FIC INDEX FOR 2023

TABLE 1: RANKING BY PROGRESS IN IMPLEMENTING RECOMMENDATIONS IN 2023

	Rating in 2023	Average score in 2023	Average score in 2022	Change of scores in 2023	Significant progress 2023	Certain progress 2023	No progress 2023	Average time of delayed recommendations 2023	Rating in 2022
	Sectors								
1	Energy sector	2.30	2.50	-0.20	4	5	1	3.40	2
2	Protection of users of financial services	2.11	1.50	0.61	3	4	2	3.11	11
3	Fiscalization and electronic invoicing	2.00	NA	NA	5	1	5	1.00	NA
4	Illicit trade prevention and inspection oversight	2.00	1.57	0.43	2	5	2	2.33	10
5	Customs	2.00	1.20	0.80	2	1	2	4.20	25
6	Labour legislation: Employment of foreigners	2.00	1.00	1.00	1	2	1	4.75	40
7	Consumer protection	2.00	2.00	0.00	0	3	0	6.67	3
8	E-commerce and digitalization	1.83	2.57	-0.74	2	1	3	2.17	1
9	Real estate: Cadastral procedures	1.82	1.73	0.09	1	7	3	2.00	5
10	Telecommunications	1.79	1.57	0.21	3	5	6	2.21	8
11	State aid	1.71	1.57	0.14	1	3	3	5.86	9
12	Trade	1.67	NA	NA	0	2	1	3.00	NA
13	Pharmaceuticals	1.64	1.71	-0.07	2	10	10	5.00	6
14	Capital market trends	1.60	1.50	0.10	1	1	3	6.00	12
15	Prevention of money laundering	1.50	1.25	0.25	0	2	2	6.25	19
16	Law on payment transactions	1.40	1.80	-0.40	0	2	3	1.60	4
17	Protection of competition	1.38	1.33	0.04	0	3	5	6.33	16
18	Foreign exchange operations	1.33	1.38	-0.04	1	1	7	5.38	14
19	Central registry of real owners	1.33	1.33	0.00	0	1	2	2.00	15
20	Public procurement	1.33	1.33	0.00	0	1	2	4.00	17
21	Real estate: Construction land and development	1.33	1.18	0.15	1	1	7	1.89	26
22	Human capital	1.33	1.17	0.16	0	2	4	6.67	28
23	Real estate: Restitution	1.33	1.00	0.33	0	1	2	6.00	37
24	Labour legislation: Safety and Health at Work	1.33	1.00	0.33	0	2	4	1.83	49
25	Environmental regulations	1.25	1.43	-0.18	0	2	6	1.75	13
26	Insurance: Motor third party liability	1.25	1.00	0.25	0	1	3	2.50	36
27	Leasing	1.20	1.10	0.10	0	1	4	3.17	32
28	Taxes: Personal income tax	1.20	1.00	0.20	0	2	8	5.30	38
29	Taxes: Property tax	1.20	1.00	0.20	0	1	4	5.80	42
30	Labour legislation: Labour Law	1.20	1.00	0.20	0	1	4	5.20	50
31	Private security industry	1.20	1.17	0.03	0	1	4	6.00	27
32	Dual education	1.14	1.33	-0.19	0	1	6	3.14	18
33	Intellectual property	1.14	1.00	0.14	0	1	6	3.17	39
34	Public-private partnerships	1.08	1.58	-0.50	0	1	11	4.67	7

Rating in 2023		Average score in 2023	Average score in 2022	Change of scores in 2023	Significant progress 2023	Certain progress 2023	No progress 2023	Average time of delayed recom- mendations 2023	Rating in 2022
	Sectors								
35	Food& Agriculture: Declarations on food products	1.00	1.25	-0.25	0	0	4	4.25	20
36	Arbitration proceedings	1.00	1.25	-0.25	0	0	4	5.50	21
37	Law on bankruptcy	1.00	1.22	-0.22	0	0	9	6.00	22
38	Oil and gas sector	1.00	1.22	-0.22	0	0	6	1.83	23
39	Investment and business climate	1.00	1.20	-0.20	0	0	4	6.00	24
40	Company law	1.00	1.17	-0.17	0	0	8	5.10	29
41	Food& Agriculture: Food safety law	1.00	1.14	-0.14	0	0	7	5.29	30
42	Taxes: Tax procedure	1.00	1.11	-0.11	0	0	12	5.00	31
43	Taxes: Parafiscal charges	1.00	1.00	0.00	0	0	6	7.67	33
44	Labour legislation: Staff leasing	1.00	1.00	0.00	0	0	3	3.00	34
45	Law on personal data protection	1.00	1.00	0.00	0	0	11	3.55	41
46	Judicial proceedings	1.00	1.00	0.00	0	0	5	9.40	43
47	Taxes: Value added tax	1.00	1.00	0.00	0	0	7	5.29	44
48	Food&Agriculture: Sanitary and phyto. inspections	1.00	1.00	0.00	0	0	4	5.00	45
49	Insurance: Related legislation	1.00	1.00	0.00	0	0	7	1.57	46
50	Labour regulations: Secondment abroad	1.00	1.00	0.00	0	0	3	6.33	47
51	Health insurance	1.00	1.00	0.00	0	0	7	1.57	48
52	Law on whistleblowers	1.00	1.00	0.00	0	0	3	7.33	51
53	Insurance: Law	1.00	1.00	0.00	0	0	6	1.50	52
54	Central Register of Temporary Restriction of Rights	1.00	1.00	0.00	0	0	2	7.25	53
55	Real estate: Mortgages and real estate financial leasing	1.00	1.00	0.00	0	0	4	6.50	54
56	Labour legislation: Employment of disabled persons	1.00	1.00	0.00	0	0	3	14.67	55
57	Taxes: Corporate income tax	1.00	1.00	0.00	0	0	9	6.22	35
58	Tourism	1.00	NA	NA	0	0	6	1.00	NA
	AVERAGE/TOTAL	**1.36**	**1.31**	**0.04**	**29**	**78**	**276**	**4.50**	
	Areas								
	Real estate	1.48	1.36	0.12	2	9	16	4.10	
	Human capital and dual education	1.23	1.38	-0.14	0	3	10	4.91	
	Food and agriculture	1.00	1.13	-0.13	0	0	15	4.85	
	Taxes	1.29	1.04	0.25	7	5	53	5.64	
	Labour law	1.29	1.00	0.29	1	5	18	5.96	
	Insurance	1.04	1.00	0.04	0	1	23	1.79	

RANKING METODOLOGY

Starting with the previous edition of the White Book, we have included in our annual report a ranking of economic sectors according to the progress made in implementing the FIC recommendations for improving the business climate and regulations in Serbia. Foundations for the ranking methodology were laid down in the White Book for 2011, which provided first tables with scorecards assessing the progress achieved in the previous year. Based on that, we proceed this year with compiling quantitative scores that measure progress and compare the level of accomplishments across sectors and years. The scores are calculated on a Likert-type scale with three levels: significant progress (3 points), certain progress (2 points) and no progress (1 point). Certain progress is the exact midpoint between the two extreme values of significant progress and no progress.

Each methodology of ranking qualitative assessments has advantages and disadvantages. The advantage is that qualitative data can be reduced to a small number of numerical indicators or scores that can be compared in an obvious way. Thus, one can immediately see whether progress has been made in a given year compared to the previous one and which sectors should be credited the most.

Ranking problems, on the other hand, are multiple. As FIC members are treated equally, each sector has the same weight in compiling the outcome. It is true that the FIC singled out several sectors as "Drivers of Development" but does not set them apart from other sectors in the ranking process. Furthermore, sectors are not identical, so there must necessarily be a different number of particular recommendations. Moreover, the composition of these recommendations may change from year to year according to the dynamics of changing regulations and economic policies of the Government of Serbia. In this regard, there is no fixed number of recommendations, nor a predefined questionnaire with possible recommendations, evaluated by FIC members and published by the White Book. Therefore, we have adopted the principle that weighted averages determine scores to reduce some of these problems.

Of course, the mean value of scores suppresses some of the information that matters and, above all, the variability of progress in the recommendations. In this edition of the White Book, we will approximate this variability by the number of recommendations without progress, which can easily be compared with the total number of recommendations. We will use this as an ancillary criterion for assessing sector progress. It did matter when the proposals were first suggested and how much time elapsed before they were adopted. The longer the waiting period, the less valuable their progress will be, as it produces a positive effect later. We still do not use this criterion in the ranking procedure, but we list it in the table as additional information.

Each heading of the White Book, beside the label, has the score size. Additional to individual sectors, there are six cross-cutting areas: Human Capital and Vocational Education, Real Estate and Construction, Food Safety, Labour Regulations, Taxes and Insurance. Table 1 clearly shows which sectors comprise each area. The six cross-cutting areas are listed in the bottom section of Table 1 in a separate bracket.

In this 2023 report, we have analyzed 58 sectors and provided 383 recommendations. In the previous year, our coverage included 55 sectors with 345 recommendations. The average score for 2022 stood at 1.31, and this year it has risen to 1.36. While the number of recommendations has grown, the average rating has seen a slight increase. Additionally, the average waiting time has also extended by 0.34 years (last year it was 4.22 years, and this year it reached 4.50 years).