
ECONOMIC AND COMMERCIAL RELATIONS TÜRKİYE-SERBIA

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OUTLINE

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Economic Outlook of Türkiye and Serbia

	Türkiye (2021)	Serbia (2020)
Population (million)	84,1	6,9
GDP (at current prices, in USD billion)	802,7	53,4
GDP per capita, at current prices, USD	9.539	7.742
Annual rate of inflation	36,08	7,9*
Minimum wage (USD)	275**	297,8**
Unemployment rates (% , 15 year and more)	12	11*
Unemployment rates (% , 15-24 year)	22,6	26,4*

Source: Turkish Statistical Institute, Republic of Türkiye Ministry of Trade, Statistical Office of the Republic of Serbia 2022 Statistical Pocketbook of the Republic of Serbia (Data for 2021 is estimated values.)

* Year of 2021

** As of January 2022

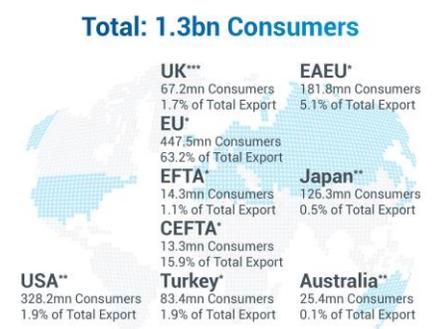
Agreements on Economic & Commercial Cooperation



- **Free Trade Agreement (FTA) between Türkiye and Serbia (2010)**
 - Industrial products
 - Agricultural products
- **Revised FTA (2019)**
 - Export of services
 - Expansion of agricultural concession
- **Agreement on the Promotion and Reciprocal Protection of Investments**
- **Double Taxation Treaty**
- **Agreement on Social Security, Agreement on Cooperation in Infrastructure Projects**



Foreign Trade Figures of Serbia



*FTA - Free Trade Agreements
 **GSP - Generalized System of Preferences
 *** Partnership, Trade and Cooperation Agreement
 Source: Statistical Office of the Republic of Serbia, 2020; World Bank
Source: Development Agency of Serbia

- **Constant increase in the volume of foreign trade (SAA, FTAs, PTAs and Open Balkan)**

Foreign Trade Values	2017	2018	2019	2020	2021
Export (in EUR million, goods)	16.997	19.239	19.633	19.500	25.563
Import (in EUR million, goods)	21.920	25.883	26.731	26.233	33.797

Source: Statistical Office of the Republic of Serbia

- **Main Partner Countries (2021)**

Main Customers	% Export
Germany	12,7
Italy	8,5
Bosnia and Herzegovina	7,2
Romania	5,5
Hungary	5

Main Suppliers	% Import
Germany	13,2
China	12,7
Italy	8,1
Russian Federation	5,3
Türkiye	5

Foreign Trade Figures of Serbia

- Main Products

25,5 bn USD of goods exported in 2021	
Electrical machinery, apparatus and appliances, n,e,s,, and electrical parts thereof	% 12
Vegetables and fruit	% 5
Iron and steel	% 4,8
Metalliferous ores and metal scrap	% 4,5
Cereals and cereal preparations	% 4,5

33,8 bn USD of goods imported in 2021	
Unclassified goods	% 11,6
Electrical machinery, apparatus and appliances, n,e,s, , and electrical parts thereof	% 7,2
Petroleum and petroleum products and related materials	% 5,9
Road vehicles (including air-cushion vehicles)	% 4,6
Medicinal and pharmaceutical products	% 4,5

Foreign Trade Figures of Türkiye

- Constant increase in the volume of foreign trade (CUA, FTAs and PTAs)

Foreign Trade Values	2017	2018	2019	2020	2021
Export (in USD million, goods)	164.548	177.227	180.895	169.673	225.277
Import (in USD million, goods)	238.742	231.181	210.374	219.541	271.455

Source: Republic of Türkiye Ministry of Trade

- Main Partner Countries (2021)

Main Customers	% Export
Germany	8,6
USA	6,5
United Kingdom	6,1
Italy	5,1
Iraq	4,9

Main Suppliers	% Import
China	11,9
Russian Federation	10,7
Germany	8
USA	4,8
Italy	4,3



Source: Presidency of the Republic of Türkiye Investment Office

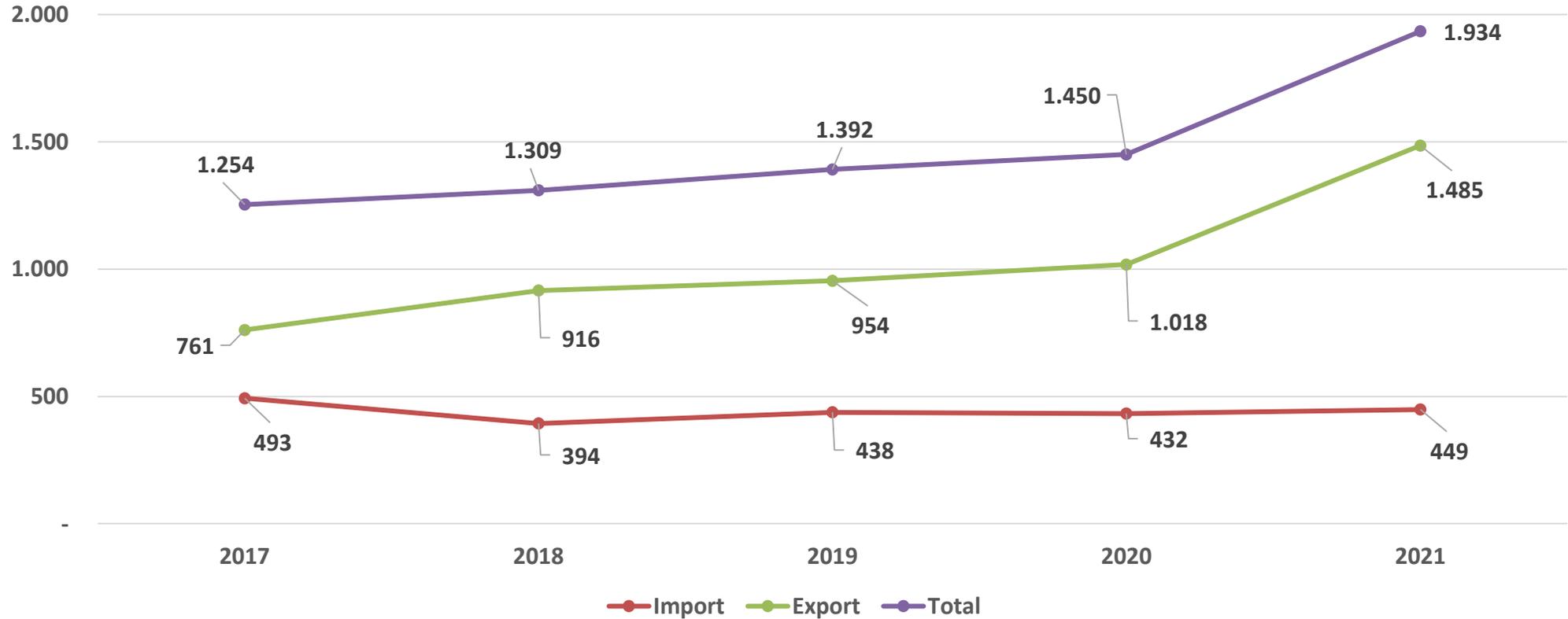
Foreign Trade Figures of Türkiye

- **Main Products**

225,2 bn USD of products exported in 2021	
Road vehicles (including air-cushion vehicles)	% 10,8
Iron and steel	% 8,4
Articles of apparel and clothing accessories	% 8,3
Textile yarn, fabrics, made up articles, etc	% 6,7
Electrical machineries, apparatus and appliances, n.e.s. and electrical parts thereof	% 5,9

271,4 bn USD of products imported in 2021	
Special transactions and commodities not classified according to kind	% 12,5
Iron and steel	% 6,4
Road vehicles (including air-cushion vehicles)	% 5,6
Metalliferous ores and metal scrap	% 5,3
Plastics in primary forms	% 5,2

Bilateral Merchandise Trade Between Türkiye and Serbia



Source: Turkish Statistical Institute



Bilateral Merchandise Trade Between Türkiye and Serbia

Serbia's Export to Türkiye, By Product

Rubber manufactures, not elsewhere specified	% 18,5
Iron and steel	% 11,0
Electrical machinery, apparatus and appliances, n,e,s, , and electrical parts thereof	% 7,8
General industrial machinery and equipment, n,e,s, , and machine parts, n,e,s,	% 7,1
Essential oils and perfume materials; toilet, polishing and cleansing preparations	% 5,4

Serbia's Import From Türkiye, By Product

Textile yarn, fabrics, made-up articles, n,e,s,, and related products	% 10,1
Articles of apparel and clothing accessories	% 9,7
Electrical machinery, apparatus and appliances, n,e,s, , and electrical parts thereof	% 9,1
Iron and steel	% 9,0
Unclassified goods	% 7,0

Why Invest in Serbia?



Source: Development Agency of Serbia

Investment Incentives in Serbia

General Information

- Non-refundable cash incentives
- Tax incentives
- Land and infrastructure incentives
- Incentives provided by National Employment Service

LEVEL OF DEVELOPMENT OF THE LOCAL MUNICIPALITY	MINIMUM NUMBER OF NEW JOBS CREATED*	MINIMUM LEVEL OF INVESTMENT*	LEVEL OF INCENTIVES			INVESTMENT PROJECTS IN THE SERVICES SECTOR	INVESTMENT PROJECTS - SPAS AND CLIMATES
			Percentage of 2-year gross salaries	Percentage of Investment in Fixed Assets (OPTIONAL)	Bonus for Labor Intensive Projects (OPTIONAL)		
I	50	500,000 EUR	20% MAX 3,000 EUR per employee	+ up to 10%	For more than 200 employees +10% of the sum of 2-year gross salaries	min 15 new jobs created min €150,000 * of the eligible investment costs	min 70 new jobs created min €2,000,000 * of the eligible investment costs
II	40	400,000 EUR	25% MAX 4,000 EUR per employee	+ up to 15%	For more than 500 employees +15% of the sum of 2-year gross salaries		
III	30	300,000 EUR	30% MAX 5,000 EUR per employee	+ up to 20%	For more than 1000 employees +20% of the sum of 2-year gross salaries		
IV	20	200,000 EUR	35% MAX 6,000 EUR per employee	+ up to 25%			
V (Devastated Regions)	10	100,000 EUR	40% MAX 7,000 EUR per employee	+ up to 30%			



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Major Turkish Investments in Serbia





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Why Invest in Türkiye?

10 reasons to invest in Türkiye



**ROBUST
ECONOMY**



**DOMESTIC
+ ACCESSIBLE
MARKETS**



**STRATEGIC
LOCATION**



**FAVOURABLE
DEMOGRAPHICS**



**SKILLED
AND
COMPETITIVE
LABOR FORCE**



**CONTINUOUS
REFORM PROCESS**



BUSINESS-FRIENDLINESS



**LUCRATIVE
INCENTIVES**



**BENIGN R&D
ECOSYSTEM**



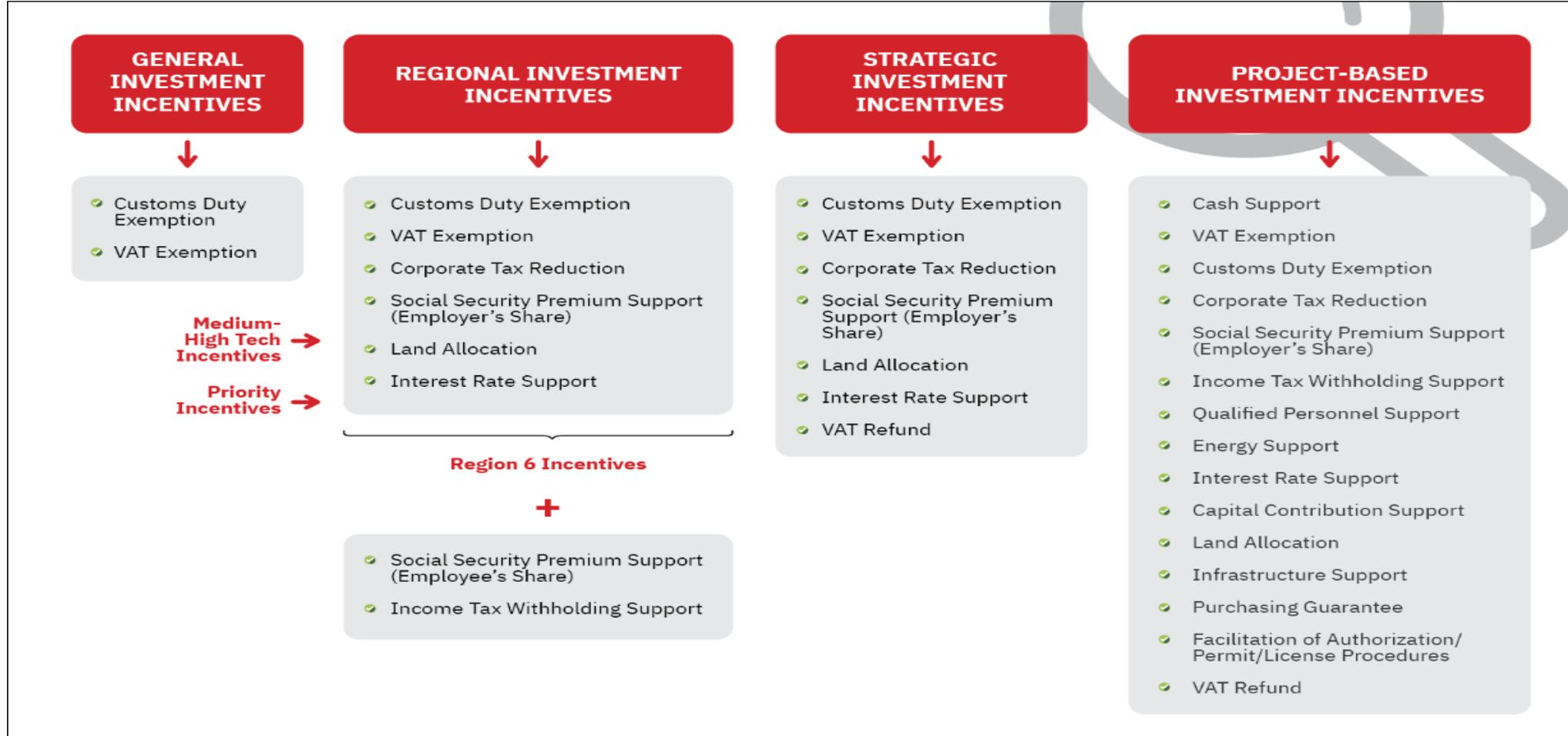
**SECTORAL
OPPORTUNITIES**

Source: Presidency of Republic of Türkiye Investment Office



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Investment Incentives in Türkiye



Source: Presidency of Republic of Türkiye Investment Office



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Incentives Instruments

 VAT Exemption	 Customs Duty Exemption	 Corporate Tax Reduction	 Social Security Premium Support (Employer's Share)	 Social Security Premium Support (Employee's Share)	 Income Tax Withholding Support
 Interest Rate Support	 Land Allocation	 VAT Refund	 Infrastructure Support	 Energy Support	 Capital Contribution Support
 Purchasing Guarantee	 Facilitation of Authorization/ Permit/ License Procedures	 Training Support	 Qualified Personnel Support	 R&D/Design Discount	 Corporate Tax Exemption
 Cash Support	 Credit Support	 Special Consumption Tax Exemption	 Property Tax Exemption	 Stamp Duty Exemption	

Source: Presidency of Republic of Türkiye Investment Office

THANK YOU

**TURKISH EMBASSY IN BELGRADE
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