

Statement by
Mr. Stevan Nikčević
State Secretary in the Ministry of Trade, Tourism and Telecommunications
of the Republic of Serbia
at the 6th session of the Steering Committee on Trade Capacity and Standards
(On-line meeting) 21-22 June 2021

Distinguish Chair,
Heads of Delegations, members of the Steering Committee
Ladies and Gentlemen,

Let me express my pleasure of addressing you on behalf of the Government of Republic of Serbia and also on behalf of the Serbian National Trade Facilitation Body. As a Chairman of this body, I would like to convey our gratitude for supporting Serbia's participation in the UNECE Regional Project and to express our sincere appreciation to the UNECE Secretariat for providing us with

- Study on Regulatory and Procedural Barriers to Trade in Serbia with Needs Assessment, and
- Analyses on the impact of COVID-19 on trade and structural transformation in Serbia:

We are fully aware that the development of all these comprehensive documents has not been an easy task, so I would like particularly to express our gratitude to all colleagues from UNECE who were involved in this process. From our side, members of the Serbian National Trade Facilitation Body, were in charge of providing inputs and responses during the development of the Study, so I would like to thank them as well.

Today, at the official presentation, we will have the opportunity to hear main findings and recommendations, which we recognize as highly important and particularly useful, especially having in mind that recommendations are based on the trader's and business community inputs, specifically inputs provided by micro, small and medium enterprises.

Recommendations from the Study are divided in several categories: Strengthening transparency, transitioning to paperless trade, reducing clearance time, strengthening national system of quality infrastructure, developing the enterprises' productive capacity and promotion of e commerce. For Serbia, as a country in the accession to the EU many of these areas are already high on the Government's agenda, however findings of those studies together with pressure of COVID-19 pandemic would encourage us to accelerate the process of trade facilitations specifically in the area of paperless trade and e commerce which are proven to be inevitable in so called ``new normal``.

Dear colleagues,

At this point I would like to brief you about the Serbian achievements in trade and economy in these difficult and challenging times. Last year was unprecedented due to the outbreak of corona virus. All spheres of social and economic life worldwide were affected dramatically.

However, owing to the prudent macroeconomic and fiscal policies prior to the pandemic, Serbia had sufficient space for maneuver to respond with a timely and strong economic **support packages** for households and business, preserving jobs, and enhancing public healthcare. In that respect, we deployed **two large fiscal packages in 2020** estimated at around 13% of GDP in 2020, and ongoing support of additional 4.3% of GDP in 2021.

As a result, **GDP** contracted only by 1% in 2020, it is one of the best results in Europe, and we expect 6% growth in this year. Measures which focus on accelerating economic growth and maintaining employment, considerably mitigate the negative effects caused by the pandemic, therefore no significant turbulence is expected in the labor market. Many countries have been facing the huge difficulties in unemployment due to the Covid last year, however in Serbia unemployment rate decreased only by 1.4%.

COVID-19 pandemic affected global and regional trade severely. At the beginning of the pandemic we expected more deterioration in trade, however total foreign trade in Serbia in 2020 (worth more than 40 billion euro) recorded decline of only 3.4% compared to the previous year. Total trade with the EU contracted by 1.9% in the same period, with CEFTA, our second most important trading partner, contracted by 4.1%, and with the Russian Federation by 31%. At the same time total trade with China grew by 26.3% compared to 2019. due to the increase in imports of protective equipment and other medical supplies for Covid pandemic.

Moreover, in parallel with economic measures, Government **successfully organized process of vaccination, not only for the Serbian population, but also for the population from the neighboring countries.** The results are encouraging having in mind that Serbia is at the first place in Western Balkan Region when it comes to the percentage of vaccinated population. Government considers that this will help in further opening of the domestic economy and foster economic recovery.

Ladies and gentlemen,

As my esteemed colleagues from the Customs Administration of Serbia and Ministry of Economy will discuss in more detail on findings and recommendations from the Study, I would like to brief you with the most relevant developments currently conducted in Serbia, which should reflect on some of the Study recommendations.

In that respect, Serbia have taken the IBRD loan in order to develop and implement **National Single Electronic Window System** under the umbrella of the Western Balkans Trade

and Transport Facilitation Project. We expect the entire system to be fully operational by the end of 2025.

Results have been achieved in the framework of trade facilitation in our CEFTA region. In previous period further documents have been adopted: Additional Protocol on Trade Facilitation, Decision on mutual recognition of CEFTA Parties' Authorized Economic Operators (AEO), Decision on Facilitating Trade in Fruits and Vegetables and Recommendation on CEFTA , Customs Risk Managements Strategy. Also the protocol on trade facilitation was signed with EFTA countries as well.

Due to the COVID-19 pandemic, under the auspices of CEFTA and the Transport Community, we launched the "**CEFTA Green Corridors system**" that enabled free flow of all goods, with priority movement for essential goods – food, medicines and medical equipment. This system was the most important factor in avoiding the risks of shortage of essential goods during the peak of pandemic.

Moreover, according to the **Action Plan on Common Regional Market 2021-2024**, it was **agreed to extend Green Corridors** initiative to **the EU**, this objective is set out for the 2021. In practice, this means that the accelerated procedure for medical supplies should be applied at crossings points with the EU countries.

Finally, we can say the major problem of our trade is long waiting time for the tracks on the border with the EU, however that issue could be solved only in cooperation with the EC and EU neighboring countries, we are doing our best from Serbian side and we express our believe that after ending of current extreme situation with covid, we could accelerate border crossing procedure with the EU.

Dear Chair

In conclusion,

I would like to emphasize that we are looking forward to working closely with the UNECE in Geneva and UN team in Serbia and also with other international development agencies and donors so as to have recommendations successfully implemented in the coming period. And I wish all of us to get back to old normal as soon as possible.

Thank you for your attention.