

**EMBASSY OF INDIA
BELGRADE**

**MONTHLY COMMERCIAL REPORT FOR SERBIA
JULY 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%	1.2 %
Inflation		In July 2017
Annual inflation target (y-o-y growth)	4.0 % +-1%	3.0 % +-1%
Monthly Inflation	0.1 %	- 0.4 %
Inflation rate – Consumer price index CPI (%)	1.6 %	3.2 %
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 June 2017
Current account deficit (exc. grants)	-1,512	-1,088
Current account deficit (exc. grants), as % of GDP	-	-
Balance of payments, total	-345	-219
Foreign direct investments, net in million USD	2,057	1,067
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 – June 2017]

Products	Values in 000 USD
Total	10,392,442
1. Iron, steel, copper, etc.	1,128,428
2. Medicaments & chemicals	1,052,859
3. Food & agro-products	786,591
4. Industrial Machinery	774,539
5. Automotive parts & vehicles	759,995

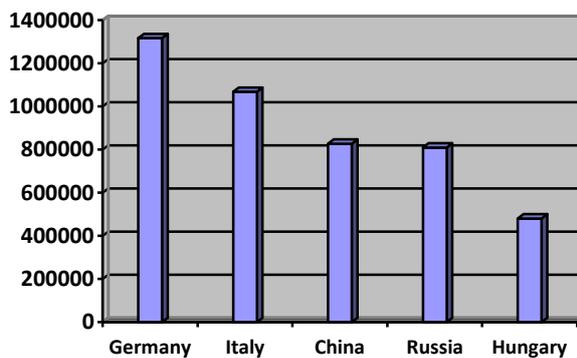
Top 5 Countries of Import	Values in 000 USD
Total	10,392,442
1. Germany	1,317,076
2. Italy	1,068,162
3. China	827,136
4. Russian Federation	809,443
5. Hungary	480,832

Top 5 Exports [January - June 2017]

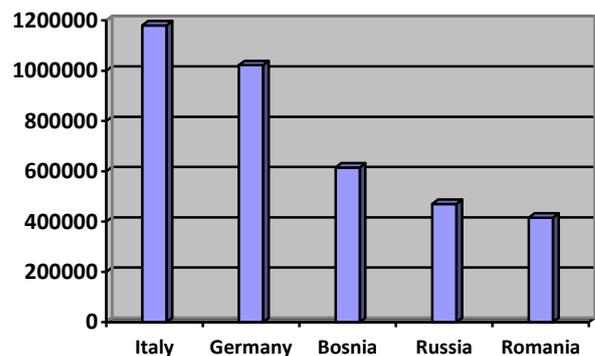
Products	Values in 000 USD
Total	8,072,657
1. Food & agro-products	1,604,686
2. Motor vehicle, parts & car tires	1,250,463
3. Products of iron, steel, copper	1,117,383
4. Electric appliances	697,038
5. Industrial machinery	684,955

Top 5 Export Destination Countries	Values in 000 USD
Total	8,072,657
1. Italy	1,179,736
2. Germany	1,022,293
3. Rep. of Bosnia and Herzegovina	615,277
4. Russian Federation	470,817
5. Romania	415,586

Countries by Import



Countries by Export



Top Ten Trading Partners [January- June 2017]

Countries	Values in 000 USD
Total Trade	18,465,099
1. Germany	2,339,369
2. Italy	2,247,898
3. Russian Federation	1,280,260
4. Bosnia and Herzegovina	866,715
5. China	856,526
6. Hungary	758,264
7. Romania	714,517
8. Poland	648,058
9. France	544,415
10. Austria	542,438

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

1. FOREIGN TRADE WITH INDIA

India-Serbia bilateral trade from January-June 2017 amounted to US\$ 83.0 million, an increase of 18.9% compared to the same period in 2016, with Indian exports to Serbia valued at US\$ 79.4 million and Serbian exports to India at US\$ 3.6 million.

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

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

Product Groups	Values in 000, USD	Product Groups	Values in 000, USD
1. Pharmaceutical & chemical products	18,300	1. Precious metals, silver	894
2. Products of iron & steel	12,491	2. Chemical products	749
3. Textile, yarn, garments & footwear	11,654	3. Tobacco / cigarettes	621
4. Coffee, sesame seeds & food prod.	10,237	4. Industrial machinery & equipment	346
5. Industrial machinery	5,478	5. Plastic fittings for pipes, tubes	274

Top 10 Products Exported by India (Jan-Jun 2017)	Values in 000, USD	Top 10 Products imported from Serbia (Jan-Jun 2017)	Values in 000, USD
1. Aluminium, unwrought	6,203	1. Silver, unwrought	894
2. Coffee	4,111	2. Other phosphates of calcium	727
3. Other heterocyclic compounds (with nitrogen)	4,088	3. Cigarettes	621
4. Polyethylene in primary forms	3,800	4. Plastic fittings for pipes, tubes	274
5. Medicaments, retail	2,903	5. Storage units	229
6. Zinc, unwrought	2,103	6. Metal working machinery	141
7. Groundnuts, not roasted	1,683	7. Telecom equipment	106
8. Tobacco, raw	1,671	8. Parts of pumps	66
9. Parts of pumps	1,582	9. Printed circuits	66
10. Other heterocyclic compounds (nitrogen hetero-atom)	1,262	10. Other instruments 8741	61

Source: Statistical Office of the Republic of Serbia

2. COMMERCIAL DEVELOPMENTS IN SERBIA

2.1 Main Economic Overview

According to the latest Government figures Serbia's economic growth in the second quarter of 2017 was 1.3% which is below the projected growth of 3% by the Government for 2017. However, officials are expecting growth to pick up in the second half of the year and GDP is expected to rise as per the set target. In the period from January to June 2017 inflation reached 3.7% and is within the annual target while foreign trade increased by 9.6% and accounted for USD 18.5 billion. Serbia's public debt has dropped significantly and in June 2017 amounted to 65.7 % of GDP as compared to 72.9% at the end of 2016. Due to weak inflationary pressures and a stable Dinar currency exchange rate, the Executive Board of the National Bank of Serbia (NBS) decided to keep its reference interest rate at 4%. In the second half of 2017, the NBS sees possibilities of inflation increasing mildly due to a possible recovery of global petroleum prices and higher crop prices as a result of a long summer and drought.

The appointment of Ms. Brnabic as Prime Minister was praised by the EU and World Bank officials as it is expected that Serbia's new PM will successfully continue with the reforms and the financial consolidation that have been undertaken by the previous Government. The World Bank Country Manager for Serbia Tony Veheijen pointed that the difficult fiscal consolidation which was carried out during the past 3 years and the fact that Ms Brnabic is more of an expert rather than politician will be positive for the future economic success and growth. The Serbian Fiscal Council stated that it expects the new Government to renew the stand-by arrangement with the IMF once the current agreement expires in February 2018.

Russia, Turkey, Bulgaria, Hungary and Serbia opened negotiations on the expansion of the Turkish Stream gas pipe project which is being carried out by the Russian Gazprom. Serbian President Aleksandar Vucic stated that a proposal for the Turkish Stream to go through Bulgaria towards Serbia was "on the table" and that the issue was being discussed with Gazprom and Bulgaria.

Serbia and Cisco signed an MoU in Washington to open negotiations on the program of the National Agenda for Digital Acceleration (CDA).

In July 2017, Global credit ratings agency Dun & Bradstreet (D&B) kept its rating of Serbia in the category of countries with moderate business risk with a stable outlook. Regional countries Croatia, Bulgaria, Hungary, Macedonia and Albania have the same credit ranking. D&B expects that the appointment of Ms. Ana Brnabic as PM will be beneficial for reforms in the country and that reformists hold two key position within government for the first time in several years (which includes Serbian President Aleksandar Vucic). Serbia has achieved financial stability but certain political risks remain having in mind the growing tension of ethnic-Albanians in the region.

British financial magazine "EuroMoney" improved Serbia's risk assessment in July 2017 for more than two points to 44 points out of 100, which, as it was emphasized, were the best results since 2010. Serbia was currently ranked 76th out of 186 countries as the latest ranking of the investment risk has been changed from B- to BB+. London-based magazine also emphasized the significant improvement of Serbian economy, in all categories including a growth of Serbia's GDP, an increase in FDI, also a decline of the budget deficit, unemployment and bad performing loans.

2.2 Inflation up to July 2017 amounted to 3.2 %. 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.- , a decrease of 2.3% in nominal terms and a 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

European Investment Fund (EIF) sets aside Euro 450 million for innovative SME's: European Investment Fund (EIF) and ProCredit Group signed a deal regarding Euro 450 million of loans which are to be distributed to innovative small and medium-sized enterprises. ProCredit Bank has its offices in Serbia and will offer the soft loans to local innovative enterprises.

International Finance Corporation (IFC) to finance construction of waste processing plant: Mr Thomas Lubeck, Regional Manager for Western Balkans, International Finance Corporation (IFC) stated that IFC will set aside Euro 300 million for construction of a waste processing plant in Belgrade suburb Vinca. The plant will have the capacity to process about 70% of city waste and in the process generate 30 MW of electricity and 65 MW of thermal energy. According to Lubeck, Belgrade generates 600,000 tons of waste every year and that the new plant could take advantage of that potential to create energy and reduce pollution.

Rio Tinto plans additional investments in Jadar project: The Government of Serbia and the Australian-British multinational company Rio Tinto signed an MOU on exploration of Jadar lithium and borate deposits near Loznica, western Serbia. Rio Tinto plans to invest additional funds in exploration of the Jadar project, the company has so far invested USD 90 million.

Serbian Government and the European Investment Bank (EIB) signed a contract worth Euro 50 million regarding a soft loan for reconstruction and modernization of clinical centers in Belgrade, Novi Sad, Nis and Kragujevac.

Austrian Erste Group invested Euro 40 million in business office complex in Belgrade, with an area of 18,500 square meters for leasing out to leading financial and real estate companies.

Austrian company Zumtobel, which manufactures LED lighting, has started construction of its new factory in the Serbian city of Nis. Zumtobel is known for its state of the art LED lighting products and will invest Euro 30 million in the project.

The Austrian firm Prior Business Holding (PBH) plans to invest Euro 15 million in a plant that will produce electricity out of biomass. The power plant will be constructed in the town of Beocin. City Mayor Mitar Milinkovic and PBH CEO Johan Prior signed a contract on the investment in the new industrial zone and construction of a power plant which will produce up to 1MW of electricity and 1.4 to 1.7MW of thermal energy.

United Textile, which is part of Turkish Birlesik Textile group will invest in a production facility in the town of Lazarevac. In the first stage the Turkish company will hire 300 workers and start production in the factory of former textile industry Beko. Once their own facility is complete, an additional 600 workers will be employed.

SERBIAN INVESTMENTS

Serbian Ministry of Defence invests Euro 91 million in ammunition plant: The Serbian Government has invested Euro 91 million in small arms ammunition and equipment plant in the town of Uzici, near Pozega. The new factory will produce 7.62x39mm and 9x9mm ammunition. The annual production value is estimated at Euro 26 million and the ammunition is mainly intended for export.

Serbian Railways open reconstructed section of Belgrade-Bar railway line: Serbian Railways have invested Euro 80 million in reconstruction of 35km long Resnik-Vreoci section and 78km long Resnik-Valjevo section. Modernization of the Belgrade-Bar railway line is one of the strategic goals of the Serbian Government and an estimated Euro 220 million will be invested in the remaining sections which are to be reconstructed on this international railway corridor.

Serbian Ministry to invest Euro 66.5 million in waterways: Serbian Ministry of Construction, Transport & Infrastructure announced investments worth Euro 66.5 million in several projects aimed at improving the countries waterways. In 2016, as much as 10 million tons of goods were transported via the Danube only. The Ministry has published a strategy for the development of water transport envisaging 15% share in the total transport of goods in Serbia by 2025.

4 OTHER COMMERCIAL ITEMS OF INTEREST

Largest Serbian exporters for the period January – June 2017: Total Serbian export amounted to Euro 7.5 billion in the first half of 2017, while exports of top 15 companies amounted to Euro 2.1 billion (28% of total exports). The single largest Serbian exporter was Fiat Chrysler Automotive Serbia (FCA) with exports of Euro 562.2 million, followed by HeSteel Serbia (€ 280.1 m), Tigar tyers (€ 179.2 m), NIS GazpromNeft (€ 136.9 m), Tetrapak (€ 110.9 m), Petrochemicals Pancevo (€94.5 m), Robert Bosch (€ 90 m), MK Group (€ 89.4 m), Leoni wiring (€ 89.2 m), Hemofarm-Stada (€ 85.2 m). Other large exporter include Jura Corp (€ 82.5 m, Gorenje Appliances (€ 81.5 m), RTB Bor (€ 81.2 m), Viktoria Group (€ 78.1 m) and Grundfos (€ 76.8 m).

Serbian start-up among 15 most popular IT startups in Europe: Serbia's software startup Selfikon was ranked 14th among the most popular IT startups in Europe at the Startup Grind Europe 2017 conference held in London. The conference is known for gathering some of the best IT companies from Europe. Selfikon is a social media and mobile application made by the Serbian software engineers which allows people to share their selfies every day via photos and live videos.

Mobile roaming prices lowered in the Balkan region: Regulatory agencies of Serbia, Bosnia-Herzegovina, Montenegro, and Macedonia have agreed to jointly lower prices of roaming services for mobile communications. According to the agreement, maximum price of outgoing calls in roaming will be Euro 0.19 cents (excluding VAT) and the maximum price of incoming calls in roaming will be Euro 0.05 cents.

Serbian-Spanish Chamber of Commerce constituted: In Madrid representatives of the Spanish and Serbian Chambers of Commerce signed an agreement on establishment of joint Spanish-Serbian Chamber with the goal of improving trade & economic relations between the two countries, supporting technical & economic cooperation between companies & state institutions and protecting economic & business interests of chamber members.

Banca Intesa declared as the best bank in Serbia: International financial magazine *Euromoney* awarded Banca Intesa the 'Best Bank in Serbia' award for 2017, as part of its traditional annual awards for excellence selection. According to the magazine, Banca Intesa has stood out in the business growth index and has a proactive approach in introducing innovation digital platforms and introduction of new unique products in the Serbian market.

In the six months of 2017, the bilateral trade between Serbia and Russia increased by 12.4% compared to the same period last year. The exports from 815 Serbian companies registered 27% growth at Euro 435 million whereas Russian exports amounted to Euro 751 million. The two countries expect that trade will further increase once the free trade agreement between Serbia and the Eurasian Union is finalized.

Several companies from China showed interest in major projects in Serbia, of which two large ones are interested in the Mining and Smelter Basin (RTB) Bor. The Serbian Government is currently negotiating the sale of RTB Bor and the Chinese has stated that they are ready to invest USD 200 million in development of the mining complex.

The French-Japanese consortium Suez-Itochu filed a bid regarding the public-private partnership for the treatment and disposal of communal waste at the Vinca landfill in Belgrade. The project is estimated to be worth Euro 300 million and if the bid is accepted, work on the project could start in the second half of 2018.

Belgrade International Airport “Nikola Tesla” received a certificate which confirm fulfillment of the strictest European safety standards by the airport. Several regional countries such as Austria, Hungary, Greece and Romania still do not have such certified airports. Belgrade “Nikola Tesla” Airport is expecting a record number of 5.5 million passengers in 2017.

Serbia and Montenegro Flight Control (SMATSA) announced plans for construction of a new control tower at Belgrade’s Nikola Tesla Airport. SMATSA expects to start construction of a 75 meter tower in autumn 2018.

Serbia second in region by the number of mobile devices, but low in terms of internet users: A study by McKinsey World Institute reveals that Serbia is ranked at the high second place among countries of the Western Balkans by the per capita number of mobile telephones, but is only ranked sixth in the region as per the share of active users of internet, 51.5 % of the overall population. Developed EU countries have above 80% of active internet users, while Slovenia is the regional leader with 72% of the population being connected to the internet through their mobile devices.

5. SPECIAL INITIATIVES BY THE MISSION

Ambassador calls on Prime Minister of Serbia: Ambassador called on Ms. Ana Brnabic, the newly appointed Prime Minister of Serbia on 19th July and congratulated her on appointment as Prime Minister of Serbia. Prime Minister Brnabic stressed on the importance of the traditional and friendly relations between the two countries in the year when India and Serbia are celebrating 70 years of establishing diplomatic relations and expressed gratitude for India’s continued support for Serbia’s territorial integrity and sovereignty. Prime Minister Brnabic and Ambassador discussed possibilities of further enhancing bilateral economic cooperation and investments. Ambassador briefed Prime Minister Brnabic about India’s flagship project "Digital India" which aims to modernize the Indian economy and to radically transform the quality of governance by the creative use of digital technology. Ambassador offered India’s assistance and cooperation to Serbia in the field of digitalization and IT sector which are amongst the priorities set by the Serbian government. Prime Minister Brnabic and Ambassador also discussed ongoing cooperation and potentials in the tourism sector, film making industry, agriculture & food processing and the defense industry. Indian companies have expressed interest to invest in Serbia in Agro-machinery, pharma and infrastructure.

Ambassador meets with Minister of Education, Science & Technological Development of Serbia: Ambassador called on Mr. Mladen Sarcevic, Minister of Education, Science & Technological Development of Serbia on 5th July to discuss wide range of issues and implementation of India-Serbia bilateral Science & Technology Agreement of 2004. Minister Sarcevic expressed interest in cooperation on new technologies with researchers from India. He said that Serbia, though a small country, possesses a high number of researchers. Ambassador reiterated that Serbia is an important partner and the cooperation between the two countries exists for decades. She reaffirmed that India is keen in various forms of scientific & technological cooperation with the government, organizations, enterprises and other entities of Serbia. Ambassador expressed hope that actual scientific exchanges between the two countries will be initiated soon. The bilateral S&T agreement between India and Serbia envisages cooperation in undertaking joint research projects, exchange of specialists/scientists, organization of workshops/exhibitions etc. During the Joint Video Conferencing Session held under S&T Agreement on 6 December 2016, the following areas were identified as possible sectors for cooperation (i) New materials and Nanotechnology, (ii) Energy and Energy efficiency, (iii) Information and Communication Technologies, (iv) Health and (v) Biotechnology aimed at meeting the needs of food security. India-Serbia Joint Committee is to meet in Serbia in October 2017 to identify and concretize areas of mutual cooperation, negotiate and finalize various modes of cooperation.

Ambassador calls on Minister of Defence of Serbia: On 18th July 2017, Ambassador called on Mr. Aleksandar Vulin, Serbian Minister of Defence to discuss ongoing and future bilateral cooperation in the defense industry. Ambassador personally delivered the invitation by Indian Defense Minister

Arun Jaitley to Minister Vulin to visit India and explore possibilities for bilateral cooperation. India is one of the leading global economies with a booming defense market which presents great opportunities for Serbia. Recently Indian "Reliance Group" and Serbian "Yogoimport" discussed transfer of technologies and possible joint production and placement in third markets, which is expected to lift the bilateral cooperation in this segment to new heights. Both sides have shown interest in intensifying cooperation in defense equipment, healthcare, education, training, peacekeeping, migrant crisis and the fight against terrorism. Minister Vulin thanked India for supporting Serbia's territorial integrity and sovereignty.

Ambassador's meeting with Mr. Nenad Popovic, Minister responsible for Innovation and Technological Development: Ambassador called on Mr. Nenad Popovic, Minister responsible for Innovation and Technological Development on 19th July to discuss possibilities of cooperation between the two countries in the field innovation and new technologies. Ambassador stressed that India has achieved great economic growth as a result of investments in IT, innovation and new technologies and today India is one of the world leaders in these areas. It is clear that great opportunities are present for bilateral cooperation in the field of innovation and new technologies, especially agro-technologies, biotechnology and nanotechnology. Mr Popovic pointed out that Serbia will look to intensify its cooperation with India in the field of innovation and new technologies and will try to attract Indian hi-tech investors.

CG Foods India Pvt. Ltd. (CGFI), a subsidiary of Singapore based Cinnovation Group, which has a large market share in India, have invested Euro 9 million in Wai Wai brand instant noodles factory in the Serbian town of Ruma. Wai Wai will reach to consumers of 30 nations from the plant once it starts production in October 2017.

Commercial & trade visits from/to India: A delegation from the Indian infrastructure company GMR met Ambassador on 11 July regarding their bid for 25-year Concession of Nikola Tesla Belgrade International Airport in partnership with the Greek Terna Group

Mr Miroslav Miljus and Mr Vladimir Trajanovic engineers from the Sopot based Prometal company visited India in July 2017 to discuss cooperation with Arrow Corporation from Tirupur in the field of industrial machinery & equipment.

Senior Software developer of Belgrade based Webcom doo firm visited India in July 2017 to discuss cooperation with Bangalore based Accenture Solutions Pvt. Ltd. in the field of IT services & software development.

Mr. Goran Obradović Technical Manager at Belgrade based Figa Services Agency visited Gurgaon in July 2017 for business cooperation with Aakanksha Technologies in the field of food processing machinery.

Apart from above several Serbian companies visited India for commercial & trade purposes mainly from IT, engineering industry, power engineering, healthcare, food processing & packaging, etc. Some of the companies are DHL, SAP Meena, Dr Med Healthcare, Verihelp Inc, Altin Com and Zabret doo.

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, Global Rajasthan Agri-tech Meet, 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.

In July, the Embassy issued 38 visas out of which 15 were for business. 46 Serbians availed of e-visa facility during the month.

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

New Tender for Galenika Pharmaceuticals published: The Serbian Government will on 1st September 2017 announce 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. Interest parties are requested to submit their offers by 2nd October 2017 (12.00 hrs local time). The request for purchase of Sales Documents must be submitted until 20 September 2017 (12.00 hrs local time). A written request for purchase of the Sales Documents should be submitted to the Serbian Ministry of Economy in writing by mail to the address Kneza Miloša no. 20, 11000, Belgrade, Republic of Serbia and via e-mail to the addresses nadezda.curcic@privreda.gov.rs and sanja.grubic@privreda.gov.rs. Galenika is one of the largest pharmaceutical companies in Serbia and is involved in manufacturing of a broad range of generic human medicines, parapharmaceutical 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 have expressed interest in 25 year 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 (Meridiam 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 will look 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 JULY 2017

Trade Enquiries from India

- Indian company Surgi Safe has expressed interest in exporting orthopedic implants & surgical instruments to the Serbian market. List of Serbian importers has been provided to them.

- Indian company Sidak Life Care has expressed interest in exporting medical diagnostic products to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Titan Biotech Ltd has expressed interest in export of amino acid based proteins for animal feed to the Serbian market. List of Serbian exporters has been provided to them.
- Indian company Harsh Yarn has expressed interest in export of yarn & fabric to the Serbian market. List of Serbian IT companies has been provided to them.
- Indian company Kathrin Export has expressed interest in exporting home textile products to the Serbian market. List of Serbian importers has been provided to them.
- Indian company ABS Foods has expressed interest in exporting herbs & spices, organic products to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Khosla Profil has expressed interest in exporting filtration fabric to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Kisan Foods has expressed interest in exporting dehydrated vegetables & spices the Serbian market. List of Serbian importers has been provided to them.
- Indian company Albatros Pharmaceuticals has expressed interest in exporting tablets, capsules, injections, syrups, creams, cosmetics & nutraceuticals to the Serbian market. List of Serbian importers has been provided to them.
- Indian company Bluetone Impex has expressed interest in exporting porcelain tiles to the Serbian market. List of Serbian importers has been provided to them.

Trade Enquiries from Serbia

- In July 2017, Serbian company Fush doo expressed interest in yarn manufacturers based in Surat. List of Indian manufacturers 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/>