of Serbia on 25th August 2017 to promote trade and tourism. As per the Gazette Notification, from 02 September 2017, Indian nationals holding ordinary passport are

allowed to enter, transit and stay in the territory of the Republic of Serbia for duration up to thirty (30) days from the date of entry within a period of one year.

Celebration of 70 years of India's Independence: As part of the celebrations of 70 Years of India's Independence and 70th Anniversary of establishment of diplomatic relations, Embassy organized Bharatanatyam concert by 08-member ICCR group led by Ms. Geeta Chandran on August 22, 2017 at Belgrade. The Group also performed in Leskovac (23 August) and Smederevo (24 Aug). Embassy is organizing an Indian film festival at the Cultural Center of Zrenjanin from 6-28 September 2017.

Euro 9 million Indian investment in Ruma, Serbia: CG Food India (CGFI), a subsidiary of Cinnovation Group, has invested Euro 9 million in construction of factory to produce Wai Wai instant noodles in Ruma, Serbia. Spread over 6300 sq meters, the factory has the monthly production capacity of 3 million packets in one shift operation. Wai Wai products will be exported to 30 nations taking advantage of Serbia's FTAs with EU, Russia, Turkey, Belarus, Kazakhstan, Azerbaijan, European Union, CEFTA etc.

Commercial & trade visits from/to India: Mr. Dragoslav Ninic, Power System Expert and Mr. Petar Susnjar, Deputy Head of Power Applications from Novi Sad based Schneider Electric DMS visited Patna for implementation of a SCADA-DMS project under R-APDPR Programme.

Mr Bojan Trebaljevic Electrical Engineer at Belgrade based Energoprojekt Entel PLC visited Mumbai in August 2017 to discuss cooperation in the field of power transmission systems with representatives of India firm KEC International Ltd.

Apart from above several Serbian companies visited India for commercial & trade purposes mainly from IT, engineering industry, power engineering, food processing & packaging, textile etc. Some of the companies are Euronet Services doo, Ball Packaging, Siemens doo, Global Three Ltd, STR Ruza and Style Trade.

Embassy is organizing a familiarization visit of a 9-member Serbian Tour Operators to India from 22-28 Sept 2017 to enable them to get first hand experience of India Tourism and adequately present it to their clients in the region.

The Mission undertook several trade promotion efforts: The Mission disseminated information on fairs/exhibitions/conferences held by centre and state governments (World Food India 2017, Indian Mobile Congress (IMC 2017), Textile India 2017, GES 2017, India Stonemart, GRAM 2017, 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 was given to Indian trade events through website 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 August 2017, the Embassy issued 46 visas out of which 13 were for business and 65 Serbian people availed of e-visa facility to visit India.

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

Tender for Galenika Pharmaceuticals published: The Serbian Government has on 1st September 2017 announced a Public Invitation for sale of 93.73% of equity in the state owned company Galenika pharmaceuticals. The company is being offered for a symbolic price of one euro, while the future owner will have to pay Euro 25 million of debt towards banks. Details of the public invitation can be seen at: <http://www.priv.rs/News/12246/Public-invitation-for-participation-in-the.shtml> For companies to qualify for the bidding they must have pharmaceutical manufacturing as their core activity and at least Euro 300 million of operating revenues. Galenika is one of the largest pharmaceutical companies in Serbia and is involved in manufacturing of a broad range of generic

human medicines, para-pharmaceutical products, dental products and pharmaceutical raw materials. Galenika has modern production facilities, production capacities for antibiotics in Montenegro and in-house R&D institute. The product portfolio of the company is very diverse and includes over 250 generic products in various pharmaceutical forms. In addition to the generic drugs, Galenika also produces and sells licensed products in the domestic market.

Indian GMR Group is shortlisted for 25 years concession of Belgrade International Airport “Nikola Tesla”: On 13th February 2017 the Serbian government issued an invitation for bids for a 25 year concession on Nikola Tesla International Airport, the main Belgrade airport and the biggest in the Western Balkan region. The long-term strategic goal of the government is to ensure that Nikola Tesla becomes the dominant airport in the western Balkans region. Serbian Prime Minister Aleksandar Vucic stated that the sale of the concession is expected to yield an upfront payment of approaching Euro 400 million, plus an annual fee of Euro 11 million. In the longer term, the goal is to increase the capacity of the airport from a current maximum of 7m passengers to around 17m by 2025. The Nikola Tesla international airport serviced 4,92 million passengers in 2016, 3 % more than a year earlier. It currently reports an annual net profit of around Euro 25 million. Non-binding bids for concession management of Belgrade Nikola Tesla Airport were submitted by four consortiums and one company that met the requirements for the second phase of the procedure. The offers were made by a Indian-Greek consortium (India’s GMR Infrastructure Limited and Greece’s Terna), a Swiss-French consortium (Meridian Eastern Europe Investments, Zurich Airport AG and France’s Eiffage), a South Korean-Turkish-Cypriot consortium (South Korea’s Incheon International Airport Corporation, Turkey’s Yatirimlar ve isletme and VTB Capital Infrastructure), a China’s consortium (China’s Hainan Air Travel Service, HNA and China National Aero Technology) and France’s Vinci Airports.

Agriculture Ministry to decide PKB privatization model in 2017: The Serbian Agriculture Ministry will decide which model will be used for the privatization and sale of the Agriculture Combine Belgrade (PKB) by the end of this year. The Ministry 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 appoint professional management in the Copper Mining and Smelting Complex RTB Bor: The Serbian Ministry of Economy stated that 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 is looking to privatize the petro-chemical complex: According to Mr. Goran Knezevic, Serbian Minister of Economy, the government is looking to publish public calls for privatization of the Methanol Plant, Azotara- Fertilizer Plant and HIP Petrochemicals, three companies which are part of the petro-chemical complex. Several investors have shown interest in taking part in the privatization and the government is looking to finish the process by the end of 2017.

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

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
12 th Ethnic Food & Drinks Fair	22-25 November 2017	www.sajam.rs
Balkan Textile Fair	March 2018	http://www.balkantekstila.com/
International Fair of Horticulture	April 2018	www.sajam.rs
International Fair of Cosmetics	April 2018	www.sajamkozmetike.com
International Construction Trade Fair	April 2018	http://sajamgradjevine.rs/en/home/
International Fair of Agriculture	May 2017	www.sajam.net
International Fair of Technical Achievements	May 2018	www.sajamtehnike.rs
International fair of arms and military equipment	June 2018	www.partner.mod.gov.rs/

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

7. TRADE ENQUIRIES DURING AUGUST 2017

Trade Enquiries from India

- Indian company Spigo Ceramic has expressed interest in exporting ceramic tiles to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Veasure Animal Health has expressed interest in exporting veterinary & animal health products to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Fivestar Dehydration has expressed interest in export of dehydrated products and spices to the Serbian market. List of Serbian exporters has been provided to them.
- Indian company Samaritan International has expressed interest in export of rice & frozen food products to the Serbian market. List of Serbian IT companies has been provided to them.
- Indian company Sierra Exports has expressed interest in exporting industrial gloves to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Varsha Industries has expressed interest in exporting peanuts, seeds & spices to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Bhandari Agro Processing Industries has expressed interest in exporting raisins, spices & oil seeds to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Kemlite Piping Solution has expressed interest in exporting pipes, tubes and other metal products the Serbian market. List of Serbian importers has been provided to them.

Trade Enquiries from Serbia

- In August 2017, Serbian company Agroart doo expressed interest in exporting agricultural implements and machinery to the Indian market. List of Indian traders / distributors 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

Ministry of Economy

www.privreda.gov.rs

Serbian Development Agency

<http://ras.gov.rs/>