



CHAMBER OF
COMMERCE AND
INDUSTRY OF SERBIA

ASSOCIATION OF TEXTILE, GARMENT,
LEATHER AND FOOTWEAR INDUSTRIES



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FOREWORD

The Chamber of Commerce and Industry of Serbia publishes sectoral publications (CCIS bulletins) on the business of agriculture, industry and services, which, for the seventh year in a row, show indicators and information for 18 economic activities, according to the organizational structure of the CCIS associations. These quarterly and annual analyses of economic trends and indicators of the development of the domestic economy inform the members of the chamber system, representatives of the business community and the professional public about leading branches, sectoral and macroeconomic topics, as well as business indicators.

The bulletins present the activities and services of the Chamber of Commerce and Industry of Serbia, as well as economic initiatives launched with the aim of improving the business environment, creating stable and sustainable business conditions and strengthening of the potential for the domestic economy to perform on domestic and foreign markets.

All information, news and analyses published in the bulletins are the result of the activities of the single chamber system and the domestic economy. The analyses use official data from domestic and foreign institutions, chamber research results and information available through the data exchange system on business platforms. In addition to quarterly CCIS Bulletins, annual editions are also published in Serbian and English.

All previously published Bulletins are available on the website of the [Chamber of Commerce and Industry of Serbia](#).

Jelena Vasić,
Editor



The Association of Textile, Garment, Leather and Footwear Industries of the Chamber of Commerce and Industry of Serbia represents and protects the interests of business community and participates in the creation of a mechanism for protection of domestic manufacturers from the specified industries.

The textile industry of Serbia, including the garment, leather and footwear industries, enjoys a long tradition, which is well known worldwide. It employs a large number of people and is the holder of economic activity in certain districts of the country. In addition to the companies, which cooperate fruitfully with multinational companies and are specialised at Lohn business, there are also domestic companies standing out in this sphere of business thanks to the extraordinary quality of their products, thus making them recognizable brands in both the country and the region.

The work with businesspeople is carried out through five groups within the Chamber of Commerce and Industry of Serbia, with the aim of proposing measures to improve work conditions and business of their members. In addition, through its support programmes and in accordance with the needs of the labour market, the textile industry is included in the dual education curriculum in order to develop new skilled staff for this labour intensive sector.

The current free trade agreements, the agreements in the negotiation process, as well as the Open Balkan Initiative put Serbia on the map of prosperous markets for expanding business cooperation and further progressing of the domestic textile industry.

Through cooperation with the state institutions, the Chamber of Commerce and Industry of Serbia is fully committed to improving the business environment and providing its full support to the textile industry, whose activity to a large extent contributes to maintaining traditional textile centres in our country successfully.

Milica Ljubojević,
Secretary





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INFORMATION FOR ECONOMY

CCIS Business Info Service

The Chamber of Commerce and Industry of Serbia (CCIS) has activated Info Service with the aim of informing the business community about all key issues related to business in country and abroad, official recommendations and measures. Professional services of the CCIS are in constant contact with representatives of the Government of Serbia, competent line ministries institutions, as well as international business associations and organizations, and therefore all regular activities are coordinated to ensure support to the economy in overcoming problems in business.



CCIS Business Info Service
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CBAM – New EU Mechanism for Reducing Greenhouse Gas Emissions

Carbon Border Adjustment Mechanism (CBAM) is a mechanism for cross-border adjustment (price) of carbon as an instrument of European environmental protection policy of the Union, in order to reduce the risk of the EU's climate goals being threatened by moving production to countries with a less ambitious decarbonization policy (the so-called "leakage of carbon").



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Technical Regulations, Quality and
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Service Center RBH

Responsible Business Hub (RBH) is a service center launched by the Chamber of Commerce and Industry of Serbia together with the German Organization for International Cooperation (GIZ), with the aim of providing support for suppliers based in Serbia in adapting to and complying with new laws on corporate sustainability – Due Diligence.



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INNO-VERSE Digital Platform

Inno-Verse is a new digital service of the Chamber of Commerce and Industry of Serbia based on artificial intelligence, established with the aim of easier and faster connection of the economy with the latest IT solutions. This digital platform is intended to connect companies and scientific research institutions, in the creation of new projects, exchange of ideas and innovation.



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The Open Balkan: A Path Leading to Four Freedoms

The Open Balkan is an economic zone established by three countries in the Balkan region: Albania, North Macedonia and Serbia. By establishing this economic zone, Albania, North Macedonia and Serbia aim to increase trade and cooperation and improve mutual bilateral relations. The Open Balkan is a support to the current regional initiatives, their implementation, and a response to the requirements of the economy, companies and real life. The Initiative launched under the name Mini Schengen has been renamed to the Open Balkan Initiative, and all the economies in the region can join it.



For more information, please, visit the website of Chamber of Commerce and Industry of Serbia.

Chamber Investment Forum Activities

The latest reports and information regarding the Western Balkan Chamber Investment Forum (WBCIF) are available on the following websites:

[General Information](#)

[The Western Balkan Suppliers Database](#)



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ACTIVITIES

of the CCIS Association of Textile, Garment, Leather and Footwear Industries

Meeting of the Section of Textile, Clothing, Leather and Footwear Industry of RCCI Užice and Meeting of the CCIS Textile Group

At the meeting of the Section of Textile, Clothing, Leather and Footwear Industry of the RCCI Užice and the meeting of the CCIS Textile Group, which was held on 28 February 2023, three programs were presented: the Competitiveness Development Support Program, Export Promotion Support Program and the Equipment Procurement Program. The participants were unanimous in their opinion that they insist on enabling the purchase of used equipment. At the sessions, it was agreed that the Chamber of Commerce and Industry of Serbia, on the initiative of the economy sector, started to carry out the activities in 2013 related to the introduction of elements of dual education into the education system of Serbia, with the aim of solving the problem of labour force shortage in the long term. Based on the expressed needs of the economy, since September 2017, the education system included a fashion tailor that in the job description combines both tailoring and sewing. Businessmen participated in the analysis and job description, which significantly contributed to the new curriculum being adapted to real work processes.

Meeting of the CCIS Group of Hosiery Producers and Section of Producers of Textile Products of RCCIS Kruševac

The meeting of the Regional Section of General Textile Product Manufacturers and the meeting of the Group of Hosiery Producers were held in the CCIS-RCCI of the Rasina Administrative District, on 24 April 2023. Economic trends in the textile industry, challenges in this branch and support programs and fairs for the textile industry were presented at the meeting of the Group. It was concluded that the biggest problem in the textile industry is still the lack of labour force, which is why companies are showing an increasing interest in hiring labour force from abroad.

Constitutive Meeting of the Council of Textile Industry Development Support

The constitutive meeting of the Council of Textile Industry Development Support was held on 27 September 2023. The Council of Textile Industry Development Support was established as a standing working body of the Board of the A Association of Textile, Garment, Leather and Footwear Industries of the Chamber of Commerce and Industry of Serbia. A representative of the company *Aster Textile* from Niš was elected as the president, and a representative of the company *Magna Seating* from Aleksinac was elected as its deputy.

Meeting of the Textile Group

At the meeting of the Textile Group, which was held on 18 October 2023, a workshop on ESG risk management and compliance with the requirements of ESG regulations, and a presentation of the Responsible Business Hub project were held. Members of the Group were informed that a customer service for domestic companies was launched, as a form of support, to comply with a new German Law on Supply Chain Due Diligence, and all other regulations in the field of the Green Agenda. According to this law, domestic companies that are in the supply chains of German customers have the duty of due diligence through the following activities: establishing a risk management system; determination of internal competence in the company; conducting regular risk analyses; making a statement of principles; establishment of preventive measures in their own business and towards direct suppliers; taking corrective measures and documenting and reporting.

Meeting of the Group of Hosiery Producers

The meeting of the Group of Hosiery Producers was held on 1 December 2023, where current difficulties in the textile industry were discussed, such as the labour force issues, the state of the electricity market and the problem of textile waste. At the meeting of the Group, the management of the Chamber of Commerce and Industry of Serbia was informed on the proposal that the textile industry, as a low-accumulation industry, should reduce the price of electricity and return a lower tariff. Also, during the meeting, a proposal was made to carry out the characterization of waste, to create a database, so that several companies can hand over waste at the same time, as well as to give the Group's members the opportunity to register waste on the website of the Chamber of Commerce and Industry of Serbia.



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Serbian Textile Manufacturers Became Members of Euratex

The Chamber of Commerce and Industry of Serbia renewed its membership in the European Association of the Textile and Clothing Industry, Euratex. Euratex membership ensures domestic companies from the textile sector faster access to European funds, as well as the latest information regarding EU regulations.

Bucharest Declaration for Textile, Clothing, Leather and Footwear Industries in Southeast Europe Signed

At the international conference on the occasion of the project entitled Ensuring a sustainable future for the Textiles, Clothing, Leather and Footwear Industries in Southeast Europe, which was held in Bucharest from 27 to 29 March 2023, national industry/employer associations and trade unions from Bulgaria, Croatia, North Macedonia, Romania and Serbia, in cooperation with European social partners, signed the Bucharest Declaration. The EU Strategy for Sustainable and Circular Textiles aims that by 2030 the products of the textile, clothing, leather and footwear industries placed on the EU market will be long-lasting for multiple use, repair and/or recycling.



65th International Fair of Technics and Technical Achievements

As part of the 65th International Fair of Technics and Technical Achievements, the Chamber of Commerce and Industry of Serbia organized the appearance of companies in Belgrade, in the period from 16 to 19 May 2023. The concept of this event was focused on innovations and new technologies, on "factories of the future" and industrial automation, power engineering and energy infrastructure. Owing to the support and activities of the Chamber of Commerce and Industry of Serbia, as well as the activities of the Regional Chambers of Commerce and Industry of Niš, Kraljevo, Požarevac, Kruševac and Valjevo, 16 domestic companies presented their products and services at this year's fair, including Albo d.o.o., Belgrade, a member of the Association of Textile, Garment, Leather and Footwear Industries, which presented its products at the joint exhibition stand of the Chamber of Commerce and Industry of Serbia.

Verification of Tasks for Qualification – a Leather Technician Designer and Pattern Maker

Qualification Agency, as an institution that deals with innovating and introducing qualifications into the education system in the Republic of Serbia, provides support in examining the opinion of the economy regarding the qualification – leather technician designer and pattern maker. The working group within the Sectoral Council for the Industrial Development Sector is working on innovating several qualifications in the field of textile and leather industry, among which the one mentioned. Since innovating qualifications implies connecting them with the needs of the economy, the opinion of businessmen is of great importance. Businessmen were presented with a proposal for the development and adoption of qualification standards – leather technician designer and verification form. Duties and tasks are listed in the verification form itself, and at the meeting held on 13 June 2023, the present businessmen gave information on whether a person with a completed

fourth degree of education who would be trained as a leather technician designer, after completing his education in their company, whether that person would carry out all the tasks mentioned or not. The meeting was attended by representatives of the leather industry, representatives of the Qualification Agency and representatives of the Chamber of Commerce and Industry of Serbia.

Euratex General Assembly Textile 5.0 – Innovation, Sustainability, Staff

At the General Assembly of the European Apparel and Textile Confederation (Euratex), which was held in Milan, on 7 June 2023, the European textile industry discussed the relationship between innovation, sustainability and people in the industry of tomorrow. Euratex members welcomed the Textiles Ecosystem Transition Pathway, published by the European Commission on 6 June 2023, as a valuable road map to ensure a successful green and digital transition.

150 Companies Registered for the Production of Knitted and Crocheted Socks

According to the data of the credit rating company CompanyWall, 150 companies are registered for the production of knitted and crocheted socks in Serbia, which, in 2022, achieved a profit at the activity level of RSD 4.7 billion, or by RSD 2.2 billion more than a year before. The president of the Group of Hosiery Producers of the Association of Textile, Garment, Leather and Footwear Industries of the Chamber of Commerce and Industry of Serbia pointed out that it is still difficult to compare business results by year, because after the pandemic, the war broke out in Ukraine, so he believes that we have not yet entered a relevant peaceful period that could be a reference for comparison. Nevertheless, he points out that the year 2022, in which inflation accelerated and interest rates began to rise, also brought something positive - stabilization in the supply of raw materials, and above all polyamide and elastane. When it comes to exports, hosiery producers from our country managed to sell goods

worth USD 230 million to foreign markets in 2022, according to the analysis of the Trading Economics portal, which uses data from the UN Comtrade database. In 2021, the value of exports, according to data obtained from the Chamber of Commerce and Industry of Serbia, was slightly higher than USD 196 million dollars, while in pre-pandemic 2019, the export of hosiery was worth USD 249.4 million. According to the Trading Economics data, exports to Russia in 2022 were worth USD 69.26 million, to Germany USD 62.7 million, and to Italy USD 54.26 million. The world market is crucial for companies that produce hosiery in Serbia, while the director of the company SB Electronics, known for the brand of hosiery "Kast", describes the domestic market as an arena in which only two teams play – small domestic and large foreign producers. This is evidenced by CompanyWall's ranking list according to EBITDA in 2022, as foreign-owned companies with plants in Serbia are at the top of the list. The first is Incanto Industries, with a factory in Čelarevo, followed by Real Knitting, located in Gajdobra, Vally from Valjevo and Falke from Leskovac. Incanto Industries and Real Knitting are separate legal entities, but are members of the same group. Then there are also domestic manufacturers – Socks BMD and Gerbi from Belgrade, as well as Astra Socks from Kragujevac and Veritas Group from Kruševac. The President of the Group pointed out that only ten or so domestic companies achieve significant turnover, between one million and one and a half million euros per year. He believes that this is the result of both the "ceiling" reached in the development of the company by the previous generation of entrepreneurs and the fact that foreign companies that have received significant subsidies can sell their goods to our customers. According to his opinion, the solution for domestic companies would be consolidation at the level of smaller producers. The company owned by the President of the Group, which CompanyWall also ranked among the top 20, according to EBITDA in 2022, shares the fate of many manufacturers when it comes to labour force availability.



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REGIONAL INFORMATION

RSD 600 Million for Women Entrepreneurship

Belgrade Chamber of Commerce and Industry

The Government of the Republic of Serbia adopted the Decree on establishing the Program for the entrepreneurship development through financial support for female entrepreneurship in 2023. The funds determined by the Program are intended for financial support to newly founded and existing female entrepreneurs, as well as micro and small companies, which are registered with the Business Registers Agency, and whose founder and legal representative is a woman.

Introduction to *Lean Six Sigma*

Belgrade Chamber of Commerce and Industry

The successful operation of a company is reflected in the constant improvement of its quality of products and services and can be achieved by combining two management concepts: Lean Management and Six Sigma. Due to the great interest in learning about these methods, the Day - o - Introduction to Lean Six Sigma workshop was held in the CCIS - Belgrade Chamber of Commerce and Industry, on 5 October 2023, where, through interactive work and concrete examples, the participants were shown on how the sigma level is defined, using a special set of tools and methods for identifying, proving and removing the causes of insufficient quality.

Workshop Family-Owned Companies – whether to Transfer the Management to the Next Generation or Sell It

Belgrade Chamber of Commerce and Industry

The workshop on the topic of Family Companies - whether to Transfer It to the next Generation or Sell It was held on 24 October 2023. The aim of the workshop was to present the advantages and disadvantages of the sale or continuation of the companies and to show the process of conducting the transaction. The best practices in transferring ownership and management to the next generation were presented, as well as the alternative of selling the company to a strategic or financial investor.

37 New Projects in Vojvodina

RCCI of the South Bačka Administrative District
Novi Sad

In order to initiate significant investments in Vojvodina, in 2023, the implementation of projects in the areas of traffic infrastructure, water supply, water protection, local and regional economic development, health care and sports development continued. The Provincial Government provided enough funds for the implementation of new 37 projects and financing of ten multi-year projects.



Subotica Gets a Scientific and Technology Park

RCCI of the North Bačka Administrative District
Subotica

In October 2023, the company D.O.O. for the management of the Subotica Free Zone launched a project aimed at establishing a Science and Technology Park. The Free Zone signed the cooperation agreements with 70 business entities from various fields: from school institutions to business representatives. The primary intention of establishing the Science and Technology Park is the integration and expanded cooperation of science and business, but also the determination of sports and entertainment content for the users of the Free Zone.

An Airport Planned To Be Build in Kikinda

RCCI of the North Banat Administrative District
Kikinda

The City of Kikinda announced the construction of an airport right next to the state road IB-13, in the direction of the Bašaid settlement, southwest of Kikinda. It is planned to equip a modern air terminal, on a total area of about 54.24 hectares. Technical documentation at the conceptual and main project level was prepared for the airport complex.

Development of the Municipality of Opovo

RCCI of the South Banat Administrative District
Pančevo

The most significant project of the Provincial Government in the Municipality of Opovo is the construction of the local Opovo-Debeljača road. It was invested in agriculture, then in the construction and rehabilitation of sewerage system, the construction of new fishponds and land consolidation procedures. Investments were made in culture, the reconstruction of the water supply network, as well as in the development of tourist potential.

Second Stage of Infrastructural Works in the Sever Industrial Zone in Vršac

RCCI of the South Banat Administrative District
Pančevo

The second stage of infrastructural equipping of the Sever Industrial Zone began with works on the construction of access roads, which is partly financed by the Provincial Government and partly from the city budget. The first industrial zone called Technology Park is completely inhabited by industrial plants, so it was necessary to build a new one that will cover an area of 220 hectares.





Serbia's Business Environment Improvement

RCCI of the Kolubara and Mačva Administrative District Valjevo

Given that the Government of the Republic of Serbia, together with the World Bank, continues to improve and simplify the business environment in order to identify obstacles to business, on 31 January 2023, an interactive workshop was held with representatives of companies from the Kolubara and Mačva Administrative Districts. In addition to the identification of problems, proposals for solutions were presented, which were sent to the Government of the Republic of Serbia for further consideration and implementation.

200th Anniversary of Guilds in Kragujevac

RCCI of the Pomoravlje and Šumadija Administrative District Kragujevac

On 6 December 2023, the Regional Chamber of Commerce and Industry of the Šumadija and Pomoravlje Administrative Districts celebrated the Chamber's Day and the 200th Anniversary of Guilds in Kragujevac with the award ceremony for the business year 2023. Prince Miloš issued the Order on establishing guilds in Kragujevac in 1823, the first of its kind in Serbia, which represents the beginning of organizing and regulating the work of business associations and the economic environment in Serbia.

An Airport on Zlatibor Soon

RCCI of the Zlatibor Administrative District Užice

The idea of building an airport for sports airplanes in Zlatibor was born thirty years ago. In October 2023, the local self-government of Čajetina submitted a request for determining the public interest in the selected location. The construction of this airport is important for improving the tourist offer, and represents a necessity in the intensive development of tourism on this mountain.

Initiative for Constructing a Bridge between Serbia and Romania Signed

RCCI of the Braničevo and Podunavlje Administrative District Požarevac

In Golubac, an initiative was signed for the construction of a bridge between Serbia and Romania at the entrance to the Đerdap gorge, which will undoubtedly contribute to the faster development of the Danube region. The initiative with the Municipality of Golubac was signed by six border municipalities from Romania, which they will send to the competent ministries and governments of the two countries. The bridge should span 370 meters of the Danube and would be the only one from Smederevo to Kladovo.

Italian Company Aunde officially Opened in Leskovac

RCCI of the Jablanica and Pčinja Administrative District Leskovac

The Italian company Aunde, which successfully produces seat covers for the automotive industry, officially opened its factory in Leskovac, on 24 October 2023. The factory covers 13,000 square meters and currently employs 380 people. Numerous projects that this company implements with car manufacturers created a need to expand its production capacities in Serbia, so after Jagodina, it opened its plant in Leskovac, as well.

Draft Law on Amendments to the Law on Citizenship of the Republic of Serbian

RCCI of the Nišava, Pirot and Toplica
Administrative District Niš

On 18 April 2023, the wording of a Draft Law on Amendments to the Law on Citizenship of the Republic of Serbia was presented in the CCIS-RCCI Niš. Following the completion of the public hearing, it was agreed that the Ministry of the Interior, based on the proposals and suggestions, will prepare a report on the conducted public hearing and publish it on the website of the Ministry of the Interior and on the e-Konsultacije portal.

IPA Bulgaria-Serbia Programme, 2021-2027

RCCI of the Nišava, Pirot and Toplica
Administrative District Niš

In the organization of representatives of the Local Office of the Joint Secretariat for the Implementation of the Interreg VI-A IPA Bulgaria-Serbia Program, members of the Strategic Board in full session participated in the meeting, which was held in Pirot, on 17 and 18 October 2023. During these two days, training on the process of identifying project ideas, integrated territorial development (ITD), as well as the assessment of cross-border effects and justification in the assessment process were carried out. After the administrative review of the project ideas, members of the Strategic Board evaluated the contribution of individual ideas to the territorial strategy and, accordingly, decided on those projects that have the greatest contribution.

Training on Enforcement of the Rulebook on the Safety of Children's Playgrounds

RCCI of the Nišava, Pirot and Toplica
Administrative District Niš

In cooperation with the Ministry of Economy of the Republic of Serbia, on 13 June 2023, a training was held on the enforcement of the Rulebook on the Safety of Children's Playgrounds. The main topic of the training was the obligations of business entities taken over in the part of the Rulebook that deals with conformity assessment, drafting and content of the Declaration of Conformity. One of the reasons for launching the campaign is the planned market inspection activities of the Ministry of Domestic and Foreign Trade in the field of safety equipment and surfaces for children's playgrounds.

Promotion of the Digital Europe Project

RCCI of the Nišava, Pirot and Toplica
Administrative District Niš

A presentation of the Digital Europe Program was held in the Science and Technology Park Niš, on 11 August 2023, the aim of which is to improve the digital transformation in the European Union, and it is also open to candidate countries. Through this program, which lasts until 2027, Serbia focuses on the areas of supercomputing, artificial intelligence, data and computing in the cloud (Cloud Computing), as well as on the areas of advanced digital skills and advanced use of technologies.

ECONOMIC ACTIVITY

in the Textile, Garment, Leather and Footwear Industries

Relative Importance of the Activity – Gross Value Added

According to the data of the Statistical Office of the Republic of Serbia, the gross value added (GVA) of the textile, garment, leather and footwear industries, in 2022, amounted to EUR 403.6 million, which accounts for 0.8% of the total realized GVA of the Republic of Serbia, with the year-on-year real drop rate of 1.8%.

In the structure of the gross value added of the section of manufacturing industry, the share of

the manufacture of wearing apparel amounts to 2.5% (EUR 200.5 million). The realized GVA in the manufacture of textiles amounts to EUR 111.5 million (1.4% GVA of the manufacturing industry), while in the manufacture of leather and related products, it amounts to EUR 91.6 million (1.1% GVA of the manufacturing industry).

Year-on-year growth of gross value added was registered in the manufacture of leather and related products (2.3%), while decline was recorded in the manufacture of textiles (-3.6%) and the manufacture of wearing apparel (-2.5%).

Gross value added (GVA) in textile, garment, leather and footwear industries, 2022

Code of section and activity divisions	Code of section and activity divisions	Share in GVA, in %		Real growth rates (2021 = 100, %)
		in total	by section	
	Republic of Serbia	100.0	-	2.5
Section C	Manufacturing	16.1	100.0	1.9
Division 13	Manufacture of textiles	0.2	1.4	-3.6
Division 14	Manufacture of wearing apparel	0.4	2.5	-2.5
Division 15	Manufacture of leather and related products	0.2	1.1	2.3

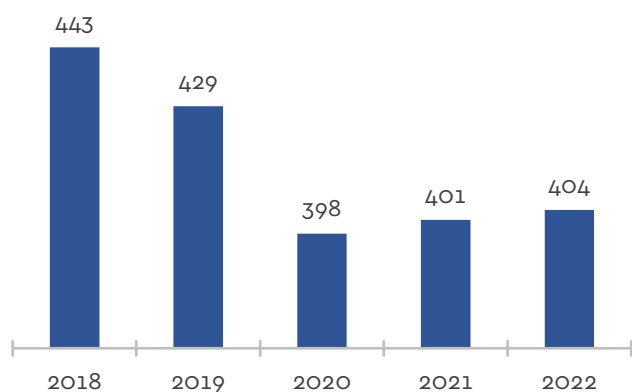
Source: SORS, precalculation by Centre for SAAPP (CCIS).

Note:

in total = the share of activity sections and divisions of CA (2010) in the recorded GVA of the Republic of Serbia

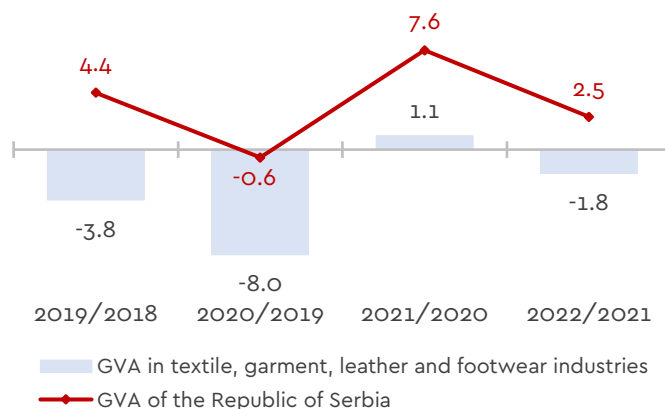
by section = the share of activity division of CA (2010) in the GVA of the activity section of CA (2010) it belongs to

GVA, current prices, in textile, garment, leather and footwear industries (in EUR million)



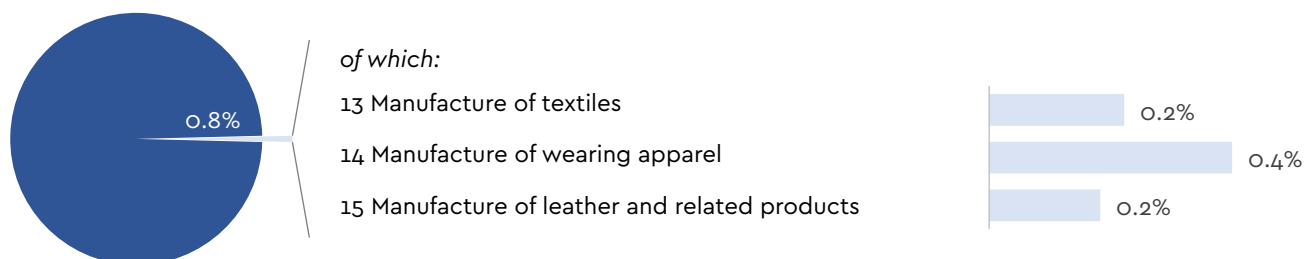
Source: SORS, precalculation by Centre for SAAPP (CCIS).

GVA, real growth, in constant prices of the previous year, in textile, garment, leather and footwear industries (in %)



Source: SORS, precalculation by Centre for SAAPP (CCIS).

Share of GVA in textile, garment, leather and footwear industries in GVA of the Republic of Serbia, 2022 (in %)



Source: SORS, precalculation by Centre for SAAPP (CCIS).

Note: For the precalculation of GVA in textile, garment, leather and footwear industries, the following areas of activity are included according to CA(2010): 13-Manufacture of textiles, 14-Manufacture of wearing apparel, 15-Manufacture of leather and related products.



Companies and Entrepreneurs

According to the calculations of the Chamber of Commerce and Industry of Serbia, and based on the data of the Business Registers Agency, in 2023, total of 1,687 companies operated in the textile, garment, leather and footwear industries, which account for 1.2% of the total registered companies in the Republic of Serbia. Out of that number, the majority of companies are registered for the manufacture

of wearing apparel (59.0%). A substantially lower number of companies operated in the manufacture of textiles (23.9%), whereas the lowest number of active companies is in the manufacture of leather and related products (17.1%).

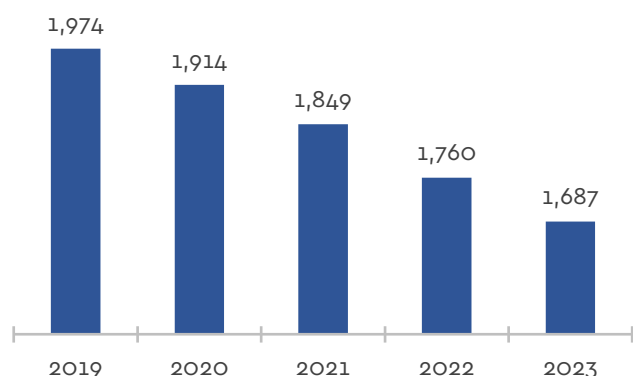
In addition to companies, in 2023, about 6,235 entrepreneurs were engaged in the textile, garment, leather and footwear industries.

Active companies and entrepreneurs engaged in textile, garment, leather and footwear industries, 2023

Code of section and activity divisions	Active companies and active entrepreneurs	Active companies		Active entrepreneurs	
		number	year-on-year change, in %	number	year-on-year change, in %
	Republic of Serbia	137,308	0.8	330,150	7.4
Section C	Manufacturing	19,640	-2.2	46,762	5.2
Division 13	Manufacture of textiles	403	-3.8	1,195	1.5
Division 14	Manufacture of wearing apparel	996	-3.4	4,373	2.8
Division 15	Manufacture of leather and related products	288	-7.1	667	2.6
TOTAL		1,687	-4.1	6,235	2.6

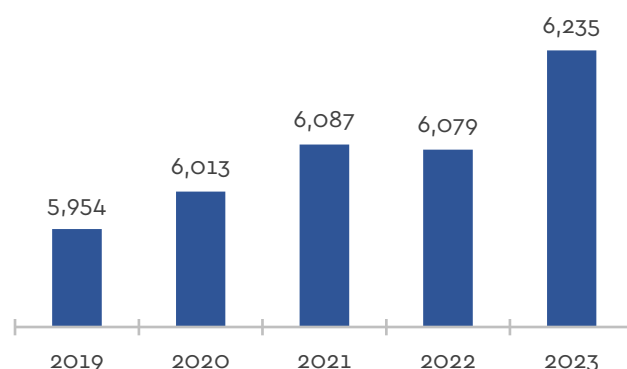
Source: Serbian Business Registers Agency (SBRA), precalculation by CCIS.

Number of companies in textile, garment, leather and footwear industries



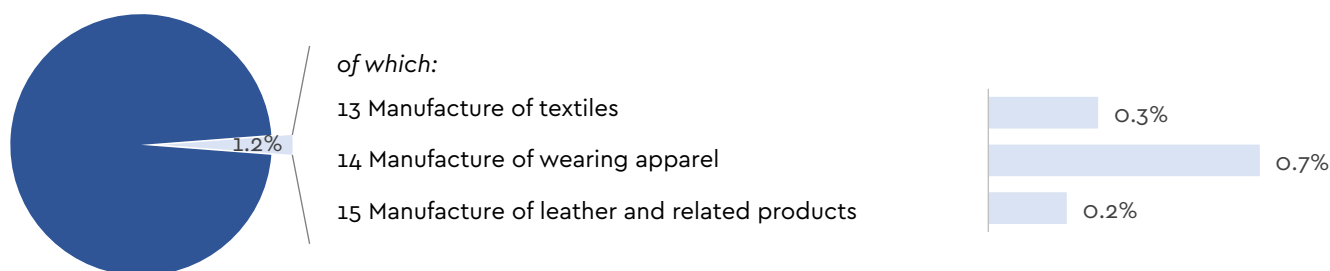
Source: Serbian Business Registers Agency (SBRA), precalculation by CCIS.

Number of entrepreneurs in textile, garment, leather and footwear industries



Source: Serbian Business Registers Agency (SBRA), precalculation by CCIS.

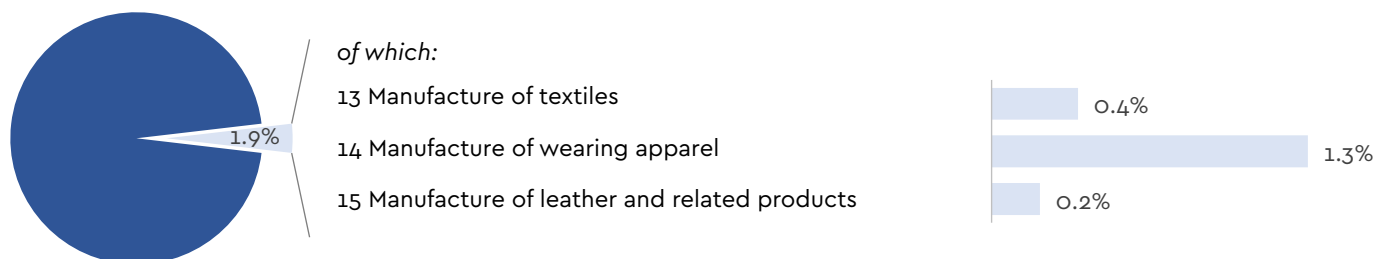
Share of the number of companies in textile, garment, leather and footwear industries in the total number in the Republic of Serbia, 2023 (in %)



Source: Serbian Business Registers Agency (SBRA), precalculation by CCIS.

Note: For the precalculation of the number of companies in textile, garment, leather and footwear industries, the following areas of activity are included according to CA(2010): 13-Manufacture of textiles, 14-Manufacture of wearing apparel, 15-Manufacture of leather and related products.

Share of the number of entrepreneurs in textile, garment, leather and footwear industries in the total number in the Republic of Serbia, 2023 (in %)



Source: Serbian Business Registers Agency (SBRA), precalculation by CCIS.

Note: For the precalculation of the number of entrepreneurs in textile, garment, leather and footwear industries, the following areas of activity are included according to CA(2010): 13-Manufacture of textiles, 14-Manufacture of wearing apparel, 15-Manufacture of leather and related products.

Turnover

The total realized turnover, i.e. the total value of sold products and services in the non-financial business economy in the Republic of Serbia, in 2022, amounted to EUR 152.4 billion, which constitutes a

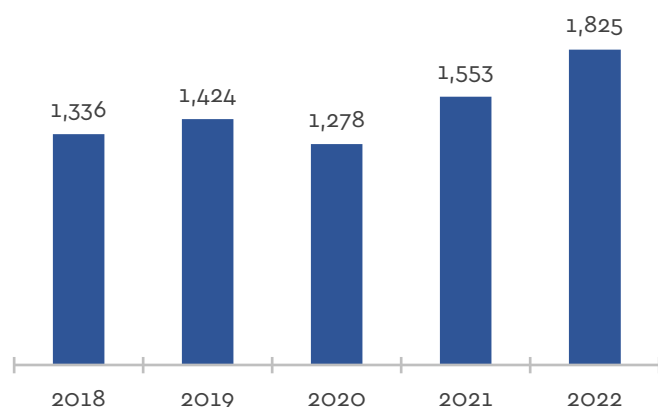
year-on-year growth of 21.3%. The textile, garment, leather and footwear industries, in 2022, recorded the total turnover of EUR 1.8 billion, which accounts for 1.2% of the realized turnover in the non-financial business economy in the observed year.

Turnover in textile, garment, leather and footwear industries, 2022

Code of section and activity divisions	Turnover in non-financial sector	in million EUR	year-on-year change, in %
	Republic of Serbia	152,370	21.3
Section C	Manufacturing	44,804	23.2
Division 13	Manufacture of textiles	498	9.4
Division 14	Manufacture of wearing apparel	934	22.9
Division 15	Manufacture of leather and related products	394	16.5
TOTAL		1,825	17.5

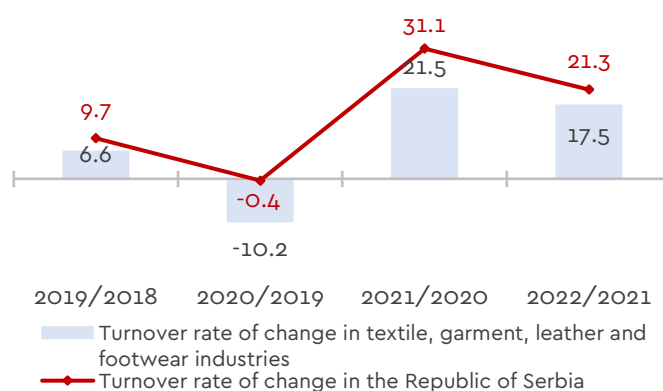
Source: SORS, precalculation by Centre for SAAPP (CCIS).

Turnover in textile, garment, leather and footwear industries (in EUR million)



Source: SORS, precalculation by Centre for SAAPP (CCIS).

Year-on-year turnover rate in textile, garment, leather and footwear industries (in %)



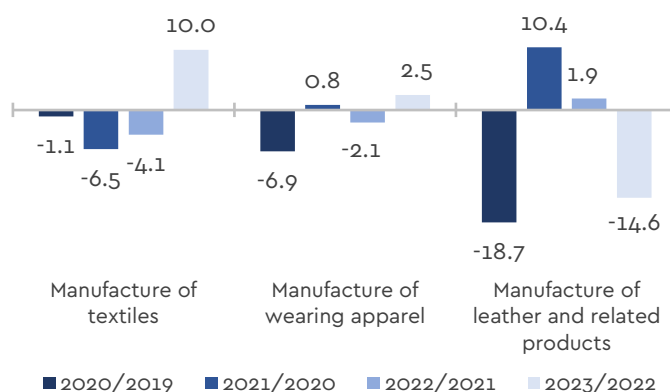
Source: SORS, precalculation by Centre for SAAPP (CCIS).

Industrial Production

In 2023, in the section of manufacturing, industrial production grew by 1.0% as compared with 2022. If the period from 2019 is observed, it is noticed that this economic indicator has recorded a continued year-on-year growth.

In the manufacture of textiles, in 2023, industrial production increased by 10.0% as compared with the previous year, by 2.5% in the manufacture of wearing apparel, while the manufacture of leather and related products recorded decrease in industrial production by 14.6%. In the five-year period (2019–2023), the manufacture of textiles recorded the highest average annual drop in the industrial production of 0.6%.

Year-on-year rate of change in textile, garment, leather and footwear industries (in %)



Source: SORS.



Employment

According to the data of the Statistical Office of the Republic of Serbia, in 2023, the total of 2.3 million employees were registered in the Republic of Serbia at legal entities and with entrepreneurs. In the textile, garment, leather and footwear industries, the number of employees at legal persons and entrepreneurs in 2023 reached 60,725, which is higher by 0.1% as compared with 2022.

The majority of employees are in the manufacture of wearing apparel, 35,013 (y-o-y drop of 0.7%), in

the manufacture of leather and related products the number of employees is 13,309 (y-o-y drop of 0.1%), whereas the lowest number of employees is in the manufacture of textiles, 12,403 (y-o-y growth of 2.6%).

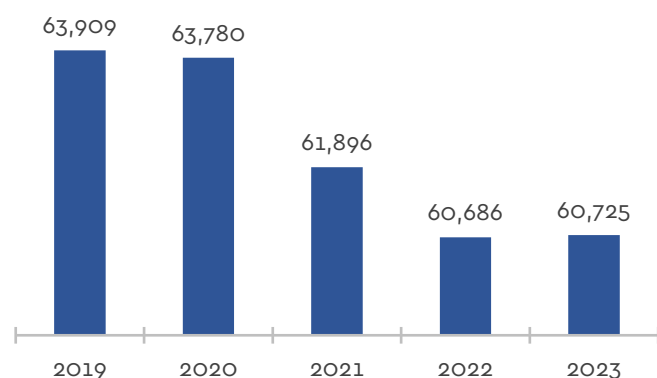
In the total number of employees in the Republic of Serbia, the share of employees in the textile, garment, leather and footwear industries is 2.6%. The five-year (2019–2023) average decline in the number of employees in the mentioned industries amounts to 1.3%.

Registered employment in textile, garment, leather and footwear industries, 2023

Code of section and activity divisions	Registered employment	Number of employees		Share in employment, in %	
		number of employees	year-on-year change, in %	in total	by section CA(2010)
	Republic of Serbia	2,306,955	2.4	100.0	-
Section C	Manufacturing	501,927	1.2	21.8	100.0
Division 13	Manufacture of textiles	12,403	2.6	0.5	2.5
Division 14	Manufacture of wearing apparel	35,013	-0.7	1.5	7.0
Division 15	Manufacture of leather and related products	13,309	-0.1	0.6	2.7
TOTAL		60,725	0.1	2.6	

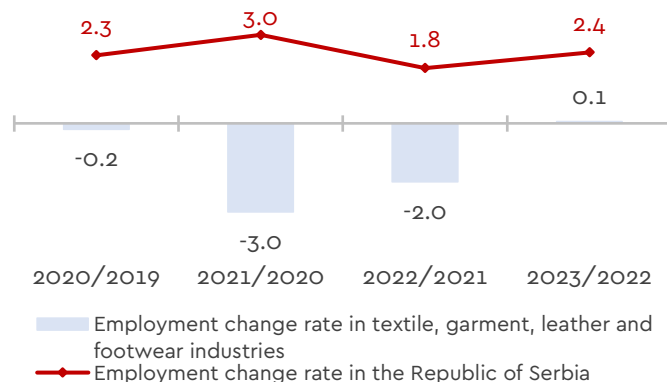
Source: SORS, precalculation by Centre for SAAPP (CCIS).

Number of employees in textile, garment, leather and footwear industries



Source: SORS, precalculation by Centre for SAAPP (CCIS).

Year-on-year rate of change in employment in textile, garment, leather and footwear industries (in %)



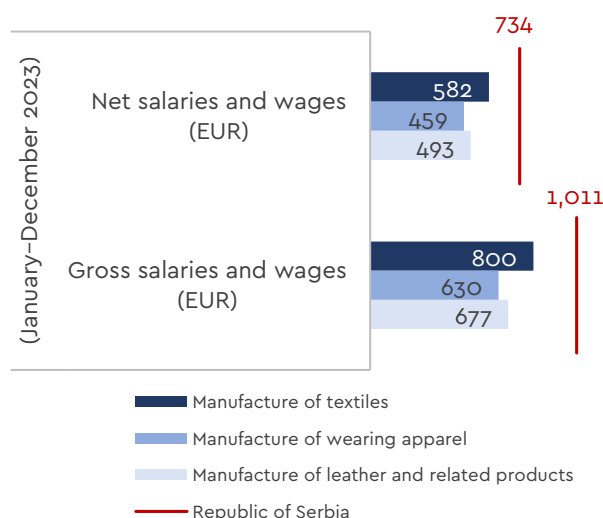
Source: SORS, precalculation by Centre for SAAPP (CCIS).

Salaries and Wages

In the period January–December 2023, the average salaries and wages paid out in the Republic of Serbia amounted to EUR 1,011, whereas the average salaries and wages without taxes and contributions (net) stood at EUR 734. The growth in gross and net salaries and wages, in the period January–December 2023, as compared with the same period in 2022, amounted to 14.8% nominally, i.e. 2.4% in real terms.

In 2023, the highest average salaries and wages were paid out in the manufacture of textiles (EUR 800) and they were lower by 20.9% in comparison to the average salaries and wages in the Republic of Serbia. The average salaries and wages in the manufacture of leather and leather products are lower by 33.1% (EUR 677), whereas the lowest salaries and wages are recorded with the manufacture of wearing apparel, and amount to EUR 629 (37.8% below the Republic average).

Salaries and wages, January–December 2023 (in EUR)



Source: SORS, precalculation by Centre for SAAPP (CCIS).

Average gross salaries and wages in textile, garment, leather and footwear industries, 2023

Code of section and activity divisions	Average gross and net salaries and wages	Average gross salaries and wages			Average net salaries and wages		
		EUR	year-on-year change, in %		EUR	year-on-year change, in %	
			nominal	real		nominal	real
	Republic of Serbia	1,011	14.8	2.4	734	14.8	2.4
Section C	Manufacturing	875	15.3	2.9	635	15.2	2.8
Division 13	Manufacture of textiles	800	18.8	6.0	582	18.5	5.7
Division 14	Manufacture of wearing apparel	630	16.1	3.6	459	15.9	3.4
Division 15	Manufacture of leather and related products	677	12.4	0.3	493	12.4	0.3

Source: SORS, precalculation by Centre for SAAPP (CCIS).



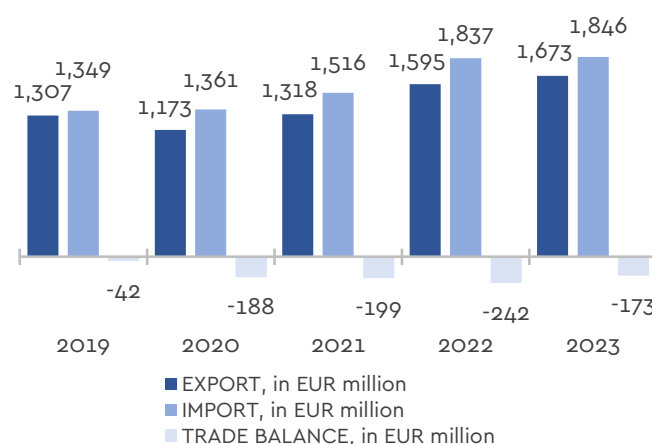
Foreign Trade

The export of textile products, in 2023, amounted to EUR 1.7 billion, which is higher by 4.9%, as compared with 2022, and it accounts for 5.8% of the total exports of goods of the Republic of Serbia. The average annual export growth rate in the five-year period (2019–2023) amounts to 6.4%.

In 2023, the import value amounted to EUR 1.8 billion, which is higher by 0.5%, as compared with 2022, and it accounts for 5.0% of the total imports of the Republic of Serbia. The average annual growth rate in imports in the five-year period (2019–2023) amounts to 8.2%.

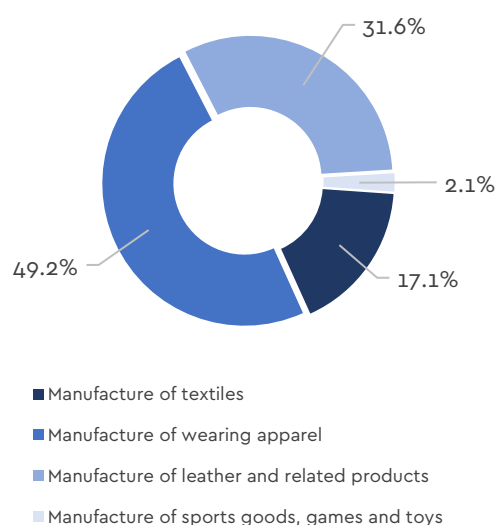
The deficit in the foreign trade in textile products amounted to EUR 173.1 million, with the coverage of imports by exports of 90.6%. Since 2019, there has been a deficit in foreign trade in these products.

Foreign trade in textiles, wearing apparel, leather and related products



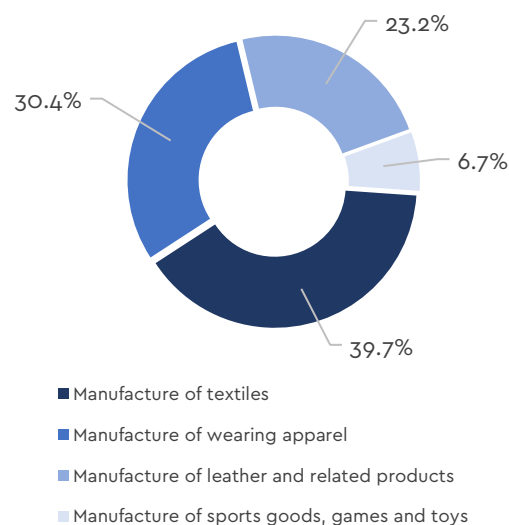
Source: SORS, precalculation by Centre for SAAPP (CCIS).

Export structure of textiles, garment, leather and related products, 2023 (in %)



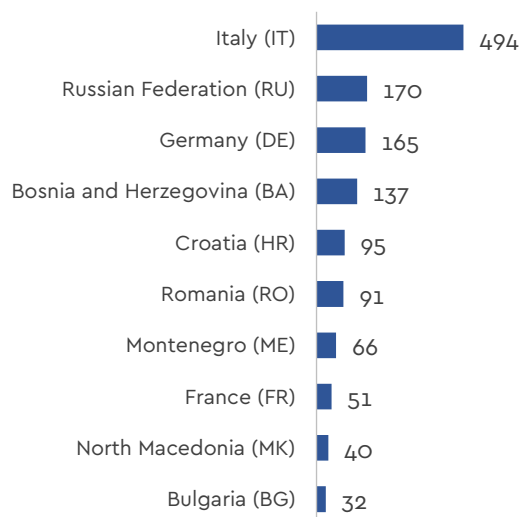
Source: SORS, precalculation by Centre for SAAPP (CCIS).

Import structure of textiles, garment, leather and related products, 2023 (in %)



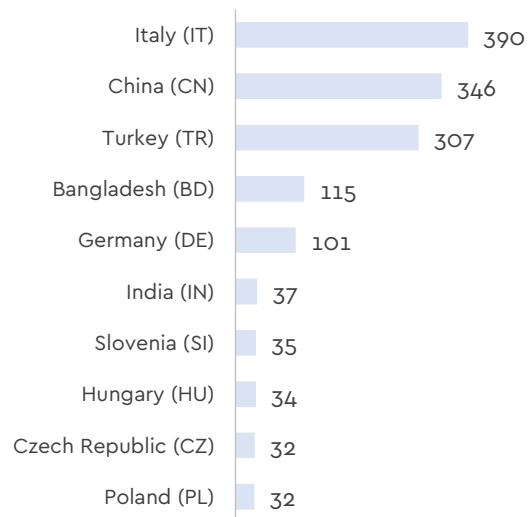
Source: SORS, precalculation by Centre for SAAPP (CCIS).

Export of textiles, garment, leather and related products by country, 2023 (in EUR million)



Source: SORS, precalculation by Centre for SAAPP (CCIS).

Import of textiles, garment, leather and related products by country, 2023 (in EUR million)



Source: SORS, precalculation by Centre for SAAPP (CCIS).

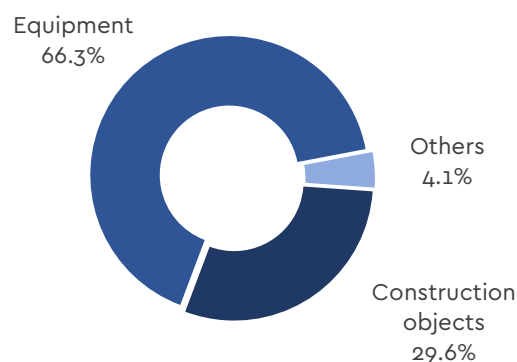


Total Realized Investments

The total realized investments in fixed assets in the textile, garment, leather and footwear industries, in 2022, amounted to EUR 67.7 million, out of which 44.7% were realized in the manufacture of wearing apparel (EUR 30.3 million), 39.1% in the manufacture of leather and related products (EUR 26.5 million) and 16.1% in the manufacture of textiles (EUR 10.9 million).

In the structure of these investments, the investments in domestic and imported equipment had the largest share (66.3%). Lower investments were made in buildings and civil engineering (29.6%), while the remaining 4.1% account for investments in intellectual property – research and development, software, databases and other.

Structure of realized investments in fixed assets in textile, garment, leather and footwear Industries, 2022



Source: SORS, precalculation by Centre for SAAPP (CCIS).

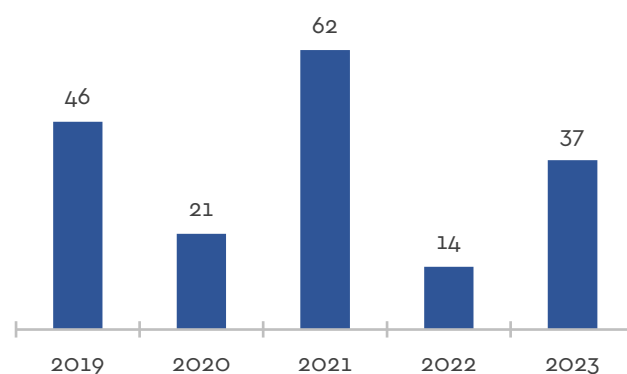
Foreign Direct Investments

According to the preliminary data of the National bank of Serbia, in 2023, the total net inflow of FDIs in the Republic of Serbia, on ground of investments of non-residents, amounted to EUR 4.5 billion.

In the manufacture of textiles and manufacture of wearing apparel, the net inflow of EUR 37.3 million was achieved, which accounts for 0.8% of the total FDIs in the Republic of Serbia.

In the five-year period (2019–2023), the total net inflow of FDIs in the textile, garment, leather and footwear industries amounted to EUR 179.4 million, and the highest inflow was just recorded in 2021 (EUR 61.5 million).

Net FDI inflow, based on non-residents' investments (in EUR million)



Source: NBS, precalculation by Centre for SAAPP (CCIS).

Note: In accordance with the "Manual for the preparation of the balance of payments and international investment position no. 6, IMF", the mentioned economic branch includes: **Manufacture of textiles and wearing apparel**. Industries are classified according to the statistical classification of economic activities of the European Community (NACE Rev. 2, 2008).

Annual Assessment of Business Activity

Investments

According to the results of the [CCIS Survey on Business Activity of the Domestic Economy](#), the surveyed companies in textiles, garments, leather and footwear industry state that in the structure of investments the following items have the largest share: imported equipment (41.6% of realized investments in 2023, i.e. 42.7% of total planned investments in 2024), construction buildings (26.9% of realized investments, i.e. 25.8% of total planned investments), and are least interested in investing in intellectual property (only 0.8% of the realized investments in 2023, i.e. 2.5% of planned investments in 2024).

Financing

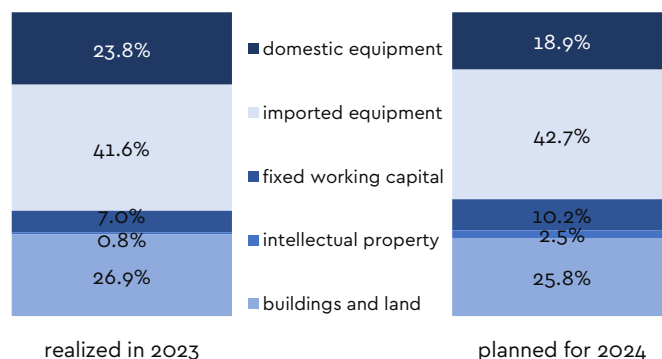
In 2023, the largest number of the surveyed companies in textiles, garments, leather and footwear industry mainly used their own assets in business operations (82.5%) and loans (16.5%). Budget incentives and other sources of financing have a negligible share in the structure of sources of financing.

Incentives

In 2023, the incentives of state institutions and local self-governments were used by 10.2% of the surveyed companies in textiles, garments, leather and footwear industry, whereas 83.1% of the respondents stated that they did not apply for these funds.

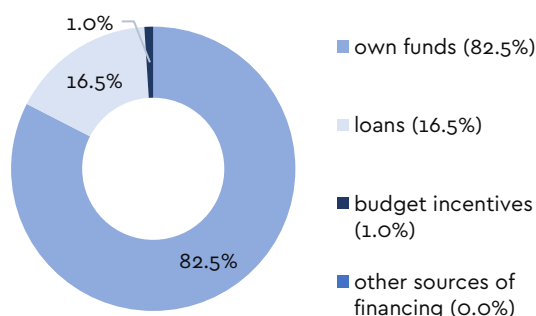
The number of the surveyed companies in textiles, garments, leather and footwear industry is indicated by the letter "n" (sample size).

Structure of the realized and planned investments (% of respondents)



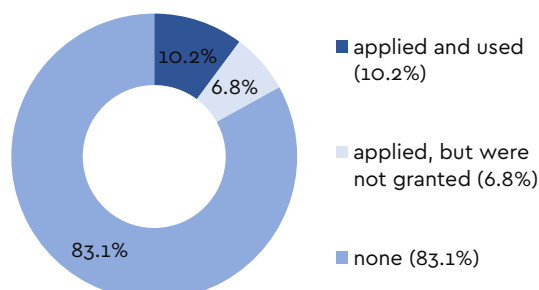
Source: CCIS Survey on Business Activity of the Domestic Economy (n realized = 29, n planned = 28).

Structure of the sources of financing in 2023 (% of respondents)



Source: CCIS Survey on Business Activity of the Domestic Economy (n=59).

Did you apply for any subsidies granted by state institutions or local self-governments in 2023? (% of respondents)



Source: CCIS Survey on Business Activity of the Domestic Economy (n=59).

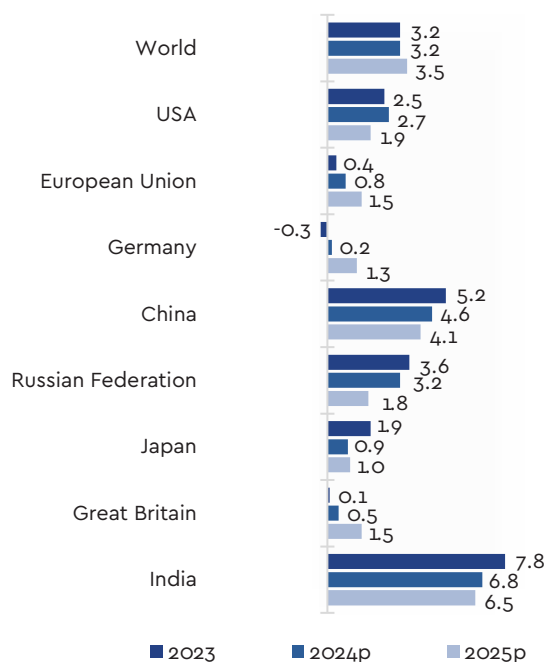
ECONOMIC ACTIVITY

Macroeconomic Overview

According to the latest World Bank Report on Global Economic Prospects, as the middle of the current decade approaches, which was marked as a decade of transformation for the world economy at the beginning of the new economic cycle, given that it was estimated to represent a breakthrough in economic development, the global economy will achieve a negative record by the end of 2024: the slowest GDP growth in the last 30 years. Nevertheless, after the end of another business year, the global economy is definitely in a better place than it was a year ago: the risk of a global recession has receded, primarily due to the strength of the U.S. economy, whereas global inflation is generally stabilized due to an aggressive monetary policy. However, growing geopolitical tensions could create new short-term hazards for the world economy, whereas the medium-term outlook for many advanced economies is not very optimistic, primarily due to the slowdown in growth in most advanced economies, slow global trade and disincentive financial conditions. Global trade growth in 2024 is expected to be only half the average of the decade before the Covid-19 pandemic. The World Bank expects global growth to slow down for the third consecutive year – from 2.6% in 2023 to 2.4% in 2024, nearly 75 basis points below the 2010s average. Advanced economies expect economic activity to grow by 1.2%, whereas developing economies will record growth of 3.9% in the current year, which is about 1 p. p. below the decade average. Meanwhile, borrowing costs for developing economies, especially the ones with poor credit ratings, are likely to remain very high, with global interest rates remaining at their highest levels in four decades in inflation-adjusted terms.

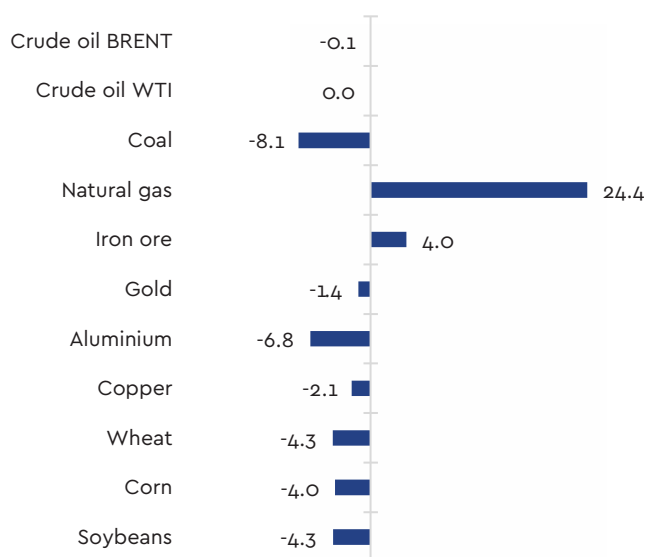
According to the previous data, the global slowdown caused by the Covid-19 pandemic and the Ukrainian crisis had fewer negative consequences for Serbia as compared with the most European countries, primarily due to the economic structure, macroeconomic stability, as well as the previously created fiscal space from which state financial aid to businesspeople originated. The economy of Serbia achieved a growth of 2.5% in 2023 measured by the **real growth rate of gross domestic product**, which can be characterized as a relatively good economic result, bearing in mind all the economic and geopolitical challenges in that year. International financial institutions such

GDP growth/decline projection for the world's largest economy for 2023, 2024 and 2025 (in %)



Source: IMF.
(p – projection)

Change in the price of energy, metals and the most important agricultural products in December 2023 compared to the beginning of the year, in %



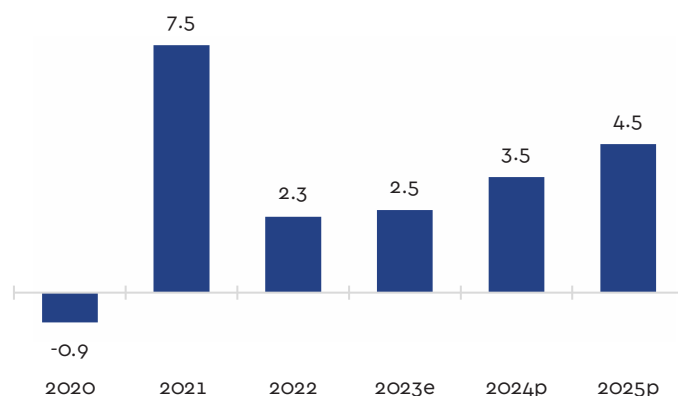
Source: Bloomberg L.P.

as the World Bank and IMF, estimate the growth of the Serbian economy at 3.5% in 2024. According to the latest projection of the National Bank of Serbia, an acceleration of the real GDP growth of Serbia is expected in the range of 3.0% to 4.0%, with the central value of the projection of 3.5%. In 2024, the growth will be driven by growth in domestic demand: higher private consumption will be driven by further growth in employment and salaries and investment growth will be driven by implementation of projects in the field of transport, energy and communal infrastructure. The NBS projects that, due to the expected growth of investments and private consumption, imports will grow faster than exports, which will result in negative net export. The growth projection for 2025 and 2026 was corrected upwards by the leading monetary institution of Serbia, in the range of 4% to 5%, due to the expected realization of the investments planned for implementing the specialized exhibition EXPO 2027.

The major challenges faced by the population in Serbia, in 2024, are disruptions in demand and supply of the staple food making up the main consumer basket of every consumer. It is mitigating that the prices of these products are kept under control, and to a certain extent stabilized. However, it should be taken into account that these are short-term instruments, which can have adverse effects in the long run. On the other hand, this year's target growth rate is affected by high inflation, tight monetary conditions, which slow down the lending activity of corporate and citizens, geopolitical risks (the Ukrainian crisis, the latest situation in the Middle East), rising tensions in Kosovo and Metohija, disruptions in global supply chains, etc.

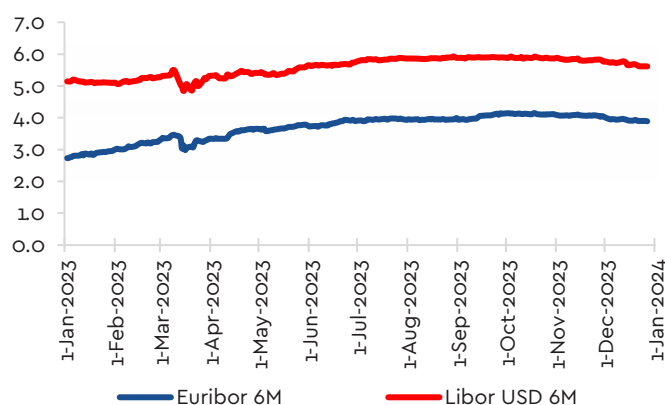
The reference interest rate has been increased six times in 2023 and currently amounts to 6.5% (since July 2023). The trend of maintaining high interest rates is in effect in a large number of economies all over the world, regardless of their level of development, and it represents an effective instrument for curbing high inflation in a situation of increased economic (and geopolitical) risks. Interest rates, inter alia, increased by 25 and 50 basis points so that investment activity would not be jeopardized.

Real GDP growth of the Republic of Serbia (in %)



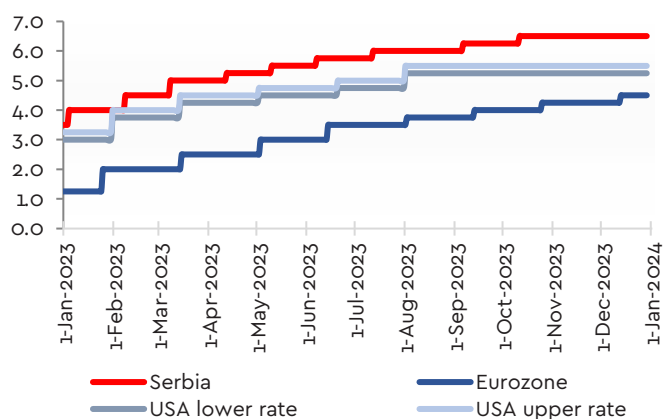
Source: SORS, NBS.
(e – SORS estimate, p – NBS projection)

Interest rates trend in Serbia in 2023



Source: Bloomberg L.P.

Trends in key interest rates in Serbia, Eurozone and USA in 2023



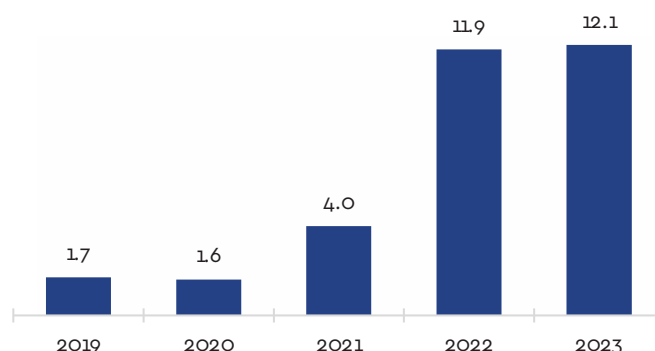
Source: Bloomberg L.P.

In the period January–December 2023, the **inflation** amounted to 12.1%, which is considerably above the NBS target limit (3.0% ± 1.5 percentage points). In December 2023, as compared to the same month in 2022, the inflation amounted to 7.6% which shows that it is gradually approaching the target range, but that the process will be very long and slow. The high inflation in this period of the year was mainly driven by the increase in the prices of food and non-alcoholic beverages, as well as the increase in the prices of energy sources. According to the NBS projection, inflation reached its maximum in the first quarter of 2023 and it has been declining since April returning to a single-digit level in October and slowing to 8.0% YoY in November. Inflation will decline throughout the projection period – its return to the target range is expected in mid-2024, and it is expected to approach the central value of the target at the end of the year. According to the results of the *Ipsos* survey as of August 2023, the inflation expectations of the financial sector one year ahead are on the decline (*Ipsos* November 5.7%, *Bloomberg* December 4.5%), whereas expectations for the next two and three years are lower and are within the NBS target limit.

According to the data of the Ministry of Finance, a **consolidated budget deficit** of about EUR 1.5 billion was recorded in the period January–December 2023. At the end of December 2023, the **share of public debt in the GDP of Serbia** was 52.3%, which is a decrease of about 2.8 percentage points as compared to the level in December 2022. The medium-term fiscal framework envisages a gradual reduction of the general government deficit to 1.5% of GDP by 2024 and maintaining the share of public debt in GDP below the Maastricht limit (60%). On the other hand, the Fiscal Strategy envisages a budget deficit of 2.8% of GDP in 2023.

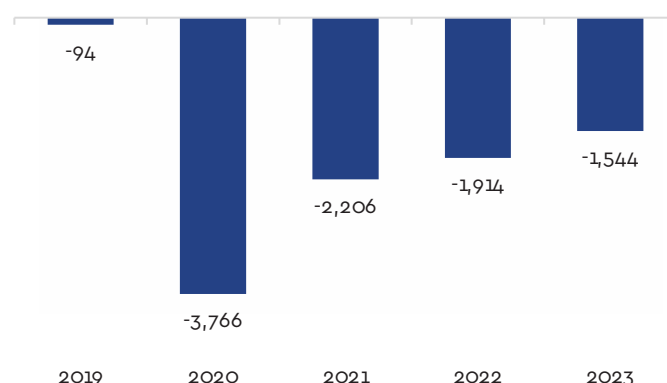
In 2023, all three credit rating agencies (*Fitch Ratings*, *Standard and Poor's*, *Moody's*) confirmed Serbia's credit rating to be by one level below the investment (BB+, BB+, Ba2) with the stable prospects for further improvement in the coming period. S&P states the international business environment is still uncertain, however, Serbia manages to balance external challenges by positive trends and adequate economic policies. The Agency states that the stable Serbia's prospects for further increase of its credit rating take into account the

Consumer prices
(in %, as compared with
the same period previous year)



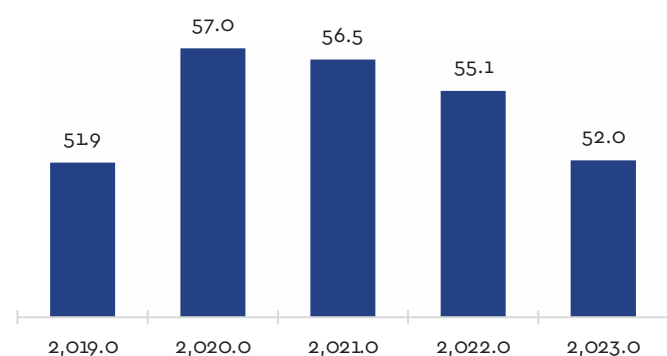
Source: SORS.

Consolidated fiscal balance
of the Republic of Serbia (in EUR million)



Source: Ministry of Finance, precalculation by CCIS.

Public debt of Serbia
(central country level, in GDP %)



Source: Ministry of Finance.

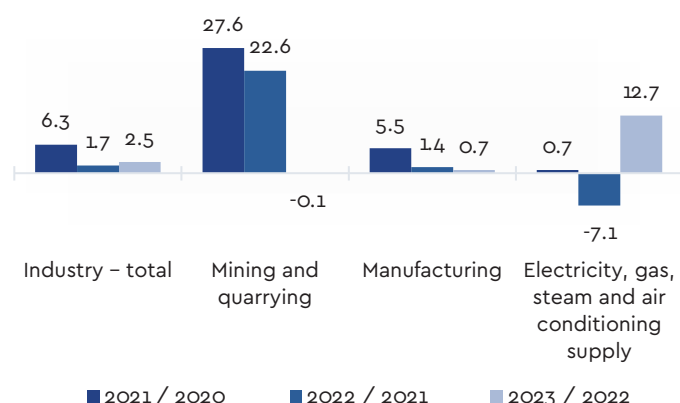
fact that the national economy continues to record a growth, although the economic activity slows down in the Eurozone countries, which are our most important trade partners, such as Germany and Italy.

In the period January–December 2023, the **industrial production** increased by 2.5%, as compared with the same period in 2022. The highest growth in production was recorded in the electricity, gas, steam and air conditioning supply sector (12.7%), whereas the manufacturing industry recorded the lowest rise (0.7%). A 0.1% decrease in the production was recorded in the mining sector in the same period.

The total **foreign commodity trade** of Serbia, in the period January–December 2023, amounted to EUR 65.5 billion, which is a decline of 1.7% as compared with the same interval of 2022. Goods were exported in the value of EUR 28.6 billion, which is an increase of 3.6%, while the imports of goods amounted to EUR 36.9 billion, with the recorded year-on-year drop of 5.4%. The commodity trade deficit amounted to about EUR 8.3 billion, whereas the coverage of imports by exports increased year-on-year by 7 percentage points and amounted to 77.5%. The deficit decreased by 27.2% at the year-on-year level, primarily as a result of a drop in the price of energy sources in the global market, as well as lower supply of raw materials and materials for production such as fertilizers, metal ores, and other products.

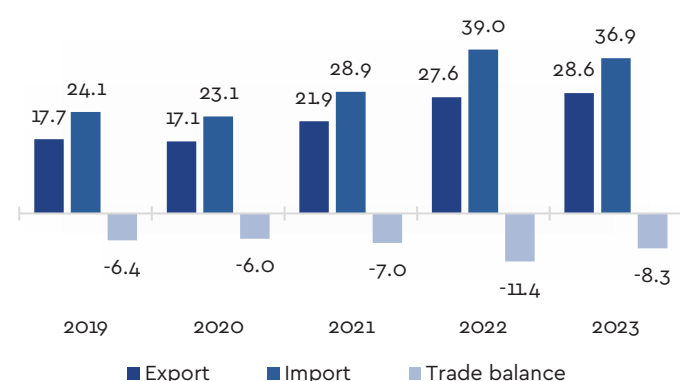
In the period January–December 2023, Serbia reached the **surplus in trade in services** of EUR 3.0 billion, with the year-on-year increase of 30.4%. Taking into account the progressive development of this sector in recent years, it is reasonable to expect the year 2023 to be a new record year when it comes to surplus in trade in services, primarily owing to telecommunication services, computer and information services (ICT sector). ICT sector in Serbia, except for recording excellent export results, increasingly contributes to the total growth in turnover, total number of employees and gross domestic product, i.e. increasing gross domestic product. In addition to them, business services (management counselling, research and development, and other technical services) make the largest contribution to reducing the deficit in trade and payment balance of the country.

Increase/decline in industrial production, in total and according to sectors (in %)



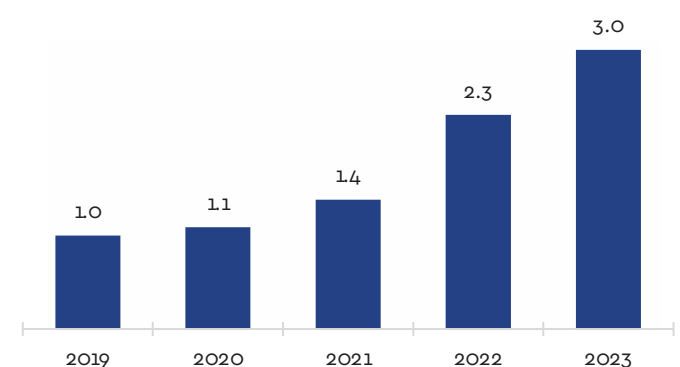
Source: SORS.

Foreign trade (in EUR billion)



Source: SORS.

Surplus in trade in services (in EUR billion)



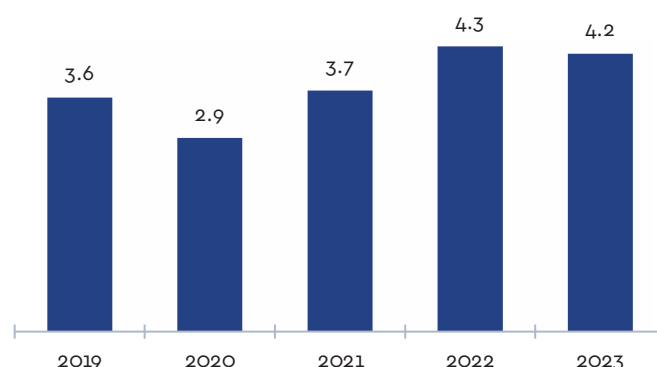
Source: NBS.

In the period January–December 2023, Serbia attracted totally EUR 4.2 billion of **net foreign direct investments**, which is the year-on-year decline of 2.5%. FDI is geographically diversified, as well, with a growing participation of countries from the European Union and the Asia-Pacific region.

According to the data of the NBS, in the period January–December 2023, **the current account balance of payment deficit** amounted to EUR 1.8 billion, which is a significant change having in mind that in 2022 a deficit in the amount of EUR 4.3 billion was recorded. However, the last year's deficit to a large extent has been determined by high price of energy sources in the global market, and has been suffering strong pressures of the current geopolitical risks since the beginning of last year. In 2023, the current account balance of payment deficit is expected to account for about 3.0% of GDP of the Republic of Serbia, which is a significant downward correction of the previous projection (3.3% of GDP) due to lower import prices of energy products and strong export growth. The IMF also agrees with this current account deficit projection in its latest report in October. In 2024, it is expected that the current deficit will be determined by the growth of investments and that it will make up about 2.2% of GDP. The current account balance of payment deficit in Serbia has been fully covered by a net FDI inflows since 2015, which is expected in the following years as well. In 2023, the inflow of remittances from abroad was recorded in the amount of EUR 3.9 billion, mainly from the German speaking countries (Germany, Austria, and Switzerland).

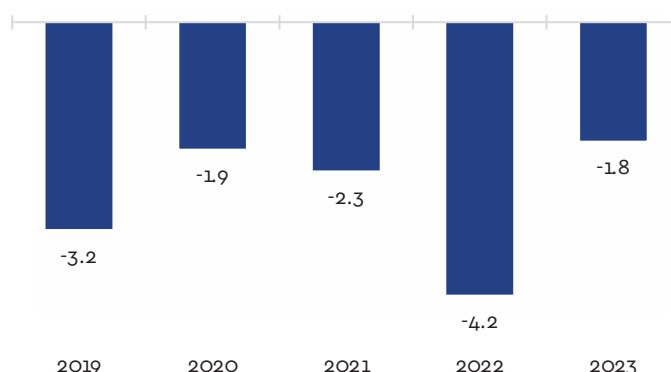
The average gross salary calculated for the period January–December 2023 amounted to RSD 118,599 (EUR 1,011), while **the average net salary** amounted to RSD 86,007 (EUR 733). As compared with the same period of the previous year, the salaries were higher in real terms by 2.4%. At the same time, medial net salary for December 2023 amounted to RSD 69,842 (EUR 596), which means that 50% of employees earned the salary lower than the above amount. With the stabilization of a growth in consumer prices in 2024, higher growth in gross and net salaries in real terms should be expected.

Net FDI
(in EUR billion)



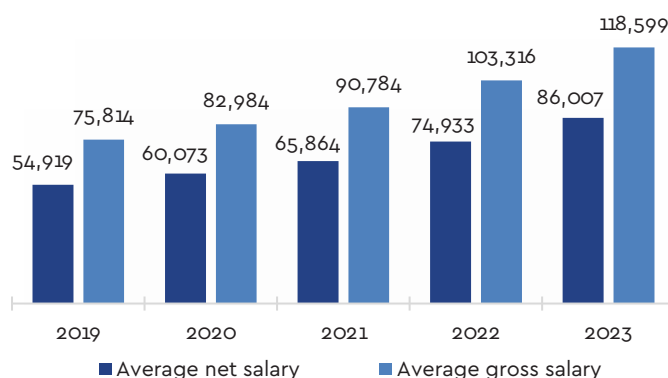
Source: NBS.

Balance of payments of the Republic of Serbia
(in EUR billion)



Source: NBS.

Average net and gross salary
(in EUR)



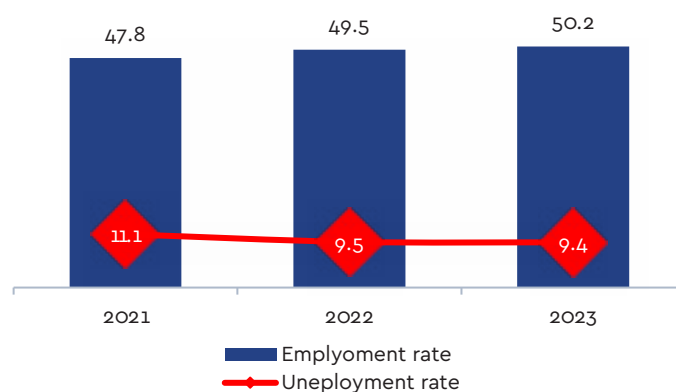
Source: SORS, precalculation by CCIS.

According to the **Labour Force Survey**, in 2023, the number of employees amounted to nearly 2.9 million, whereas 295.8 thousand unemployed persons were registered (a slightly drop of 0.2%, as compared with 2022). The **employment rate** of the population aged 15 and over amounted to 50.2%, whereas the **unemployment rate** was 9.4%. The labour market can be characterized as stable.

According to the data of the NBS, the domestic **lending activity** continued to slow down in accordance with the price growth in lending. The loan structure, in 2023, remained favourable in terms of its contribution to the economic growth led by loans for corporate investments and housing loans with citizens. In December 2023, the total domestic loans recorded a year-on-year growth of 1.1%. Lending activity slowed during 2023, which was influenced by higher interest rates due to the tightening of the monetary policy of the NBS and the ECB, the maturity of loans approved under the Guarantee Scheme, as well as the tightened credit standards of banks. Investment loans increased by 4.4% and in December accounted for 41.9% of total corporate loans, while the share of loans for liquidity and working capital amounted to 46.8% and was reduced due to high maturities of loans from the Guarantee Scheme. The loans granted to MSMEs account for 59.1% of the total corporate loans in December 2023. The stability of the banking sector in Serbia was maintained and additionally reinforced owing to the measures of the NBS, and the share of non-performing loans in total loans amounted to 3.0%.

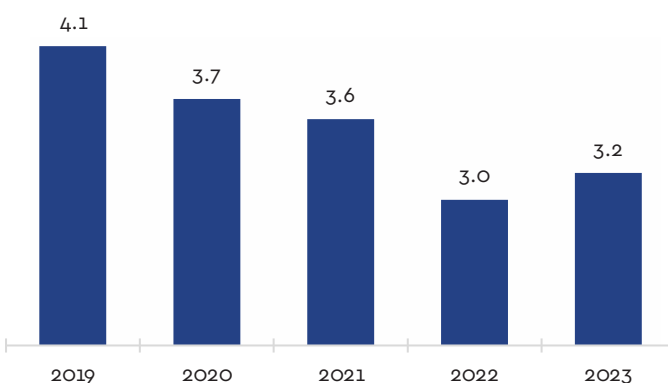
The **average foreign exchange rate**, in the period January–December 2023, amounted to 117.2513 dinars to one euro, as well as 108.4143 dinars to one American dollar. Despite numerous economic and geopolitical challenges in 2023, dinar has shown substantial level of stability against the leading currency of the Eurozone, whereas it has shown certain level of oscillations against American dollar, which has been caused primarily by the current monetary policy in the global level. The National Bank of Serbia states that the stable foreign exchange rate should be expected in the coming period without large oscillations in the value against the leading currencies.

Trends in employment/unemployment rate with the population of age 15 and over, according to the Survey on Labour Force (in %)



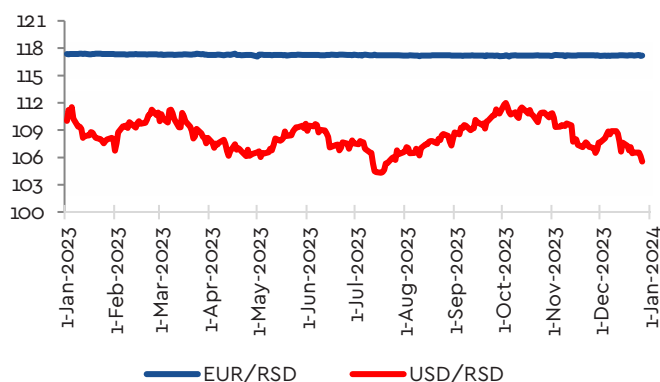
Source: SORS.

Non performing loans (NPL) share in total loans (in %)



Source: NBS.

Trends in foreign exchange rates in the last year



Source: Bloomberg L.P.

REPRESENTING INTERESTS OF THE ECONOMY

Fees and Taxes in the Area of Environmental Protection

In the market economy conditions, environmental protection is achieved by positive preventive actions of polluters, especially in the part of reduction, i.e. prevention of pollution, as well as by responsible behavior of the social community (local and regional). A normative system of revenue capture from the use of natural resources has been built in Serbia in the last few years, by applying the "user pays" principle, as well as measures to discourage negative impacts on the environment, by applying the "polluter pays" principle.

In order to achieve the goals of the environmental protection policy in the Republic of Serbia, the laws and bylaws stipulate, as one of the sources of funding, the funds charged under fees and taxes. As such, they are the revenue of the national budget, the provincial and local budgetary fund for environmental protection and are the dominant source of financing. On the other hand, fees and taxes in the field of environmental protection for business entities, as the payers of the fee, often represent a significant financial burden. However, when taking into account the great importance of prevention and protection of human health, along with the preservation of natural resources and the environment, these funds represent an extremely important investment potential to meet the needs, issues and goals of the environmental protection.

The Law on Fees for the Use of Public Goods, from December 2018, for the field of the environmental protection, defines eight fees as follows:

1. Fee for using fishing areas;
2. Fee for using protected areas;
3. Fee for collecting, using and trading in varieties of wild flora and fauna and mushrooms;
4. Fee for polluting the environment;
5. Fee for protection and improvement of the environment;
6. Fee for products that, after their usage, become special waste flows;
7. Fee for packaging or packaged products;
8. Fee for polluting waters.

Taking into consideration the importance of financing of the environmental protection, as well as the duties of the economy arising from that, an excerpt from the Law on Fees for the Use of Public Goods was developed ("Official Gazette of the RS", Nos. 95/2018, 49/2019, 86/2019 – adjusted amounts in dinars, 156/2020 – adjusted amounts in dinars and 15/2021 – additionally adjusted amounts in dinars), containing an overview of fees and taxes in this area.



Green Agenda for the Western Balkans

By signing the Sofia Declaration on "Green Agenda" for the Western Balkan countries (WB), at the WB Summit within the framework of the Berlin Process Initiative, on 10 November 2020, the countries from the region **have recognized the European green deal as a new strategy of EU growth aimed at having a modern, climatic neutral and competitive economy utilizing resources in an efficient manner.** In this way, the signatory parties to the Declaration have agreed that the elements of the European green deal should be transferred to all mutually connected priority sectors.

Almost a year after the signing of the Sofia Declaration, **the heads of the states and governments of the countries of the Western Balkans, have reached out an agreement with the EU on the implementation of the Action Plan on Green Agenda**, which opens a path to the realization of the Economic and Investment Plan for the region worth nearly EUR 30 billion.

The countries of the region have accepted the Green Agenda for the Western Balkans, thus expressing their **commitment to implementing the actions in the areas classified in five pillars**, as follows:

1. **climate, energy, mobility;**
2. **circular economy;**
3. **pollution reduction;**
4. **sustainable agriculture and food industry;**
5. **biodiversity.**

Legislative Framework of Climate Change in the Republic of Serbia

Serbia belongs to one of the regions that are most vulnerable to climate changes in the world. Estimates show that our country is warming more and faster than the global average. While the eight-hour increase in the global mean temperature is 1.1°C, Serbia is already at 1.8°C, and in summer it is as much as 2.6°C. At the same time, since 2000, the Republic of Serbia has faced several significant extreme climatic and weather episodes, which caused significant material and financial losses, as well as the loss of human lives. The total minimum amount of material damage caused by extreme climatic and weather conditions, in the period from 2000 to 2020, amounts to 6.8 billion euros. More than 70% of the damage was caused by droughts and high temperatures caused by climate change and extreme weather events. Another major cause of heavy losses was flooding.

By adopting the Law on Climate Change ("Official Gazette of the RS", No. 26/2021), the Republic of Serbia has defined one of the main components of the institutional and legal framework needed for the fight against climate change, which is the establishment of a system for reducing greenhouse gas emissions (GHG) and adaptation to altered climatic conditions.

The subject law also provides for the adoption of the Low Carbon Development Strategy of the Republic of Serbia, adoption of which, in June 2023, has given the basis for the revision of the first Nationally Determined Contribution, in relation to which the national goal of reducing greenhouse gas emissions at the level of the entire economy was tripled, and amounts to 33.3% by 2030 (compared to 1990).



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SUPPORT TO THE ECONOMY

Incentives for Investments

Incentives can be awarded for investment projects in the production sector and for projects of shared service centres. Services of shared service centres and support to business operations are services provided by IC technologies mostly to the users outside the Republic of Serbia. Funds can be awarded in the sector of software development if they are in the function of product improvement or production process, or in the function of providing services of shared service centres. In addition, funds can be awarded for the investment projects in the sector of food industry and hotel accommodation in spas.

Funds cannot be used for financing investment projects in the sector of transportation, software development, accommodation and hospitality services, trade, lottery, production of synthetic

fibres, coal and steel, mining, tobacco and tobacco products, arms and ammunition, ship production of sea ships of more than 100bt, airport, utility sector, energy sector, broadband networks, fishery and aquaculture.

Type and amount of the funds that can be awarded for investments

The user of the funds is obliged to participate with at least 25% of justified costs from personal assets or other sources, which do not contain state aid. The maximum funds that can be awarded for investment projects for:

- LARGE business entities up to 50% of justified costs,
- MEDIUM business entities up to 60% of justified costs,
- SMALL business entities up to 70% of justified costs.

The amount of the funds that can be awarded for investments for large companies

justified costs of
investments
up to 50 mn EUR

the part of justified costs of
investments
between 50 and 100 mn EUR

the part of justified costs of
investments
above 100 mn EUR

up to 50%

up to 25%

up to 17%

Justified costs are investments in a material and nonmaterial asset or justified costs of labour expenses for two year period following the realization of an investment.



Terms of awarding the funds for investment projects in the sector of production and service centres are as follows:

Units of territorial level (NSJ2)	Minimal number of jobs created	Minimal amount of the funds invested (EUR)	Approved incentives	The Council can additionally approve	
			Incentives for justified costs of labour expenses for two year period	Incentives for eligible costs of investment in fixed assets	Additional incentives for labour-intensive investment projects
The region of Belgrade	50	500,000	20%, but no more than 2,000 € for every job created	+10%	more than 100 jobs created + 10% of the amount of justified costs of labour expenses for two year period
The region of Vojvodina	40	400,000	25%, but no more than 3,000 € for every job created	+15%	more than 200 jobs created + 15% of the amount of justified costs of labour expenses for two year period
The region of Sumadija, west, east, south Serbia and Kosovo i Metohija	30	300,000	30%, but no more than 5,000 € for every job created	+30%	more than 500 jobs created + 20% of the amount of justified costs of labour expenses for two year period
Service centers	15	150,000	-	-	

Right to apply for the incentives, regarding the following EXPO BELGRADE 2027 international exhibition, have the investors who want to build hotels of the category of 3 or more stars, with minimum of 50 accommodation units with that begin the construction work until the end of 2024. Minimum value of the investment has to be 5 million euros, or 2 million euros for the reconstruction of the hotel. It is necessary that investment takes place in Belgrade region and remains in the form of the hotel at least for a 5-year period. Investment incentive can be awarded up to the amount of 20% of justified expenses for the investment.





For the investments of no special purpose, additional 10% are awarded for the costs of investment in fixed assets, regardless of the level of development of municipality in which it is invested.

For investments in Food Industry, funds can be awarded only for investments of minimum 2 million euro and 30 new jobs created. The amount of incentives depends on the level of development of the municipality according to the next scale:

Level of the local government development	Approved incentives	Incentives for eligible costs of investment in fixed assets
	Incentives for justified costs of labour expenses for two year period	
I	20% but no more than 3,000 EUR for every job created	For investing up to 20 mn EUR additional 20%
II	25% but no more than 4,000 EUR for every job created	
III	30% but no more than 5,000 EUR for every job created	For investing from 20 – 40 mn EUR additional 10%
IV	35% but no more than 6,000 EUR for every job created	For investing over 40 mn EUR additional 5%
Devastated region	40% but no more than 7,000 EUR for every job created	

For investments in Hotel Industry, funds can be awarded only for investments of minimum 2 million euro and 30 new jobs created. The amount of incentives depends on the level of development of the municipality according to the next scale:

Level of the local government development	Approved incentives	Incentives for eligible costs of investment in fixed assets
	Incentives for justified costs of labour expenses for two year period	
I	20% but no more than 3,000 EUR for every job created	For investing up to 30 mn EUR additional 20%
II	25% but no more than 4,000 EUR for every job created	
III	30% but no more than 5,000 EUR for every job created	
IV	35% but no more than 6,000 EUR for every job created	For investing over 30 mn EUR additional 10%
Devastated region	40% but no more than 7,000 EUR for every job created	

Besides state subsidies there are other types of benefits that investors can acquire like custom benefits for new equipment, various tax incentives, benefits from free trade agreements that Serbia has signed with other countries etc.

Incentives can be awarded to a company from food industry, for the realization of the investments in automatization of the existing capacities if the minimum amount of the funds invested is 1.000.000 euros. The deadline for completing the investment is three years with the possibility of extending it to five years. The investor can get 20% of the justified costs, but only after the public invitation for applications is announced on the web site of the Development Agency of Serbia or Ministry of Economy.

According to Regulation on criteria for awarding incentives in automatization of the existing capacities

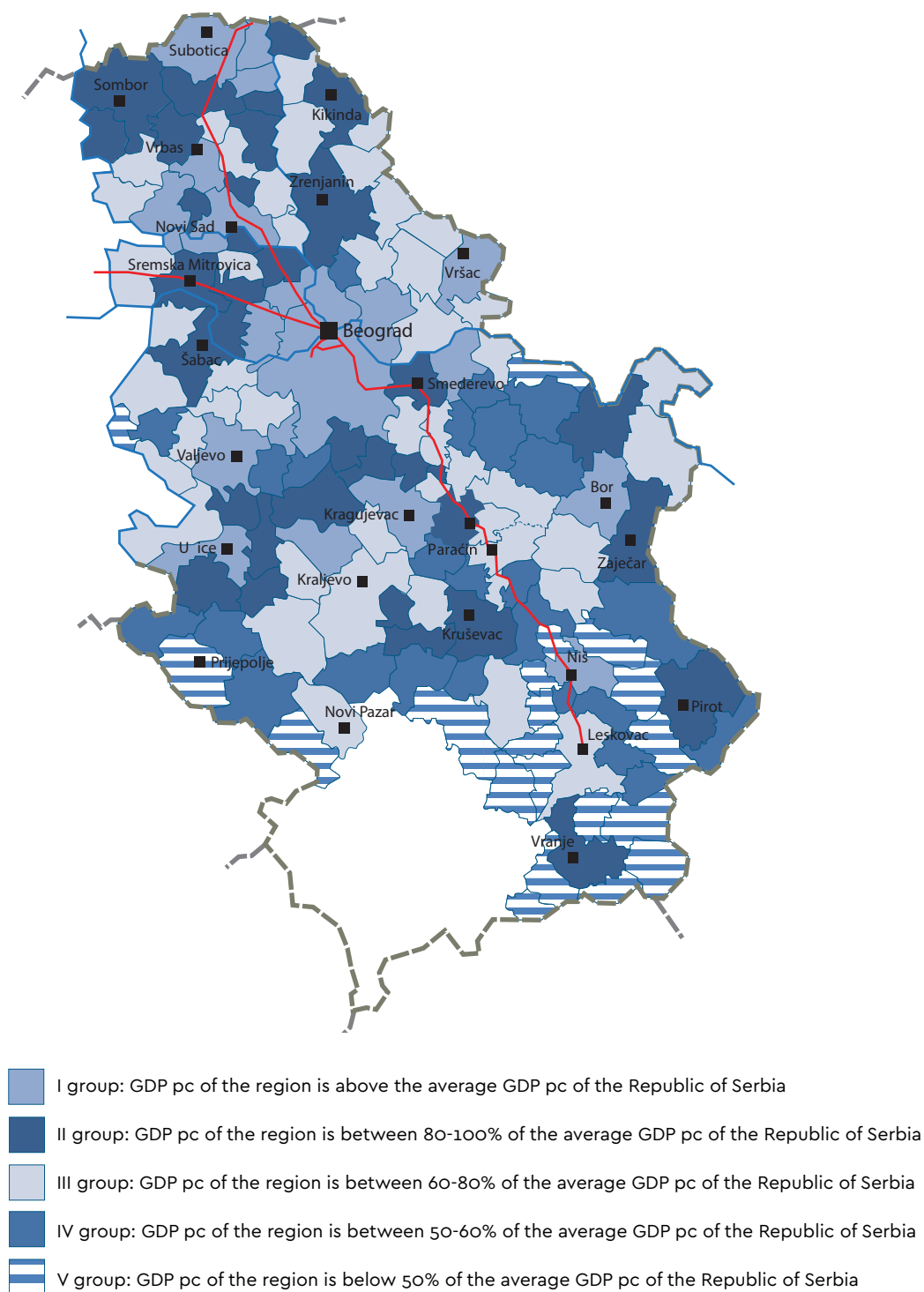
and innovations funds can be awarded for investment projects in the field of Industry that create great added value and which include automatization of production process or create innovation. When investing in automatization of the process, user can get 25% of justified expenses for investing in material and non material assets. Condition to be fulfilled is that amount of the investment is over 5 million euros.

More information about this you can find in our publication [Benefits for investors](#).





Level of Development of Local Governments



Source: Regulation on the Determination of the Unique List of Development of Regions and Municipalities in 2014 ("Official Gazette of Republic Serbia", 104/2014).





Center for Digital Transformation of the Chamber of Commerce and Industry of Serbia

As a response to the challenges of the global trend of digitalization, the Chamber of Commerce and Industry of Serbia, with the support of GIZ, established the Centre for Digital Transformation (CDT), as an instrument to support the MSME sector in the process of digital transformation. CDT enables to respond in an efficient and transparent way to all challenges of economy digitalization, through education, consulting, as well as creating strategic partnerships with technology promoters, on the one hand, and companies that would apply these solutions in their business, on the other. The project of establishing and developing the Centre for Digital Transformation is supported by both the GIZ – German Organization for International Cooperation and the Austrian Chamber of Economy – WKO.

For five years of operation, CDT has directly aroused interest of nearly 3,000 companies in the CDT programme, and a significant number have implemented technological solutions developed through consulting with CDT certified consultants (68 consultants trained and certified according to ISO 17024 standard).

The specialized **online Digital Academy** is an interactive platform designed primarily for the education of owners and managers in micro, small and medium enterprises in Serbia, who want to improve their knowledge and skills in the domain of digital transformation. All those interested can apply through the website www.digitalnaakademija.rs.



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Support to Innovation

The Innovation Service of the Chamber of Commerce and Industry of Serbia is engaged in the process of development, promotion and improvement of the institutional framework for the innovative ecosystem in Serbia. It also provides information on available funding sources, seminars, workshops on innovation and intellectual property rights. It actively cooperates with the competent state institutions: Ministry of Education, Science and Technological Development, Cabinet of the Minister without Portfolio in charge of Innovation and Technological Development, Fund for Innovation Activity, Intellectual Property Office and others.

The [Council for Cooperation between Science and Economy](#) was established within the Innovation Service, as an expert consultative body of the Management Board of the Chamber of Commerce and Industry of Serbia. Members of the Council are representatives of the business sector, universities, research organizations, ministries, institutions that fund innovations and infrastructure support companies, which are recognized for their engagement and commitment to creating an innovative ecosystem that stimulates the emergence and development of high-tech and fast-growing companies at the national, regional and local level in Serbia. A platform of the Council for Cooperation between Science and Economy (www.nip.rs) has been created, which promotes cooperation and achieved results of all players in the field of innovation, where all relevant information can be found.

Since 2020, the Innovation Service has established the Open Innovation Club within with the aim of encouraging cooperation between large and medium-sized companies with domestic start-ups and small enterprises, and supporting the development of the domestic market and the development of new solutions. As a partner in the organization of the Competition "Best Technological Innovation", the Service is active in introducing the members to new approaches and technologies in business and raising awareness of the importance of the economy based on knowledge and innovation.



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ATA Carnet – Your Passport for Goods – Saves Time and Money

Do you want to conquer new buyers and markets in Serbia, participate at international trade fairs and exhibitions, sports tournaments, exhibit your samples, do a business with your professional equipment, exhibit artwork, or participate in international music festivals?

You need to cross a border quickly and simply, without paying customs duties or giving special guarantees – ATA CARNET ensures you do this!

What is an ATA Carnet? ATA Carnet is the simple international customs document used for temporary importation of goods into a foreign country with the validity period of up to one year.

The advantages of ATA Carnet: one document for all customs transactions (temporary exportation, importation, transit), obtained at your National Guaranteeing Association (NGA) valid for a period of one year, a wide spectrum of goods, no deposits and guarantees, time and money saving, simpler procedure at the customs.

The type of goods that mostly require ATA Carnet: goods for exhibitions and fairs, broadcasting equipment, scenography, hand tools, measuring instruments, samples of clothes and footwear, sport equipment for sport events, music instruments, animals for exhibition, race or training, cultural events, artworks, medical, scientific, educational equipment and many others.



Passport for goods

Under ATA Carnet it is forbidden to export or import consumable and perishable goods, goods intended for processing, finishing or repairing.

Year	Number of issued ATA Carnets (in Serbia to the World)	Value of goods temporary exported	
		in RSD	in USD
2023	4,726	6,688,743,551	61,914,466
2022	4,342	6,142,313,684	57,229,475
2021	3,120	3,986,887,886	38,488,341
2020	2,131	2,336,820,461	24,155,205
2019	4,894	5,986,126,330	56,692,332
2018	4,558	6,094,548,352	58,371,700

By the number of ATA carnets issued, the Chamber of Commerce and Industry of Serbia currently ranks **ninth in the world** out of a total of 78 members of the ATA system. Since 2004, when the Chamber of Commerce and Industry of Serbia joined the ATA system, more than 5,000 legal entities and 3,500 individuals have used the ATA carnet.

As of October 5, 2023, the Chamber of Commerce and Industry of Serbia has been issuing both **paper and digital ATA carnets (e-ATA)**. Users receive and store these documents in digital form on their electronic devices. The complete digitalization of the entire process and the official use of e-ATA will follow the digitalization of most customs offices in the ATA system member countries.

How to obtain an ATA Carnet?

Please find a [National Guaranteeing Association \(NGA\)](#) in your country, and contact your ATA manager.



Contact information for Serbia:
Chamber of Commerce and Industry of Serbia, TIR and ATA Department
Krunska 26, 11000 Belgrade
+381 11 33 04 533
ata@pks.rs



Ensure Yourself a Successful Business Worldwide

Do you want to have a fruitful cooperation with the countries abroad? Do you need a legal security? Are you fatigue from excessive documentation?

You need a quick, efficient and simple solution for a fruitful cooperation abroad – it is ensured with the publications of the International Chamber of Commerce Serbia (ICC Serbia)!

What is ICC? ICC is **the oldest and biggest business association** established in 1919. ICC counts 6.5 million members from 130 countries all around the world. ICC operates for the benefit of the open global economy on creation and production of international rules and standards, as well as on adoption of recommendations for solving issues. The ICC rules are recognized worldwide, and represent a successful business standard that substantially reduces business costs and uncertainty. Best experts and practitioners from the entire world gathered by ICC are involved in the elaboration of these rules. The Chamber of Commerce and Industry of Serbia is the founder of the National Committee of the International Chamber of Commerce from Paris. Our country membership in ICC dates back to 1927.

Best-selling ICC Publications

The International Chamber of Commerce Serbia has been facilitating for years now business operations to Serbian businessmen trading abroad. With its exclusive right to publish, the National Committee of the International Chamber of Commerce Serbia has the great pleasure of presenting to you the best-selling bilingual publications (English/Serbian) of the International Chamber of Commerce from Paris:

- **Incoterms 2020** – the official ICC rules for the interpretation of trade terms reflect the business practice recognized all around the world; they have existed since 1936, and have been revised every ten years in compliance with new international trade tendencies; they are a part of the recognized cannon that defines buyers and sellers' obligations.
- **ICC Uniform Rules for Demand Guarantees including model forms – URDG 758** – clear, precise, and comprehensive URDG rules for independent guarantees that represent the international practice of usage of demand guarantees, level legitimate interests of a beneficiary, applicant, and guarantor.
- **ICC Uniform Rules for Bank-to-Bank Reimbursements under Documentary Credits – URR 725** – the rules for reimbursements are to aid banks regarding reimbursement issues or reimbursement undertaking.
- **ICC Uniform Rules for Collections with comments – URC 522** – contains a text of uniform rules for collections and comments of every member; comments are guidelines to practical issues faced by all participants in collection operations, and their role in the international trade;
- **International Standard Banking Practice for the Examination of Documents under Documentary Credits – ISBP 681** – the interpretation of the provisions of the ICC uniform customs and practice for documentary credits; it involves an overview of bills of exchange, insurance documents, certificates of origin, and other documents relating to credits.
- **ICC Uniform Rules for Bank Payment Obligations** – enable banks to reduce risks in international trade for the benefit of buyers and sellers; they are intended for bankers, salesmen, lawyers, and all practitioners.
- **ICC Uniform Customs and Practice for Documentary Credits – UCP 600** – contain significant provisions in the field of transport, insurance, and compliance that make up the base for documentary credit transactions. UCP involves Article "Definitions" for the purpose of explaining the key terms, then changed practice for rejection warning, and other amendments. In addition, it includes eUCP Version 1.1. – 1. 2. of Articles that are supplement to UCP governing the document presentation in an electronic form. The UCP rules are vital components in international trade, and as such they are necessary for bankers, companies engaged in foreign trade, transport, freight forwarding, as well as for lawyers, academicians, and all others operating with documentary credits.

- **ICC Model International Sale Contract** – a flexible and clear contract model that provides buyers and sellers with instructions, and contains the general and specific terms and conditions.
- **ICC Short Form Model Contract** – a short form of contract that covers the essence of contract on representation and distribution. These contract models contain general and specific conditions with comments on specific issues and a test of applicable business needs.
- **ICC Model International Franchising Contract** – a contract model that provides franchising participants with a universal international recognized contract form that protects rights and defines obligations of franchising participants. To that end, the contract includes most used clauses in franchising contracts, proposes possible solutions where individual ones are not possible, enables contract parties to involve special requests in certain points, provides an Annex that parties can amend and supplement without altering the underlying text of the contract, provides a system for resolving issues, and contains the detailed comment for explaining changeable commissions.



**National Committee of the
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Fastest Way to International Partner – EEN Network

The Chamber of Commerce and Industry of Serbia is a member of the [Enterprise Europe Network](#) and coordinator of the EEN Serbia Consortium. EEN services are primarily intended for small and medium-sized enterprises as a tool in the internationalization of their business. The goal of the Enterprise Europe Network is to help enterprises find more easily and quickly their international partners by searching for free the [Business Cooperation Database](#) and participating at international [business meetings and missions](#).

EU Integration Centre

The EU Integration Centre of the Chamber of Commerce and Industry of Serbia coordinates activities regarding the EU integration, with the aim of representing the interests of the economy of Serbia on its path to the EU membership. The activities implemented by the EU Integration Centre are carried out through three pillars by:

1. Representing the interests of the economy in Serbia's EU accession process,
2. Supporting companies when applying for EU programmes and funds, and assisting them to access the sources of funding, and
3. Providing services of the Enterprise Europe Network.



CCIS Centre for the EU Integration
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Calendar of Fairs Realized in 2023

6 – 10 February

[PRODEXPO](#)

International Fair of Food Products
in Moscow, Russian Federation

8 – 10 February

[FRUIT LOGISTICA](#)

International Fair of Fresh Fruit and Vegetable
in Berlin, Germany

14 – 17 February

[BIOFACH](#)

International Fair of Organic Food Products
in Nuremberg, Germany

20 – 24 February

[GULFOOD](#)

International Fair of Foodstuff
in Dubai, UAE

14 – 16 March

[EMBEDDED WORLD](#)

International Fair of Integrated Electronics
in Nuremberg, Germany

19 – 21 March

[PROWEIN](#)

International Fair of Wine and Spirits
in Dusseldorf, Germany

2 – 5 April

[VINITALY](#)

International Wine and Spirits
In Verona, Italy

17 – 21 April

[HANNOVER MESSE](#)

International Fair of Industrial Technology
in Hanover, Germany

2 – 6 May

[INTERNATIONAL ECONOMIC FAIR](#)

International Fair in Mostar,
Bosnia and Herzegovina

23 – 24 May

[PLMA](#)

International Fair of Private Label
in Amsterdam, the Netherlands

20 – 22 June

[THE SAUDI FOOD SHOW](#)

International Fair of Food Industry
in Riyadh, Saudi Arabia

23 – 27 August

[GAMESCOM](#)

International Gaming Industry Fair
in Cologne, Germany

3 – 5 October

[FRUIT ATTRACTION](#)

International Fair of Fresh Fruit and Vegetable
in Madrid, Spain

7 – 11 October

[ANUGA](#)

International Fair of Food Industry
in Cologne, Germany

16 – 20 October

[GITEX](#)

International Fair of Technology
in Dubai, UAE

20 – 22 October

[OMEK](#)

International Fair of Agriculture and Food Industry
in Budapest, Hungary

24 – 27 October

A+A

International trade fair for personal protection, company safety and occupational health in Düsseldorf, Germany

5 – 10 November

CHINA INTERNATIONAL IMPORT EXPO-CIIE

China International Import Fair, in Shanghai, China

8 – 10 November

PROWINE SHANGHAI

International Wine and Spirits Fair in Shanghai, China

12 – 14 November

U.S. PRIVATE LABEL TRADE SHOW

International Brand Fair in Chicago, USA

12 – 18 November

AGRITECHNICA

International Fair for Agricultural Mechanization and Technology in Hannover, Germany

6 – 9 December

TIRANA INTERNATIONAL FAIR

International Business Fair in Tirana, Albania



**CCIS Centre for Organization of
Fairs, Exhibitions and Events**
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Western Balkan Suppliers Database – Market Access Platform

The Western Balkan 6 Chamber Investment Forum (WB6 CIF) is the joint initiative of six Western Balkan Chambers of Commerce and Industry that, in 2017, established a platform for cooperation aimed at providing a common voice of the business community, and promoting the region as the single investment destination. The mission of WB6 CIF is to open new opportunities for stronger networking of business communities within the region by removing the remaining barriers to the development of the regional economic cooperation.

To support the intraregional and international trade and exports of companies in the Western Balkans, WB6 CIF has developed the unique digital tool called [Market Access](#) that is composed of more modules with different operations and roles. It is designed for businessmen from all industries that are interested in being involved in both regional and global supply chains in the territory of Serbia, the Western Balkan region and worldwide. The Platform has been created with the funds of the EU support projects to the Western Balkan Chamber Investment Forum, whereas the [registration](#) and its usage are **free of charge** for all users.

The Supply Chain Module – regional supply chains is aimed at linking the WB6 companies interested in being involved in global and regional supply chains with multinational corporations (MNC) that are looking for new suppliers from the Western Balkan region. It is an online module through which the companies interested in can promote their products and services. The company profiles are visible on the [Platform](#) upon their registration (companies log in with their credentials and have to fill in all required fields). Following the creation of the company profile, users can browse the profiles of other companies and contact their potential partners.



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Education

Successful companies build their competitiveness on know-how of their employees. The Chamber of Commerce and Industry of Serbia has established the Education Centre with the aim of providing businesspeople with state of the art and continuous business education in order to improve existing and acquire new knowledge and skills. The CCIS Education Centre organizes: **specialized trainings and workshops** for employees on all positions in various business areas, **trainings based on entrusted tasks** intended for candidates for acquiring licenses or permanent professional trainings and *In-house* trainings.



CCIS Education Centre

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CCIS Business Academy

According to best practices in Europe and the world, the Chamber of Commerce and Industry of Serbia has established a Business Academy in order to respond to the increasing needs of employees for shorter education cycles, professional training, as well as obtaining qualifications and knowledge and skills that enable them to start up their own business. The CCIS Business Academy offers areas that, taken individually, fill part of the mosaic of human knowledge, and if taken as a whole, they round off knowledge on a specific field.

Through its education programmes, CCIS Business Academy provides employees with the opportunity to acquire knowledge and skills needed to perform job well, thus reducing the gap between the knowledge acquired through formal education and requirements of professional performance of activities for specific workplace.

There are topics in the field of tax system, business skills, foreign trade, business information system security, as well as many other business areas in the sectors of industry, services and agriculture.



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Dual Education

The lack of qualified experts in crafts and technical occupations that are educated in accordance with the needs of the economy is a great challenge faced by employers. At the initiative of the economy, the Chamber of Commerce and Industry of Serbia has been introducing the dual education elements into the education system of Serbia since 2013, with the aim to solving in the long term the problems with the labour force shortage faced by different industries. The initiative has resulted in the Law on Dual Education, which was adopted in November 2017 and fully implemented as of 1 September 2019.

Upon completion of the secondary vocational school, students do not have practical and applicable knowledge and skills required for the real working environment. The consequence of it is that employers have to take over the costs of training of young people on additional knowledge and skills in order to involve them into work.

The dual education is a model of secondary vocational education based on which students learn in two places: at school and in company. This model in Serbia is implemented at the secondary education level. Depending on educational profile, the students can learn in real working environment already from the first year of schooling. The students spend one, two or three days in a company weekly, which is defined by the curriculum and syllabus. The basic idea of dual education is based on the fact that theoretical knowledge is acquired at school, and the practical part of teaching takes place in companies in a real working environment.



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Project Management Centre

The Project Management Centre was established in the Chamber of Commerce and Industry of Serbia with the aim to ensure the use of the EU funds in the best possible way, as well as other forms of development aid available to the Republic of Serbia, and distributed through various financial instruments. Through the regional initiatives, in the partnership cooperation with international organizations and institutions, and the CCIS Representative Offices abroad, we implement project activities intended for strengthening the capacities of the Serbian economy in both domestic and international markets.

One of the main tasks of the Project Management Centre of the Chamber of Commerce and Industry of Serbia is to provide its members with the information on opened public calls, competition procedures, as well as the possibilities for funding projects from the international development aid. Together with you, we plan and prepare projects and project documentation for participation in EU programmes, donation and other development programmes. We are your support in managing projects, and in preparing reports during the project implementation procedures. We act as your mediator in finding project partners in the country and abroad for participating in funding programmes.



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Centre for Support to Investments and Public Private Partnership

Taking into account the fact that investment activity is one of the most valuable sources of the state economic growth and progress, the Chamber of Commerce and Industry of Serbia has particularly focused on providing support to domestic and foreign investors in the country, and on that occasion, established its Centre for Support to Investments and Public Private Partnership.

Among numerous activities for making decisions on investments and their implementation, the Centre for Support to Investments and Public Private Partnership takes an active role in promoting the business and investment environment of Serbia to business delegations, individual investors at investment conferences and business events organized in both the country and abroad. In addition, this Centre is also engaged in raising awareness of the importance of equal regional development.

The Centre for Support to Investments and Public Private Partnership prepares information on investment opportunities in Serbia, investment incentives, as well as the data on Serbia as an investment destination. Owing to the adopted initiative for amending the Law on Investments and supporting regulations from 2019, the Centre ensured the exemption from customs and other duties on import of equipment for domestic and foreign investors.

Cooperation with the Diaspora – connecting the economy of Serbia with the business and academic Diaspora, the analyses and implementation of priority programmes and projects in this field.

Chamber of Commerce and Industry of Serbia within the Project

Link Up! Srbija II promotes an investment online platform titled Business Atlas of Serbia and the Diaspora aimed at networking the business Diaspora with its native country in an easier and quicker way. The Platform can be utilized by anyone interested in – companies, entrepreneurs, individuals, as well as local self-governments that can offer their investment locations or, through networking, find potential partners for export of their products and services.



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CSR

Corporate Social Responsibility

As one of the leaders in the idea of the corporate social responsibility (CSR) development in Serbia, we have been contributing for years to the promotion of basic CSR principles, which we believe should be an integral part of the business in any sustainable company. We organize events and education in this area, participate in the promotion of business standards related to CSR, and promote transparency in reporting.

We conduct a competition and award the most successful companies with the [National Award for Corporate Social Responsibility – George Weifert](#) and organize meetings of the [Council for Corporate Social Responsibility](#), an advisory body, which was formed in July 2016 and which includes organizations that are recognized for their engagement and commitment to the principles of corporate social responsibility.



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METHODOLOGICAL NOTES

Textile, Garment, Leather and Footwear Industries, according to the CA (2010), includes fields of activity: Manufacture of textiles, Manufacture of wearing apparel, Manufacture of leather and related products.

Presentation of data by activity is performed according to the Regulation on Classification of Activities („Official Gazette of the RS“, No. 54/10).

From 2018, the Statistical Office of the Republic of Serbia calculates average wages on the basis of data from the records the Tax Administration. The study of wages is based on the data from the Tax Return for withholding tax (form PPP-PD). Average wages are calculated based on the amount of calculated wages for the reporting month, and the number of employees, which is shown in the full-time equivalent – FTE. All categories of employees are included, for whom their employers, i.e. economic entities, submitted to the Tax Administration a completed electronic tax return form PPP-PD, with the calculated wages. Since 1999, the Statistical Office of the Republic of Serbia has not disposed of some specific data for the Autonomous Province of Kosovo and Metohija, and therefore, they are not included in the scope of data for the Republic of Serbia (total).

The term employees implies persons who have a formal and legal employment contract, i.e. the established labour relationship with the employer, for a fixed or indefinite period; persons working outside the labour relationship, based on an engagement contract or a contract on temporary and occasional jobs; persons engaged in self-employment, or founders of companies or sole trade businesses; and persons engaged in agricultural activities, who are in the records of the Central Registry of Compulsory Social Insurance. The study on the registered employment is based on the combination of data of the Central Registry of Compulsory Social Insurance (CROSO) and the Statistical Business Register (SBR). The data on payers of the compulsory social insurance contribution and the insured, based on the work, are obtained from CROSO. The data on business entities and their main characteristics are obtained from SBR. Distribution of employees by activity, in

the context of a business entity, is done according to the structures that are formed on the basis of data on local units.

Some of the values shown in the Bulletin, are rounded up to millions or billions, with one decimal place and, therefore, the total values (summaries) do not always coincide with the sum of individual data, due to the fact that non-rounded up figures were used (which gives more accurate data).

Abbreviations used: GDP – Gross Domestic Product, GVA – Gross Value Added, FDI – Foreign Direct Investment, CA (2010) – Classification of Activities (2010), Ø – Average for Period, LFS – Labour Force Survey, NPL – Non-performing Loan, MSMEs – Micro, Small and Medium Enterprises, p.p. – Percentage Point, RSD – Serbian Dinar, EUR – Euro, USD – American Dollar.

The sources of data: Statistical Office of the Republic of Serbia (SORS), National Bank of Serbia (NBS), Business Registers Agency (BRA), Chamber of Commerce and Industry of Serbia (CCIS), Customs Administration (CA), Ministry of Finance (MF), Central Registry of Compulsory Social Insurance (CROSO), International Monetary Fund (IMF), World Bank, Bloomberg L.P.

Foreign exchange rates: All conversions in the Bulletin were made according to the average medium rates of the National Bank of Serbia:

Time:	2016	2017	2018	2019	2020	2021	2022	2023
EUR/RSD	123.1179	121.3367	118.2716	117.8524	117.5778	117.5733	117.4588	117.2513
USD/RSD	111.2903	107.4987	100.2784	105.2762	103.0272	99.4925	111.8607	108.4143

Source: NBS.



Disclaimer: The information is subject to change in accordance with the changes of the official sources of information. The information given in this report is for the purpose of general information, and cannot be a substitute for the economic advice, nor can any obligation be created for the Chamber of Commerce and Industry of Serbia by its publishing. Reproduction and distribution of the Bulletin or its parts is permitted if the source is stated and a copy of it submitted to the Chamber of Commerce and Industry of Serbia to: analitika@pks.rs.

CCIS ASSOCIATION

of Textile, Garment,
Leather and Footwear Industries

Textile, garment, leather and footwear industries are important manufacturing branches in Serbia, which are import dependent and export oriented, with a long tradition on the European and world markets. Textile industry plays an important role in the economy of the Republic of Serbia by number of companies, employees, share in foreign trade, and it is recognized on the foreign markets, first of all, on the markets of the European Community. Manufacturing is organized in small, medium-sized and big enterprises. This area is labour intensive; it mainly employs female labour force and has enormous potential for decreasing the unemployment rate.

The companies in the Board of Association of Textile, Garment, Leather and Footwear Industries are members of the Chamber of Commerce and Industry of Serbia, and they are represented in the work of the Chamber's bodies – in the Managing Board and Assembly. They are elected on proposals of the economic and Regional Chambers of Commerce and Industry, at every four years. The Board considers and proposes common positions on issues of interest for business operations of the textile and leather processing industry, with the aim to improve conditions of work and business operations for its members. In addition, the Board considers and gives opinions on draft laws and proposals of laws and other regulations in the area of economic system, economic policy and development, which are in accordance with the activities of the Association. According to Article 28 of the Statute of the Chamber of Commerce and Industry of Serbia („Official Gazette of the Republic of Serbia" No. 39/16), the Managing Board of the Chamber of Commerce and Industry of Serbia, at its session held on 29 September 2016, adopted the Rules of Procedure of the Boards of Associations of the Chamber of Commerce and Industry of Serbia. These Rules of Procedure stipulate the manner of work of the Boards of Associations of the Chamber of Commerce and Industry of Serbia. The Board consists of presidents and deputy presidents of the groups established within the Association.

The following Groups are active in the Association:

Textile Industry Group. Members of the Textile Industry Group are all companies dealing with manufacture of goods contained in the Customs Tariff Nomenclature, which is harmonized with the Combined Nomenclature of the European Union. These are goods relating to textile products classified under Chapters 50 - 60 and 63, as the goods relating to articles of apparel and clothing accessories classified under Chapters 61 and 62.

Group of Leather and Footwear Industries. Members of the Group of Leather and Footwear Industries are all companies dealing with manufacture of goods contained in the Customs Tariff Nomenclature, which is harmonized with the Combined Nomenclature of the European Union. These are goods relating to raw and tanned hides and skins classified under Chapter 41, goods relating to leather products classified under Chapter 42, goods related to products of furskins and artificial fur under Chapter 43, and footwear under Chapter 64.

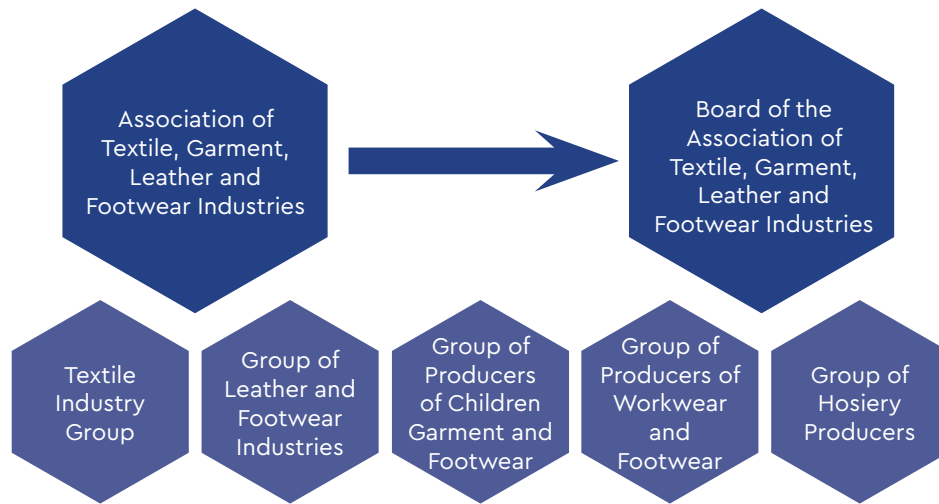
Group of Producers of Children Garment and Footwear. Members of the Group of Producers of Children Garment and Footwear are all companies dealing with manufacture of goods contained in the Customs Tariff Nomenclature, which is harmonized with the Combined Nomenclature of the European Union. These are goods relating to textile products classified under Chapters 61 and 62.

Group of Producers of Workwear and Footwear. Members of the Group of Producers of Workwear and Footwear are all companies dealing with manufacture of goods contained in the Customs Tariff Nomenclature, which is harmonized with the Combined Nomenclature of the European Union. These are goods classified under Chapter 62 and Chapter 64.

Group of Hosiery Producers. Members of the Group of Hosiery Producers are all companies dealing with manufacture of goods contained in the Customs Tariff Nomenclature, which is harmonized with the Combined Nomenclature of the European Union. These are goods classified under Chapter 61.

The tasks of the Groups that are active within the Association of Textile, Garment, Leather and Footwear Industries include the activities such as work on improvement of the economic and business environment, following and analysing all data on the situation in this industry, improvement of export capacities by assisting the economy in penetrating foreign markets and positioning their goods, through the CCIS Representative Offices in the world, then following and informing the membership about the state aid policy, establishing criteria and standards for products from the activities of the Group members, identifying common interests of the Group members and the modality for their most efficient achievement (from facilities for production, to appearance in markets and placement of goods), and preparing a high quality supply of articles intended for presentation of Serbia, and identification of new members. In addition, the Groups are active in following and providing information to their members in connection with legal regulations, education of members in the area of implementation of laws and regulations in the field of production, trade, introduction of the quality management system and the assistance in the certification process, organisation of participation of garment and footwear manufacturers at fairs, presentations in the country and abroad in cooperation with other departments of the Chamber of Commerce and Industry of Serbia. In addition to above mentioned, the activities of groups are regularly promoted, ideas and knowledge are exchanged, the coordination and presentation of members' interests before relevant bodies is performed, as well as the coordination, collection and analysis of all relevant information about the sector.





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