

SERBIA

Serbia is a potential candidate country for EU accession following the Thessaloniki European Council of June 2003. On 22 December 2009, Serbia submitted its application for EU membership. The EU is the main trading partner of Serbia and EU-Serbia trade has been rapidly growing since 2000. During 2009, exports and imports of goods and services to and from the EU stabilised at 54% of the country's total exports and 54% of its total imports.

Serbia has a large trade deficit with the EU: in 2007, its exports to the EU amounted to €5.5 billion and its imports from the EU to €10.2 billion. Serbia mainly sold agricultural products, tires, iron, steel and machinery to the EU while the main goods bought from EU were vehicles, diesel fuels and medicaments.

Serbian Railways (Zeleznice Srbije) is a state owned company, in charge with carriage of passengers and goods, hauling the trains and maintenance of traction units, trains and rolling stock, track maintenance and inspection, maintenance and assembling of devices, plants and installations, etc.

The EBRD is supporting modernisation of rail operations in Serbia with a €100 million sovereign guaranteed loan to Zeleznice Srbije to finance the upgrade of Corridor X rail and the purchase of locomotives. The EBRD loan will be used to renew over 111 km of track on Corridor X, to purchase track maintenance machinery and to acquire 15 new electric locomotives, which will replace outdated cars for freight services.

This project, supported by €650,000 in technical assistance grants from the Central European Initiative, German government and the Bank's Shareholder Special Fund, will also support Zeleznice Srbije in its restructuring process, implementation of this project and the development of various energy efficiency initiatives.

Completion of the construction and modernization of the international traffic Corridor X through Serbia is considered as an absolute priority. The deadline for completion of the north shank of Corridor X, from Belgrade to Subotica is May 1, 2012. Discussions are underway on a new credit in the amount of 200 million euros for modernization of railway line Belgrade – Subotica, as well as that in the following few

months the works on the electrification of the railway line from Niš do Dimitrovgrad will begin.

In terms of urban transport, Belgrade expects an agreement with the French Government on the donation worth around EUR 50 Million for the project of Belgrade Metro. The financial plan for the project will be disclosed after the study for the project is concluded and the works will be launched either in 2012 or in 2013. The Belgrade Metro will be an independent rail system, meaning that it will not intercept the routes of other means of transport.

Background figures in railways (2009):

3,809 km length of lines
1,254 km electrified lines
8,385 x 1 000 passengers carried
590 x 1 000 000 passenger-km
10,419 x 1 000 tonnes carried
2,968 x 1 000 000 tonne-kilometres

Economics	2008	2009
GDP (current billions US\$)	48.8	42.59
GDP growth (annual %)	5	-3
Exports of goods and services (% of GDP)	30	27
Imports of goods and services (% of GDP)	54	42
Industry, value added (% of GDP)	28 (2007)	-

Ease of Doing Business Rank 2010

World	rank 88
Eastern Europe & Central Asia	rank 19

