

FOREWORD

Dear Reader,

We are delighted to present the new edition of the White Book, the major publication of the Foreign Investors' Council (FIC). The FIC is an independent association that gathers foreign investors operating in Serbia; FIC members have invested over EUR 35 billion and continue investing in Serbia, and they employ more than 100,000 people in the country.

The purpose of this annual publication is to provide the FIC members, stakeholders and institutions with a comprehensive overview of the latest developments in the business environment in Serbia. The White Book offers specific recommendations, all aimed at achieving an even stronger economic growth and better living standards for citizens.

Many experts from the FIC member companies have been working on the recommendations of the White Book - through engagement in 11 FIC committees and participation in expert dialogue with the state administration and EU institutions. This strong engagement of the FIC members in the preparation of the White Book confirms their long-term commitment to Serbia and the will to contribute to making the country a better place to do business.

The White Book 2019 notes a steady progress in improving the business climate and a 41% progress in the partial implementation of White Book recommendations, which is higher than the average score since 2011, when the White Book score card was first introduced. Compared with last year's 34%, the 2019 White Book score card shows a progress improved by seven percentage points.

The White Book Task Force, which was launched in 2017 and relaunched in January 2019 to accelerate the implementation of the White Book recommendations, has contributed to the higher White Book score, reflecting an increased commitment of the stakeholders - the FIC and the Government - to cooperate more efficiently and invest resources to make the Task Force more operational and more result-oriented. The FIC looks forward to continuing this positive trend by utilizing the White Book Task Force as an institutional mechanism for continuous and successful dialogue between the Government and the business community.

The FIC Index shows that in 2019, two of the top four performers - tobacco and transport - have retained their positions from 2018, while two new sectors - oil & gas and notaries - have achieved significant progress during 2019. However, not all

priorities of the Task Force show the same progress: digitalization, anti-illicit trade and bankruptcy have achieved moderate progress, while labor, forex and food safety lack any progress.

That is why it is important to continue reforms, now more than ever, as Serbia progresses on the EU accession path. The FIC recognizes the EU integration process as one of crucial importance for speeding up the reforms and increasing the country's competitiveness. The accession process will positively impact the market context, making it transparent and attractive for investment.

The FIC is uniquely positioned to support Serbia's EU accession process. The FIC members have significant expertise in the regulatory area, a good knowledge of the Serbian and EU markets and the capacity to provide assistance when requested. The FIC will continue to serve as a focal point for businesses and will continue the standing dialogue with the EU institutions.

Serbia continues to experience a growing inflow of foreign direct investments (FDIs) and, today, the country is not only well-positioned as an attractive investment destination, but also recognized as such - The Financial Times - fDi Intelligence, ranked Serbia as the leading country in its Greenfield FDI Performance Index 2019.

Keeping up the positive trend of recent years, Serbia has delivered macroeconomic stability and a healthy GDP growth. Consistent efforts of the Government to position Serbia as an investor-friendly country and the commitment to accelerate reforms and improve the business climate will support the further growth of FDIs, which is an important element of the country's development.

The FIC member companies will continue to be the driving engine of the Serbian economy, bringing investments and jobs, new technologies and know-how, and developing cooperation with local small and medium sized enterprises (SMEs) and suppliers.

The FIC remains true to its mission to be a partner for growth, and that is why we will advocate for a further acceleration of reforms with a shared goal to come as close as possible to a 50% implementation rate of the White Book recommendations next year. Considering the progress accomplished in 2019, this goal looks feasible.

Yana Mikhailova
FIC President