

**MIKE MICHEL**

President of the **Foreign Investors Council**

1 The Serbian economy is recovering from the shock of COVID-19 and returning to relatively stable growth. But the lasting negative consequences have remained, and investments will be crucially affected by the emergence from recession. There is no doubt that Serbia needs strong economic growth. This is possible only

through sustainable fiscal consolidation which, in the long run, can be sustainable through the implementation of deep structural reforms. Privatisation and corporatisation of public enterprises and reform of public administration will have a significant impact on the overall macroeconomic indicators. Serbia also needs an efficient public sector and reform of the pension, health, and education systems.

We in the **FIC** believe that the continuation and acceleration of

## Green is the key Word for Growth, Jobs and Health

EU negotiations are essential for improving business regulations and their implementation. This would certainly enhance the attractiveness of Serbia as an investment destination. There is still much work ahead of us, so our joint mission should be to increase productivity and sustainable investments which stimulate economic growth.

2 Accelerated digitalisation can help in driving a constructive shift in post-pandemic recovery, which has been the **FIC's** main priority in 2021. We are pleased that it has also been one of the Government's top priorities. Another extremely important element is the Green Agenda for the Western Balkans, part of the EU's new Green Deal development strategy. The

Green Agenda includes climate action, with decarbonisation, energy and mobility; the circular economy; biodiversity; combating air, water and soil pollution, and finally; sustainable food systems and rural areas. Green is the key word for growth, jobs, and health. Investing in the environment and climate change is an investment for the future because the cost of non-action would be much higher.

**FIC** members respect these rules and have already adjusted their businesses to achieve these essential and ambitious goals. This will contribute significantly to bringing the Serbian economy into line with demanding trends, in order to achieve overall competitiveness in the European and global markets.

## There is Enough Room for Faster and Greater Growth

**DJORDJE PETROVIĆ**

Executive Director of the HSPA

1 Forecasts say that Serbia will be among the fastest-growing economies in Europe, and that is, on the one hand, certainly good and encouraging information. On the other hand, one should keep in mind the basis of this growth. GDP growth is important, but it can also be very deceptive and should be seen in a broader context. Nominal GDP shows the total value of products and services created within the borders of one country in a year, while GDP per capita better shows the state of affairs and the situation in that respect is not great. I think that some things are being done well

in Serbia, but also that there is a huge space for faster and bigger growth. I also believe that faster and higher growth is imperative for Serbia if we want to get closer to some countries in the region first and a more developed part of Europe later. I think that Serbia really has a huge potential and therefore it is important that we work hard on improving all segments of society.

2 Speaking about the Green Agenda, I think that Serbia is in for a tough environmental fight for a healthy environment on several different fronts. Many companies are consciously and conscientiously working to reduce their negative impact on the environment, but they are still few and far between. As for the change



in the way we work, I think that remote work will continue to be used, but not so much, because the company culture is still one of the key factors for the success of companies, and this is not so easy to develop remotely. There are very rare examples of some technological changes that will originate from Serbia. Only companies that have grown enough and have the financial means to do so can

invest in R&D. Our market is still quite young and these companies need to grow in number. Also, one of the advantages of doing business in Serbia is that it is unlikely that there will be some major and immediate disruptions of any kind in the domestic market. This is bound to happen first in much more developed markets, which still leaves time for companies to adjust to them.