

FOREWORD

Dear Reader,

I wish you a warm welcome to the 2023 edition of the White Book. It is FIC's flagship project, an overview of Serbia's business climate and collection of recommendations and proposals for resolving burning issues. More than 120 foreign companies, from all around the globe, investing EUR 44 billion and employing more than 115k people, have prepared concrete, practical and feasible recommendations on how to improve the business and investment climate. The 2023 edition consists of 58 articles with 397 recommendations prepared by 59 authors, proving as a true ally to the business society, Serbian Government, and the overall society on how to navigate business in these challenging times.

2023 has not been a steady-going year. The impact of climate change, inflation, the energy prices, and macroeconomic structural challenges have marked the year so far. We are on a rather rickety recovery, with our international order undergoing a turbulent adjustment.

In such global surroundings, it is clear, more than ever, that there are things we can do and improve, regardless of the circumstances. Our job is, and has always been, to represent the unanimous voice of leading investors in the country by addressing a variety of regulatory issues which hinder day-to-day company operations. We have not been just continuing, but rather intensifying our activities, investing our expertise, know-how and knowledge to create a better business society, for the benefit of all. We have established an excellent cooperation with the National Bank of Serbia, aiming to open a permanent dialogue between the public and private sectors. In April 2023, we organised FIC Insight into the regulation and

purposes of hedging as protection instruments, with NBS Vice Governor as a special guest and in May, the first FIC Financial Services Conference with the participation of the NBS, the Ministry of Finance, Prevention of Money Laundering Administration and all relevant state bodies and business associations. The same month, we used the opportunity to raise awareness on ESG at one more FIC Insight. ESG is more important than ever. There are many innovations relating to ESG, and Serbian companies should take urgent steps to familiarise themselves with these legislative changes and comply with them, regardless of whether they are related to non-financial reporting, protection of whistleblowers, carbon border adjustment mechanisms, or top-of-the-supply-chain management, whilst we in FIC will continue work on this important topic jointly with our partners.

The young generations have a huge role in the overall process. We need to make sure that they are given a possibility to express their meaningful opinion and participate. They are our future leaders and part of our future business community, and I am positive that together we will make Serbia even a better place to invest in. Cooperation with universities remains a permanent FIC commitment.

We always insist on intensifying negotiations with the EU on membership status. At the same time, we are aware that there had been no better outcomes because of the new circumstances. Serbia should return to investment-led growth. We should have a 25% share of investments in GDP to achieve a sustainable GDP growth rate of 5% per year. To reach that goal, private investments should rise by at least 3% to 4%. And we in FIC will be there to propose, motivate, lead, and insist on the changes we want to see.

Thank you and enjoy the reading.

Mike Michel
FIC President