

CEE Cercle Panel

Serbia – a magnet attracting investment from East & West



- **Marco Hernandez**, Program Leader and Lead Economist for the Western Balkans, World Bank
- **Nada Knezevic**, Director, Chamber of Commerce & Industry of Serbia in Austria
- **Konstantin Bekos**, Regional Manager SEE, WKO
- **Filip Conic**, Senior Project Manager, Roland Berger
- **Dietmar Reindl**, COO, Immofinanz AG

- Moderator: **Jelena Cerar**, Competence Center for Emerging Markets & CEE

Serbia – Key Facts

- **GDP (PPP) \$108.3 billion** & GDP **growth rate 1.9%** (2017)
- **Population**
 - 8,743,099 (including Kosovo)
 - 7,078,110 (excluding Kosovo)
- **Industries**
 - automotive, machinery, chemicals, pharmaceuticals
 - base metals, tires, furniture, clothes, sugar, food processing



SIEMENS

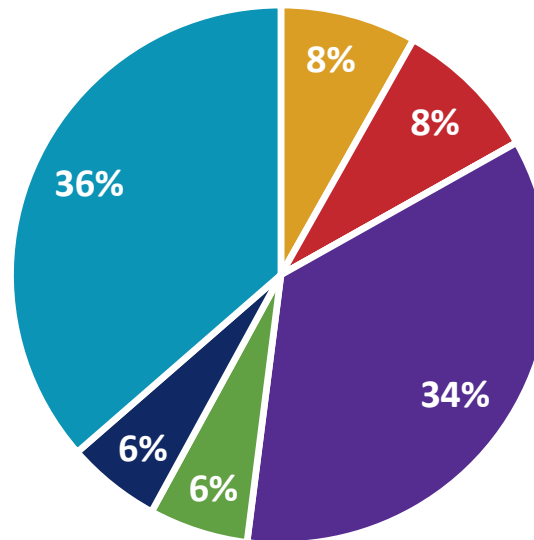
Panasonic

gorenje

Sources: World Bank, CIA Factbook, UN, Development Agency of Serbia

FDI Stock in the WB 6

Investment in Serbia comes first



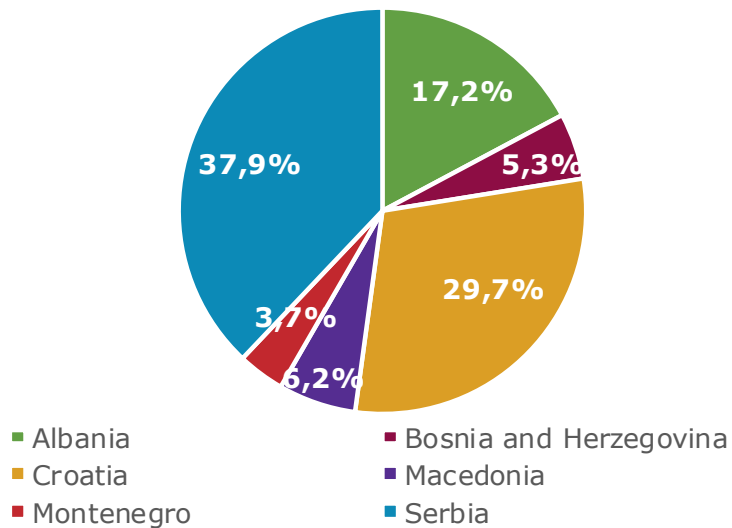
- Albania
- Croatia
- Montenegro
- Bosnia and Herzegovina
- Macedonia
- Serbia

Source: IMF Working Paper 2018, Data WIIW

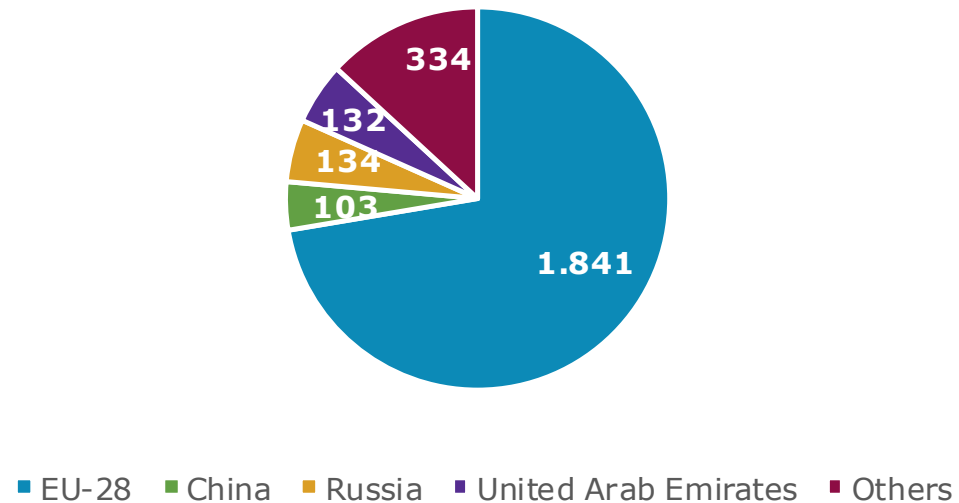
FDI Inflow in WB6

Even bigger advantage of Serbia in FDI inflows

FDI Inflows to the WB 6 - 2016



Sources of FDI Inflows to Serbia in million €



Source: WIIW

Serbia as a part of BRI

Chinese infrastructure projects not counted as FDI

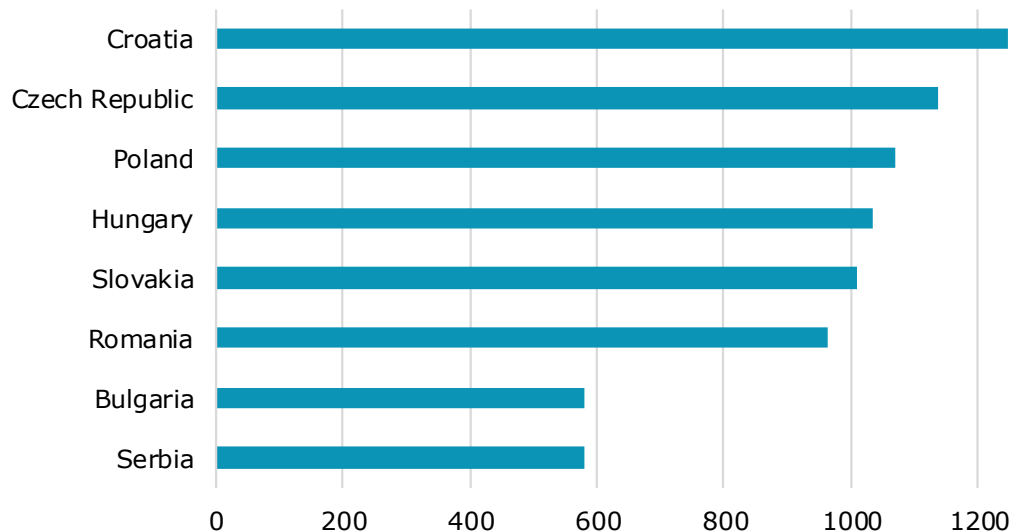


Labor force of Serbia

Low salaries and high youth unemployment

- **Labor force:**
 - 2.92 million
- **Unemployment rate:**
 - General population: **14.1%** (2016)
 - Youth (15-24): **34.9%** (2016)
- **Yearly labor supply increase:**
 - approximately 47,500 University and 2-year college graduates

Average Gross Monthly Salary in EUR (2018)



Source: CIA Factbook, Development Agency of Serbia (RAS), 2018

Retaining talent?

Serbia's biggest challenge in the years to come

**Total Emigration
since 2000**

654.000 people

**Average yearly
emigration per
year**

30.000 people

**Country capacity to
retain talent
(GCI Index)**

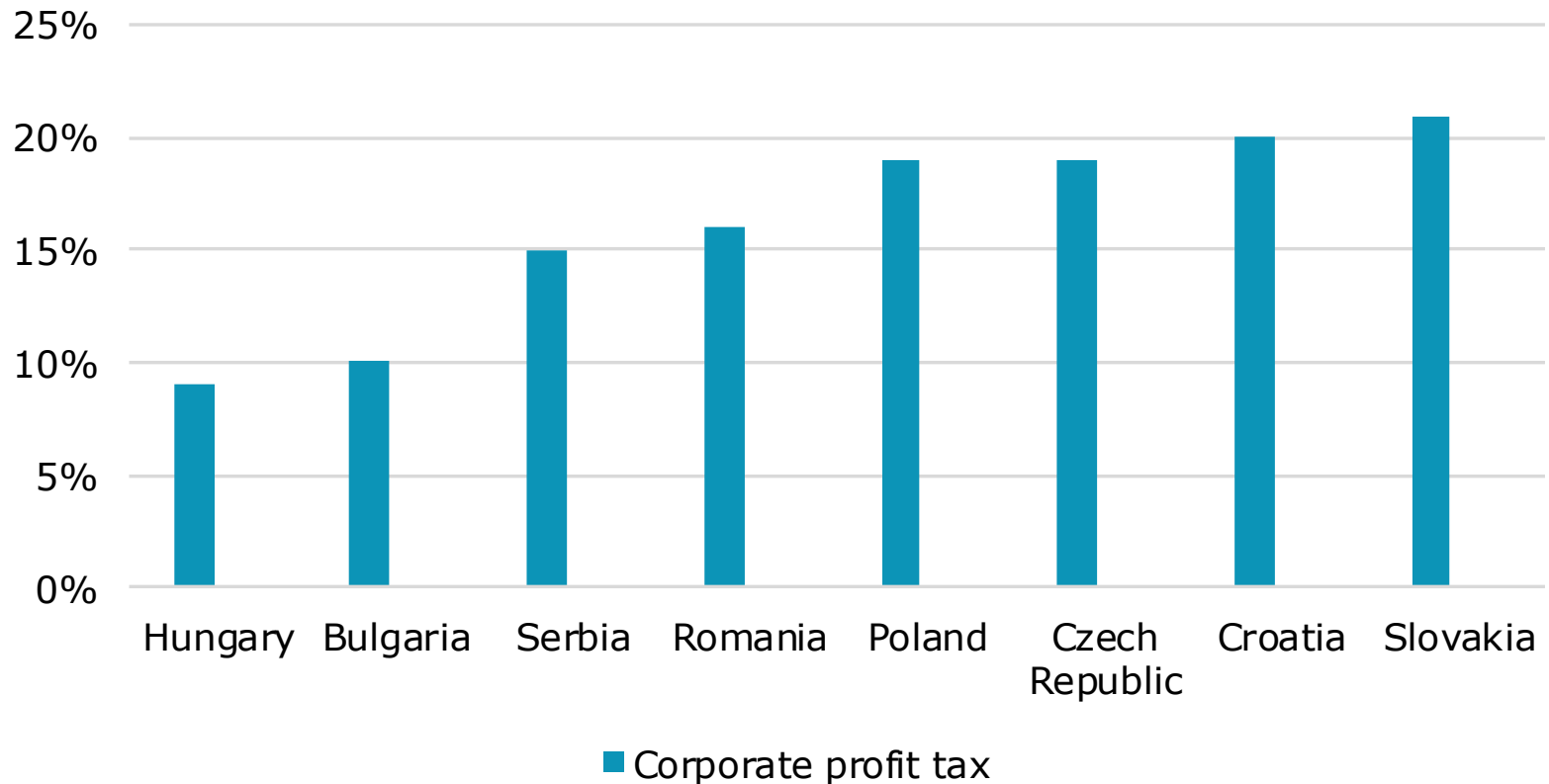
Place 134/137

Source: 1. Government of Republic of Serbia; 2. Global Competitiveness Index, World Economic Forum; 3. World Bank

Corporate Profit Tax rates

Serbia among the lowest tax-rates in the CEE region

Profit tax rates in the region

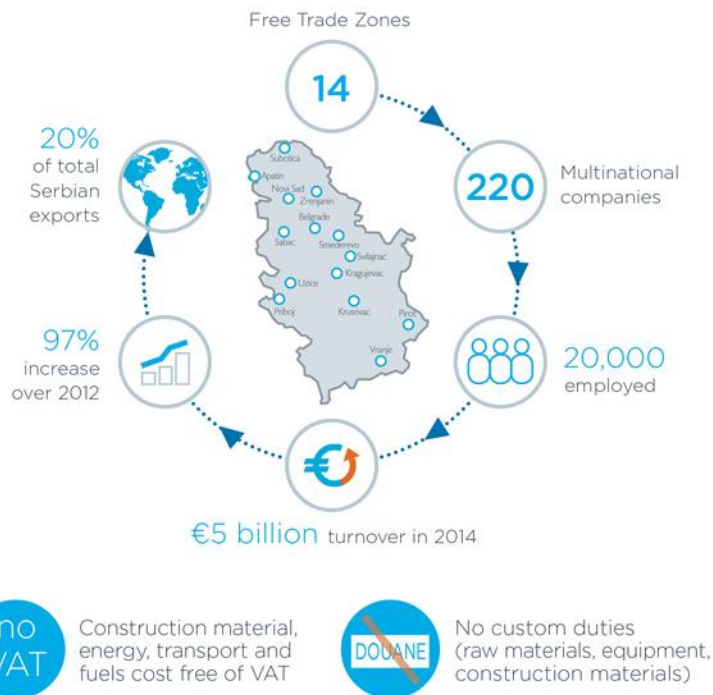


Source: KPMG, 2018

Free economic zones

Serbia's answer to attract foreign investment

- **14 zones:** Pirot, Subotica, Zrenjanin, FAS Kragujevac, Sabac, Novi Sad, Uzice, Smederevo, Svilajnac, Krusevac, Apatin, Vranje, Priboj and Belgrade
- **Customs free access to 15% of the world:** the EU, Russia, USA, CEFTA, EFTA members, Turkey, Kazakhstan and Belarus



Source: Development Agency of Serbia (RAZ), 2018

Ease of Doing Business

Improving or deteriorating?



THE WORLD BANK

Ease of Doing Business Index

43 (2018)



48 (2019)

CEE Cercle Panel

Serbia – a magnet attracting investment from East & West



- **Marco Hernandez**, Program Leader and Lead Economist for the Western Balkans, World Bank
- **Nada Knezevic**, Director, Chamber of Commerce & Industry of Serbia in Austria
- **Konstantin Bekos**, Regional Manager SEE, WKO
- **Filip Conic**, Senior Project Manager, Roland Berger
- **Dietmar Reindl**, COO, Immofinanz AG

- Moderator: **Jelena Cerar**, Competence Center for Emerging Markets & CEE



VIENNA UNIVERSITY OF
ECONOMICS AND BUSINESS

Jelena Cerar, M.A. M.Sc.

jelena.cerar@wu.ac.at
+43 677 619 499 54

Competence Center for Emerging Markets & CEE
Vienna University of Economics and Business (WU)

Welthandelsplatz 1, D1
1020 Vienna, Austria