
Increasing Australian Business Activities with Serbia

A report of SGSDA/Eagle Space – August 2007

1. Introduction

SGSDA's tourism arm Eagle Space and the corporate travel service provider Bay Travel established an agreement in January 2006 to form a Joint Venture for future cooperation.

This report summarises SGSDA/Eagle Space's activities with key government and business representatives, describes the expertise and services that SGSDA/Eagle Space can offer, and recommends actions for further exploration of investment and trade opportunities between Australia and south east Europe.

2. Executive summary

2.1 SGSDA / Eagle Space & Bay Travel

SGSDA was established in early 2003 for the purpose of assisting Australian businesses to identify and seize opportunities for trade and investment with and in south east Europe.

SGSDA formed its tourism arm Eagle Space as business infrastructure and a bridge for connecting business communities in Australia with business communities in south east Europe. Eagle Space has signed several contracts with tourism service providers in Montenegro and Serbia. Considering its business networks, Eagle Space is able to provide Australian corporate and leisure travellers with high standard accommodation, airport & port transfers, rent-a-car, local guides and tours, plus business aviation services.

Bay Travel offers sophisticated business travel management services. Founded in 1988, Bay Travel is a privately owned Australian company and one of the largest privately owned travel organizations in Australia. Bay Travel is a member of the CT Partners group which is one of the largest local travel agency networks. With their association with Harvey World Travel and Radius, they are a valued and reputable partner of Eagle Space.

Bay Travel operates five primary divisions:

- Corporate International
- Corporate Domestic
- Conferences, Groups and Conventions
- Holiday / Leisure including Cruises and Bay Holiday Club
- Reporting and Automated Travel Solutions

2.2 SGSDA/Eagle Space & UN Global Compact

In an address to the World Economic Forum on 31 January 1999, United Nation Secretary-General Kofi Annan challenged business leaders to join an international initiative – the Global Compact – that would bring companies together with UN agencies, labour and civil

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society to support universal environmental and social principles. The Global Compact's operational phase was launched at UN Headquarters in New York on 26 July 2000. Today, many hundreds of companies from all regions of the world, international labour and civil society organizations are engaged in the Global Compact, working to advance ten universal principles in the areas of human rights, labour, the environment and anti-corruption. The Global Compact is a direct initiative of the Secretary-General.

Through the power of collective action, the Global Compact seeks to promote responsible corporate citizenship so that business can be part of the solution to the challenges of globalisation. In this way, the private sector – in partnership with other social actors – can help realize the Secretary-General's vision: a more sustainable and inclusive global economy.

SGSDA/Eagle Space has focused its efforts on uncovering opportunities for Australian business community and investors in trading with south east Europe.

SGSDA/Eagle Space can help Australian exporters and investors take advantage of the desirable conditions for business in south east Europe. Management of SGSDA/Eagle Space believes that the initiative pursues two complementary objectives in trade between Australia and south east Europe: first, to incorporate ten principles related to human rights, labour rights, environmental sustainability and anti-corruption into business strategy and operations; and second, to encourage partnerships among key stakeholders for the wider development of trade between Australia and south east Europe.

SGSDA/Eagle Space finalised all necessary administrative details regarding participation in the Global Compact by 22 October 2005 and released a Media Release regarding its participation on the same day. The Media Release was distributed to all stakeholders and business partners and was published in the Eagle Space Clips, the official company newsletter.

SGSDA/Eagle Space, the Australian counterpart of the international consortium SGSDA Trade & Investment also informed its all business partners about further requirements in implementing Global Compact principles in the consortium's business strategy.

The management developed strategies for implementation of Global Compact principles and informed all stakeholders about the relevant requirements that they have to implement in this field. Also, the management developed several projects and included measures for implementing the Global Compact principles in its realisation.

SGSDA/Eagle Space participates in initiatives to develop the UN Global Compact network in Australia and appointed its Managing Partner Ivan Milbridge as a person responsible for the relevant activities. Ivan Milbridge represented SGSDA/Eagle Space in the Global Compact working group for Australia established by the Global Compact head office in New York. Ivan Milbridge is a contact person for the Global Compact for New South Wales and the outcome of his activities resulted in connecting representatives of The Lowy Institute for International Affairs with the relevant representatives within the Global Compact head office in New York.

Further engagement of SGSDA/Eagle Space in these activities will depend upon strategy developed by the working group for Australia.

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2.3 SGSDA/Eagle Space’s visit to south east Europe, Sept.–Oct. 2003, 2004 and 2005

SGSDA/Eagle Space representatives’ visit to Serbia in 2003, 2004 and 2005 has confirmed that there is a strong commitment by the Serbian Government to implement reform policies — there have been significant improvements in Serbia’s key macroeconomic indicators— and, with respect to potential trade and investment initiatives, SGSDA/Eagle Space has received strong interest from key Serbian business and government representatives.

2.4 SGSDA/Eagle Space’s business & government contacts and key responses

SGSDA/Eagle Space’s representatives had productive discussions with members of the Serbian Business Club and others. In all cases, representatives received very positive encouragement to pursue SGSDA/Eagle Space’s efforts to develop linkages between Serbia and Australia, with the objective of increasing trade and investment between the two countries. In particular SGSDA/Eagle Space’s representatives had contacts with:

Ms Milica Cubrilo, Minister for Diaspora, Department of Diaspora

Ms Jasna Matic, State Secretary for Foreign Economic Relations, Department of Economy & Regional Development

Ms Irena Posin, Director for Export, Serbian Investment & Export Promotion Agency (SIEPA)

Ms Marija Mitic, Secretary General of the Serbian Business Club

Dr Aleksandar Peric, Adviser to Chairman of the Serbian Chamber of Commerce

In addition, SGSDA/Eagle Space has had related communication with:

Mr Beat Heggli, Task Manager, MIGA – World Bank Group

Mr Dermott Coffey, Vienna Facility Manager, Invest in Western Balkans, MIGA – World Bank Group

Ms Clare Birgin, Australian Ambassador for Serbia & Montenegro, Romania and FYR Macedonia

Ms Bojana Tomcic, Cultural Affairs Officer, DFAT, Australian Embassy in Belgrade, for Serbia, Montenegro, Romania and FYR Macedonia

Mr Peter Forby, Trade Commissioner / Consul General, Austrade – Bucharest

Ms Jasna Krivosic, Deputy Director, Foreign Investment Promotion Agency of Bosnia & Herzegovina (FIPA)

Ms Mira Radunovic, Project Manager, Montenegrin Investment Promotion Agency (MIPA)

Mr Stevan Nikcevic, General Manager, Yugoimport – SDPR

Mr Dragan Filipovic, Direktor, Krusik - FLM

Ms Alma Henic-Strahinja, Product Manager, National Tourist Organisation of Montenegro

Mr Boris Mardjonovic, Secretary, Montenegrin Hotel Association

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In Australia, SGSDA/Eagle Space has had related contacts or discussions with:

Hon. Fran Bailey, Minister for Small Business and Tourism

Ms Hellen Georgopoulos, Senior Adviser, Office of the Prime Minister Canberra

Mr Brian Fisher, Chairman, Exports and Infrastructure Taskforce

The Hon Alan Cadman MP, Federal Member for Mitchell

Ms Annabel Anderson, Assistant Secretary, Northern Southern & Eastern Europe Branch, Department of Foreign Affairs and Trade

Mr Russell Edwards, NSW State Manager, NSW State Office, AusIndustry

Mr Peter Murphy, Deputy State Manager, Austrade

Ms Jessica Ramsden, National Manager Central Europe and the Commonwealth of Independent States, Austrade

Ms Lynnette Dorn, Senior Manager – Trade Services, NSW Department of State and Regional Development

Ms Ellen Lintjens, Senior Manager – Trade Services, NSW Department of State and Regional Development

Ms Mirjana Sesum-Curcic, Second Secretary, Embassy of the Republic of Serbia

Mr Aleksandar Besarabic, Consul General, Consulate General of the Republic of Serbia

Ms Jasmina Pekmezovic, Vice-Consul General, Consulate General of the Republic of Serbia

Mr Philip Morrice, Director, TFG International

Mr Paul Davies, General Manager, Marine Business Development, Tenix Australia

Ms Liz Myers, Sales Manager, Cargo & Logistics Management Pty/Ltd

Mr Fenton Coull, Events Manager Tennis Australia

Mr Welly Salim, Committee Member, Australia-Indonesia Business Council

Mr Colin Ging, Senior Director, Strategic Project Delivery, Savills

2.5 Opportunities for increasing Australia's Trade and Export with the region

In this report we have highlighted the following opportunities for increasing Australia's Trade and Export with the region:

- Establishment of a trade and investment office in Belgrade, desirably led by leading Australian corporate organisation
- Expansion of Australian pharmaceutical industry to central Europe, including Russia
- Distribution of agribusiness products to central Europe including Russia

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- Establishment of a warehouse and retail centre for distribution of the Australian commodity goods to consumers in south east Europe and third markets by enhancing Free Trade Agreements in place.

2.6 The next steps

We **recommend** consideration that the Australian business community establishes a trade centre for south east Europe in Belgrade for the purpose of facilitating increased investment and trade with Serbia and with other countries in south east Europe and Russia. The primary basis of this recommendation is that:

- Australia recognises Serbia as an important partner in the central Balkans, considering its diplomatic, immigration and Federal Police posts for that region are located in Belgrade, Serbia;
- Serbia has a central position in the region of south east Europe and the Serbian Government is keen to re-establish productive trade relations with Australia; and
- SGSDA/Eagle Space offers its services to bridge business communities in Australia with relevant business communities in south east Europe.

3. Report of SGSDA/Eagle Space's visit to Serbia

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3.1 Why trade with Serbia?

The Serbian government is negotiating with the European Union (EU) to define terms and conditions that will lead Serbia to EU membership; it is expecting that countries of the western Balkans—Serbia, Montenegro, Croatia, Bosnia, FYR Macedonia, Albania, will join the EU by 2010 - 2015. These countries have established a Free Trade Zone of south east Europe (CEFTA) in preparation for EU membership, in part to develop their experience of operating in a free trade environment.

This transitional period is an opportunity for Australian companies to establish a central presence in the region. This would give Australian businesses the opportunity to develop their communication with the local governments and bureaucracies, and thereby render them better placed for negotiation with the larger European bureaucracies, considering the complicated EU regulations and legislation governing international trade.

This opportunity is increased since Romania's and Bulgaria's accession to EU membership and loss of their full sovereignty over the foreign trade.

Our proposal to establish an Australian trade and investment headquarters in Serbia for south east Europe—so as to facilitate Australian investment in companies in the region—will facilitate a competitive advantage for Australian companies in the broader European market.

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Important issues and statistics:

- The potential to reverse the downturn in trade with Australia—from \$76.5m to \$3.5m p.a. over the past decade
- Opportunity to take advantage of the **10-year tax holiday for foreign investors** - for minimum investment of US\$10m + 100 employees
- The advantage of the cost effective Serbian **average wage of AUD\$400 per month**
- The benefits of Serbia's **Free Trade Agreement with Russia**
- Serbia's central position in the **Free Trade Zone of south east Europe (CEFTA)**
- Likely Serbian **membership of the EU by 2015**, providing a potential additional gateway to trade with the EU
- **GDP growth rate 6.5%**
- Serbian **company tax rate a low 10%**
- Serbian personal **income tax rate of 14% flat rate** + additional personal income tax of 10 per cent at incomes above \$18,306
- **VAT of 18% but 8%** on some items
- Average customs. duty of only 7.5%—raw materials 1–5 %, machinery and equipment 10%, goods for retail 10–20 %
- Labour force **English language proficiency 42.3%**
- The European Bank for Regional Development has a specific '**Trade Facilitation Program**' and acts as Guarantor for foreign companies interested in trade with Serbian companies
- **World Bank Group's agency MIGA** has specific IIWB program for providing guarantees from political risks in the region of Western Balkans.

3.2 SGSDA/Eagle Space — Business and Personnel

SGSDA/Eagle Space is an Australian business enterprise based in Sydney, Australia. SGSDA/Eagle Space is a provider of project management and business consulting services, whose aim is to promote the trade of goods and services between Australian and south east European business.

The SGSDA/Eagle Space provides consulting services on matters of trade, investment, business and other cooperation, to companies from these two regions willing to improve and increase their trade activities and expansion to new markets.

A major objective is to provide services to those Australian business entities that are interested in export, investment, active partnership and trade with the leading players of south east Europe.

SGSDA/Eagle Space has been involved in series of projects for increasing trade relations between business communities from Australia and south east Europe.

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In the past, SGSDA/Eagle Space has successfully negotiated an Agency Agreement with the company Invest-Import from Belgrade; the parties negotiated mutual agency status and had established a good business infrastructure, a bridge for trade between Australia and the EU, Commonwealth of Independent States, North Africa and Iran, building on the world-wide business infrastructure of Invest Import.

SGSDA/Eagle Space has achieved agreements with another reputable business from Belgrade about forming an international consortium for reconstruction of Tsunami devastated areas in south east Asia.

More recently, SGSDA formed its tourism arm Eagle Space as a result of market research and business visits to south east Europe and the USA in July-August 2005. Eagle Space has formed a Joint Venture with the reputable corporate and leisure travel provider Bay Travel from Sydney in January 2006.

SGSDA/Eagle Space is currently working with the Consulate General of the Republic of Serbia on promoting Serbia as an attractive trade & investment destination for the Australian business community.

3.3 SGSDA/Eagle Space's communications in south east Europe

SGSDA/Eagle Space's representatives visited Serbia & Montenegro during September–October 2003 and 2004 and August 2005. The following summarises their communication with key business and government officials and provides some information about those organisations.

3.3.1 Serbian Business Club

(<http://www.serbian-business-club.co.yu/>)

Secretary General of the Serbian Business Club, Ms Marija Mitic, was SGSDA/Eagle Space's primary contact person for the Club. She stated clearly that the members of the Club would be interested in a range of business activities with Australia.

At the initiative of SGSDA/Eagle Space, its representative met with Mr **Radomir Bubanja**, Head of Office for Foreign Trade, Department of Trade Tourism and Services, Government of Republic of Serbia. He argued that Australia was ideally located for Serbia's trade and investment in Asia-Pacific region and introduced the services that SGSDA/Eagle Space could offer to Serbian companies. He presented a report *Serbian Business Entities—Southern Wing of Development* (in Serbian language), a 12-page analysis that identified potential business opportunities for Serbia to consider in Australia and the Asia-Pacific region.

Mr Bubanja articulated the need for a liaison organisation, which could facilitate communication, considering differences in business culture between the two countries.

Suggestions provided by Mr Bubanja and SGSDA/Eagle Space included:

- Importing Australian goods and distributing to customers in Serbia & Montenegro as well as to the region of south east Europe;

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- Joint ventures be developed with Australian businesses to increase Australia's exporting to eastern and central Europe, including Russia, and to increase Serbian and Australian exports to South East Asia and USA; and also joint ventures in projects at the world market, such as reconstruction of Iraq, and infrastructure projects in south east Europe;
- Participation of Australian businesses in the privatisation processes in Serbia & Montenegro;
- Establishment of strategic alliances with Australian businesses for a range of projects in south east Europe;
- Assisting Australian representatives to lobby the Serbian government in relation to these business activities;
- Establishment of joint trade commissions and industry organisations (there are similar joint ventures with businesses in Russia, Ukraine, Germany and Portugal) and establishment of appropriate trade agreements between Serbia and Australia; and
- That Australia establish an office in Serbia & Montenegro for coordination of Australian trade and investments in south east Europe.

About the Serbian Business Club

The Serbian Business Club is an association of senior executives of the leading companies in Serbia & Montenegro and, thereby, is a primary entry point to business in Serbia. It represents the opinion leaders and policy makers of Serbian business and is roughly equivalent to the Business Council of Australia.

The Club links government, business and Serbia's international business interests. Members of the Club advise the President of Serbia & Montenegro, Mr Svetozar Marovic, on economic issues, and the Club works closely with numerous government departments and agencies in Serbia. The Prime Minister of Serbia, Vojislav Kostunica, enlisted the assistance of members of the Club in government efforts to improve the Serbian economy.

The Club has worked with the Serbian Department of Trade, Tourism and Services on the establishment of a specific government agency for Project "Made in Serbia", which will establish specific standards for Serbian-made products for the international market.

Club Member, Mr Dragan Vukadinovic was President of the Serbian Council for Promotion of Serbian Industry Competitiveness in the World Market, which is sponsored by the Serbian Department of Foreign Economic Relations and USAID, the American agency for international development. His standing in the Club and in government lends authority to Serbian Business Club's expression of interest in business ventures that will be of mutual benefit to Australia and Serbia, including joint Serbian-Australian ventures to export goods and services to third markets.

The leaders of all major Serbian retailers (C-market, Pekabeta, Maxi) also are members of this industry organisation. These retailers have a strategic plan to expand their retail chains (including distribution) to other countries of south east Europe. Their extensive logistics and business facilities, and the manufacturing infrastructure of these

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companies, potentially makes them a dependable partner for Australian exporters interested in joint ventures to penetrate central and east European markets, including Russia.

Companies headed by Club members are involved in the project of the American Chamber of Commerce in Serbia and Montenegro, and have members on the Chamber's Board of Governors.

Serbia is a member of the Central European Initiative and the European Council and has a free trade agreement with Russia and other countries of south east Europe (Croatia, Bosnia, Albania, FYR Macedonia, Romania, Bulgaria and Moldova). There is also progress towards establishment of a free trade zone in south east Europe by 2007; this will include all countries of that region, and prepare them for membership of the EU.

The Chairman of the Club, Mr Danko Djunic, is Chairman of the Board of the American Chamber of Commerce in Serbia and Montenegro.

Mr Miodrag Babic, is Chairman of the Board of the pharmaceutical conglomerate Hemofarm Group. Hemofarm has operations in Serbia, Montenegro, Bosnia, Macedonia, Romania, Germany, USA, Russia and China. A senior executive of Hemofarm was the first Vice-President of the American Chamber of Commerce in Serbia and Montenegro. Hemofarm is a potential partner for Australian pharmaceutical companies interested in expansion to markets of central and eastern Europe.

Companies headed by Club Members are well advanced in the process of privatisation and ownership reconstruction. For example, the tobacco company DIN is owned by the American company Philip Morris, the mineral water producer Knjaz Milos finalised the process of selling a majority of their shares to international conglomerates.

Club member Mr Budimir Kostic is Chairman of the Board of the Austrian Bank Raiffeisen Bank, and was a member of the Board of Governors of the American Chamber of Commerce in Serbia and Montenegro.

3.3.2 SIEPA—Serbian Investment & Export Promotion Agency

(<http://www.siepa.sr.gov.yu>)

SGSDA/Eagle Space had ongoing contact with **Ms Jasna Matic**, Director. SGSDA/Eagle Space's representatives have also participated in a international conference *Small and Medium-Sized Enterprises – New Opportunities for Serbia*, organised by the Department of Economics and Privatisation in 2003. This occasion provided SGSDA/Eagle Space the opportunity to discuss implementation of investment projects with representatives of international agencies involved in facilitation of such projects in Serbia and Russia.

Ms Matic and other representatives of SIEPA expressed interest in supporting and facilitating projects such as joint ventures between Australian and Serbian businesses for expanding trade and export of both countries' goods and services to third markets.

These included:

- setting up an office in Serbia as Australia's regional office for south east Europe;
- strategic alliances and joint ventures with Serbian companies;

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- the potential for greenfield sites for Australian companies in south east Europe;
- potential for Australian investments in infrastructure projects in Serbia;
- selling State holdings of the Wool Production Company in Belgrade or elsewhere to an Australian company, which would render Serbia as distribution centre for wool for the region;
- a project for the distribution of Australian pharmaceutical products to central and eastern European markets (including Russia), an opportunity for joint ventures of Australian and Serbian companies; and
- a project for the distribution of Australian agribusiness products to central and eastern European markets including Russia and EU—also an joint venture opportunity for Australian and Serbian companies.

The Free Trade Agreement with Russia and The Free Trade Zone of south east Europe (CEFTA) as well as Serbian participation in The Central Europe Initiative provides good opportunities for the expansion of joint Australian and Serbian trade and export to south east Europe and Russia.

SIEPA also had contact with Austrade representatives regarding statistical data about the Serbian economy, and Ms Irena Posin, Director of Export Promotion Services has had past contacts with Austrade, at Austrade's initiative. These centred on a project for promoting opportunities in Serbia for Australian businesses. Austrade was to cover all expenses of SIEPA representatives while they were in Australia on promotional activities. However, the project did not proceed because SIEPA could not allocate sufficient funds for their representatives travel expenses and other export promotion activities.

About SIEPA

SIEPA is the Serbian equivalent of Austrade and Invest Australia. It exists as an agency of the Department of Foreign Economic Relations and administers investment and export promotion projects. It is the government entry point for the Serbian market.

3.3.4 Montenegrin Investment Promotion Agency

(<http://www.mipa.cg.yu>)

SGSDA/Eagle Space has an ongoing relationship with the MIPA agency and is authorised to to distribute MIPA publications within Australia.

About MIPA

Set up by the Government of Montenegro, MIPA is the Montenegrin equivalent of Invest Australia. MIPA operates under the Prime Minister & Cabinet and has its Board of Directors consisting of public and private sector representatives.

3.3.5 Foreign Investment Promotion Agency of Bosnia & Herzegovina

(<http://www.fipa.gov.ba>)

SGSDA/Eagle Space has ongoing contact with Ms Jasna Krivosic, Deputy Director, FIPA agency and has their permission to distribute FIPA publications within Australia.

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About FIPA

FIPA is equivalent to Invest Australia. It is the leading government institution supporting direct foreign investment in Bosnia & Herzegovina.

3.4 Bilateral relations between Australia and Serbia

The Australian Embassy is accredited to the governments of the Serbia, Montenegro, Romania and the Former Yugoslav Republic of Macedonia (FYROM), which makes Belgrade and Serbia the Australian diplomacy and immigration gate for the Central Balkans.

The Australian Federal Police opened its an international post in Belgrade on 8 October 2003, following the signing of a Memorandum of Understanding on Information Exchange and Cooperation to Combat People Smuggling in August 2002. This has established a significant link between the two governments, and may be of some relevance in the development of increased trade and investment cooperation.

Before the break-up of the former Yugoslavia and the imposition of UN sanctions, Australian exports to the area were about AUS\$76.5 million per annum, with wool, hides and skins being the most important items. Unfortunately the sanctions halted direct trade.

Australia and the Republic of Serbia enjoy cordial relations based on strong community links. In the 2001 Australian Census, 97,315 people identified themselves as having Serbian origin, and 49,203 said they spoke Serbian at home.

On 21 May 2006 Montenegro held an independence referendum where an internationally recognised mandate for independence was achieved. This led to the dissolution of the state union of Serbia and Montenegro. Australia acknowledges the Republic of Serbia as the continuing entity of the former state union, and officially recognised the independent state of the Republic of Montenegro on 27 June 2006. Australia has maintained an Embassy in Belgrade since 1967 and formally recognised the state then known as the Federal Republic of Yugoslavia on 27 September 1996.

Before the break-up of the Socialist Federal Republic of Yugoslavia in 1990 and the imposition of UN sanctions, Australian exports were valued at about A\$75 million per annum, with wool, hides and skins being the most important items. Sanctions halted direct trade. The slow pace of economic reforms and an unstable political environment have constrained the revival of significant trade and investment links.

Australia's merchandise exports to the former Serbia and Montenegro in 2005 were valued at A\$0.85 million, consisting primarily of measuring instruments. In the same period, imports were valued at A\$3.5 million and consisted mainly of medicaments and preserved fruit and vegetables. Separate data for Serbia will be updated when it becomes available.

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3.5 Summary of SGSDA/Eagle Space's offer of services and opportunities for increasing Australia's Trade and Export with the region.

The following opportunities have been discussed with business and government officials in Serbia, who are interested in participating in and supporting these and other similar projects, and SGSDA/Eagle Space offers its services for the establishment, implementation and facilitation of such projects.

Services offered:

- Providing business infrastructure and facilities in south east Europe (One stop shop approach)
- Connecting businesses from Asia Pacific with a relevant businesses in south east Europe
- Market research;
- Liaison between businesses and government representatives in Serbia and Australia;
- Project development and project management
- Facilitation and management of presentations, communication and training.

Opportunities:

- Establishment of trade and investment office in Serbia
- Expansion of pharmaceutical industry to south east Europe and Russia
- Distribution of Australian agribusiness products to south east Europe and Russia
- Establishment of business clusters for expansion of trade to south east Europe
- Joint ventures in reconstruction of Iraq & south east Asia
- Joint ventures in trade activities with Egypt, Libya and Middle East

3.6 Promoting Investment in the Western Balkans.

The Invest in the Western Balkans Program (IIWB) is an independent, pan-regional program based in Vienna. It is administered by the Foreign Investment Advisory Service (FIAS) of the World Bank Group. The program is an extension of the successful European Investor Outreach Program (EIOP), which was established in 2004 by the World Bank Group's Multilateral Investment Guarantee Agency (MIGA) with the financial support of the Austrian Ministry of Finance.

The main objective of the IIWB is to promote foreign direct investment (FDI) in the Western Balkans, a region comprising six countries: Serbia, Montenegro, Croatia, Bosnia & Herzegovina, Albania, FYR Macedonia.

The IIWB offers free-of-charge information and consulting services to potential investors seeking to grow their business in the Western Balkans. The program's central office in Vienna, staffed with a team of international investment promotion specialists, acts as single-point-of-contact for investors' enquiries.

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In delivering its services to potential investors, the Vienna office works closely with a wide range of partner institutions in the region and beyond.

SGSDA/Eagle Space established on-going cooperation with the project management team on raising awareness about the program to the Australian business community interested in trade and investment activities in south east Europe.

3.7 The next steps

SGSDA/Eagle Space **recommends** consideration of establishment of an Australian trade and investment centre for south east Europe in Belgrade, for the purpose of facilitating increased investment and trade with Serbia and with other countries in south east Europe. The primary basis of this recommendation is that:

- Australia recognises Serbia as an important partner in the central Balkans, considering its diplomatic, immigration and Federal Police posts for that region located in Belgrade, Serbia.
 - Serbia has a central position in the region of south east Europe and the Serbian Government is keen to re-establish productive trade relations with Australia.
 - SGSDA/Eagle Space can offer substantial assistance to connect business representatives in Australia with relevant business and government officials in Serbia and wider region of south east Europe.
-