

COUNTRY FACT SHEET: **SERBIA**

NECESSARY UPGRADES IN ITS PUBLIC SERVICES WITH ROOM TO PARTNER WITH LOCAL PLAYERS

The country has pending reforms, the necessity to upgrade of its basic infrastructure, as well as to facilitate the development of a real market economy.

Serbia bascules between the West and Russia, with both of which it has FTAs.

As happens in many of its neighbours it has a relevant brain drain, as most nationals emigrate towards better working conditions elsewhere, specially within the EU's old block. That translates into low unemployment, even to hinder coverage of job vacancies.

It is worth highlighting the relevant role played in Serbia by Greece (until the financial crisis), and then Germany, Austria, Italia and ex-Yugoslavian countries, especially Slovenia.

WHY CONSIDER PARTICIPATING IN TENDERS IN SERBIA?

Serbia's status as pre-accession candidate means a constant process to adapt to EU legislation: e.g., it adopted a new Law on public procurement in Dec/2019, introducing e-procurement practices such as electronic communication and the exchange of data in public procurement procedures.

Relevant ministries have instructed procuring entities to implement additional obligations, such as the enforcement of reinforced transparency rules including making information about public tenders more easily accessible (a single point of access for procurement information), fairer assessments of EU companies' technical abilities and experience.

Many public works projects are financed through borrowing from the Multilateral Development Banks, including the EIB, EBRD (EBRD has invested 2,7 billion EUR in green economy and sustainable infrastructure since 2001) and WB.

To consider that China is increasingly imposing itself as a creditor for infrastructure projects, which crowds out EU/Western investments in certain areas.

High percentage of tenders (55%) with only one offer (the EU average is 23.9%).

SERBIA AT A GLANCE:

- **Surface of 88,361 km²**
- **Distance from Brussels 1,725 km**
- **6,9 M inhabitants**
- **13,470 USD/capita**
- Index of Economic Freedom 2022 65.2/100, 59th in the world
- The Legatum Prosperity Index 2021: 52nd of 157
- World Economic Forum's Competitiveness Index 2019: 60.85/100, 72nd of 141
- Corruption Perceptions Index 2020 : 38/100, 96th out of 179

INFORMATION:

Main portal for PP is [Portal javnih nabavki \(ujn.gov.rs\)](http://Portal.javnih.nabavki(ujn.gov.rs))

Contact GOOSE to explore and access these market's opportunities.

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TIPS FOR ENGAGING IN SERBIA'S PUBLIC PROCUREMENT

1. Not to be discouraged by language issues:

to start, tenders for or paid by international institutions (EBRD, UE, WB) are prone to be fully developed in English; whereas those of a more “local pattern” will be in Serbian, but then you can cut short with Serbian-speaking staff of by partnering with a local/Balkan firm.

2. Consider the win-win to partner with local firms:

most local firms do not have the right experience, or even the financial capacity, so partnering with a foreign player will lift up their chances to success.

3. Also consider partnerships with Croatian firms: with GOOSE's partner CEA we can help you identify companies with which to focus Serbian tenders, leapfrogging language and cultural barriers.

4. Consider markets beyond Belgrade: for example. Novi Sad, capital of the northern autonomous region of Vojvodina, has a more “Mitteleuropa” culture, which can favour approach local tenders directly.

GET READY FOR SECTOR BASED OPPORTUNITIES!

- In **Smart cities**, the country has important challenges, such as: full implementation of the eGovernment Unified Information and Communication Network; spread of G5 network across the whole country; provide an artificial intelligence platform on the eGovernment infrastructure, to further contribute to faster and more efficient development of smart cities.
- There are interesting initiatives beyond Belgrade, such as in **Niš' SC project, which includes** the construction of urban infrastructure and the development of an information system study will examine seven different services (most likely smart city lighting service). Note that this is part of China's BRI.
- **The Serbian government has pushed hard towards digitalization** across every sector. It is worth highlighting that IT is 4th in exporting sectors, in part thanks to important investment by some big international players. These are fagocitating much of the local IT human capital, hindering SMEs development in the sector. There are noetweorthy relevants in IT infrastructure from multilateral institutions, such as the EBRD or EIB.
- In the **Green economy**, Serbia is still heavily reliant on coal, with a lot of energy being wasted. These are two of the areas with heavy investment from multilateral institutions, such as the WB, EBRD and EIB.
- Specifically, Green recovery after COVID – 19 is focused on reducing air pollution and creating a legal framework for climate policy.
- In the **Health sector**, around 90% of the medical device market is supplied by imports from either the US or EU, with a great role of big players such as Siemens and Philips. To bear in mind that the proximity of the European firms to the Serbian market allows them frequent visits to meet end users, to participate in exhibitions and scientific meetings, and to provide prompt after-sales services to buyers. That being said, competition from Chinese companies should be considered a serious challenge for future market entry strategies.

TARGET SECTORS

