

FR EN

We use cookies to make your connection secure and make statistics about the number of visits. In order to get more information about cookies and find out how to refuse them, [visit our cookie policy page](#).

[Cookies settings](#)

REQUIRED ONLY

ACCEPT  
ALL

## INVEST

### FOREIGN DIRECT INVESTMENT

FDI flows to Serbia have been positive since 2012. According to the [World Investment Report 2023](#) by UNCTAD, FDI inflows totaled USD 4.6 billion in 2022, in line with the figure recorded one year earlier. At the end of the same period, the total stock of FDI stood at USD 53.5 billion. According to the latest figures by the national investment agency, the countries with the highest stock of FDI in Serbia are Germany (13.5%), Italy (11.7%), the U.S. (10.9%), Russia (10.9%), China (10.5%), France (8.5%), and Austria (7.3%). In terms of the number of projects, the main sectors are automotive (17%), agriculture, food and beverage (15%), textile (7.5%), electrical and electronics (6.2%), and construction (5%). According to the National Bank of Serbia, the country attracted USD 4.5 billion of foreign direct investment in 2023, equivalent to around 6.1% of GDP. Almost four-fifths of FDIs took the form of equity and reinvested earnings, with the bulk of investments concentrated in manufacturing, construction, mining, and trade.

Serbia's investment climate has improved in recent years, driven by macroeconomic reforms, financial stability, and fiscal discipline, and the Ministry of Economy plans to keep providing incentives to foreign investors in order to improve the business climate in the country. Factors favorable to FDI in Serbia include the economic reforms it is undergoing as part of its EU accession process and IMF agreements, its strategic location, a relatively inexpensive and skilled labor force, and free trade agreements with the EU, Russia, Turkey, and countries that are members of the Central European Free Trade Agreement, for which many investors see Serbia as an export platform rather than as a market in its own right. Moreover, Serbia has no investment screening or approval mechanisms for inbound foreign investment, although licenses are required for specific business activities. By contrast, the country's main weaknesses are a massive and inefficient public sector, low productivity (excluding automotive), inadequate road and electricity transport infrastructure, and a large informal economy. Besides, the business environment remains hampered by red tape, corruption, and political interference. Overall, Serbia has a good business climate and ranks 53rd among the 132 economies on the [Global Innovation Index 2023](#) and 60th out of 184 countries on the latest [Index of Economic Freedom](#). It stands at the 104th position in the [Corruption Perception Index 2023](#).

Foreign Direct Investment	2020	2021	2022
<b>FDI Inward Flow</b> <i>(million USD)</i>	3,469	4,590	4,646
<b>FDI Stock</b> <i>(million USD)</i>	52,220	52,223	53,523
<b>Number of Greenfield Investments*</b>	42	44	99
<b>Value of Greenfield Investments (million USD)</b>	1,866	1,524	4,087

Source: UNCTAD - Latest available data.

Note: \* Greenfield Investments are a form of Foreign Direct Investment where a parent company starts a new venture in a foreign country by constructing new operational facilities from the ground up.

Country Comparison For the Protection of Investors	Serbia	Eastern Europe & Central Asia	United States	Germany
<b>Index of Transaction Transparency*</b>	6.0	7.5	7.0	5.0
<b>Index of Manager's Responsibility**</b>	6.0	5.0	9.0	5.0
<b>Index of Shareholders' Power***</b>	5.0	6.8	9.0	5.0

Source: *Doing Business* - Latest available data.

Note: \*The Greater the Index, the More Transparent the Conditions of Transactions. \*\*The Greater the Index, the More the Manager is Personally Responsible. \*\*\* The Greater the Index, the Easier it Will Be For Shareholders to Take Legal Action.

## WHAT TO CONSIDER IF YOU INVEST IN SERBIA

### Strong Points

Serbia has these assets to attract FDI:

- A generally positive business environment and is much more liberal than its neighbours. This is characterised, for example, by the lowest corporate tax rate in Europe (10%). The country's 44th position in the *Doing Business* ranking attests to a pro-business environment.
- A real desire for public sector reforms displayed by the government made concrete and decisive by the various agreements reached with the IMF and the EU (which the country has been seeking to join since 2014)
- A young workforce compared to the rest of Europe, well trained and multilingual (nearly half of the population speaks English fluently) whose cost is low.
- A comfortable level of foreign currency reserves.
- An ideal geographical location with connections to the Rhine-Main-Danube Canal, the Adriatic Sea, the Mediterranean Sea and the Black Sea.

### Weak Points

The main obstacles that may discourage foreign investors are:

- Political instability and risks of stagnation are still high compared to other countries in the region (the conflict with Kosovo for example).
- The trade deficit and the level of public debt remain problematic for the country's economy, which needs external financing to support its growth.
- The lack of transportation infrastructure and landlocked country.
- High risks of corruption and administrative burden weaken the confidence level of the business community.
- The cumbersome and slow implementation procedures in Serbia can dampen entrepreneurial initiatives.
- Vulnerability of the exchange rate to price changes

### Government Measures to Motivate or Restrict FDI

The Serbian government has established a series of measures aimed to attract foreign capital:

- Between 2,000 to 10,000 Euros are granted to investors creating new jobs in the fields of research and development, production and services
- Agreements have been made with different countries to avoid double taxation
- In certain cases, the government has set up exemptions of social charges
- Some imports are not subject to custom duties
- Fixed charges for companies are relatively low

Since the opening of the accession negotiations to the European Union in January 2014, the country has managed to recover the level of pre-crisis GDP, at USD 51.4 billion in 2019 (World Bank, latest data available). Similarly and in line with the program granted by the IMF, the government has implemented strong fiscal measures to reduce the public deficit and the weight of public enterprises. Of the 500 companies that the government has committed to privatising, nearly 330 were in liquidation or privatised by the end of 2016. These different measures and applications show that Serbia is above all seeking to create an attractive economic environment for foreign investors.

Some 15 free zones have been established in Serbia: in Apatin, Belgrade, two zones in Kragujevac, Krusevac, Novi Sad, Pirot, Priboj, Sabac, Smederevo, Svilajnac, Subotica, Uzice, Vranje, and Zrenjanin. These zones aim to attract investment by providing tax-free zones for business activities. Companies operating in these zones enjoy benefits such as unlimited duty-free imports and exports, preferential customs treatment and tax relief in the form of exemption from value-added tax (VAT).

## INVESTMENT OPPORTUNITIES

### Tenders, Projects and Public Procurement

[Tenders Info](#), Tenders in Serbia

[DgMarket](#), Tenders Worldwide

### Finding Assistance For Further Information

#### Investment Aid Agency

[Invest in Serbia](#)

#### Other Useful Resources

[Development Agency of Serbia](#)

[Guide to Doing Business in Serbia 2019 Edition \(JPM\) \(en anglais\)](#)

#### Doing Business Guides

[Doing Business Report Serbia - World Bank](#)

[Guide to Doing Business and investing in Serbia - PwC](#)

[Serbia Tax Guide - Deloitte](#)

[Doing Business in Serbia - UHY](#)