



## Discussion paper – Serbia

# Internationalisation and Competitiveness

### Key Facts

**SBA 10 Sub-dimension: 10.1.1**

**Country:**  
Serbia

**Results & Impact:**

- 244 SMEs attended international trade fairs
- 89 export sales contracts with total value of USD11M
- 1.650 owners-managers trained
- 4 premium food incubators
- 30 new products created
- Active sector cluster developed
- Project extended for further 2 years
- International brand creation

### A. Policy Level

With a well-developed approach to SME policy, Serbia has recognised the importance of its SMEs' base to the national economy (99.8% of the total business population), and has rolled out a number of measures and programmes that proved to be effective in stimulating SME development. Serbia's performance in providing support to SME internationalisation is the second highest among Western Balkan economies, only after Turkey.

The policy currently in place is the SME Development Strategy, covering the period from 2015 to 2020, with the Action Plan for its implementation. It contains two main principles: "think small first", and "open dialogue and cooperation with SMEs". The Strategy is aligned with EU policy in this area, as defined by the Small Business Act (SBA).

The Strategy sets the framework of measures for SMEs development in the mid-term period, and it includes 6 Pillars:

1. Improving business environment; 2. Access to sources of funding; 3. Human resources development; 4. Sustainability and competitiveness of SMEs; 5. Stimulate approach to new markets; 6. Development of entrepreneurship.

### B. Programme Level

The implementation of the Strategy is multidimensional and based on the Action Plan, which sets out targets and measures. It includes, with specific regards to Pillar 5, the following dimensions (D) and priority measures (M):

#### D1. Continuous support to SMEs to approach new markets

M1 Improvement information availability and quality on foreign (priority) markets.

M2 Upgrading knowledge of exporters and provision of professional support.

M3 Establishing contacts with contingent business partners.





## D2. Reduction and overcoming technical obstacles to trade

M1 Synchronizing with technical regulations and standards of the EU.

M2 Improvement system of infrastructure of quality.

M3 Raising awareness of SMEs about the importance of technical regulations and standards.

M4 Ensuring support for achieving conformity with requirements of technical regulations and standards.

## C. Action Level

With reference to Dimension 1, actions and initiatives are directly linked to the Strategy and its Action Plan, and the Serbian Development Agency (RAS), in consultations with the Serbian Chamber of Commerce, is responsible to implement the Action Plan. A number of initiatives are implemented directly by RAS while, at the same time, important role is played by the effective cooperation with foreign development agencies, NGOs, and private sector implementation partners. The following project represents an example of successful cooperation between a government agency and private sector in implementing a government program and translating policy into tangible actions.

### Competitive Economy Project

The Competitive Economy project is a four-year (Apr 2017 - Apr 2021), \$12 million budget, implemented by RAS in cooperation with a private sector consulting partner, to strengthen competitiveness of the Serbian food processing industry, particularly fruit and vegetable value chains, and specialty food sector. Main project goal is increasing sales and exports, goal to be reached via stimulating supply chain integration, human capital development, innovation, and foreign markets interactions. To date, the following goals have been achieved:

- 73 MSMEs attended trade shows abroad and 161 attended domestic trade shows.
- 89 MSMEs signed contracts valued at \$11 million in total.
- Project in partnership with Industry Leading Companies and Industry Associations (ILCs) consolidated value chains which resulted in 50 MSMEs receiving Global Gap certificates, 64 SMEs entering value chains.
- Over 1,650 MSME owners-managers received training.
- 4 Premium Food Design Hubs were created.
- 30 new products can be found on retail shelves of major domestic chains, and soon internationally.
- Sector association and cluster have been created.
- Creation of an umbrella brand to support international marketing and promotion.

## D. Key Success Factors

- Effective coordination and consultation among government agencies (RAS and Chambers) and private sector implementation partners.
- Innovation and supply chain integration explicitly considered as key to effective internationalisation.
- Inclusion of start-ups and micro-businesses among the beneficiaries.
- Human capital development as key success factor in the form of capacity building via training and coaching.
- Strategic importance recognised to education, hence inclusion of universities within program implementation.

