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INDUSTRY OF SERBIA

ASSOCIATION OF METALWORKING AND POWER INDUSTRY



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FOREWORD

Sectoral analyses of the Chamber of Commerce and Industry of Serbia (CCIS bulletins) have been reporting on the business performance indicators of the domestic economy for the 18 chamber associations for eight consecutive years. We analyze trends in agriculture, industry and services, as well as business expectations of the economy, with a review of current projections. We publish the Bulletins quarterly (review of quarterly business dynamics) and annually in Serbian and English. These publications inform members of the chamber system, representatives of the business community and the professional public about the leading macroeconomic, sectoral and branch topics.

In the bulletins you can find information on current and adopted economic initiatives that we launch with the aim of improving the business environment, creating sustainable business conditions and strengthening the potential of the domestic economy to perform on domestic and foreign markets, data on sources of financing, incentives, services, public authorizations and education of the Serbian Chamber of Commerce.

All information in the bulletins are a result of the activities of the single chamber system and the domestic economy. For analyses, we use official data from domestic and foreign institutions, results of chamber research and information available on business platforms. We develop case studies and examples of good practice in cooperation with the economy.

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

Association of Metalworking and Power Industry of the Chamber of Commerce and Industry of Serbia brings together economic entities from metalworking industry, machinery building, manufacture of means of transportation, electric machinery and apparatus, manufacture of core metals, forging of metals and powder metallurgy, metal working and coating and recycling of metal waste and scraps. Once recognizable and internationally recognized sector, after years of crisis, it is more competitive with its potential for growth and development. The sector of metalworking and power industry is in the centre of production network of one country and it is connected with other sectors of the economy in terms of resources and technology. Final products are used in various segments of the economy and households.

In addition to its core activity, mainly directed to the creation of favourable business environment, through improvement of regulations, business analyses and support to the economy in overcoming problems, education of the economy on technical regulations applicable in the domestic and EU markets, the Association pays special attention to the promotion of export potential of the metalworking and power industry. We particularly underscore the CCIS's service titled "Suppliers' Day" by which companies from Serbia can network themselves with international companies as their potential suppliers. We expect to establish more intensive cooperation with our members in the following period in order to direct activities of the Association towards resolution of the concrete problems of the economy.

Ana Raičević,
Secretary

Jelena Vasić,
Editor

M. Bacić

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ACTIVITIES

of the CCIS Association of Metalworking and Power Industry

Meeting of the Council for Elevators

At the meeting of the Council for Elevators, which was held on 8 February 2024, an Agreement on Cooperation between the associations of the SeeLift network (South-East Europe Lift Network) was signed, the goal of whose aim is to establish a continuous practice and exchange of experiences, production, construction and installation of elevators.

Meeting of the Section of Metalworking Activity

The meeting of the Section of Metalworking Activity was held on 5 June 2024, in the CCIS – RCCI Požarevac. On that occasion, the Minutes of the second meeting of the Section were adopted, and the concept of CBAM, renewable energy sources, the possibility for wind generators and green steel were presented.

Joint meeting of the Group of Metalworking Activity, Group of Renewable Energy Sources and Group of Primary Wood Processing

The joint meeting of the Group of Metalworking Activity, Group of Renewable Energy Sources and Group of Primary Wood Processing was held in the Chamber of Commerce and Industry of Serbia, on 27 September 2024. At the meeting, there was a discussion about pellets and business with that commodity on the Serbian market, the effects of the temporary ban on imports, market indicators, business environment, restrictions and proposals for measures to improve competition on the market.

Meeting of the Group of Metalworking Activity

The electronic, 15th meeting of the Group of Metalworking Activity was held in November 2024. The agenda of the meeting included the election of the President and Deputy President of the Group of Metalworking Activity. After the voting by the members, the Owner of the Company FPM AGROMEHANIKA doo Boljevac was elected President of the Group, for a term of office of four years, and the Director of the Company SERVOTEH doo Dobanovci, was elected Deputy President, also for a term of office of four years.

Meeting of the Section of Metalworking and Mechanical Engineering of the Rasina District

On 28 November 2024, the 3rd meeting of the Section of Metalworking and Mechanical Engineering of the Rasina District was held at the CCIS RCCI Kruševac. At the beginning of the meeting, hosted by the Company 14.oktobar Kruševac, the company's product range was presented, after which representatives of the CCIS Association of Metalworking and Power Industry, and representatives of the RCCI Kruševac presented: economic developments in the sector of the metalworking industry on the territory of Serbia; economic developments at the level of the Rasina District; information on the possibilities for participation of Serbian economy at fairs - metals sector; CBAM - Cross-Border Carbon Price Adjustment Mechanism (obligations, deadlines and potential challenges).

Meeting of the Board of the Group of Automotive Industry

At the seventh, electronic meeting of the Board of the Group of Automotive Industry, which was held on 17 December 2024, the election of the President and Deputy President of the Board of the Group was carried out.

Meeting of the Group of Metal Casting and Recycling of Metal Waste and Scraps

The ninth meeting of the Group of Metal Casting and Recycling of Metal Waste and Scraps was held on 6 December 2024. The President and Deputy President of the Group were elected at the meeting, after which the attendees were informed about EU Regulation 2024/1157 of the European Parliament and the Council on waste shipments, as well as the steps taken by the Chamber of Commerce and Industry of Serbia. It was agreed that the members of the Association will be actively involved in the preparation of proposals related to the Regulation in the following period. In addition, the participants were informed about the Cross-Border Carbon Price Adjustment Mechanism (CBAM) and the rights and obligations of companies in the coming period.

Meeting of the Group of Mechanical Engineering

The fifth, electronic meeting of the Group of Mechanical Engineering was held on 18 December 2024. At the meeting, the President and Deputy President of the Group were elected.



Workshop for elaboration of CBAM report

In May 2023, the European Commission adopted the CBAM Regulation (2023/956) - Regulation on the Cross-Border Carbon Price Adjustment Mechanism, which refers to certain goods from the following industries: iron/steel, aluminium, cement, artificial fertilizers, power energy and hydrogen. The transitional period of the CBAM Regulation started on 1 October 2023 and lasts until 31 December 2025, and full implementation is expected from 1 January 2026. During the transition period, EU importers of goods covered by the CBAM Regulation (so-called CBAM declarants) are obliged to report to the European Commission once a quarter on the total amount of CBAM goods imported, the total installed direct and indirect GHG emissions (greenhouse gas emissions) and possibly carbon price paid in the country of production, while non-EU companies that produce and export these goods to the EU must measure and calculate direct and indirect emissions and also inform their partners in the EU accordingly. Given that companies in Serbia need practical knowledge related to the reporting process, the Chamber of Commerce and Industry of Serbia organized Workshops for writing CBAM reports as part of the Responsible Business Hub project. At the Workshops, participants gain practical knowledge concerning: the appearance, content and way of filling out the reporting form (recommended form attached), data sources, overview of the production process and measurement/calculation of emissions, etc.



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Meeting of the ILO Forum in CERN

The central topic of the ILO Forum was the presentation of changes in CERN's procurement rules. The Report on Procurements in 2023, and planned procurements for the following period were presented. It was said that CERN was working on developing the rules for sustainable and responsible procurements, as well as the ways to establish additional requirements for suppliers, related to sustainability and decarbonisation.

New sanctions on Russia caused a surge in metal prices

As a result of the imposition of new sanctions on Russia by the USA and the United Kingdom, the price of aluminium on the world market surged by 4.85%, nickel by 8.2%, and copper by 3.4%. In early April, the London (LME) and Chicago Metal Exchange (CME) stopped listing new aluminium, copper and nickel produced by Russia, at the same time when a ban on imports of those raw materials into the US and Britain took effect. Russia is a global supplier of about 6% of aluminium, 5% of nickel and about 4% of copper.

The 66th International Fair of Techniques opened

The 66th International Fair of Techniques and Technical Achievements was opened at the Belgrade Fair, on 21 May 2024, under the slogan "We Inspire Development". The fair was held on more than 15,000 square meters of exhibition area, and gathered around 600 domestic and foreign exhibitors and other participants from thirty countries on four continents. In addition to individual appearances, group appearances were organized by the Czech Republic, Hungary, Slovenia, Serbia, China, and the Republic of Srpska (Bosnia and Herzegovina). The Association of Metalworking and Power Industry of the Chamber of Commerce and Industry gathered 17 companies, which presented their product range at the joint stand of the Chamber of Commerce and Industry of Serbia.

Meeting of the KS M199 Commission

The present members of the Commission worked on the harmonization of the translation into Serbian and professional terms used in the standard prSRPS EN ISO 14122-2 Safety of machinery - Permanent means of access to machinery - part 2: Work platforms and walkways.

Visit to the Fair Win Eurasia 2024 - Istanbul (Turkey)

Representatives of the Fair Win Eurasia 2024 (Hannover Fairs Turkey Fuarçılık A.Ş.), as part of the Buyer Mission Programme, organized a visit to the fair and business meetings of Serbian and Turkish companies that exhibited on that occasion. A Networking Event was also organized for the member companies of the Serbian Delegation, with the aim of connecting and networking the companies of visitors and exhibiting companies at the fair. Win Eurasia 2024 is one of the largest fairs in Europe, which in eight halls presented companies engaged in production in the field of mechanical engineering, metalworking, foundry, robotics, automation, power industry, as well as Industry 4.0.

New charger for electric vehicles from Kraljevo

At the end of last year, the American company Beam Global took over the family company Amiga doo from Kraljevo, and as a result of this acquisition and work over the past six months, a new product - a free-standing parking station - was delivered to the first customer from the production plant in Kraljevo. The first customer of the EV ARC product is the Ministry of Défense of Great Britain, and the delivery is to the base in Cyprus. In addition to the EV ARC, a prototype of the new Beam Spot product is in production - a pole for public lighting, which has the most efficient solar panel on the market, a small wind generator, batteries in the pole, as well as an EV charger on the pole. The goal of this company is to make new products in Serbia and to cover the markets of Europe, the Middle East, and part of Africa in the near future.

Decline in global crude steel production by 4.7% in July on an annual basis

According to data from the World Steel Association (Worldsteel), global crude steel production in July 2024 declined by 4.7% on an annual basis. The data show that steel production from the 71 countries that submit their reports to Worldsteel fell to 152.8 million tonnes. China produced 82.9 million tons, which is a drop of nine percent compared to the same period previous year. Production in India increased by 6.8%, while in Japan it decreased by 3.8%. The US recorded an annual decline of 2.1 percent, and Russian steel production fell by 3.1 percent in the same period. While South Korea's annual production fell by 3.4 percent to 5.5 million tons, Germany's production rose by 4.8 percent to 3.1 million tons. Turkey follows with 3.1 million tons, which is an increase of four percent in the same period.

Celebration of the 171st Anniversary of the Zastava Arms Factory in Kragujevac

At the celebration of the 171st Anniversary of the Zastava Arms Factory, a new investment cycle of the Government of Serbia was announced for the improvement of production capacities and mastering of new technologies in the production of modern arms and equipment for the Serbian Army worth 10.6 million euros. Today, the Zastava Arms factory has around 2,500 workers, and in recent years they have shown impressive progress in the development and production of modern arms. The most important partners of the Kragujevac factory are the Serbian Army and the Ministry of Internal Affairs. This cooperation was additionally strengthened this year with the signing of one of the most valuable contracts so far with the Ministry of Defense of Serbia, for the delivery of arms and military equipment for the needs of the Army worth 2.7 billion dinars.

Serbian companies at the Electronica 2024 Fair in Munich, Germany

In the period from 12 to 15 November 2024, with the support of the Chamber of Commerce and Industry of Serbia (CCIS) and the Development Agency of Serbia (RAS), eleven domestic companies had the opportunity to present their advanced technological solutions and innovations following modern trends in the industry, at the national stand, for the first time. At the Electronica 2024 Fair in Munich, companies presented their solutions covering various areas of the electronic industry and representing answers to the latest needs of the global market.

State subsidy granted to the plant of the Chinese Company Haitian Machinery in Ruma

The Chinese Company Haitian Machinery Serbia, which is engaged in the production of machines for plastics and rubber production, registered in Ruma, was granted an incentive to build and equip a plant for the production of plastic injection moulding machines. The company was founded in Serbia on 27 April 2022. Haitian Plastics Machinery Group Co. is a renowned company engaged in the production of industrial machinery, and its affiliates and partners own production centres in China, Germany, India, Mexico, Vietnam, Brazil, Turkey, Thailand, Indonesia and Japan. The main markets of this successful company are EU countries and China.



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REGIONAL INFORMATION

Cooperation with companies from the Antalya Industrial Zone

Belgrade Chamber of Commerce and Industry

On 19 November 2024, business meetings of Serbian and Turkish businesspeople were held in the organization of the Belgrade Chamber of Commerce and Industry and the Organized Industrial Zone Antalya, from Turkey, and in cooperation with the RCCI of the Zlatibor Administrative District (Užice) and the RCCI of the Moravica and Raška Administrative District (Kraljevo). Special guests at the meeting were the President of the Chamber of Commerce and Industry of the Federation of Bosnia and Herzegovina with his businesspeople. Leading companies from the Industrial Zone Antalya presented their products, mainly from the fields of agriculture and food industry, chemical industry, but also construction and machinery and elevator industry.

Austrian Feller has started construction of a factory

RCCI of the North Bačka Administrative District Subotica

The Austrian company Feller, which produces cables, has started the construction of a factory in the Mali Bajmok Free Zone in Subotica. The construction is planned in three phases, and after moving production to this zone, two more halls are expected to be built by March 2025. The planned total number of employees is up to 150.

Extended Subotica Free Zone

RCCI of the North Bačka Administrative District Subotica

By the Decision of the Government of the Republic of Serbia, the Subotica Free Zone was extended to the Municipality of Senta. Now, after expanding to the Municipalities of Kanjiža and Kikinda, it occupies an area of 100 hectares of land. The Free Zone currently consists of 11 companies: Zoppas, ContiTech Fluid, Norma Group JI Europe, Ametek, Flender, Swarovski, Boysen, B+B Sensor Solutions, Plastikcam East, Nifco Germany and Feller.

The Kontinental Company donated equipment to the Secondary Technical School

RCCI of the North Bačka Administrative District Subotica

The Kontinental Company donated a robotic arm to the "Ivan Sarić" Secondary Technical School. It is a device through which over 200 students who study in educational profiles related to metalworking, electrical engineering and mechanical engineering will be able to gain practical experience related to programming and management of modern devices used in manufacturing. The Company Kontinental enrolls students for training based on the dual education model, and its successful cooperation with the aforementioned school has been going on for more than a decade.

Ambassador of Italy visiting Vršac

RCCI of the South Banat Administrative District Pančevo

On 20 March 2024, the Mayor of Vršac hosted the Ambassador of Italy in Serbia, with the aim of exchanging information regarding the operations of a large number of Italian companies in the area of the City of Vršac. Fintel energija ad, which is majority-owned by the Italian Fintel Energia Group SpA, is the leading producer of electricity obtained from wind energy in the Balkans. Also, the cooperation with the Company Palladio East doo, which is a large producer of pharmaceutical paper packaging, and employs 270 workers from the territory of Vršac, proved to be very successful. The new Industrial Zone North, which extends towards the border crossing and has new locations, very suitable for numerous investments, was also presented. An invitation was made for further cooperation with Italian companies, especially due to the convenience of proximity to Romania, where tens of thousands of Italian companies operate extremely successfully.

Vršac becomes the capital of modern Serbian aviation

RCCI of the South Banat Administrative District Pančevo

The reconstruction of the Aviation Academy Training Centre in Vršac will create the greatest European potential for training airplane pilots and helicopter pilots, aviation engineers, air traffic controllers, aviation mechanics and other aviation specialists. Thanks to the investments of the Government of the Republic of Serbia, future pilots will soon be trained on the most technologically advanced flight simulator for training pilots of Airbus A320 passenger planes. It is expected that the reconstruction of the Training Centre will be completed by the end of 2025, or the beginning of 2026, at the latest.

Cooperation and partnership between Italian and Serbian businesspeople on the territory of Šumadija and Pomoravlje of the RCCI of the Pomoravlje and Šumadija Administrative District

RCCI of the Pomoravlje and Šumadija Administrative District Kragujevac

Meeting of businesspeople - Connecting industries: meetings, challenges and opportunities was held on 9 April 2024, in the premises of the RCCI Kragujevac. The meeting was attended by companies with Italian capital and members of Confindustria Serbia, with the aim of maintaining an open dialogue of the companies present and presenting activities and plans, as well as possible opportunities for cooperation.

Cooperation Agreement signed between the Chamber of Commerce and Industry of the Zenica-Doboj Canton and the CCIS – RCCI of the Šumadija and Pomoravlje Administrative District

RCCI of the Pomoravlje and Šumadija Administrative District Kragujevac

Within the cooperation project of the Faculty of Economics of the University of Kragujevac and the University of Zenica, an Agreement on Cooperation was signed between the Chamber of Commerce and Industry of the Zenica-Doboj Canton and the Chamber of Commerce and Industry of Serbia - Regional Chamber of Commerce and Industry of the Šumadija and Pomoravlje Administrative District. The Agreement envisages joint activities that should greatly contribute to the intensification of cooperation and the stronger linking of these two industrially developed regions.

Šumadija Agricultural Fair

RCCI of the Pomoravlje and Šumadija Administrative District Kragujevac

The 20th Šumadija Agricultural Fair was held in Kragujevac, from 5 to 8 September 2024, where about a hundred exhibitors presented their products and the latest technical and technological achievements in the field of agribusiness. As every year, the exhibition of agricultural machinery and tractors attracted a lot of attention from farmers, and there were also a number of other events, such as forums and expert lectures, exhibitions of small animals, sheep and horses. On the last day of the Fair, an exhibition of Simmental cattle was held.

Kruševac businesspeople visiting the Liaoning Province and the City of Shenyang, China

RCCI of the Rasina Administrative District
Kruševac

In the organization of the Chinese Central European Logistics Zone CECZ with its Representative Office in Budapest, and the Government of the Liaoning Province, in the period from 9 to 14 October 2024, a business visit of the Business Delegations of Serbia, Hungary and Romania was realized to the Liaoning Province and the City of Shenyang, in the northeast of China. The Delegation from Serbia visited companies from the metalworking industry, rubber and light industry - textiles and fashion industry. During the visit, several conferences and meetings were held at which Serbian businesspeople established contacts aimed at economic cooperation. In addition, they participated in the dialogue of the business and the consortium of industrial and hazardous waste operators, with consultants from the field of environmental protection.

Businesspeople of the Rasina, Raška and Moravica Districts visited the 25th International Business Fair in Mostar

RCCI of the Rasina Administrative District
Kruševac

Companies from the Rasina, Raška and Moravica Districts, 50 of them, visited the 25th International Business Fair in Mostar, which was held from 15 to 17 April 2024, and included significant business discussions with the companies that introduced themselves at one of the most visited and most successful fair events in Bosnia and Herzegovina.

Businesspeople of the Rasina District visited the 48th International Construction Fair SEEBBE

RCCI of the Rasina Administrative District
Kruševac

The Regional Chamber of Commerce and Industry of the Rasina Administrative District of the Chamber of Commerce and Industry of Serbia organized a visit to the 48th SEEBBE International Construction Fair, for 50 representatives of the economy and Local Self-Governments of the Rasina District. This provided the companies with the opportunity to enter new markets, and gave them access to current products and solutions, through an overview of all aspects of the construction industry.

Support of the company Serbia Zijin Mining to farmers from Metovnica

RCCI of the Bor and Zaječar Administrative District
Zaječar

Representatives of the Company Serbia Zijin Mining signed a Contract on Cooperation with local agricultural producers from Metovnica, near Bor, in September 2024. The goal of the signing is to provide the support to local producers and livestock farmers, especially those from the category of socially vulnerable households, and to enable continuous marketing of their products, as well as to support the development of local industry and encourage economic growth. In the coming period, more than two hundred registered agricultural households will be able to sell their livestock and agricultural products to Serbia Zijin Mining.

With hydroseeding to green areas in Majdanpek

RCCI of the Bor and Zaječar Administrative District Zaječar

Environmental Protection Service of the Majdanpek subsidiary of Serbia Zijin Copper points out that the company has so far covered 130,000 square meters with a green "carpet" in the greening and recultivation of degraded land in Majdanpek, and that 2,000 square meters of inaccessible areas have been greened, with the hydroseeding technique, by which the annual plan of reclamation of degraded land is already exceeded. Recultivation prevents soil erosion and greatly improves the quality of ambient air. Hydroseeding is a new greening technique, which is mostly used in Italy. In Serbia, it has so far been used only to stabilize terrain along highways, because the technique is not cheap at all.

Autostop Interiors - the first Family Friendly company in the automotive industry in Serbia

RCCI of the Jablanica and Pčinja Administrative District Leskovac

The Company Autostop Interiors continuously works on developing a working environment that supports the success and satisfaction of employees, both professionally and personally. As a result of successful operations and the creation of a positive business environment, Autostop Interiors became the first company in the automotive industry in Serbia to receive the prestigious certification - Family Friendly Enterprise.

The City of Leskovac won the Eco-Municipality Award for the second time

RCCI of the Jablanica and Pčinja Administrative District Leskovac

At the competition in the Sustainable Water Management category, the City of Leskovac won the Eco-Municipality award for the second time, which was presented to the Mayor of Leskovac. This city has always strived to improve its system of communal infrastructure and stand side by side with the cities of Europe.

Cross-border Conference Europe in the Balkans: a Common Future

RCCI of the Nišava, Pirot and Toplica Administrative District Niš

Cross-border Conference of the project Europe in the Balkans: a common future was held simultaneously in Belgrade and Vidin (Bulgaria), on 14 June 2024. The project Europe in the Balkans: a common future is implemented by BTA, with the support of the European Commission, and builds on the already realized project called Europe in Bulgaria: a common future. The goals of the project are: better understanding of the role of cohesion policy, with an emphasis on the Balkans, raising awareness of projects financed by the EU through cohesion policy, promoting an open dialogue on the results of its implementation at the local level, as well as civic participation in issues related to cohesion policy. The representative of the CCIS - RCCI Niš introduced the participation of this chamber in cross-border cooperation projects, which has lasted for more than two decades, and pointed out, among other things, that in addition to the Cross-Border Cooperation Programme of Serbia and Bulgaria, this Chamber also participates in other programmes financed by the EU.

A Delegation of Chinese businesspeople visited the Niš region

RCCI of the Nišava, Pirot and Toplica Administrative District Niš

At the initiative of the Naissus Business Club, on 19 January 2024, a bilateral meeting of local businesspeople was held with a Delegation of the People's Republic of China and representatives of the Canton Chamber of Commerce and Industry. The aim of the meeting was to promote economic and trade exchange between the Chinese Province of Guangdong and the economic potential of the Nišava, Pirot and Toplica Districts, in order to create a long-term environment that will encourage the growth and development of business relations between Serbian and Chinese companies.

Office for the Cooperation of the Cities of Niš and Lishui opened

RCCI of the Nišava, Pirot and Toplica Administrative District Niš

The Office for the Cooperation of the Cities of Niš and Lishui (China) was opened in Niš, on 23 September 2024. On that occasion, a Protocol of Intentions was signed, which foresees the continuation of the promotion of trade of goods and services, as well as the organization of mutual visits and dialogues.

Agreement between Serbia and Uganda to conquer new African markets

RCCI of the Nišava, Pirot and Toplica Administrative District Niš

The city of Niš hosted the first meeting of the Joint Commission for Trade Cooperation between the Republic of Serbia and the Republic of Uganda. At the meeting, held on 25 October 2024, a Memorandum of Understanding in the field of air transport was signed, as well as an Agreement on Air Transport between the Government of the Republic of Serbia and the Government of the Republic of Uganda. This opens the door to increasing the volume of cargo transport and trade between the two countries, which will have the opportunity to place their goods on third markets, i.e. on the territory of Europe in the case of Uganda's economy, and in the markets of Africa, in the case of our country. It was especially emphasized that the common goal is that the trade between Serbia and Uganda exceeds 100 million euros, and that it continues to grow in the coming years.



ECONOMIC ACTIVITY

in the Metalworking and Power Industry

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) in metalworking and power industry, in 2023, amounted to about EUR 3.6 billion, which accounts for 5.7% of the total realized GVA of the Republic of Serbia, with the real growth rate of 12.0%.

In the structure of gross value added of the section of manufacturing, the share of manufacture of motor vehicles, trailers and semi-trailers is 11.5% (EUR 1.1 billion). The recorded GVA in the manufacture of fabricated metal products, except machinery and equipment amounts to EUR 826.0 million (8.3% of

GVA in the section of manufacturing), and in the manufacture of basic metals EUR 464.0 million (4.6% of GVA in the section of manufacturing). The realized gross value added in other activities of metalworking and power industry is significantly lower than in the above mentioned activities.

The highest year-on-year GVA growth was recorded in the manufacture of computer, electronic and optical equipment (49.5%), manufacture of basic metals (29.8%) and manufacture of motor vehicles, trailers and semi-trailers (22.8%), whereas the highest year-on-year drop was registered in manufacture of fabricated metal products, except machinery and equipment (-5.7%).

Gross value added (GVA) in metalworking and power industry, 2023

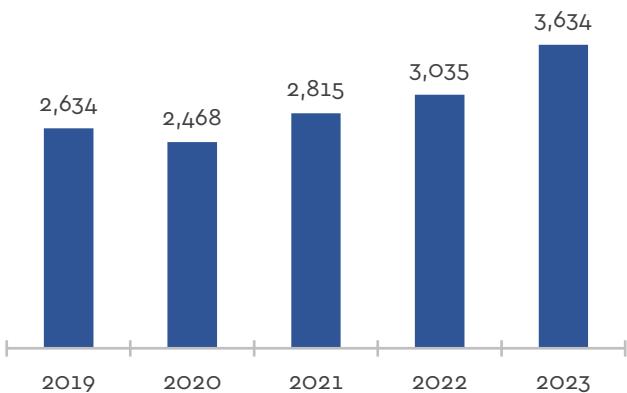
Code of section and activity divisions	GVA, by sections and activity divisions of CA (2010)	Share in GVA, in %		Real growth rates (2022 = 100, %)
		in total	by section	
	Republic of Serbia	100.0	-	4.8
Section C	Manufacturing	15.6	100.0	0.9
Division 24	Manufacture of basic metals	0.7	4.6	29.8
Division 25	Manufacture of fabricated metal products, except machinery and equipment	1.3	8.3	-5.7
Division 26	Manufacture of computer, electronic and optical products	0.3	2.2	49.5
Division 27	Manufacture of electrical equipment	0.7	4.6	3.0
Division 28	Manufacture of machinery and equipment n.e.c.	0.5	3.2	4.5
Division 29	Manufacture of motor vehicles, trailers and semi- trailers	1.8	11.5	22.8
Division 30	Manufacture of other transport equipment	0.1	0.4	15.0
Division 33	Repair and installation of machinery and equipment	0.3	1.6	3.6

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

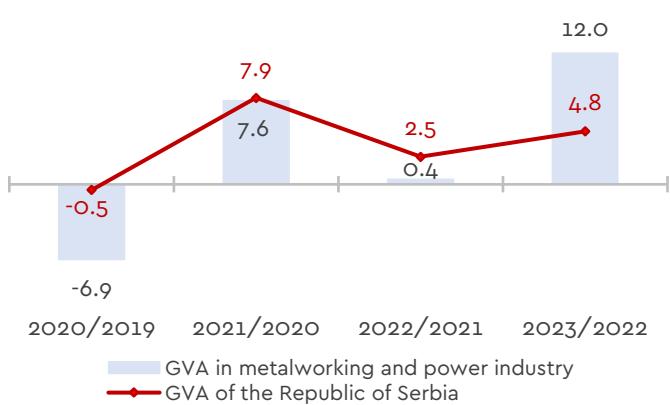
Note:

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 metalworking and power industry
(in EUR million)**



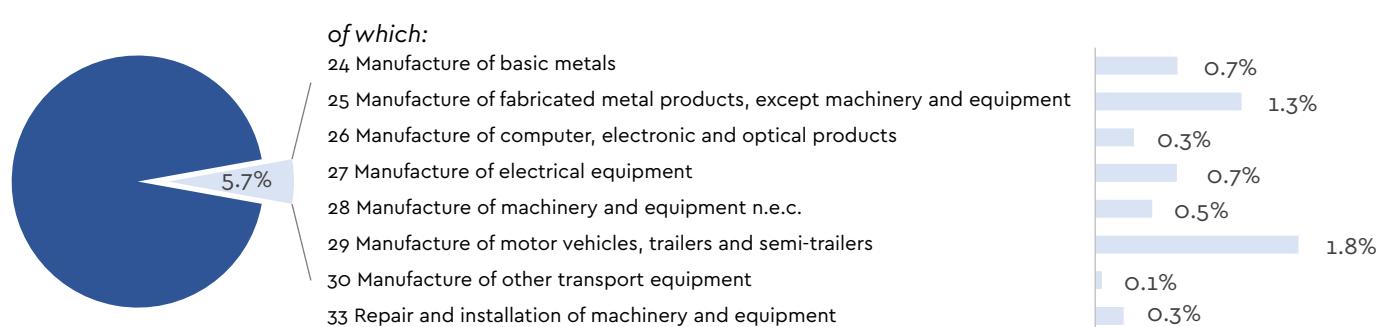
**GVA, real growth, in constant prices
of the previous year, in metalworking
and power industry (in %)**



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

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

**Share of GVA in metalworking and power industry in GVA of the Republic of Serbia,
2023 (in %)**



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

Note: For the calculation of GVA in metalworking and power industry, the following areas of activity are included according to CA(2010): 24-Manufacture of basic metals, 25-Manufacture of fabricated metal products, except machinery and equipment, 26-Manufacture of computer, electronic and optical products, 27-Manufacture of electrical equipment, 28-Manufacture of machinery and equipment n.e.c., 29-Manufacture of motor vehicles, trailers and semi-trailers, 30-Manufacture of other transport equipment, 33-Repair and installation of machinery and equipment.

Companies and Entrepreneurs

According to the calculations of the CCIS, and based on the data of the Business Registers Agency, in 2024, 5,863 companies operated in metalworking and power industry, which accounts for 4.3% of the total registered companies in the Republic of Serbia. Out of that number, the majority of companies are registered for manufacture of fabricated metal products, except machinery and equipment (43.0%).

Much lower number of companies operated in the manufacture of machinery and equipment n.e.c (16.8%) and manufacture of computer, electronic and optical products (13.5%), whereas the lowest number of active companies was in the manufacture of other transport equipment (2.4%).

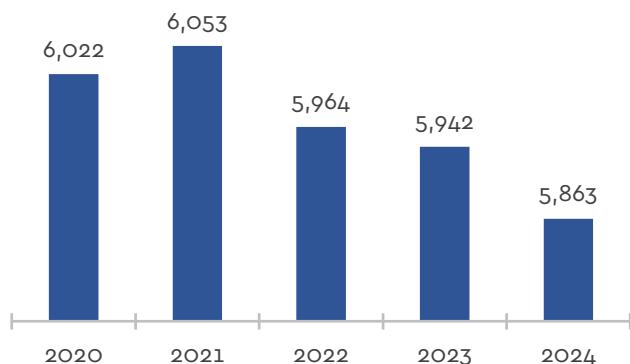
In addition to companies, in 2024, about 14,019 entrepreneurs were engaged in metalworking and power industry.

Active companies and entrepreneurs engaged in metalworking and power industry, 2024

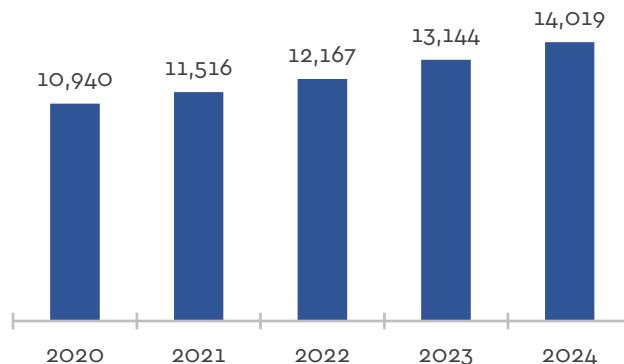
Code of section and activity divisions	Active companies and active entrepreneurs	Active companies		Active entrepreneurs	
		number	year-on-year change, in %	number	year-on-year change, in %
	Republic of Serbia	137,871	0.4	353,010	7.0
Section C	Manufacturing	19,118	-2.5	48,361	3.7
Division 24	Manufacture of basic metals	176	-2.8	141	-2.1
Division 25	Manufacture of fabricated metal products, except machinery and equipment	2,520	-1.3	8,545	6.3
Division 26	Manufacture of computer, electronic and optical products	790	-2.0	477	2.8
Division 27	Manufacture of electrical equipment	520	-0.8	257	-0.4
Division 28	Manufacture of machinery and equipment n.e.c.	985	-2.0	668	1.2
Division 29	Manufacture of motor vehicles, trailers and semi-trailers	278	0.7	257	3.2
Division 30	Manufacture of other transport equipment	141	0.0	80	9.6
Division 33	Repair and installation of machinery and equipment	453	-0.7	3,594	10.4
TOTAL		5,863	-1.3	14,019	6.7

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

Number of companies in metalworking and power industry



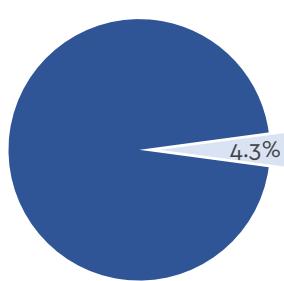
Number of entrepreneurs in metalworking and power industry



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

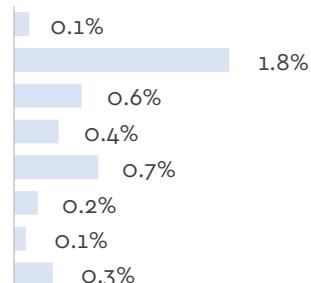
Source: Serbian Business Registers Agency (SBRA), precalculation by CCIS.

Share of the number of companies in metalworking and power industry in the total number in the Republic of Serbia, 2024 (in %)



of which:

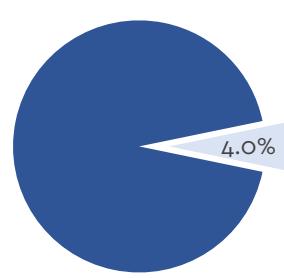
- 24 Manufacture of basic metals
- 25 Manufacture of fabricated metal products, except machinery and equipment
- 26 Manufacture of computer, electronic and optical products
- 27 Manufacture of electrical equipment
- 28 Manufacture of machinery and equipment n.e.c.
- 29 Manufacture of motor vehicles, trailers and semi-trailers
- 30 Manufacture of other transport equipment
- 33 Repair and installation of machinery and equipment



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

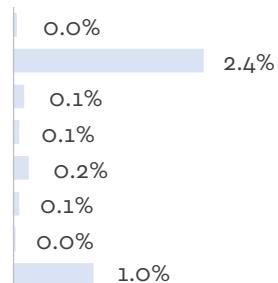
Note: For the calculation of the number of companies in metalworking and power industry, the following areas of activity are included according to CA(2010): 24-Manufacture of basic metals, 25-Manufacture of fabricated metal products, except machinery and equipment, 26-Manufacture of computer, electronic and optical products, 27-Manufacture of electrical equipment, 28-Manufacture of machinery and equipment n.e.c., 29-Manufacture of motor vehicles, trailers and semi-trailers, 30-Manufacture of other transport equipment, 33-Repair and installation of machinery and equipment.

Share of the number of entrepreneurs in metalworking and power industry in the total number in the Republic of Serbia, 2024 (in %)



of which:

- 24 Manufacture of basic metals
- 25 Manufacture of fabricated metal products, except machinery and equipment
- 26 Manufacture of computer, electronic and optical products
- 27 Manufacture of electrical equipment
- 28 Manufacture of machinery and equipment n.e.c.
- 29 Manufacture of motor vehicles, trailers and semi-trailers
- 30 Manufacture of other transport equipment
- 33 Repair and installation of machinery and equipment



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

Note: For the calculation of the number of entrepreneurs in metalworking and power industry, the following areas of activity are included according to CA(2010): 24-Manufacture of basic metals, 25-Manufacture of fabricated metal products, except machinery and equipment, 26-Manufacture of computer, electronic and optical products, 27-Manufacture of electrical equipment, 28-Manufacture of machinery and equipment n.e.c., 29-Manufacture of motor vehicles, trailers and semi-trailers, 30-Manufacture of other transport equipment, 33-Repair and installation of machinery and equipment.

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 2023, amounted to EUR 160.7 billion, which constitutes a year-on-year growth of 5.5%. In 2023,

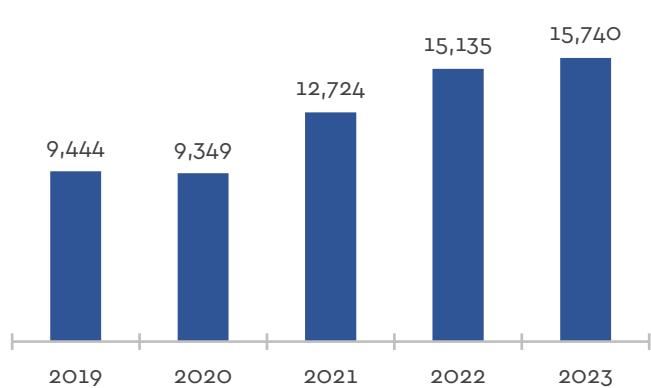
the metalworking and power industry recorded the total turnover of EUR 15.7 billion, which accounts for 9.8% of the recorded turnover in the non-financial business economy in the observed year. Since 2019, the metalworking and power industry has recorded a growth of turnover.

Turnover in metalworking and power industry, 2023

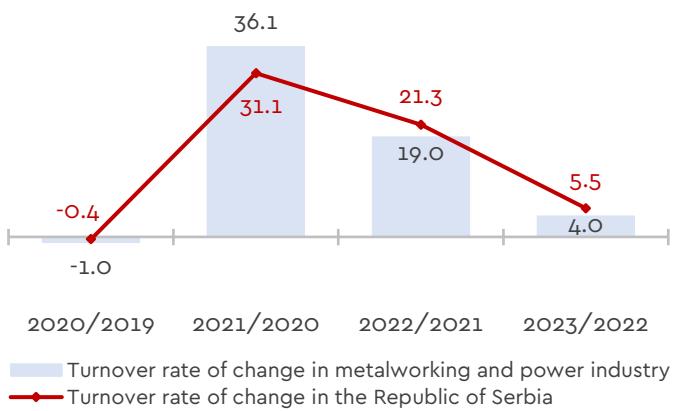
Code of section and activity divisions	Turnover in non-financial sector	in million EUR	year-on-year change, in %
Republic of Serbia		160,680	5.5
Section C	Manufacturing	44,538	-0.6
Division 24	Manufacture of basic metals	3,083	-16.3
Division 25	Manufacture of fabricated metal products, except machinery and equipment	3,709	3.5
Division 26	Manufacture of computer, electronic and optical products	788	5.3
Division 27	Manufacture of electrical equipment	1,995	2.3
Division 28	Manufacture of machinery and equipment n.e.c.	1,438	6.6
Division 29	Manufacture of motor vehicles, trailers and semi-trailers	4,157	24.7
Division 30	Manufacture of other transport equipment	185	9.5
Division 33	Repair and installation of machinery and equipment	385	21.2
TOTAL		15,740	4.0

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

Turnover in metalworking and power industry (in EUR million)



Year-on-year turnover rate in metalworking and power industry (in %)



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

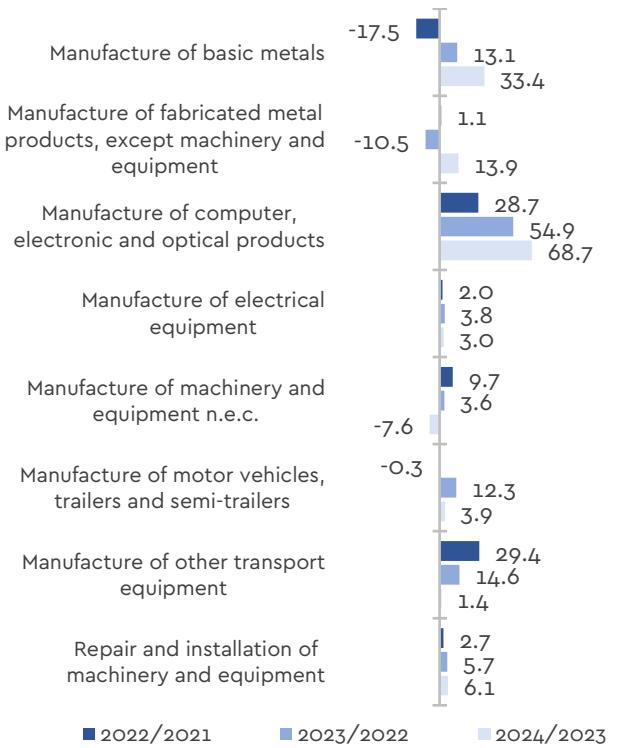
Source: SORS, precalculation by Centre for SAAPP (CCIS).

Industrial Production

In 2024, in the section of manufacturing, industrial production grew by 4.7% as compared with 2023. If the period from 2020 is observed, it is noticed that this economic indicator has recorded a continued year-on-year growth.

In the activity of manufacture of computer, electronic and optical products, in 2024, the industrial production increased by 68.7% as compared with the previous year, in the manufacture of basic metal by 33.4%, and in the manufacture of fabricated metal products, except machinery and equipment by 13.9%. In all activities of metalworking and power industry, the level of industrial production increased in 2024, as compared with the previous year, except in the manufacture of machinery and equipment n.e.c, where production decreased by 7.6%. In the five-year period (2020–2024), in the activity of manufacture of other transport equipment, the highest average annual growth in industrial production of 36.6% was recorded.

Year-on-year rate of change in industrial production in metalworking and power industry (in %)



Source: SORS.



Employment

According to the data of the Statistical Office of the Republic of Serbia, in 2024, the total of 2.3 million employees were registered in the Republic of Serbia at legal entities and with entrepreneurs. In 2024, the number of employees at legal persons and with entrepreneurs in metalworking and power industry reached 203,090, unchanged level compared with 2023.

The majority of employees are in the motor vehicles, trailers and semi-trailers, 68,145 (y-o-y

growth of 1.2%), in the manufacture of fabricated metal products, except machinery and equipment, there are 55,181 employees (y-o-y growth of 1.9%), whereas the lowest number of employees is in the manufacture of other transport equipment, 2,491 (y-o-y growth of 4.7%).

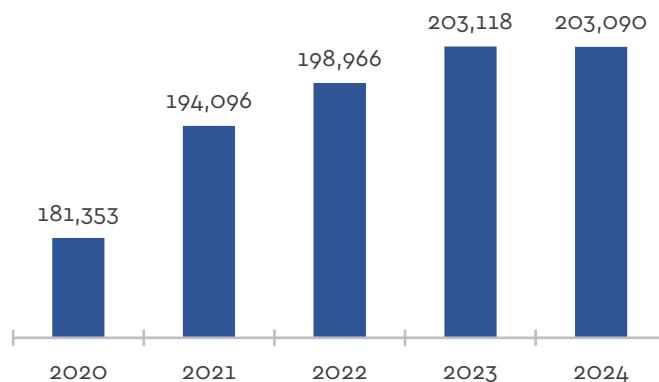
In the total number of employees in the Republic of Serbia, the share of employees in metalworking and power industry is 8.8%. The five-year average growth of employees (2020–2024) in the above industries amounts to 2.9%.

**Registered employment in metalworking and power industry,
2024**

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	2,319,535	0.5	100.0	-
Section C	Manufacturing	497,939	-0.8	21.5	100.0
Division 24	Manufacture of basic metals	15,333	-3.9	0.7	3.1
Division 25	Manufacture of fabricated metal products, except machinery and equipment	55,181	1.9	2.4	11.1
Division 26	Manufacture of computer, electronic and optical products	7,631	3.3	0.3	1.5
Division 27	Manufacture of electrical equipment	25,790	-2.7	1.1	5.2
Division 28	Manufacture of machinery and equipment n.e.c.	17,568	-2.2	0.8	3.5
Division 29	Manufacture of motor vehicles, trailers and semi-trailers	68,145	1.2	2.9	13.7
Division 30	Manufacture of other transport equipment	2,491	4.7	0.1	0.5
Division 33	Repair and installation of machinery and equipment	10,951	-4.2	0.5	2.2
TOTAL		203,090	0.0	8.8	

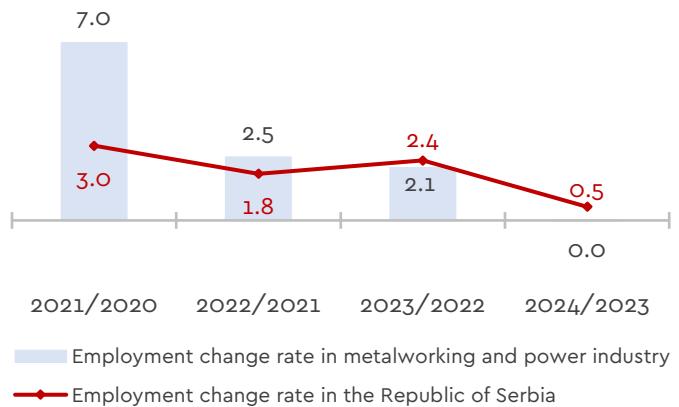
Source: SORS, precalculation by Centre for SAAPP (CCIS).

Number of employees in metalworking and power industry

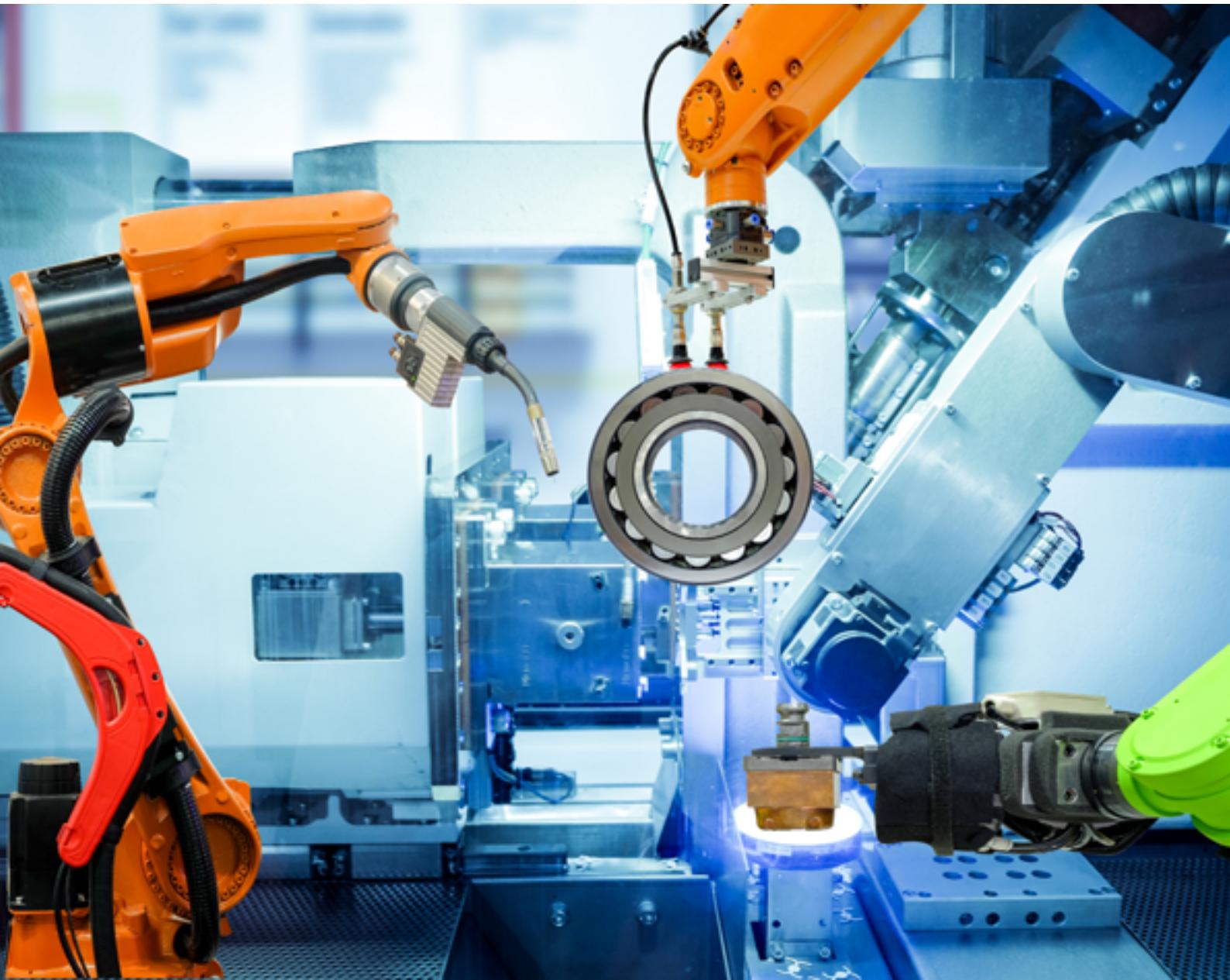


Source: SORS, precalculation by Centre for SAAPP (CCIS).

Year-on-year rate of change in employment in metalworking and power industry (in %)



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

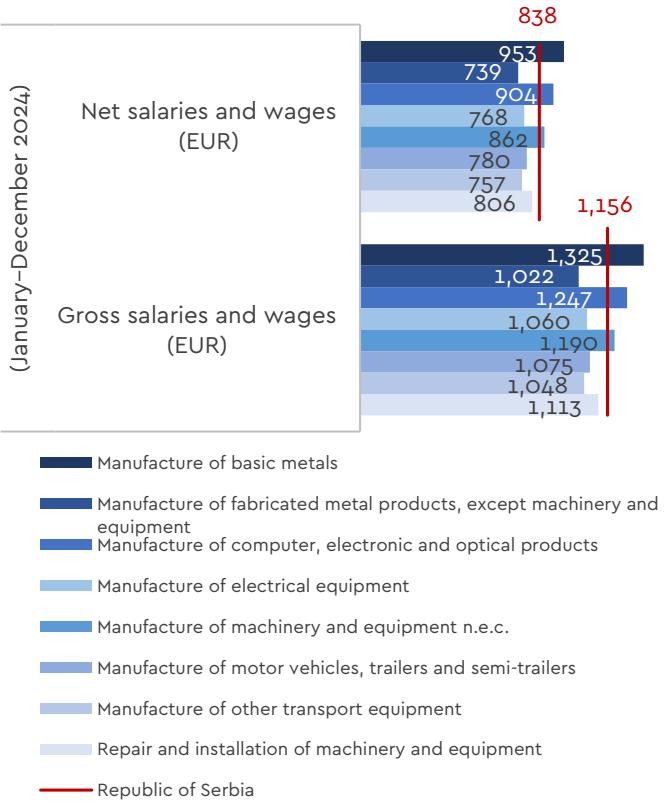


Salaries and Wages

In the period January–December 2024, the average salaries and wages paid out in the Republic of Serbia amounted to EUR 1,156, whereas the average salaries and wages without taxes and contributions (net) stood at EUR 838. The growth in gross and net salaries and wages, in the period January–December 2024, as compared with the same period in 2023, amounted to 14.2% nominally, i.e. 9.2% in real terms.

In 2024, the highest average salaries and wages were paid out in the manufacture of basic metals (EUR 1,325) and they were higher by 14.6% as compared with the average salaries and wages in the Republic of Serbia. In the manufacture of computer, electronic and optical equipment the average salaries and wages are higher as compared with the Republic average by 7.8%. The lowest salaries and wages were recorded in the manufacture of fabricated metal products, except machinery and equipment, EUR 1,022 (11.6% below the republic average), and manufacture of other transport equipment (9.4% below the republic average).

Salaries and wages, January–December 2024 (in EUR)



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



Average gross salaries and wages in metalworking and power industry, 2024

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	1,156	14.2	9.2	838	14.1	9.1
Section C	Manufacturing	1,018	16.1	11.0	738	16.1	11.0
Division 24	Manufacture of basic metals	1,325	13.9	8.9	953	13.9	8.9
Division 25	Manufacture of fabricated metal products, except machinery and equipment	1,022	17.0	11.9	739	17.0	11.9
Division 26	Manufacture of computer, electronic and optical products	1,247	8.4	3.6	904	8.2	3.4
Division 27	Manufacture of electrical equipment	1,060	16.1	11.0	768	16.1	11.0
Division 28	Manufacture of machinery and equipment n.e.c.	1,190	15.4	10.3	862	15.4	10.3
Division 29	Manufacture of motor vehicles, trailers and semi-trailers	1,075	15.7	10.6	780	15.6	10.5
Division 30	Manufacture of other transport equipment	1,048	17.3	12.1	757	17.1	12.0
Division 33	Repair and installation of machinery and equipment	1,113	18.5	13.3	806	18.5	13.3

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



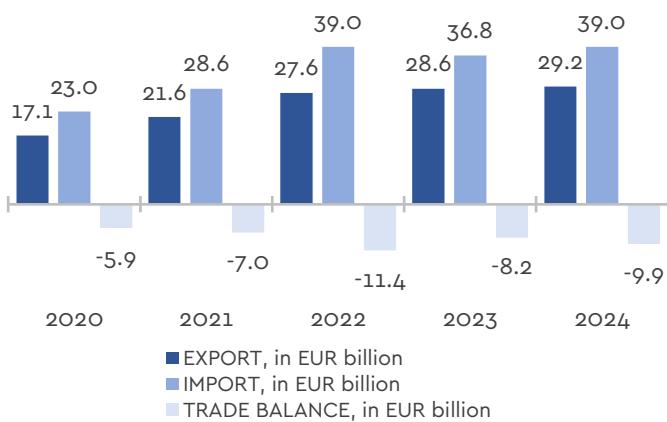
Foreign Trade

In 2024, the export of metals, fabricated metal products, electrical equipment, machinery, motor vehicles and other transport equipment amounted to EUR 10.6 billion, which is higher by 8.6% as compared with 2023 and, at the same time, accounts for 36.4% of the total goods export of the Republic of Serbia. The metalworking and power industry have the largest impact on the total export of the Republic of Serbia. The average annual export growth rate in the five-year period (2020–2024) amounts to 16.9%.

In 2024, the value of import amounted to nearly EUR 11.1 billion, which is higher by 11.6% as compared to 2023, and accounts for 28.5% of the total import of the Republic of Serbia. The average annual import growth rate in the five-year period (2020–2024) amounts to 12.8%.

The deficit in foreign trade in these products amounted to nearly EUR 503.9 million, with the coverage of import by export of 95.5%. Since 2020, the deficit in foreign trade of these products continuously increased, until 2023 when it decreased to the lowest level since the beginning of the observed period (EUR 181.3 million). The highest deficit was recorded in the trade in machines and equipment and amounts to EUR 1.1 billion.

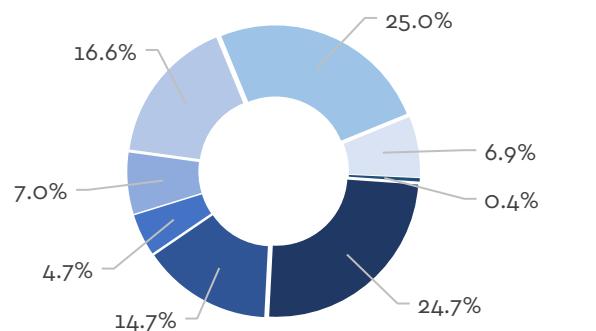
Foreign trade in metals, fabricated metal products, electrical equipment, machinery, motor vehicles and other transport equipment



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



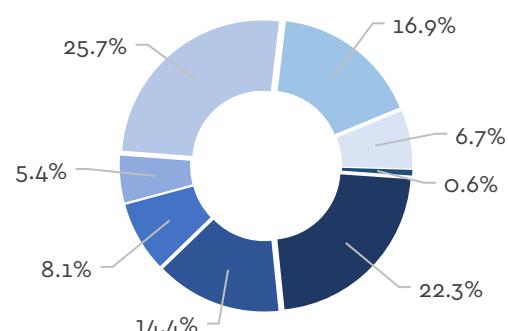
Export structure of metals, metal products, electrical equipment, machinery, motor vehicles and other means of transport, 2024 (in %)



- Manufacture of basic metals
- Manufacture of fabricated metal products, except machinery and equipment
- Manufacture of computer, electronic and optical products
- Manufacture of electrical equipment
- Manufacture of machinery and equipment n.e.c.
- Manufacture of motor vehicles, trailers and semi-trailers
- Manufacture of other transport equipment
- Repair and installation of machinery and equipment

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

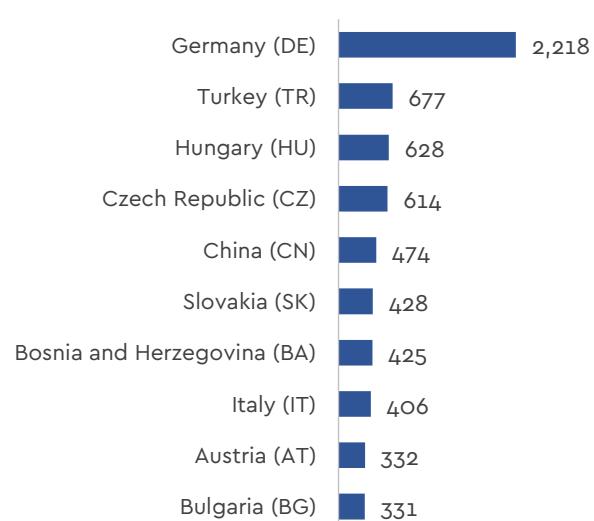
Import structure of metals, metal products, electrical equipment, machinery, motor vehicles and other means of transport, 2024 (in %)



- Manufacture of basic metals
- Manufacture of fabricated metal products, except machinery and equipment
- Manufacture of computer, electronic and optical products
- Manufacture of electrical equipment
- Manufacture of machinery and equipment n.e.c.
- Manufacture of motor vehicles, trailers and semi-trailers
- Manufacture of other transport equipment
- Repair and installation of machinery and equipment

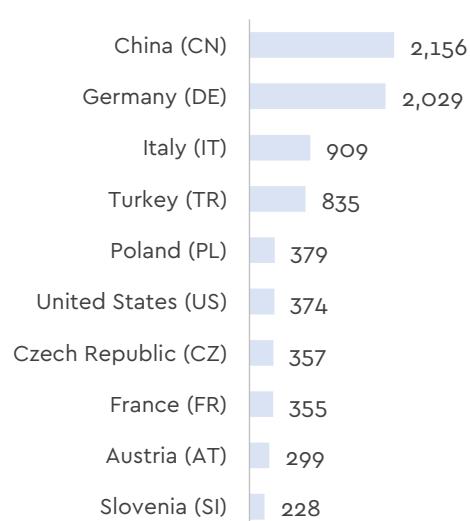
Source: SORS, precalculation by Centre for SAAPP (CCIS).

Export of metals, metal products, electrical equipment, machinery, motor vehicles and other means of transport, by country, 2024 (in EUR million)



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

Import of metals, metal products, electrical equipment, machinery, motor vehicles and other means of transport, by country, 2024 (in EUR million)



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

Total Realized Investments

The total realized investments in fixed assets in metalworking and power industry, in 2023, amounted to EUR 1.1 billion, out of which 37.7% was realized in the manufacture of motor vehicles, trailers and semi-trailers (EUR 430.2 million), 20.7% in the manufacture of basic metals (EUR 236.2 million), 20.0% in the manufacture of electrical equipment (EUR 228.4 million) and 10.7% in the manufacture of machinery and equipment n.e.c (EUR 121.9 million).

In the structure of these investments, the investments in domestic and imported equipment had the largest share (80.3%). Lower investments were made in buildings and civil engineering (17.2%), whereas the remaining 2.4% accounts for investments in intellectual property – research and development, software, databases and other.

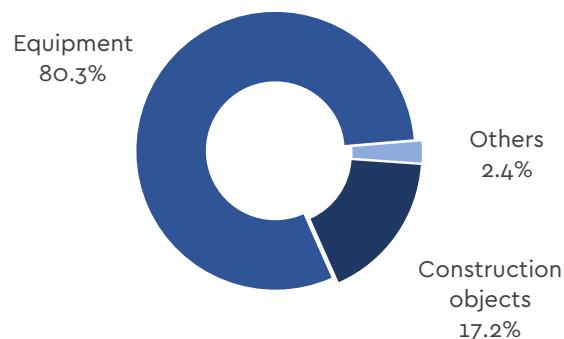
Foreign Direct Investments

According to the preliminary data of the National bank of Serbia, in 2024, the total net inflow of FDIs in the Republic of Serbia, on ground of investments of non-residents, amounted to EUR 5.2 billion.

In the manufacture of metal, metal products, electrical equipment, machines, motor vehicles and other transport equipment the net inflow of FDIs of EUR 409.4 million was recorded, which accounts for 7.9% of total FDIs in the Republic of Serbia. The highest inflow of FDIs in 2024 was recorded in the manufacture of motor vehicles, trailers and semi-trailers (EUR 353.1 million).

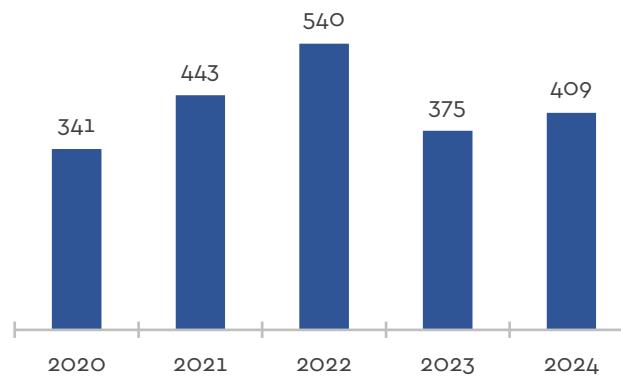
In the five-year period (2020–2024) the total net inflow of FDIs in metalworking and power industry amounted to EUR 2.1 billion, and the highest inflow was recorded in 2022 (EUR 539.8 million).

Structure of realized investments in fixed assets in metalworking and power industry, 2023



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

Net FDI inflow, based on non-residents' investments, annual data (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 basic metals and fabricated metal products, except machinery and equipment; Manufacture of computers, electronic and optical products; Manufacture of machinery and equipment n.e.c.; Manufacture of motor vehicles, trailers and semi-trailers; Manufacture of other transport equipment; Manufacture of air and spacecraft and related machinery**. 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 metalworking and power industry state that in the structure of investments the following items have the largest share: imported equipment (39.5% of realized investments in 2024, i.e. 41.1% of total planned investments in 2025), construction buildings (24.4% of realized investments and 22.9% of total planned investments), and are least interested in investing in fixed working capital (8.1% of realized investments, i.e. 8.6% of planned investments in 2025) and intellectual property (only 3.9% of the realized investments, i.e. 4.2% of planned investments).

Financing

In 2024, the largest number of the surveyed companies in metalworking and power industry mainly used their own assets in business operations (82.3%) and loans (14.8%). Budget incentives (1.6%) and other sources of financing (1.3%) have a negligible share in the structure of sources of financing.

Incentives

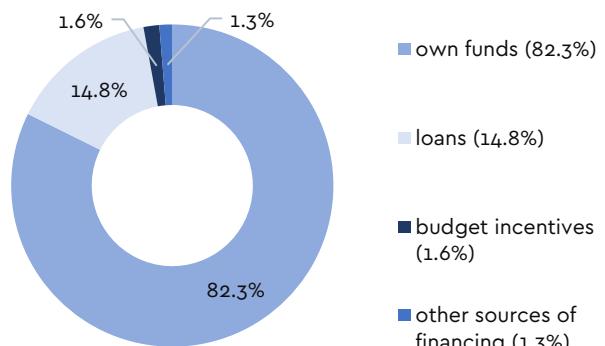
In 2024, the incentives of state institutions and local self-governments were used by 15.5% of the surveyed companies in metalworking and power industry, whereas 77.0% of the respondents stated that they did not apply for these funds.

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



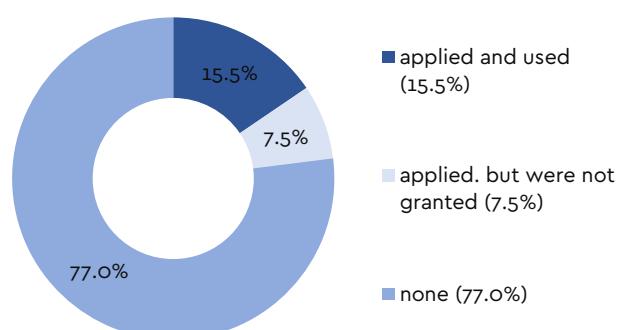
Source: CCIS Survey on Business Activity of the Domestic Economy (n realized = 111, n planned = 126).

Structure of the sources of financing in 2024 (% of respondents)



Source: CCIS Survey on Business Activity of the Domestic Economy (n=200).

Did you apply for any subsidies granted by state institutions or local self-governments in 2024? (% of respondents)



Source: CCIS Survey on Business Activity of the Domestic Economy (n=200).

The number of the surveyed companies in metalworking and power industry is indicated by the letter "n" (sample size).

ECONOMIC ACTIVITY

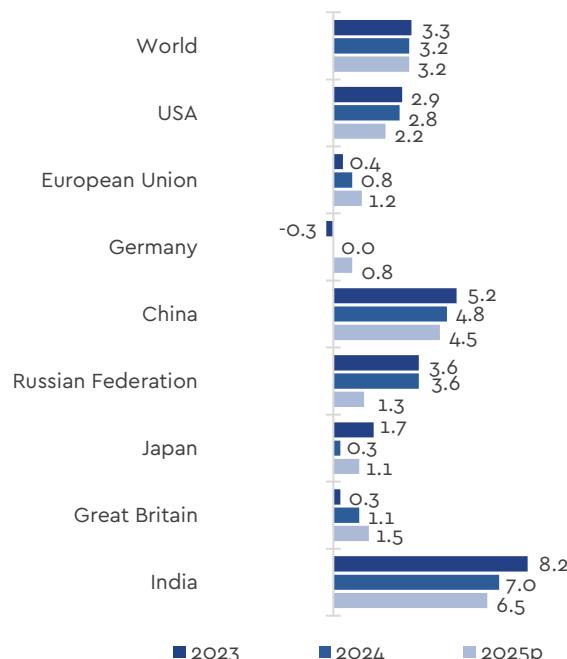
Macroeconomic Overview

In 2024, the global economy was characterized by growing risks due to increased geopolitical conflicts in the world, economic fragmentation and strengthening of state protectionism, the return of inflation to the target range and the cautious start of expansionary monetary policy, along with political instability and uncertainty. Europe, faced by the above risks, has not managed to cope with economic, political and technological challenges even in 2024, which is the main inhibiting factor in a faster exit from the crisis situation. The election process in the US and the victory of Donald Trump triggered the so-called domino effect, and political changes were also recorded in countries such as Germany, France, Canada.

While the West is struggling with political changes that could lead to strategic oscillations in the further development of its economies, China is advancing technologically and is moving towards the strategic goal of strengthening its position in the coming years. The tightening of relations between the world's largest economies has been in effect for years, and it has been further intensified by the West's increase in tariffs on imports of products from China, as well as a comprehensive package of sanctions against the Russian Federation. On the other hand, it can be said that Inflation has been brought back within the target range and the world's leading central banks have begun to lower interest rates, which has meant cheaper loans to businesses and population thus boosting both economic activity and household consumption.

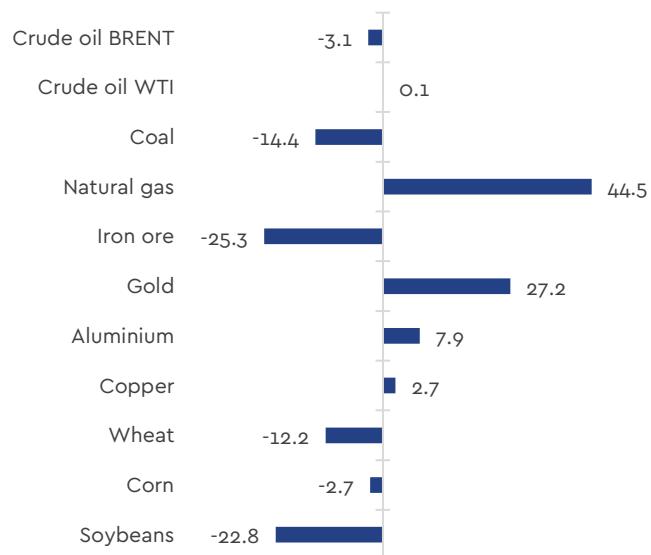
According to the IMF's estimate, the world economy recorded growth of 3.2% in 2024, with China (4.8%) and India (7.0%) being the drivers of this growth. If the impact of these two economies were excluded, only the Russian Federation (3.6%) and the US (2.8%) had growth at the average level. All other countries have recorded anemic growth, hence the European Union achieved an acceleration of economic activity of only 0.8%, whereas the largest economy in this economic bloc, Germany, is in a certain degree of stagnation (0.0%) and has been struggling with recession for several years now.

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 2024 compared to the beginning of the year (in %)



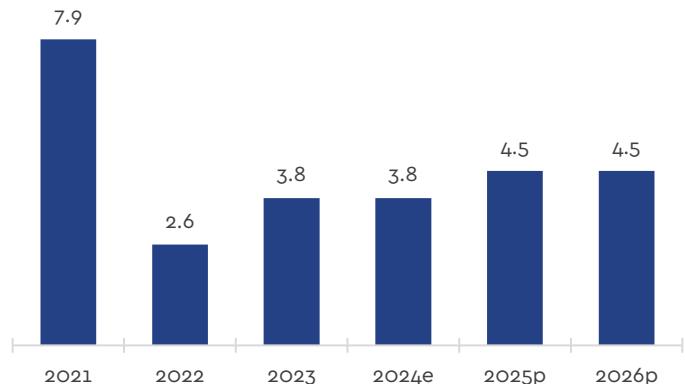
Source: Bloomberg L.P.

The 2025 outlooks are similar to the ones in 2024, and the continued dominance of China and India is expected within this parameter, as well as a slight slowdown in the US (2.2%). Global growth in 2025 will depend most on the European Union's capacity to deal with political conflict in Europe, whether leading economies will overcome problems in the industrial sector, and whether greater central bank monetary stimulus will contribute to reducing technological and economic dependence on the United States.

In 2024, Serbia managed to preserve the stability of its economy and the trust of consumers and investors, with a constant inflow of Foreign Direct Investments, growth in employment and earnings in the private sector, as well as the highest level of foreign exchange reserves. The economy of Serbia had an average quarterly growth of around 4% in 2024 measured by the **real growth rate of gross domestic product**, and given that the positive dynamics of activity in most manufacturing and service sectors continued during October, it is estimated by the economists that annual GDP growth in 2025 will be around 3.8%. Leading economists at the IMF and the World Bank also agree with this projection.

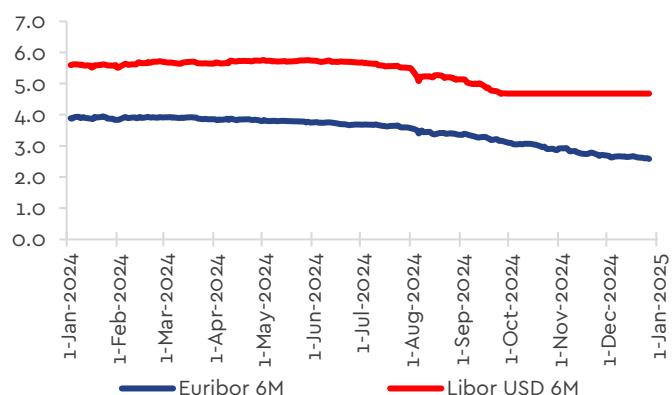
The backbone of economic activity growth in 2025 is infrastructure projects and the recovery of real incomes of citizens (private household consumption). In 2024, the domestic economy recorded an acceleration in the first half of the year, when the drivers of economic growth were the manufacturing, trade, and public administration sectors, however there was a slight slowdown in progress in the second half of the year. In 2025, the growth will still be driven by 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 National Bank of Serbia 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.

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



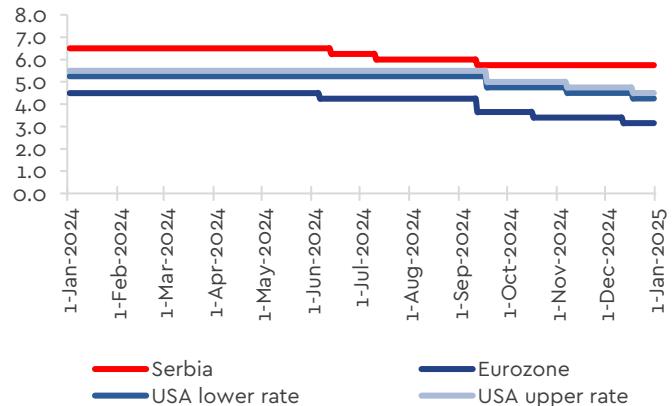
Source: SORS, NBS.
(e – SORS estimate, p – NBS projection)

Interest rates trend in Serbia in 2024



Source: Bloomberg L.P.

Trends in key interest rates in Serbia, Eurozone and USA in the last year



Source: Bloomberg L.P.

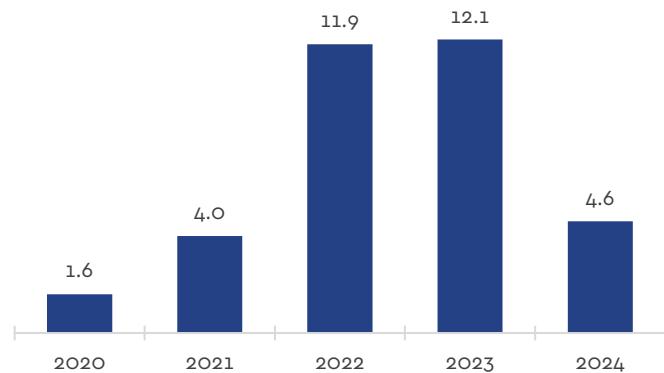
The risks of reaching the target growth rate in 2025 are: energy situation and general uncertainty regarding the functioning of NIS, the consequences of inflation on the part of the population with below-average incomes, slow economic dynamics of key trading partners, sensitive power production system, relatively high borrowing costs for both citizens and business, lack of labor in certain industries, foreign political pressures, regional political disputes, stagnation of EU integration, etc.

In 2024, **the reference interest rate** was reduced three times and currently is 5.75% (as of September 2024). In a large number of economies all over the world, regardless of their level of development, the process of reducing interest rates has been in force, which is aimed at stimulating economic activity at a time when risk factors from the global market have been neutralized and the business environment is stable and predictable. In order to avoid any unwanted effects of this decision, *inter alia*, interest rates were reduced by 25 basis points.

In the period January–December 2024, **the inflation** amounted to 4.6%, which is at the upper limit of the NBS target interval ($3.0\% \pm 1.5$ percentage points). In December 2024, as compared to the same month in 2023, the inflation amounted to 4.3% which shows that it is within the target range on a monthly basis. The National Bank of Serbia states that inflation will be within the projection horizon during 2025. According to the results of the *Ipsos survey* as of November 2024, inflation expectations of the financial sector one year ahead are within the target range (*Ninamedia* November 3.9%, *Bloomberg* December 3.5%), whereas expectations two and three years ahead are within the NBS target range.

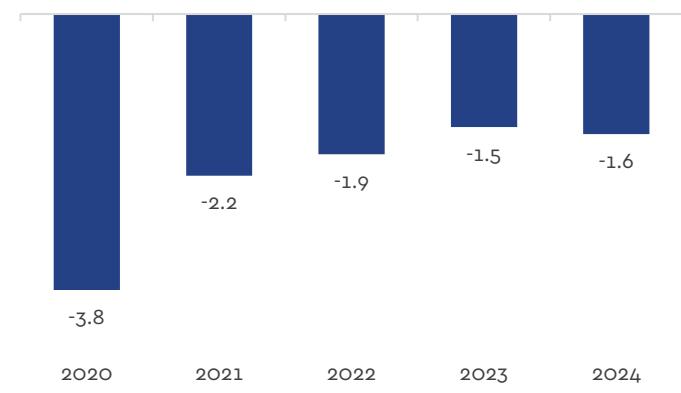
According to the data of the Ministry of Finance, a **consolidated budget deficit** of about EUR 1.6 billion was recorded in the period January–December 2024. At the end of December 2024, the **share of public debt in the GDP of Serbia** was 47.4% which is a decrease of about 60 basis points as compared to the level in December 2023. The medium-term fiscal framework envisages a gradual reduction in the general government deficit to the level of 1.5% of GDP and maintaining the share of public debt

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



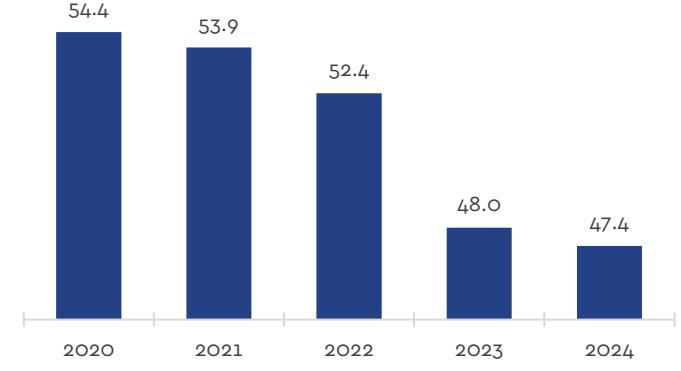
Source: SORS.

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



Source: Ministry of Finance, precalculation by CCIS.

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



Source: Ministry of Finance.

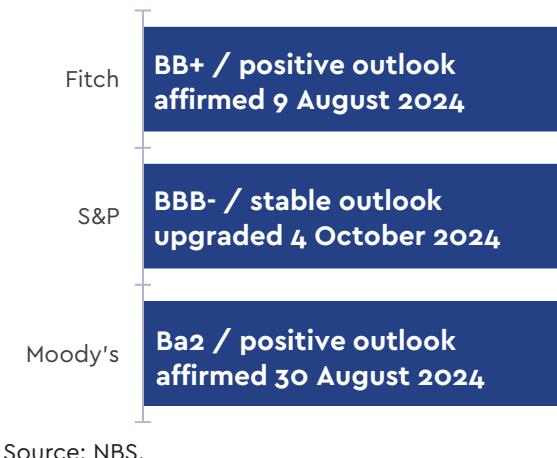
in GDP below the Maastricht limit (60%). On the other hand, the Fiscal Strategy in 2024 predicts a budget deficit of 2.7% of GDP.

In 2024, Serbia was ranked among the countries with an investment grade credit rating for the first time in its history. In October, *Standard and Poor's* increased Serbia's credit rating to the level of "BBB-", whereas, in August, the *Fitch Ratings* ("BB+") and *Moody's* ("Ba2") increased the outlook of increasing a credit rating from stable to positive, therefore, in the coming months we should expect these agencies to rate Serbia with an investment grade, as well. Key factors for obtaining an investment rating include high real GDP growth compared to the pre-pandemic level, doubled foreign exchange reserves, a substantial reduction in the share of public debt in GDP, as well as responsible management of monetary and fiscal policy.

In the period January–December 2024, the **industrial production** increased by 3.1%, as compared with the same period of 2023. The highest growth in production was recorded in the mining sector (7.4%), whereas the manufacturing industry recorded a slightly lower growth (4.7%). A 6.5% decrease was recorded in the electricity, gas, steam and air conditioning supply sector in the same period.

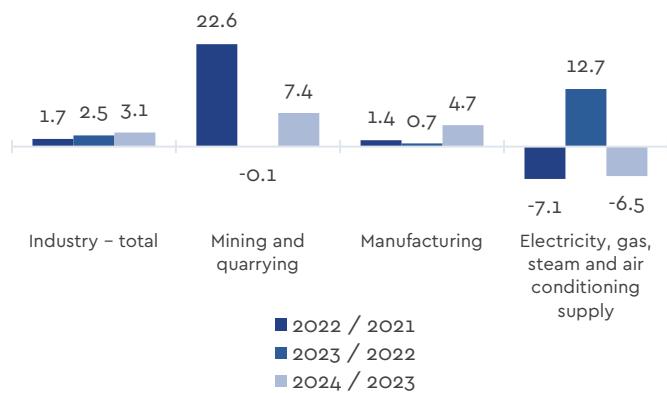
The **total foreign commodity trade** of Serbia, in the period January–December 2024, amounted to EUR 68.2 billion, which is an increase of 4.1% as compared with the same interval of 2023. Goods were exported in the value of EUR 29.2 billion, which is an increase of 1.8%, while the imports of goods amounted to EUR 39.0 billion, with the recorded year-on-year increase of 5.9%. The commodity trade deficit amounted to about EUR 9.9 billion, whereas the coverage of imports by exports decreased year-on-year by around 3 percentage points and amounted to 74.8%. The deficit increased by 19.9% year-on-year, primarily because of a growth in the import of raw and production materials for the purposes of the current investment.

Republic of Serbia's long-term credit rating



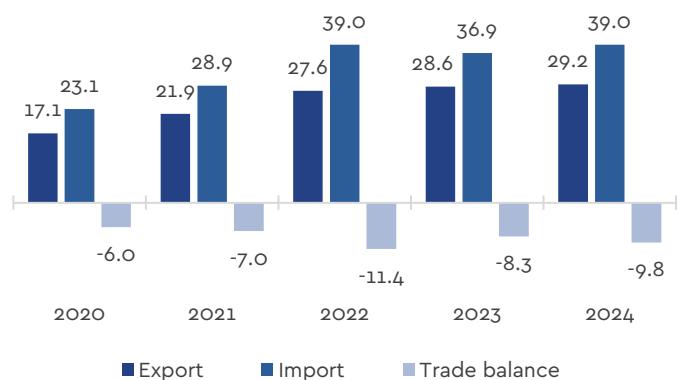
Source: NBS.

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



Source: SORS.

Foreign trade (in EUR billion)



Source: SORS.

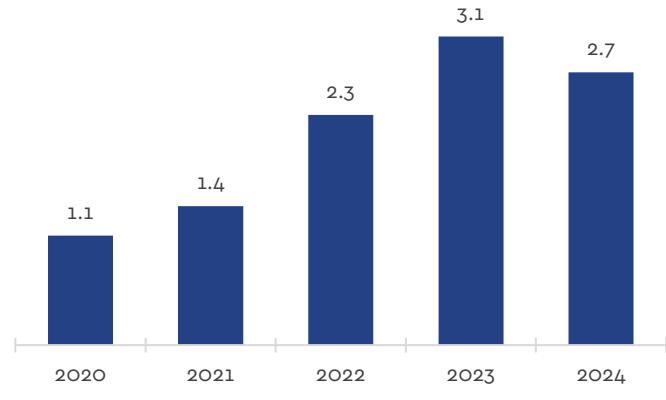
In the period January–December 2024, Serbia reached the **surplus in trade in services** of EUR 2.7 billion, with the year-on-year drop of 11.5%. Taking into account a progressive development of the service sector in recent years, in 2024, this indicator slowed down as it was expected. ICT sector in Serbia (telecommunication services, computer and information services), except for recording excellent export results, increasingly contributes to the total growth in turnover, total number of employees and gross added value, 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.

In the period January–December 2024, Serbia attracted totally EUR 4.6 billion of **net foreign direct investments**, which is the year-on-year increase of 7.9%. FDIs are geographically diversified, as well, with the largest share of inflows of countries from the European Union, which is the main foreign trade and financial partner, but also the growing share of inflows from the Asia-Pacific region.

According to the data of the NBS, in the period January–December of 2024, the **current account balance of payment deficit** amounted to EUR 5.2 billion, which is a significant change having in mind that in the same period of 2023 a deficit in the amount of EUR 1.8 billion was recorded. In 2024, the current account balance of payment deficit accounts for about 5.0% of GDP of the Republic of Serbia, which is within the targets of sustainability.

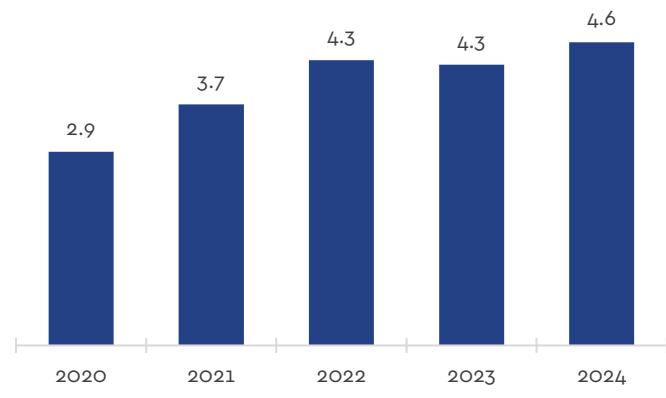
The current account balance of payment deficit in Serbia has been influenced by a faster growth in imports of goods and services than exports, which is largely reflected in the import of equipment for the needs of the investment cycle, as well as consumer goods and tourist services due to higher available income. The inflow of remittances from abroad was recorded in 2024, in the amount of EUR 3.8 billion, mainly from the German speaking countries (Germany, Austria, and Switzerland).

**Surplus in trade in services
(in EUR billion)**



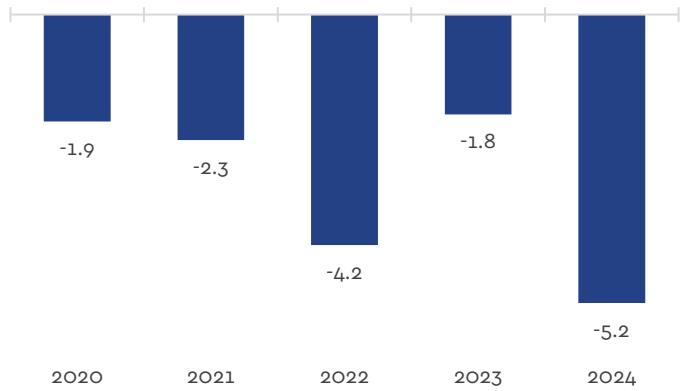
Source: NBS.

**Net FDI
(in EUR billion)**



Source: NBS.

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



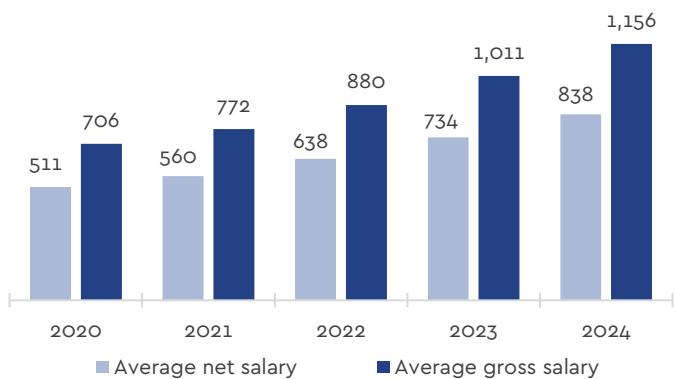
Source: NBS.

The **average gross salary** calculated for the period January–December 2024 amounted to RSD 135,403 (EUR 1,156), while the **average net salary** amounted to RSD 98,143 (EUR 838). As compared with the same period of the previous year, the salaries were higher in real terms by 9.2%. At the same time, medial net salary for December 2024 amounted to RSD 79,624 (EUR 680), which means that 50% of employees earned the salary lower than the above amount.

According to the **Labour Force Survey**, in the fourth quarter of 2024, the number of employees amounted to 2.9 million, whereas 273.1 thousand unemployed persons were registered. The number of residents outside the labor force was 2.5 million. Compared to the same quarter of the previous year, the number of employed persons increased by 50.7 thousand, the number of unemployed persons decreased by 11.6 thousand, as did the number of residents outside the labor force, which decreased by 65.3 thousand. The **employment rate** of the population aged 15 and over increased by 1.1 percentage points and amounted to 51.4%, whereas the **unemployment rate** decreased by 0.5 percentage points and was 8.6%. The rate of the population outside the labor force was 43.7%, which represents a decrease of 1.0 percentage points. The labour market can be characterized as stable.

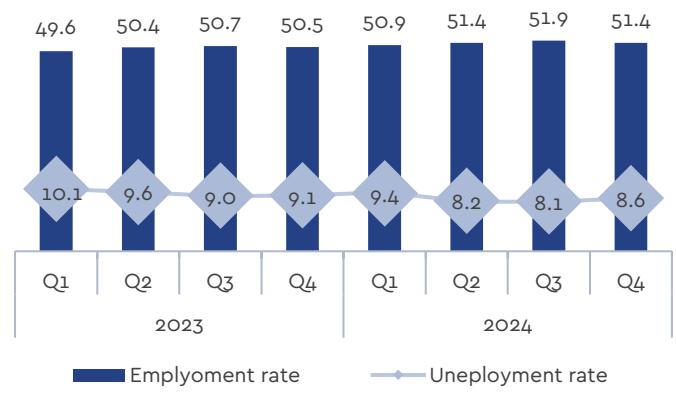
According to the data of the NBS, the domestic **lending activity** speeded up its year-on-year growth in 2024 and is expected to continue to grow in the following period. The loan structure, in 2024, remained favorable in terms of its contribution to the economic growth led by investments with corporate and housing loans with citizens. Corporate loans increased by 4.8% in 2024, and housing loans by 10.4%, with a more dominant growth in dinar loans. In 2024, banks facilitated credit standards for dinar corporate and housing loans, which was contributed by a more favorable assessment of the general economic situation. 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 2.5%.

Average net and gross salary (in EUR)



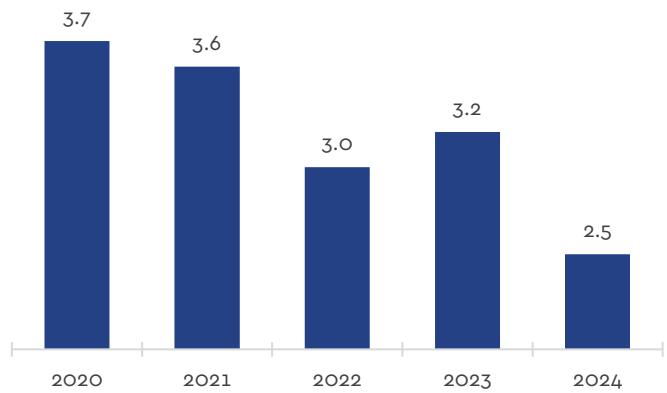
Source: SORS, precalculation by CCIS.

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



Source: SORS.

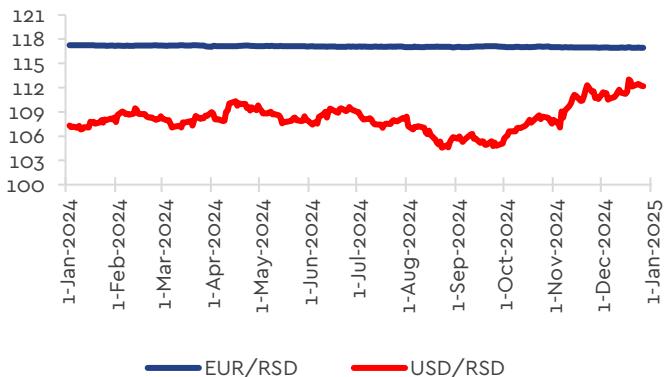
Non performing loans (NPL) share in total loans (in %)



Source: NBS.

The **average foreign exchange rate**, in the period January–December 2024, amounted to 117.0851 dinars to one euro, as well as 108.1965 dinars to one American dollar. Despite numerous economic and geopolitical challenges in 2024, 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 foreign exchange rates in the last year



Source: Bloomberg L.P.

 Macroeconomic Overview edited by the Chamber of Commerce and Industry of Serbia is yearly and quarterly overview of the most important macroeconomic indicators of the national economy. It contains the main macroeconomic performances, current trends, and economic activities shown through the main statistical, monetary and fiscal indicators in a textual or graphical manner.

For more details, please visit the [website](#) of the Chamber of Commerce and Industry of Serbia.



METHODOLOGICAL NOTES

Metalworking and Power Industry, according to the CA (2010), includes fields of activity: Manufacture of basic metals, Manufacture of fabricated metal products, except machinery and equipment, Manufacture of computer, electronic and optical products, Manufacture of electrical equipment, Manufacture of machinery and equipment n.e.c. (engines and turbines, except aircraft, vehicle and cycle engines, fluid power equipment, pumps and compressors, taps and valves, bearings, gears, gearing and driving elements, ovens, furnaces and furnace burners, lifting and handling equipment, power-driven hand tools, non-domestic cooling and ventilation equipment, other general-purpose machinery n.e.c., agricultural and forestry machinery, metal forming machinery and machine tools, machinery for metallurgy, machinery for mining, quarrying and construction, machinery for food, beverage and tobacco processing, machinery for textile, apparel and leather production, machinery for paper and paperboard production, plastics and rubber machinery, other special-purpose machinery n.e.c.), Manufacture of motor vehicles, trailers and semi-trailers, Manufacture of other transport equipment (ships, boats, railway locomotives, rolling stock, air and spacecraft and related machinery, military fighting vehicles, motorcycles, bicycles, invalid carriages, other transport equipment n.e.c.).

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:	2017	2018	2019	2020	2021	2022	2023	2024
EUR/RSD	121.3367	118.2716	117.8524	117.5778	117.5733	117.4588	117.2513	117.0851
USD/RSD	107.4987	100.2784	105.2762	103.0272	99.4925	111.8607	108.4143	108.1965

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 Metalworking and Power Industry

The Association of Metalworking and Power Industry includes the following sectors: metalworking activity, machinery building, manufacture of means of transportation, electrical machines and devices, production of crude metals; metal forging and powder metallurgy, metalworking and coating; manufacture of jewellery and similar items; recycling of metal waste and scrap.

The activities organized by the Association of Metalworking and Power Industry are the following:

- organization and realization of the Association's Boards and Groups
- organization and holding of the „Suppliers' Day" for strategic partners from abroad
- proposing new regulations, amendments and supplements to the current legal and technical regulations
- participation in the ministries' working groups on drafting laws and other regulations, making sectorial policies and national plans,
- organization of public debates on draft laws and sectorial policies
- networking of economic entities mutually, and with potential partners and investors in the country, and in the countries of the CEFTA region and the world
- fostering and supporting increased competitiveness
- informing the members on topical issues in the fields covered by the Association
- cooperation with the line ministries and other state institutions important for the work of its members
- work on compliance with the EU legislation and participation in transposing the EU directives, technical regulations and standards in the relevant national regulations
- organization of education, training and other forms of professional development
- linking faculties and institutes with the economy, enabling knowledge and technology transfer, joint organization of domestic and international congresses, symposia, professional gatherings, seminars, specialized conferences, participation in fairs, exhibitions, etc.

With the passing of the new Law on Chambers, all economic entities incorporated in the territory of the Republic of Serbia are members of the Chamber of Commerce and Industry of Serbia. During 2015/2016, the Association of Metalworking and Power Industry monitored and analysed the situation in the economy, getting ready for the transformation process of the chamber system, which started functioning as a single chamber system as of 1 January 2017. In view of the fact that groups are a form of direct, closer linking of the Chamber members within one association, and that they are established with the aim to discuss and address the issues of interest for specific part of the economy, the Association of Metalworking and Power Industry has redefined the status of the current groups.

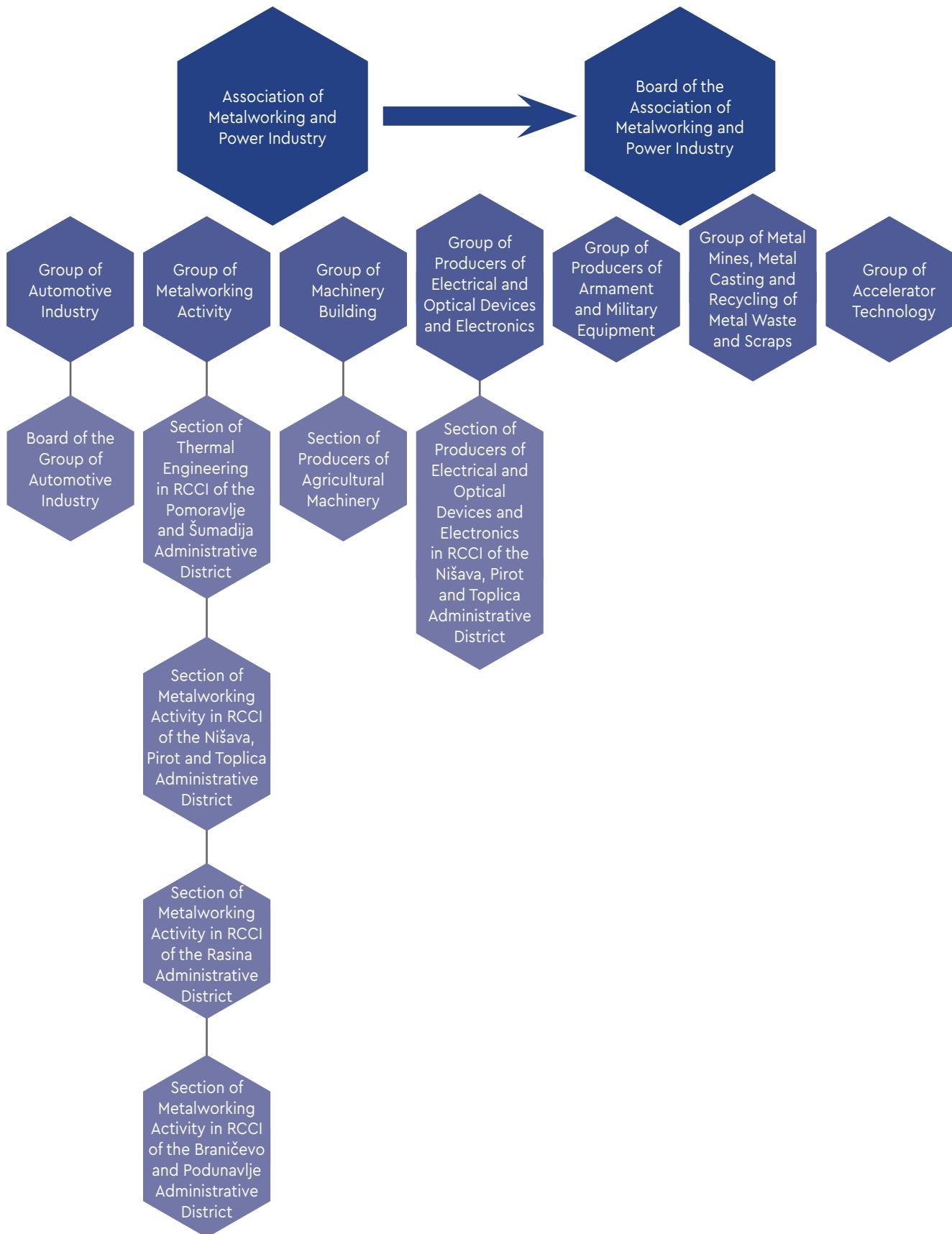
There are 7 Groups within the Association:

- Group of Metalworking Activity
- Group of Machinery Building
- Group of Producers of Electrical and Optical Devices and Electronics
- Group of Automotive Industry
- Group of Metal Mines, Metal Casting and Recycling of Metal Waste and Scraps
- Group of Producers of Armament and Military Equipment
- Group of Accelerator Technology.

The Association processes professionally and issues the following documents:

1. Opinion that the word "Serbia" should be entered in the business name of company;
2. Opinion on the sole producer of goods of domestic origin, service provider, or contractor;
3. Confirmation that certain equipment, and goods that are imported are not being produced in the country.





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CHAMBER OF
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INDUSTRY OF SERBIA