

FIC INDEX FOR 2024

TABLE 1: RANKING BY PROGRESS IN IMPLEMENTING RECOMMENDATIONS IN 2024

Rating in 2024		Average score in 2024	Average score in 2023	Change of scores in 2024	Significant progress 2024	Certain progress 2024	No progress 2024	Average time of delayed recommendations 2024	Rating in 2023
Sectors									
1	Energy Sector	2.63	2.30	0.33	5	3	0	4.5	1
2	Digitalization	2.29	1.83	0.45	3	3	1	2.7	8
3	Protection of users of financial services	2.00	2.11	-0.11	3	4	3	3.5	2
4	Public Procurement	2.00	1.33	0.67	0	3	0	5.0	20
5	Capital market trends	2.00	1.60	0.40	1	3	1	5.8	14
6	Protection of Competition	2.00	1.38	0.63	3	3	3	7.3	17
7	Pharmaceutical Industry	1.70	1.64	0.06	3	8	9	5.6	13
8	Central registry of real owners	1.67	1.33	0.33	1	0	2	3.0	19
9	Telecommunications	1.67	1.79	-0.12	3	2	7	3.2	10
10	Labour: Employment of Foreign Nationals	1.67	2.00	-0.33	1	0	2	6.7	6
11	Consumer protection	1.67	2.00	-0.33	0	2	1	7.6	7
12	Taxes: Fiscalization and Electronic Invoicing	1.63	2.00	-0.38	2	1	5	1.5	3
13	Trade	1.60	1.67	-0.07	0	3	2	1.0	12
14	Environmental Regulations	1.55	1.25	0.30	1	4	6	2.1	25
15	State Aid	1.50	1.71	-0.21	0	1	1	3.0	11
16	Prevention of money laundering	1.40	1.50	-0.10	0	2	3	7.6	15
17	Law on payment Services	1.33	1.40	-0.07	0	2	4	2.2	16
18	Real estate: Construction land and development	1.33	1.33	0.00	0	2	4	2.3	21
19	Foreign exchange operations	1.33	1.33	0.00	1	1	7	5.9	18
20	Real estate: Restitution	1.33	1.33	0.00	0	1	2	7.0	23
21	Labour: Law on Vocational Rehabilitation and Employment of Persons with Disabilities	1.33	1.00	0.33	0	1	2	12.7	56
22	Illicit Trade and Inspection Control	1.29	2.00	-0.71	0	2	5	3.4	4
23	Law on Bankruptcy	1.25	1.00	0.25	1	0	7	5.6	37
24	Real Estate: Cadastral procedures	1.23	1.82	-0.59	0	3	10	2.7	9
25	Private Security Industry	1.22	1.20	0.02	0	2	7	4.7	31
26	Customs	1.20	2.00	-0.80	0	1	4	5.2	5
27	Industry of Crude Oil, Gas and Petroleum Products	1.14	1.00	0.14	0	1	6	2.6	38
28	Labour - Dual Education	1.14	1.14	0.00	0	1	6	4.1	32
29	Taxes: Personal Income Tax	1.11	1.20	-0.09	0	1	8	6.0	28
30	Public-Private Partnerships	1.08	1.08	0.00	0	1	11	5.7	34
31	Taxes: Value Added Tax	1.08	1.00	0.08	0	1	11	7.6	47

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Sectors									
32	Law on Personal Data Protection	1.07	1.00	0.07	0	1	13	3.6	45
33	Mining and Geological Research	1.00	NA	NA	0	0	10	1.0	NA
34	Insurance	1.00	1.25	-0.25	0	0	27	1.8	26
35	Tourism & Hospitality	1.00	1.00	0.00	0	0	6	2.0	58
36	Labour: Health and Safety at Work	1.00	1.33	-0.33	0	0	6	2.3	24
37	Intellectual Property	1.00	1.14	-0.14	0	0	7	3.9	33
38	Labour: Staff Leasing	1.00	1.00	0.00	0	0	3	4.0	44
39	Labour: Labour Law	1.00	1.20	-0.20	0	0	11	4.5	30
40	Food & Agriculture: Quality and Labelling of Food Products	1.00	1.00	0.00	0	0	4	5.3	35
41	Food & Agriculture: Food and Food Contact Material Inspections	1.00	1.00	0.00	0	0	4	6.0	48
42	Company Law	1.00	1.00	0.00	0	0	8	6.1	40
43	Food & Agriculture: Food Safety Law	1.00	1.00	0.00	0	0	7	6.3	41
44	Tax: Tax Procedure	1.00	1.00	0.00	0	0	12	6.3	42
45	Arbitration Proceedings	1.00	1.00	0.00	0	0	4	6.5	36
46	Taxes: Property Tax	1.00	1.20	-0.20	0	0	5	6.8	29
47	Judicial Proceedings	1.00	1.00	0.00	0	0	7	7.0	46
48	Leasing	1.00	1.20	-0.20	0	0	7	7.3	27
49	Labour: Secondment of Employees Abroad	1.00	1.00	0.00	0	0	3	7.3	50
50	Real estate: Mortgages and real estate financial leasing	1.00	1.00	0.00	0	0	4	7.5	55
51	Labour: Human Capital	1.00	1.33	-0.33	0	0	6	7.7	22
52	Taxes: Corporate Income Tax	1.00	1.00	0.00	0	0	9	8.2	57
53	Law on Whistleblowers	1.00	1.00	0.00	0	0	3	8.3	52
54	Central Register of Temporary Restriction of Rights	1.00	1.00	0.00	0	0	2	8.5	54
55	Tax: Parafiscal Charges	1.00	1.00	0.00	0	0	6	8.7	43
AVERAGE/TOTAL		1.30	1.36	-0.06	28	63	314	5.2	
Areas									
	Real Estate	1.23	1.48	-0.25	0	6	20	4.9	
	Food and agriculture	1.00	1.00	0.00	0	0	15	5.9	
	Taxes	1.10	1.29	-0.19	2	3	56	6.4	
	Labour	1.09	1.27	-0.18	1	2	39	7.0	

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 "Pillars 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 poli-

cies 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.

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 chapter of the White Book, beside the label, has the score of that chapter. Additional to individual sectors, there are 4 cross-cutting areas: Real Estate and Construction, Food and Agriculture, Labour Regulations and Taxes. 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 2024 report, we presented 61 topics with 451 recommendations. In the previous year, our coverage included 58 topics with 397 recommendations. The average score for fulfilling the recommendations published in 2023 is 1.30, and the previous year it was 1.36. While the number of recommendations has grown, the average rating has seen a slight decrease. Additionally, the average waiting time has also extended by 0.7 years (last year it was 4.50 years, and this year it reached 5,2 years).