

## Serbia: Market Profile

### Major Economic Indicators

	2015	2016	2017**
Population (000)	7,086 <sup>#</sup>	7,021 <sup>#</sup>	6,993
GDP (US\$ bn)	37.160	37.745 <sup>#</sup>	37.739
Real growth (%)	0.8	2.8 <sup>#</sup>	3.0
GDP per capita (US\$)	5,244 <sup>#</sup>	5,376 <sup>#</sup>	5,397
Inflation – CPI index	1.4%	1.1% <sup>#</sup>	2.6%
Unemployment rate	18.2%	15.9% <sup>#</sup>	16.0%
Exports (US\$ bn)	13.379	14.852	N.A.
YoY growth (%)	-9.9	11.0	N.A.
Imports (US\$ bn)	18.211	19.230	N.A.
YoY growth (%)	-11.6	5.6	N.A.
Average exchange rate (Dinar per US\$)	108.8	111.3	112.6 <sup>##</sup>

Note: # estimate, ## Jan-Jul 2017, \*\* forecast  
 Source: IMF, WTO, National Bank of Serbia

- Serbia is a landlocked country situated in the centre of the Balkan Peninsula in Southeast Europe. The country became a stand-alone sovereign republic in the summer of 2006, after Montenegro voted in a referendum for independence from the Union of Serbia and Montenegro.
- As a viable platform for customs-free exports to a market of almost 800 million people, Serbia enjoys free trade with the EU. It is also the only country outside of the Commonwealth of Independent States (CIS) that has a free trade agreement (FTA) with Russia. In January 2014, Serbia officially commenced EU membership negotiations (with full membership expected in 2020).
- In recent years, Serbia has seen an increasingly swift tide of foreign direct investment (FDI), including in the automotive industry, building materials, food and beverages, textiles, leather and ICT. As a popular destination of greenfield projects in Southeast Europe, some of the biggest names across the board are successfully doing business in Serbia.
- The Serbian capital, Belgrade, has been named as the City of the Future for Southern Europe, based on its economic potential, cost effectiveness, human resources, IT and telecommunications, transport, quality of life, and FDI promotion. That progress has been continued by many regions and cities including Vojvodina (in



the north), Zajecar (in the east) and Vranje (in the south), which have been praised for their attractiveness for FDI.

- Regarded as one of countries showing the biggest improvement in business environment in Central and Eastern Europe between 2009 and 2013, Serbia is estimated to have passed more than 20 reforms by 2014 as part of its efforts to strengthen the competitiveness of its key industries such as automotive, business process operations, electronics, food, ICT, textiles, wood and furniture, metalwork and machine building.
- To support foreign investors seeking to set up or expand in Serbia, the Serbian government has devised a holistic investment package including state grants, corporate profits tax holiday, customs-free imports and VAT exemption in free zones. More information can be found at the [Serbia Investment and Export Promotion Agency \(SIEPA\)](#).
- The inflows of foreign direct investment (FDI) to Serbia amounted to US\$2.3 billion in 2015, with China contributing US\$8 million. As of the end of 2015, China's total stock of FDI to Serbia totalled US\$50 million, up from virtually none in 2006. Investment from Hong Kong, though, is far from significant.

### Hong Kong's Trade with Serbia

(US\$ million)	2015		2016		Jan-Jun 2017	
	Value	Growth	Value	Growth	Value	Growth
Total Exports	59.345	+0.5	77.097	+29.9	40.965	+17.5
Domestic exports	0.013	+236.8	0.032	+136.8	0.023	+69.3
Re-exports	59.332	+0.5	77.065	+29.9	40.941	+17.5
Imports	165.380	+14.4	163.198	-1.3	43.184	-51.4
Total Trade	224.725	+10.4	240.295	+6.9	84.149	-32.0

Source: Hong Kong Trade Statistics, Census & Statistics Department

### More Information

More information on the Belt and Road countries' economic and investment environment, tax and other subjects that are important in considering investment and doing business are available in [The Belt and Road Initiative: Country Business Guides](#).

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