

*Experience of food export
promotion in Serbia*

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May 2016

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*Characteristics of agricultural
products exports in Serbia*

Characteristics of Serbian agri export

Agriculture in Serbia is important, export especially

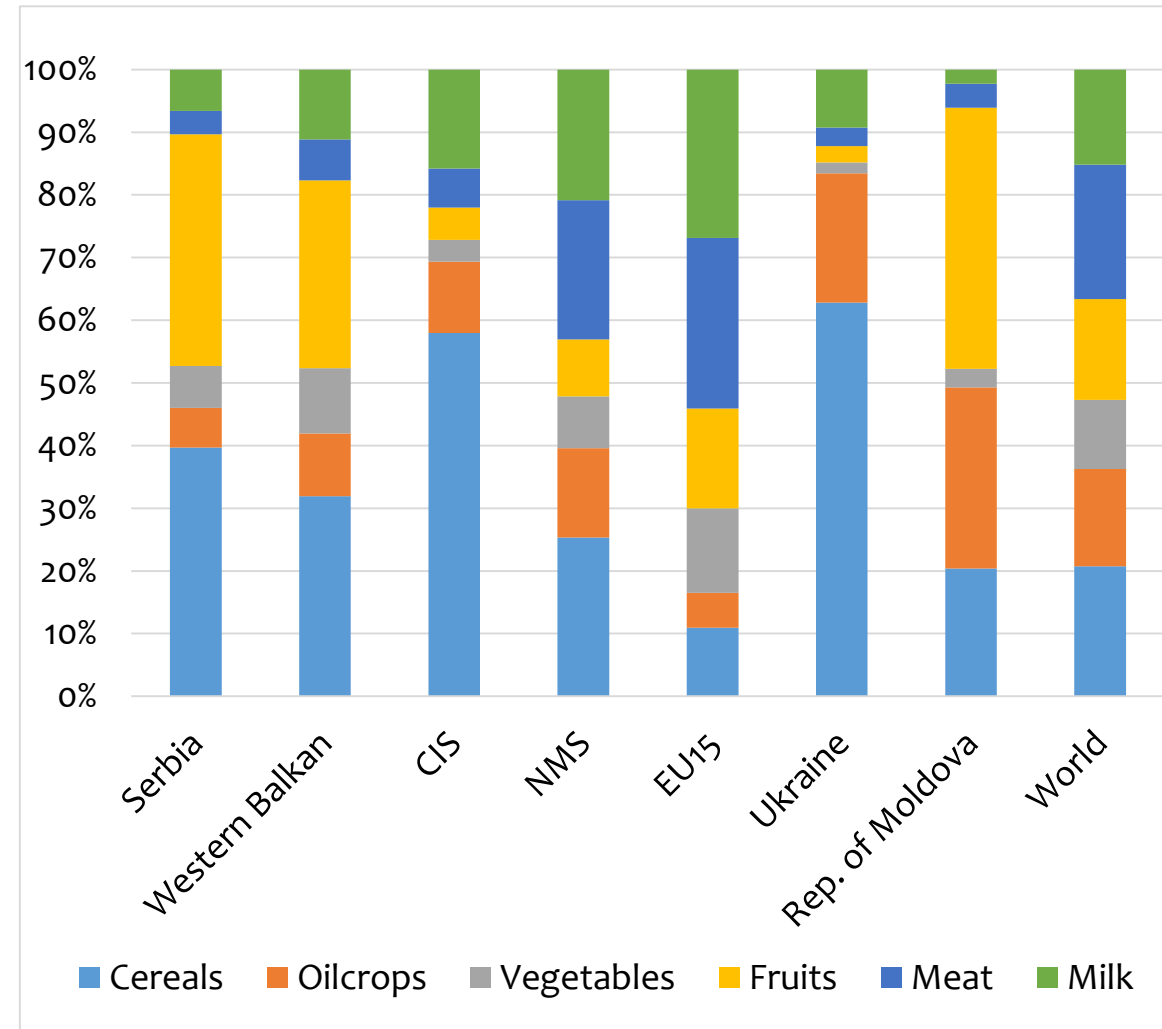
- *Serbian export is constantly increasing, reaching 2.6 billion Euros in 2015 and 1.2 billion trade surplus*
- *EU is Serbia's largest partner in the trade of agricultural products*
- *Serbia has a very favourable trade position*
 - SAA with EU
 - CEFTA agreement
 - USA – GSP, trade agreement with Russia and Turkey
 - Although not member of WTO through bilateral agreements covers almost all export
- *Serbia with help of donors is constantly exploring opportunities to increase exports*
 - To become a member at WTO and obtain missing export licenses for export to EU
 - To implement standards and prove quality
 - To Increase competitiveness
 - To improve the market chain and consolidate the offer
 - To know export markets and to promote domestic products
- *Serbia has a low level of compliance with EU and other voluntary standards, especially in the meat sector*

Characteristics of Serbian agri export

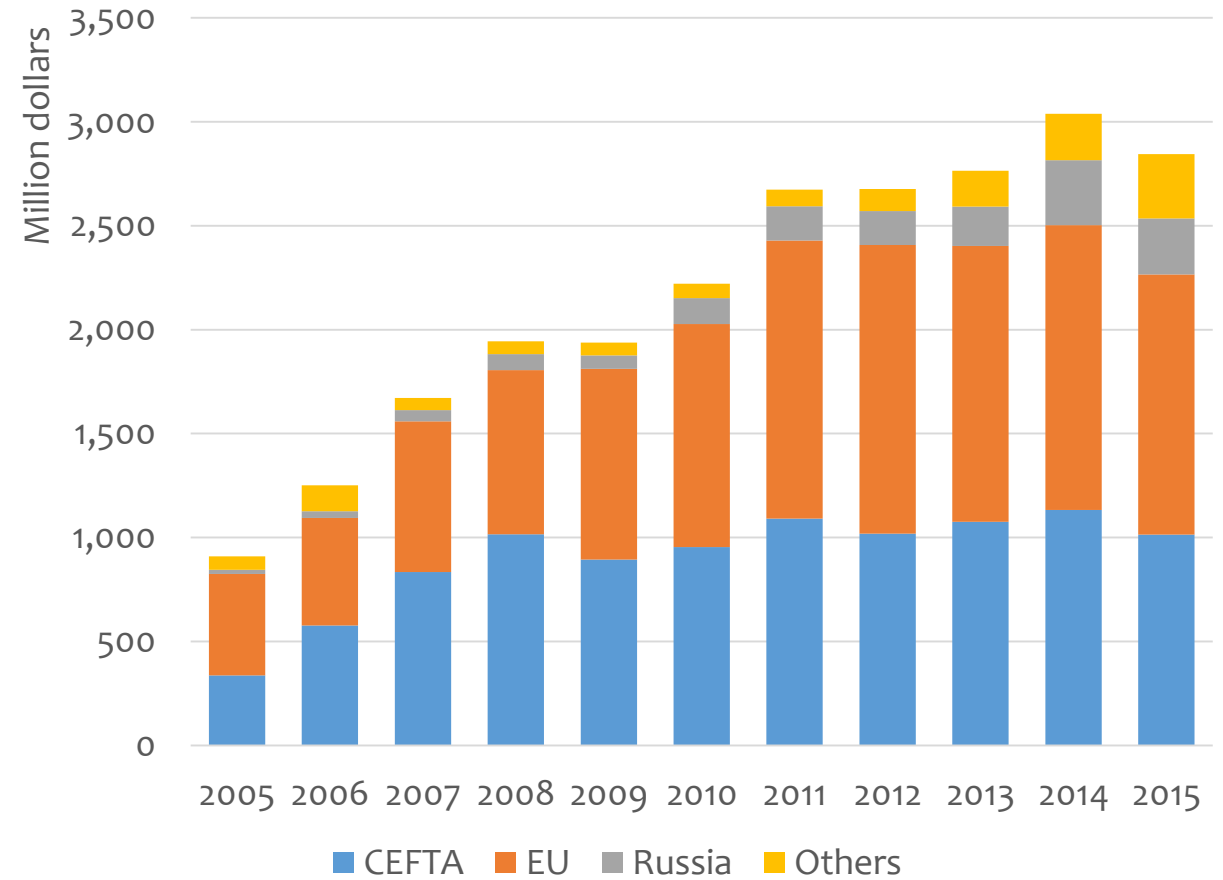
Agriculture in Serbia is important, export especially

EU is Serbia's largest partner in the trade of agricultural products

Export structure of selected countries and markets



Export from Serbia in mil USD by destinations



*Participants in the
promotion of exports*

The most interested institution in food export promotion

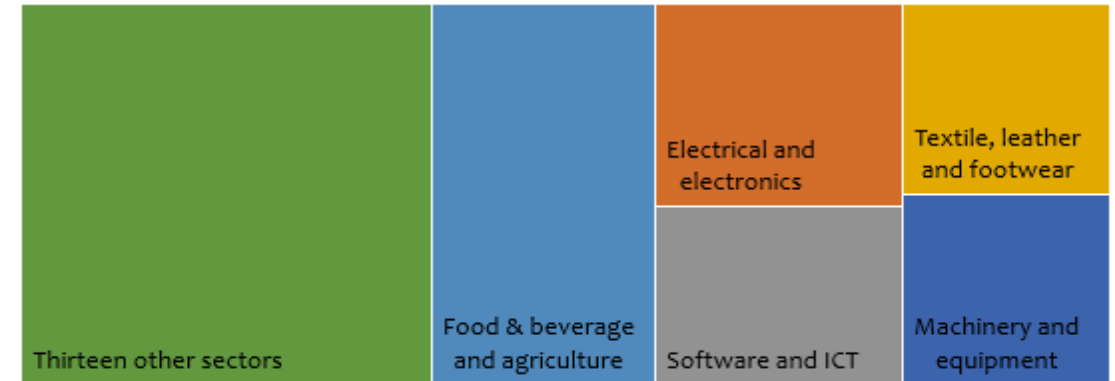
- Export subsidies which had been the dominant measure until their abolishment in 2011;
- Grants of support to farmers and companies in different export stimulating activities, such as:
 - *Subsides for the introduction and certification of the system of food safety and quality, organic products and products with geographical indication*
 - *Adding value and marketing activities*
 - *Subsidies for investment in processing capacity and marketing*
 - *Subsidies providing support for marketing activities by national budget*
- Introduction of quality labels which is underway, as one of the most important future projects of the Ministry of Agriculture

Serbian Investment and Promotion Agency – SIEPA

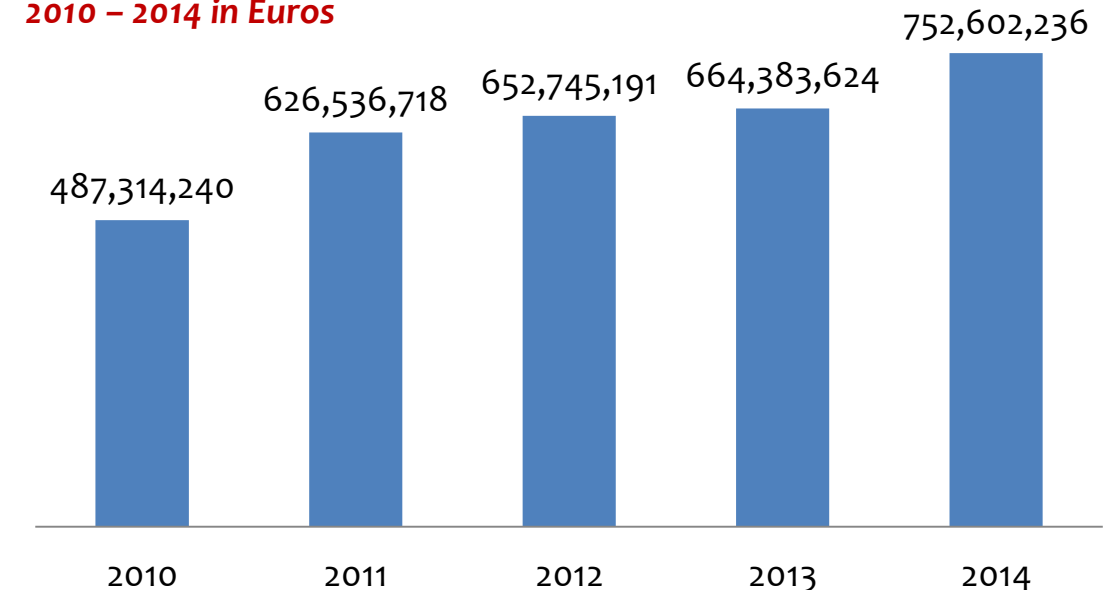
The highest budget and capacity

- Program for encouraging competitiveness and internationalization Serbian economy starts to allocate funds 2006 and until 2013 has been allocated 8,6 million Euros for 1.700 business.
 - Funds were granted to the purposes: (visiting fairs, standardization, marketing, product design, promotional material, trainings...)
- Database of suppliers
 - Wide range of potential business partners, more than 2.500 company from 20 different industrial sectors are in database at the moment
- Business meetings
 - Meet the buyer
 - B2B thematic meetings

Structure of subsidies by sectors



Achieved export of the companies that used SIEPA measures from 2010 – 2014 in Euros



Playing significant role in EP

- Fund for development of Serbia
 - *Subsidies short term export loans*
 - *Subsidised investment loans for export-oriented companies*
- Chamber of Commerce
 - *Organizing common stands for Serbian producers on all fairs – provide logistics in organization of appearance on international fairs and contribute to visibility of producers;*
 - *Platform to discuss common sales and export strategies - place where discussions between majority of participants taking place, but capacity that need improvement in utilization*
- Serbian Export Credit and Insurance Agency
 - *Export insurance,*
 - *Short-term credits for exporters and*
 - *Factoring (sale of receivables)*
- Donors
 - USAID – Agribusiness project
 - *Grants for Introduction of Food Safety and Quality Standards*
 - *Grants for Marketing and Promotional Activities in Agribusiness*

Export Promotion Measures

Serbia tried different measures in EP

Measure	Main characteristic	Main recommendations
Fairs	<ul style="list-style-type: none"> • Fair travel costs are subsidised • Appearance at the fair is enabled so that a participant becomes a part of the group exhibition at the common stall • The programme also involves training in business negotiation 	<ul style="list-style-type: none"> • Involve the companies in choosing fairs • Carefully select the companies and know at all times who will be in attendance and why • Perform evaluation activities after each fair visit • Deal only with those who have potential on that market • Always try to organise a common fair stall, not only the joint visit, if this is economically justifiable (meticulously analyse the effects)
Products preparation for market and adding value to products	<ul style="list-style-type: none"> • Subsidies for marketing preparation of products (improvement of packaging, preparation of advertising material, etc.) • Subsidising the introduction of the standard necessary for export • Subsidies for registration of seal, geographical indication, industrial patent, etc. 	<ul style="list-style-type: none"> • Determine whether the company really needs this, and whether the product has potential for adding value • Find the company which understands the needs of the producers and is familiar with the market • Include the market research to identify the value adding potential • Work in stages, with small scale grants
Subsidised export credit and insurance	<ul style="list-style-type: none"> • Subsidising the interest rates, either through direct provision of funds (Development Fund), or through subsidising the interest rates with commercial banks (Agency) • Subsidising insurance 	<ul style="list-style-type: none"> • Strict measures' monitoring • Include banks and insurance companies in loan and insurance evaluation with the condition that they share the risk, since this decreases the possibility of bad placement of grants/subsidies • Exclude politics from the system of decision making pertaining to clients • Transparent publication of all subsidy related data and decision making reasons

Serbia tried different measures in EP

Measure	Main Characteristic	Main recommendation
Trade meetings	Organising meetings with the aim of making connections between suppliers, merchants, buyers...	<ul style="list-style-type: none"> • Start organising these meetings when the confidence between the companies and organisers is achieved (the SIEPA needed more than five years in order to organise their first successful trade meeting) • Create a high quality base of domestic and international companies, constant maintenance of contacts and monitoring of status • Always make highly targeted meetings not only for different sectors (vegetables, fruit...) but also per demand (greenhouse production, apple...)
Supplier database	Online web based database of suppliers with the goods offered for sale	<ul style="list-style-type: none"> • Insist on the constant updates to the database • It is important to promote the database among those who input the data into it, but also among the potential buyers who utilise it • Take time and make effort to translate the database into different languages • Have people who will constantly regulate the database and control the data it includes
Support in organizing common marketing strategy for group of companies	Use associations to organise common marketing strategies for certain markets. These strategies may include common promotion, as well as common production.	<ul style="list-style-type: none"> • Common export strategy is not easy to achieve but is always worthwhile to try • Providing information which companies doesn't have is good way to attract they interest • Common export promotion is first step towards common export on some market • Do not push too much
Promotion abroad	Includes promotional activities on international markets, through texts in magazines, advertisements , etc.	<ul style="list-style-type: none"> • Hire a local agency in the country to organise the promotion activities, since the market is usually not that familiar • Insist on the targeted campaigns with highly concrete rather than general messages • Organise constant promotion rather than ad hoc events.

Conclusions & Recommendations

Main Conclusions and Recommendations

Many factors affect the successful promotion

- It is good to have a **specialised agency** and **well trained people** dealing with EP
- Carefully **choose the markets** where promotion is meaningful since results are achieved only in well prepared products for accurately targeted markets
- Possess **comprehensive analyses** of domestic production and know one's place on the potential markets
- **Cross the data about the potential markets and domestic competitiveness**
- **Continual work with all** food sector (producers , traders, processors, etc)
- **Adjusting the measures to the needs** and the level of development of company
- **Include companies in designing measures**
- Promotion depends on many different factors and even more so from their synergy, so it is therefore important **to have a comprehensive approach instead of a single measure**
- ...