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ECONOMICS INSTITUTE

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Foreign Investors Council

SECOND AGRICULTURAL FORUM

FOOD FOR EUROPE

TOWARDS A NEW DEVELOPMENT STRATEGY FOR THE SERBIAN AGRO-ECONOMY

Subotica, October 11-13, 2012

PANEL 1: BATTLE FOR THE MARKET: HOW TO USE PRODUCTION AND EXPORT POTENTIALS OF THE SERBIAN AGRICULTURE AND FOOD INDUSTRY AS BEST AS POSSIBLE

Battle for Sustainable Market

Michalis Orfanoudakis, FIC Board Member, Patron of FIC Food and Agriculture Committee and Commercial Director at PepsiCo West-Balkan



Introduction to FIC

- ❑ business association of foreign companies operating in Serbia
- ❑ gathers around 130 companies which invested € 17 billion , employ 88,000 people and accounted to 16.54% of GDP in 2011
- ❑ main goal is to influence improvement of business climate by providing concrete reform proposals
- ❑ serves as platform for joint advocacy, not individual lobbying
- ❑ operates through working committees

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About FIC Food & Agriculture Committee

- ❑ forum for discussion on regulatory issues among representatives of member companies
- ❑ main goal is to provide proposals and improve regulatory framework relating to the food and agriculture industry

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33 committee members

□ BASF, BAT South East Europe, Bayer, BPI, Carlsberg, Coca-Cola Company, Danube Foods, DuPont SRB, Japan Tobacco International, Kraft Foods, Mini Pani, PepsiCo, Philip Morris, Rauch Serbia, Sladara Maltinex – Soufflet, Syngenta Agro.

Also: Alpha Bank, Bojovic Dasic Kojovic, Credit Agricole Srbija, Ecolab Hygiene, EOS Matrix, Eurobank EFG, Harrisons, Intesa Leasing, Jankovic, Popovic & Mitic, KBC Banka, Metro Cash & Carry, MMD- GLN, OTP banka, PricewaterhouseCoopers, ProCredit Bank, Schneider Electric, Tetra Pak Production

Current situation

- agriculture seen as one of the pillars of economic growth
- majority of regulations harmonized with EU acquis
- however full potential not utilized
- due to inconsistent implementation, administrative obstacles and non-tariff barriers to trade

Key issues

- ❑ lack of supporting by-laws and low administrative capacity
 - e.g. Outdated Rulebook on Labeling and Marking of Packaged Foodstuffs
- ❑ weak regulatory bodies and quality assurance
 - e.g. lack of national reference laboratories
- ❑ outdated and inconsistent pre-market control
 - e.g. bureaucracy in validation and sampling procedures both for import and export

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Recommendations

Introduce more transparent and predictable framework by:

1. creating modern by-laws and improving administrative capacity
2. strengthening institutions with support of EU
3. setting post-market control in line with WTO standards