

**Steering Committee of Trade Capacity and Standards
Geneva, 3-4 May 2018**

**Statement by the delegation of the Republic of Serbia under agenda item 4(b)
Supporting the removal of regulatory and procedural barriers to trade**

Dear Mr. Chairman /Madam Chair,
Distinguished colleagues,
Ladies and gentleman,

Thank you for the opportunity to address at today's meeting and to inform you about the progress and activities that Serbia is making on facilitating and intensifying trade. Government of Serbia recognizes the need for further elimination of barriers to trade as part of our continuous efforts to enhance sustainable economic growth. Also, it is an important requirement in the process of joining World Trade Organization, European Union and our obligation in other preferential trade agreements (CEFTA, EFTA, Russian Federation, Turkey, etc.). Government has proactive approach in addressing to challenges in the multilateral trading system and regional cooperation agreements while implementing intensive reforms in support to trade.

Serbia is in the final stage of the process of accession to the World Trade Organisation. In October 2017 General Director of WTO and Prime Minister of Serbia exchanged the letters regarding state of the Serbian accession process. Since then, the issue of WTO accession was intensified among the relevant ministries and institutions. Government is working to ensure full and complete adherence to the WTO requirements in areas of Technical barriers to trade, Sanitary and phytosanitary measures and Trade facilitation. Finalization of this process is dependent on adoption of the WTO compliant Law on genetically modified organisms and completion of market access negotiations with a small number of WTO members. So far, our country has concluded bilateral negotiations with 14 members of the WTO. Bilateral negotiations are still open with United States and Brazil for a smaller number of agricultural products, while with Ukraine and the Russian Federation negotiations are open on both goods and services.

Joining the European Union remains our strategic objective. Economic integration with the EU increased further. This process represents the best possible framework for overall reforms, modernization and development of our country. EU is by far Serbia's main trading and investment partner, accounting for around two thirds of total trade and more than three quarters of net foreign direct investment. As regards to our ability to assume obligations of membership, we have continued to align legislation with the EU acquis. Also, we have continued to build a track record in implementing obligations of the Stabilization and Association Agreement. Since the opening of the accession negotiations in January 2014, 12 out of 35 chapters have been opened, two of which

provisionally closed. Taking into consideration results made in all relevant areas, we expect that we will be able to open a significant package of chapters in June this year, and achieve further progress in the integration to EU.

Together with the other partners in Central-eastern Europe, Serbia participates in CEFTA Free Trade Agreement, which represents around one fifth of total exports and around five percent of total imports of our country. Trade between CEFTA members in industrial and agriculture goods is fully liberalized, while negotiations on liberalization of trade in services are completed. Furthermore, parties granted each other national treatment in the public procurement. In May 2017 Protocol on trade facilitation was adopted, that will enter into force after completion of internal ratification procedures.

Serbia is dedicated in strengthening trade links in the Western Balkans to allow further economic integration within the region. In July 2017 at the Western Balkans Summit held in Trieste parties adopted Multi-annual Action plan for a Regional Economic Area that has four pillars: trade, investment, mobility and digital agenda. Development of a Regional Economic Area is based on EU rules and standards, and has potential to generate untapped growth. Furthermore, at the Meeting held in Ljubljana in April 2018, Ministers of Transport of Western Balkans 6 Initiative adopted the Declaration on Border Crossing, aimed at the facilitating border crossing procedures. This declaration confirms willingness of the Western Balkans partners to implement effective measures in order to reduce time and costs, improve procedures and develop appropriate infrastructure at border crossings.

In November 2017 the Government of Serbia founded a National Coordination Body for Trade Facilitation. One of the main reasons for its establishment is to serve as an effective coordination mechanism of the work of competent authorities, business community and other participants in the foreign trade system. This body will help in simplifying procedures for the import, export and transit of goods, their faster and more efficient performance, which together contributes in reducing costs and acceleration of international trade. Also, it serves as a platform for the exchange of best practices in finding the most effective ways of overcoming problems that the private sector is facing in foreign trade. This body has already had activities in mitigating barriers to trade with neighbouring countries and is rapidly working to build its administrative capacities.

Over the last few years Government has taken important measures to improve overall conditions for trade. Serbia improved its standing in various international business rankings. For example, in just two years Serbia managed to advance in the World Bank "Doing business" list by as many as 44 places. According to the general business conditions, it now occupies 47th position out of 190 countries. As a result of reforms, foreign direct investment has risen in the last three years. A large share of the FDI was directed in the projects in manufacturing sector, therefore further increasing country's export base. Serbia works intensively on linking transport infrastructure with the

countries in the region, which has an enormous beneficial impact on trade. Work on the major infrastructure projects intensified in the recent period, especially in the field of road and rail infrastructure.

In conclusion, Serbia is implementing intensive trade reforms, as we continue to advance with the integration to the European Union and World Trade Organization. At the same time, we are increasing our administrative capacities for trade facilitation and removal of obstacles to trade. In this process, we count on the support of the United Nations Economic Commission for Europe, with whom we are discussing possibilities for further cooperation.