

Enterprise and Industry

2014 SBA Fact Sheet

SERBIA



In a nutshell

The SME sector in Serbia was hit hard by the global recession of 2008. It experienced a brief period of recovery in 2011, but fell back into recession in 2012. However, in 2013 the economic situation improved as nominal GDP grew by 8% as compared with 2012. Growth in value added since 2010 was mainly driven by expanding exports. Nevertheless, the positive developments between 2010 and 2011 were not strong enough for the economy to return to pre-crisis levels: in 2012, value added and employment were 8% and 12% below 2008 levels.

The investments linked to Serbia's EU accession prospects and reforms suggest that more progress will be achieved in the medium term. Serbia's SBA profile is improving slightly, but still far below the EU average. Most of the progress relates to the first SBA principle — entrepreneurship. The latest results on environment indicate that Serbia is on the right track in this respect as well. In many areas, the limited availability of data still makes it difficult properly to assess progress. Despite the Serbian authorities' strong efforts to create a framework to facilitate access to finance, the capital market has shrunk massively. The areas in which Serbia still needs comprehensive reforms are 'responsive administration', 'skills & innovation' and 'internationalisation'. Clearly, the administrative procedures and requirements facing Serbian SMEs are too burdensome and costly. Modern methods of e-government still need to be introduced.

About the SBA Fact Sheets¹

The Small Business Act for Europe (SBA) is the EU's flagship policy initiative to support small and medium-sized enterprises (SMEs). It comprises a set of policy measures organised around 10 principles ranging from 'entrepreneurship' and 'responsive administration' to 'internationalisation'. To improve the governance of the SBA, the 2011 review of the Act called for improved monitoring. The SBA Fact Sheets are published annually and aim to improve understanding of recent trends and national policies affecting SMEs.

1. SMEs in Serbia — basic figures

	Number of enterprises			Number of employees			Value added		
	Serbia		EU-28	Serbia		EU-28	Serbia		EU-28
	Number	Proportion	Proportion	Number	Proportion	Proportion	Billion €	Proportion	Proportion
Micro	272 299	95.9%	92.4%	592 815	42.1%	29.1%	3.0	20.1%	21.6%
Small	8 984	3.2%	6.4%	181 033	12.9%	20.6%	2.3	15.6%	18.2%
Medium-sized	2 103	0.7%	1.0%	223 367	15.9%	17.2%	2.7	18.3%	18.3%
SMEs	283 386	99.8%	99.8%	997 215	70.8%	66.9%	7.9	54.0%	58.1%
Large	488	0.2%	0.2%	410 403	29.2%	33.1%	6.8	46.0%	41.9%
Total	283 874	100.0%	100.0%	1 407 618	100.0%	100.0%	14.7	100.0%	100.0%

Source: Statistical Office of the Republic of Serbia. The data for 2011 cover the NACE Rev. 2.2. sections B to J and L to N, including mining and quarrying, manufacturing, electricity, gas and water supply, construction, wholesale and retail trade, accommodation and food services, transport, information and communication, real estate, professional, scientific, and technical activities and administrative and support service sectors. The statistics include estimated data for sole proprietors.

SMEs play a major role in the Serbian business economy, accounting for almost 71% of employment and 54% of value added. The contribution of Serbian SMEs to employment is 4 percentage points higher than the EU average. It is driven mainly by employment in the micro-enterprises that account for about 43% of total employment in Serbia — almost 14 percentage points more than the EU average.

Most Serbian SMEs are active in the wholesale and retail trade sector (34%), followed by the manufacturing sector (18%). SMEs in the former category also have the highest share in value added (31%) and employment (31%). The second most important sector for SMEs with regard to employment and value added is manufacturing industry. SMEs in that sector account for 27% of the value added generated by all SMEs in Serbia and provide 26.5% of all jobs in SMEs. This is considerably more than in the EU (20.5% value added; 20% employment).

When it comes to the economic context and SME development, the available macro data indicate that the economic crisis has strongly affected the Serbian business economy. GDP declined by 14.4% between 2008 and 2010. Although it grew by 12.5% between 2010 and 2011, it declined again by 5.8% between 2011 and 2012. Thus, GDP was still 9% lower in 2012 than in 2008 and the Serbian economy has failed to recover to pre-crisis levels.²

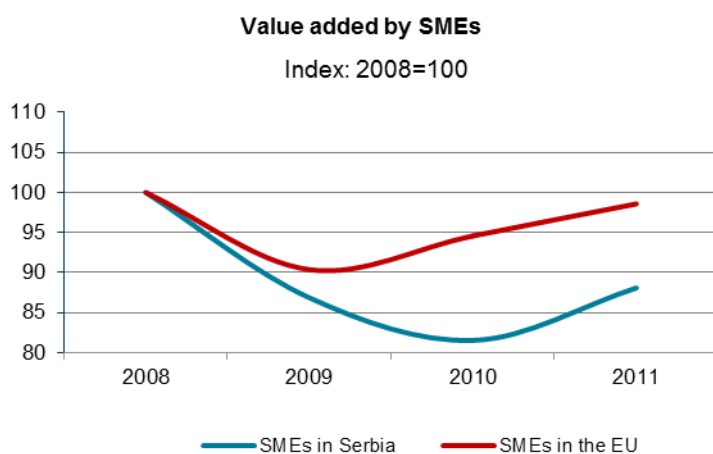
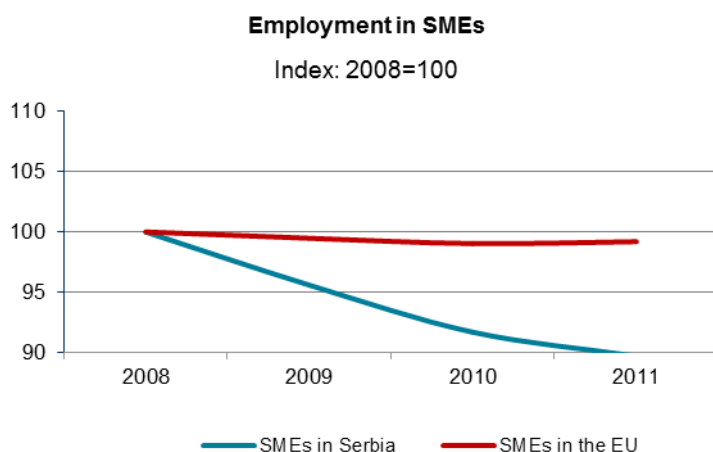
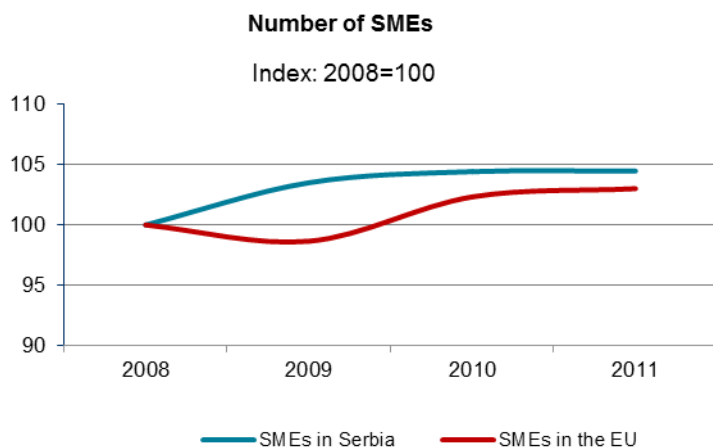
In line with this pattern, the Serbian business economy experienced a strong decline in value added between 2008 and 2010, followed by a period of significant growth between 2010 and 2011. However, value added in the business economy declined again

between 2011 and 2012, with a growth rate of around -1% for both SMEs and LEs. While LE employment grew by 1% in 2012 after negative growth rates in the previous years, employment growth in SMEs was negative in all years between 2008 and 2012. Growth in value added and the improvement of the Serbian business economy were driven mainly by the growth in exports from 2010.³ However, the positive developments between 2010 and 2011 were not strong enough for the economy to return to pre-crisis levels: in 2012, value added and employment were 8% and 12% below 2008 levels.

As regards business demography, the limited availability of data meant that analysis focused on the development of the Serbian business economy until 2011. However, the Serbian Registers Agency does provide information on registrations and de-registrations in the business economy until 2013. In line with the expected recovery, the overall number of business registrations with the Agency increased by 5.2%, to almost 34 000 business entities, between January and October 2013 as compared with the same period in 2012. The Agency reported that almost 22 000 business entities de-registered over the same period, i.e. 12 000 fewer than in the same period in 2012. Hence, net registration increased from -1 600 in 2012 to almost +12 000 in 2013.⁴

However, the increased emergence of new businesses was no more than a positive side-effect. The primary objective of government activity was to strengthen existing enterprises and foster survival start-ups. 2012 saw a strong recession that seriously affected SMEs in Serbia.⁵ The number of business

SME trends in Serbia



entities fell slightly (by about 2 100) as compared with 2011, due mainly to a sharp decrease in the number of sole proprietors.⁶

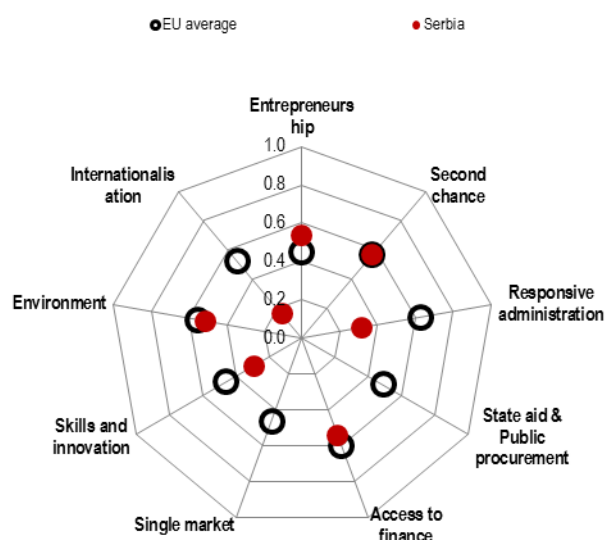
The first signs of recovery had become visible in 2011, but the Serbian economy fell back into recession in 2012, with a drop of almost 6% in nominal GDP.⁷ However, in 2013 the economic situation improved, as nominal GDP grew by 8% as compared with 2012,⁸ due mainly to:

- a rise in exports; and
- a reduction in time limits for debt payments.⁹

As a result of the first factor, the growth in exports reduced the foreign trade deficit to 25.3%.¹⁰ The foreign trade surplus with CEFTA countries amounted to USD 1.73 billion, as compared with USD 1.32 billion in 2012.¹² The second factor responded to SMEs' need for an environment in which money can circulate freely. However, consumer confidence remained weak during 2013, due to an increase in unemployment as compared with 2012.

Serbia's credit rating was reduced at the start of 2014 and the cost of borrowing increased.¹³ Official negotiations have begun for Serbia's accession to the EU, but the parliamentary elections on 16 March increased uncertainty as to the country's economic prospects. Despite the mild recovery in 2013, Serbia's prospects for 2014 seem uncertain.

2. Serbia's SBA profile¹⁴



Insufficient data are available for a complete and conclusive evaluation of Serbia's SBA profile. For example, scores could not be calculated for 'state aid & public procurement' and 'single market'. Available data indicate an above-average performance on 'entrepreneurship', while Serbia scores slightly below the EU mean on 'environment' and trails its EU peers on 'responsive administration'.

Progress in SBA policy implementation since 2008 has been moderate. Most has been related to the first SBA principle — 'entrepreneurship', where the focus has been on raising awareness.

In 2013, Serbia implemented or announced 13 policy measures addressing seven out of 10 policy areas under the Small Business Act.

The most prominent measure was the Parliament's adoption of a new law that expedited money transactions between businesses; this created the conditions for healthy growth and financial stability for

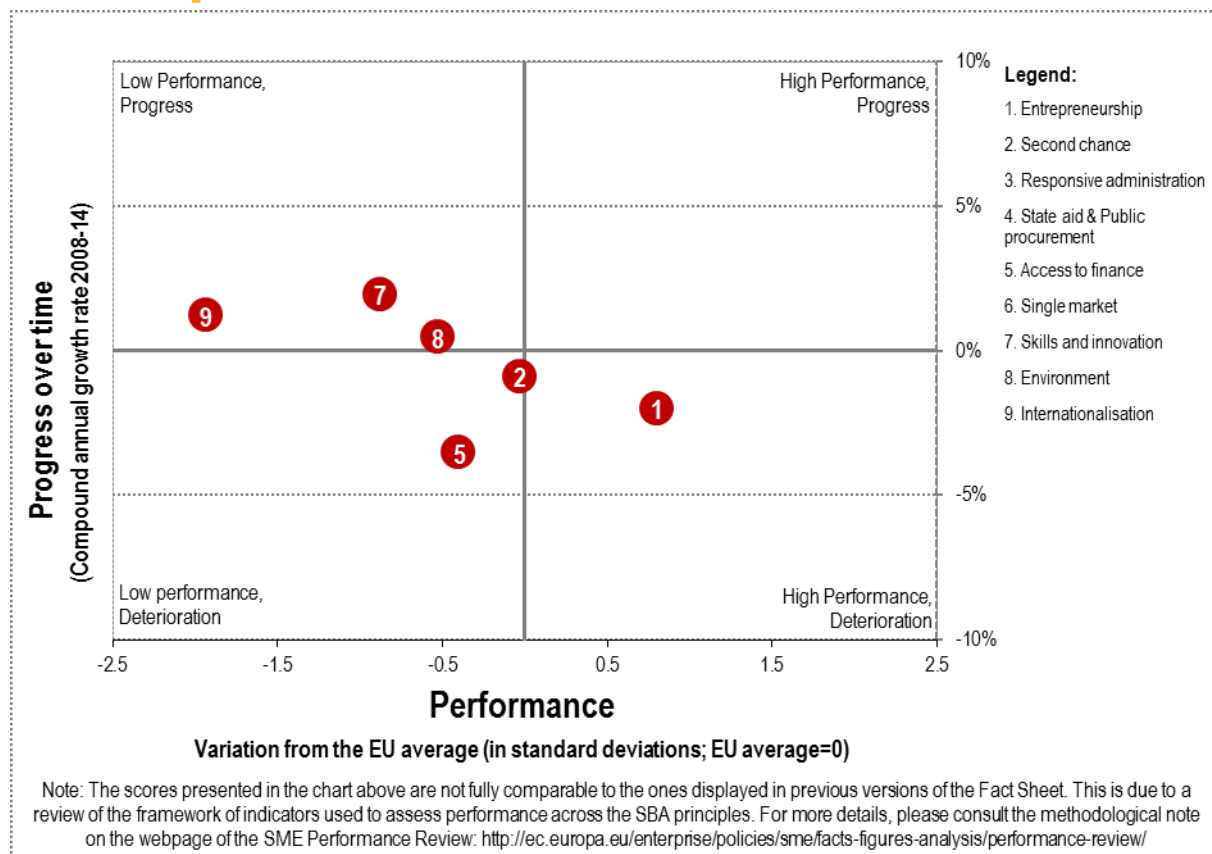
SMEs and eased the liquidity problems that caused difficulties for the SME sector in 2012.

The Serbian government has hitherto acted in accordance with its 2008-13 Strategy for the Development of Competitive and Innovative Small and Medium-Sized Enterprises. However, that strategy has now expired and there is a new draft 2014-20 Strategy for the Development of Entrepreneurship and Competitiveness. While the intention is to further all of the principles, some may receive more attention than others, for which there may not be enough resources.

As regards the national SBA approach, Serbia has an SBA Coordinator in the Ministry of Economy. Only three measures announced in 2012 were not implemented in 2013-14. These include (in relation to the 'second chance' principle) a new legislative proposal amending the law on bankruptcy in order to ensure more streamlined and tightly regulated bankruptcy proceedings. In the area of 'responsive administration', a new Council for Entrepreneurship and Competitiveness should deal with the cross-ministerial coordination of activities and, on 'state aid & public procurement', the APEX Loan for SMEs and Other Priorities III/A established a contractual agreement on the development of the country between the European Investment Bank, the National Bank of Serbia, and the Serbian government.

Every two years, Serbia participates in the *SME Policy Index*, an OECD, European Commission, European Training Foundation and European Bank for Reconstruction and Development report on progress in the implementation of the SBA in the Western Balkans and Turkey.

Serbia's SBA performance: status quo and development between 2008 and 2014¹⁵



'Think small first' principle

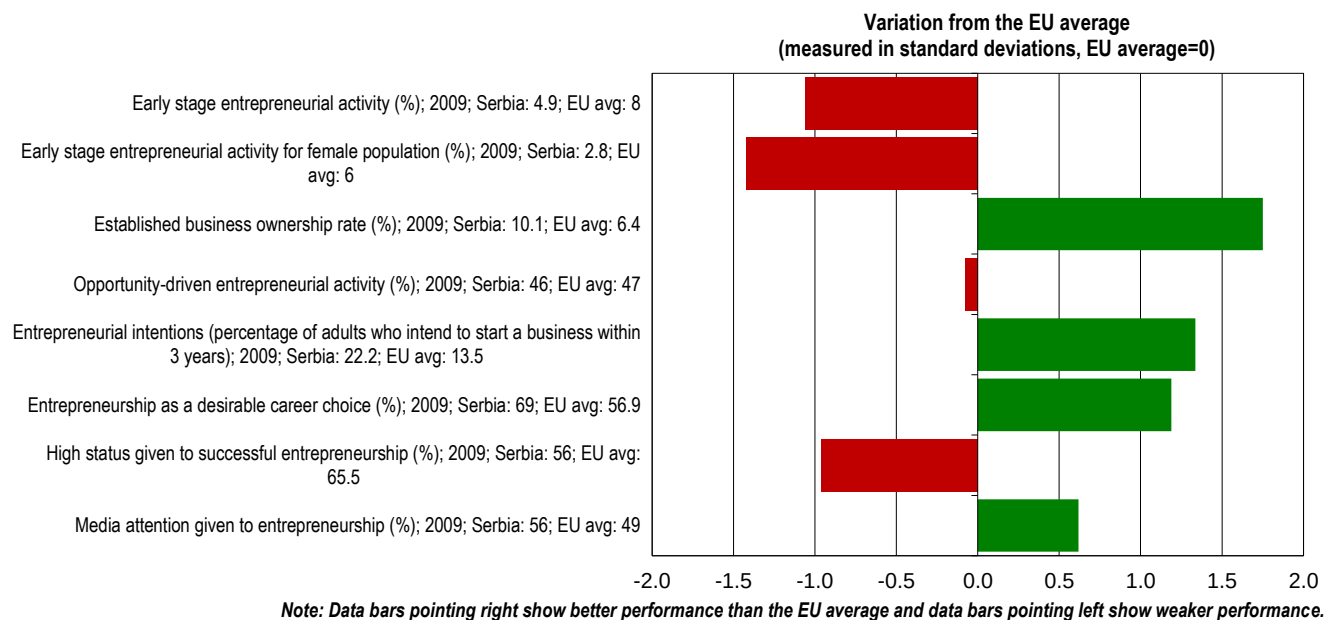
The 'think small first' principle is not often the primary guideline determining the policies and measures, either implemented or being introduced, which affect SMEs. Recently, however, it has received more attention thanks to a number of policies for which it has been seen as the main driving force. At the same time, there are still some obstacles ahead. The approach has not been systematic, the SME Test has still to be put in place and SMEs are not always closely consulted on new measures.

Serbia has seen promising activity in this area recently with the introduction of two measures indirectly aimed at SMEs:

- the new Law on Accounting, which introduced new definitions of micro and small enterprises and aimed to simplify the accounting methodologies, and thus costs, for that category of enterprise; and
- an amendment to the Law on Authorship and Related Rights, which was also aimed at reducing operating costs for micro and small enterprises.

The latter can be said to have provided additional motivation for the introduction and/or implementation of the Law on Public Procurement, the Law on Factoring and the Council for Entrepreneurship and Competitiveness, all of which seek to establish a more transparent and information-friendly business environment for small companies.

Entrepreneurship



Although the data on ‘entrepreneurship’ are somewhat dated (from 2009), this time it was possible to provide a complete list of indicators for Serbia. This is the only category in which Serbia scores above the EU average. When one looks more closely at the indicators, however, the picture is less clear-cut. Serbians are more likely than EU citizens to have entrepreneurial intentions, but the figures indicate that business owners have a worse reputation in Serbian society (about 10 percentage points below the EU average).

The proportion of those currently running their own business is above average (10.1%), which might point to a positive entrepreneurial environment in the medium term, although the limited results on early-stage entrepreneurial activity, particularly for women (not even 3% of the female population, while the overall figure does not even reach 5%), suggest that start-ups find a difficult environment early on.

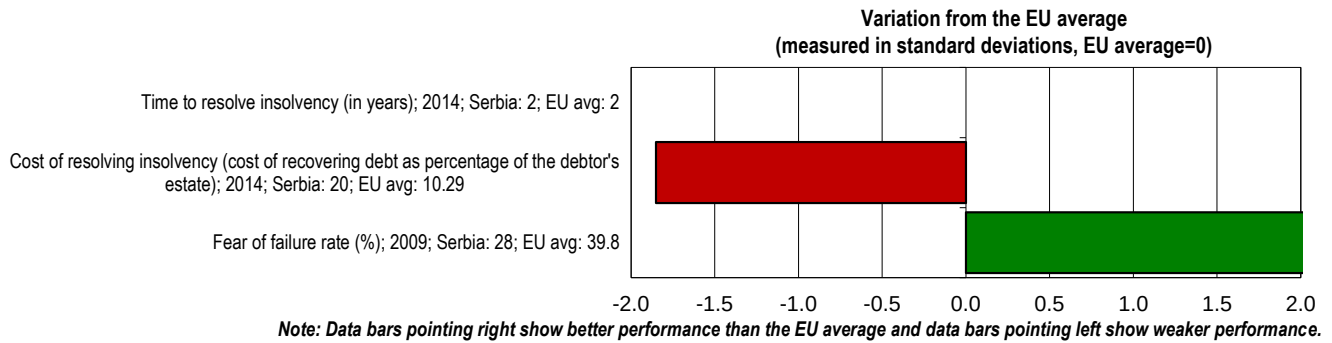
On the policy front, progress in this area in 2013 and the first quarter of 2014 was substantial, with three measures launched to promote entrepreneurship:

- a programme of support for the activities of associations for the development of entrepreneurship was established in 2013, with the aim of raising awareness about entrepreneurship among women and young

people, and creating a conducive environment for private initiative;

- closely related to this was the training on companies’ investment readiness under the EU’s Integrated Innovation Support Programme; this was geared mainly to raising general awareness and providing access to information about financing based on venture capital and lending professional assistance. It is expected that this training will improve SMEs’, stakeholders’ and new entrepreneurs’ ability to make a sound judgment about the future development of their businesses; and
- training was also given under the Integrated Innovation Support Programme in the area of innovation. Its aim was to help companies determine their innovation priorities and provide them with knowledge of strategic aspects of business conduct.

Second chance



Serbia's overall performance on 'second chance' remains around the EU average, but with great disparities across the available indicators.

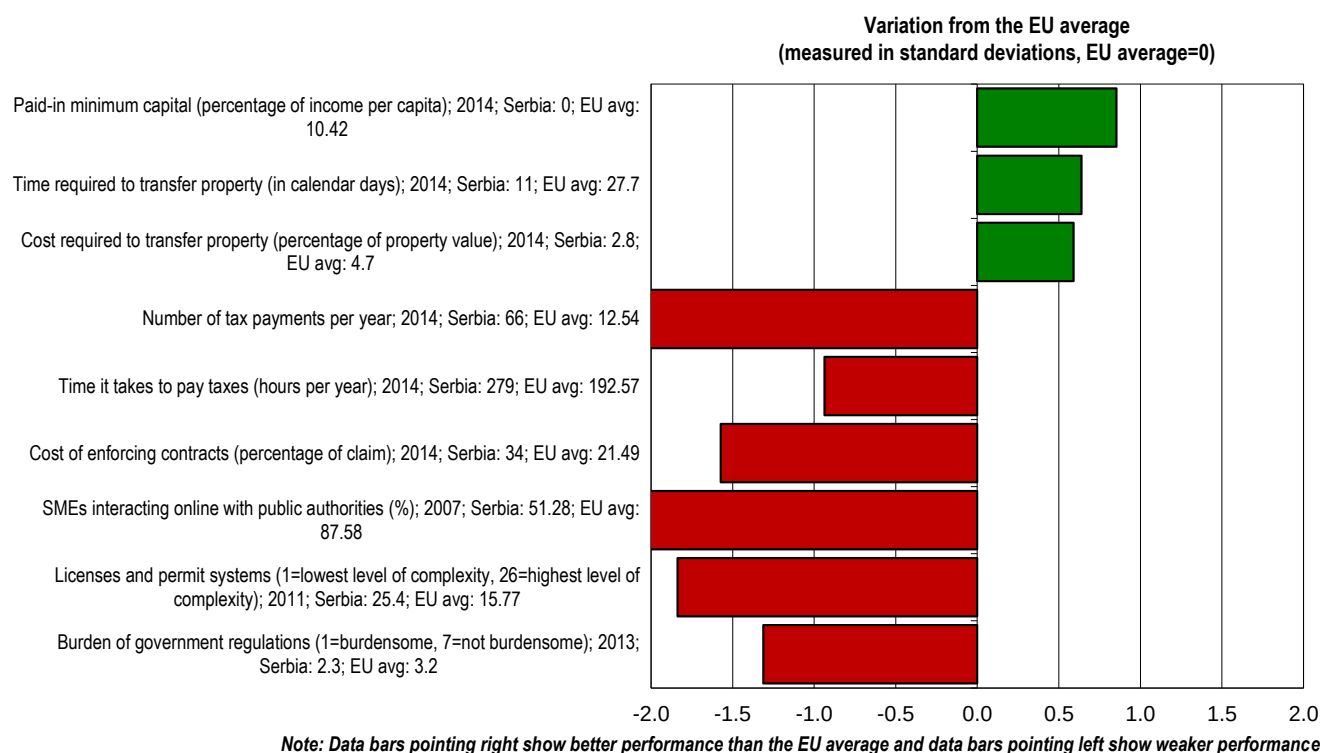
This time, a new indicator on the 'fear of failure' rate was added. In this, Serbia has the lowest score of all the countries covered. This says a lot about the mentality of the population and should not be underestimated as an entrepreneurial virtue. Still, this characteristic can hardly be influenced by political measures and is more affected by fundamental circumstances.

The addition of this indicator enables Serbia to make a giant step forward, so that it is now almost exactly at the EU average level. (This result must be treated with

caution because of the lack of an up-to-date figure for the indicator and of data on the 'degree of support for allowing for a second chance').

Against this background, progress has been moderate, with only one measure for this principle: the newly announced law on changes and addendums to the Law on Bankruptcy Proceedings, which is expected to shorten such proceedings through measures such as automatic bankruptcy and otherwise closely to regulate them.

Responsive administration



Serbia's performance in this SBA area is weak. Contrary to the assumption in the chapter on entrepreneurship that start-ups face difficulties in the inception phase, this cannot be confirmed on the basis of the first three indicators, which demonstrate that there are no major problems in terms of required paid-in minimum capital (not necessary in Serbia), the official costs required to register property (only 2.8% of the property value, as compared with the EU average of 4.7%) and the time to transfer property (only 11 days, as compared with the EU average of nearly 28).

For the sake of better comparability between countries, other sources have been used for the 'time to start a business', 'cost of starting a business' and 'licensing complexity' indicators. As a consequence, these indicators cannot be displayed for Serbia. However, relevant data are available in the World Bank *Doing Business* report, according to which starting a business requires six procedures, takes 11.5 days and costs 7.2% of *per capita* income. Since this report uses a different methodology, these data cannot be compared with EU averages nor displayed in the charts.¹⁶

Businesses in Serbia have to deal five times more often than most EU companies with tax payment requirements and for the three major types of taxes need around 280 hours (80 hours more than the EU average) to fulfil them.

When it comes to taxes, licences and permits, the figures reveal cumbersome procedures in the judicial and administrative systems. In general, Serbian companies indicate that the licensing complexity is fairly high, with a score of 25 on a scale from 0 to 26. In addition, they consider governmental administrative requirements to be quite burdensome, with an average score of 2.3 on a scale from 1 to 7 (EU average: 3.2).

The 'costs of enforcing contracts' indicator, which identifies costs in the event of a commercial dispute, worsened by around three percentage points to 31% of the costs of the claim.

On the policy side, significant measures were taken in 2013 and the first quarter of 2014 to bring about the requisite progress in the area of 'responsive administration', including:

- a newly adopted Law on Accounting, which introduced a new classification of SMEs for accounting purposes and aims to simplify accounting and financial reporting procedures for SMEs;
- the adoption of the Law on Authorship and Related Rights, which seeks to free SMEs of unnecessary costs relating to authorship and related rights;
- the announcement that a new Council for Entrepreneurship and Competitiveness would be established with the intention of coordinating

inter-ministerial cooperation more effectively and ensuring that information flows smoothly through the ministries in question. This is expected to ensure broader cooperation and information flows, which would be of substantial benefit to Serbia; and

- enabling the submission of obligatory tax returns through the Serbian Tax Administration's internet portals, thus reducing administrative obstacles and costs to SMEs and taking a strong step towards more efficient business conduct.

State aid and public procurement

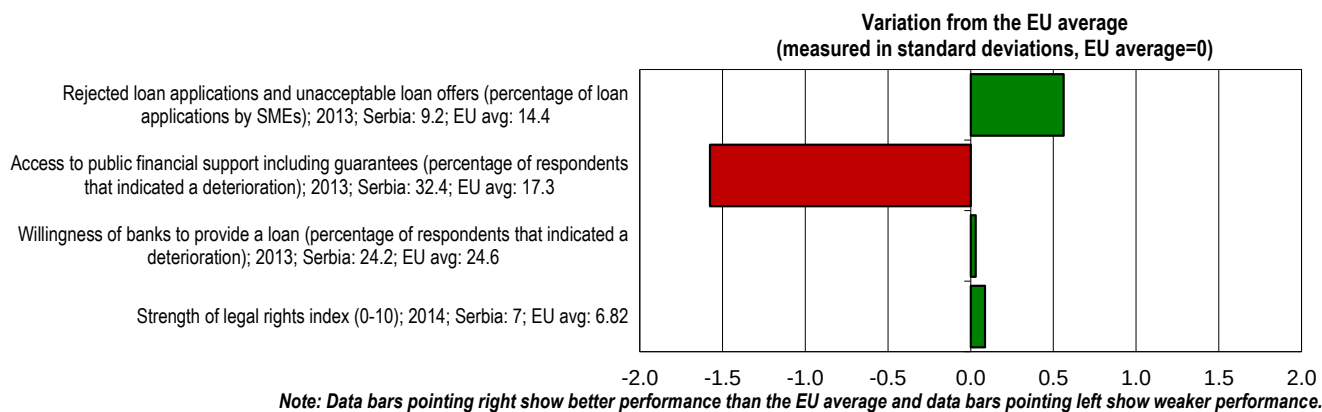
As was the case last year, no relevant data are available for analysis in this category.

Nevertheless, Serbia aims to improve the public procurement and state aid system with two policy measures:

- the Law on Public Procurement, which aims to improve access to information for SME bidders and reduce corruption. It is expected to increase SME participation in public procurement; and

- the APEX Loan for SMEs and other priorities, which has been announced through the draft Law on Confirmation of the Financial Contract APEX Loan for SMEs and Other Priorities III/A between the government, the EIB and the NBS but not yet implemented. This aims to provide medium- and long-term investment opportunities for SMEs. At least 70% of the loan is to finance SME projects and middle market capitalisation companies.

Access to finance



As in previous years, there are not enough available indicators for this SBA principle. The overall result, whereby Serbia places slightly below the EU average, therefore has to be treated with caution.

The 'strength of legal rights index' indicator measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. Serbia performs slightly better than the EU average here and on the 'willingness of banks to provide loans' indicator. Even better results are measured for the percentage of rejected loan offers, where the situation in Serbia is better than in most EU countries.

One of the biggest obstacles to Serbian SMEs is the overall shortage of access to finance. Before the subprime crisis, the banking sector (largely owned by Greek banks) was growing, but the debt crisis accompanied by the depreciation of the dinar and the sharp contraction in consumption had the effect of reducing funding sources, even though the Serbian authorities tried hard to create a framework to facilitate access to finance. Private equity seems to be developing slowly but gradually. However, market participants — and equity transactions — are still few in number.¹⁷

Substantial progress has been made on the political side. There were three policy measures for this principle, all of which were implemented:

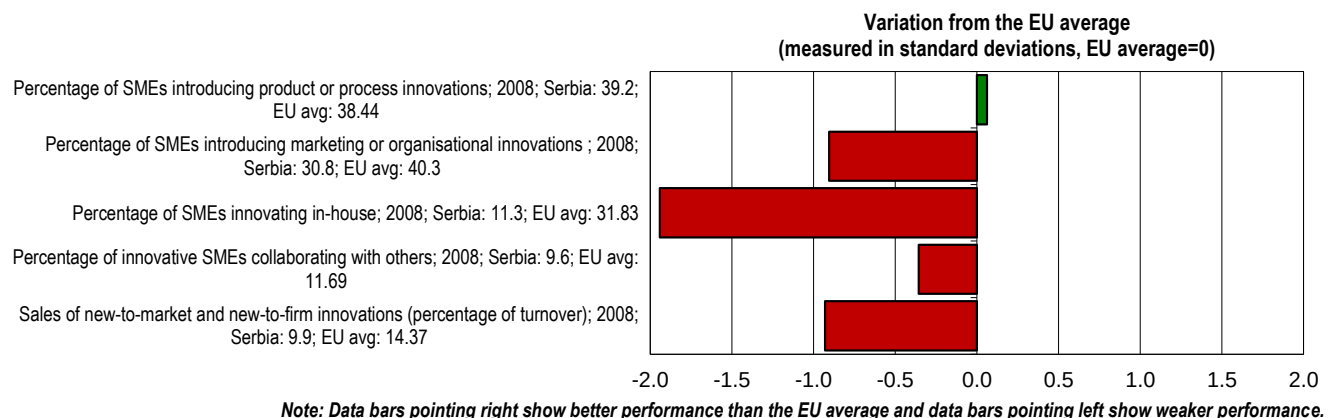
- the Law on Factoring, aimed at increasing the liquidity and solvency of businesses entities, enabled companies to sell their borrowers' obligations to certified third parties with ease and expediency;
- the Law on Time Limitations for Monetary Settlements aims to alleviate cash-flow problems by increasing liquidity in the economy and preventing the creation of debt chains. SMEs will benefit from easier access to finance and a legal framework favourable to timely payments in commercial transactions; and
- a programme of support aims to provide small companies with co-financing of up to 25% of the procurement value of new equipment (between €2 175 and €21 750). The rest comes from loans (70%) and the client (5%). This programme makes companies more competitive, improves their business activities and internationalisation, and creates new jobs through investment in equipment.

Single market

Since Serbia is not a Member State, no relevant data can be retrieved as regards this SBA area.

No significant policy measures were announced or implemented in the reference period.

Skills and innovation



‘Skills & innovation’ is a policy area in which Serbia ranks below the average. Only five of the nine indicators were available and the information still dates back to 2008. Basically, only data about the innovation part are available and none about skills or the significance of IT technologies for the Serbian business economy.

The available indicators suggest that Serbian companies struggle to develop innovations in-house and to bring marketing or organisational innovations onto the market. The only positive result relates to the introduction of product or process innovations to the market. Here, Serbian companies performed slightly better than their EU peers.

On the policy side, progress in this area in 2013 and the first quarter of 2014 was moderate and mainly achieved through:

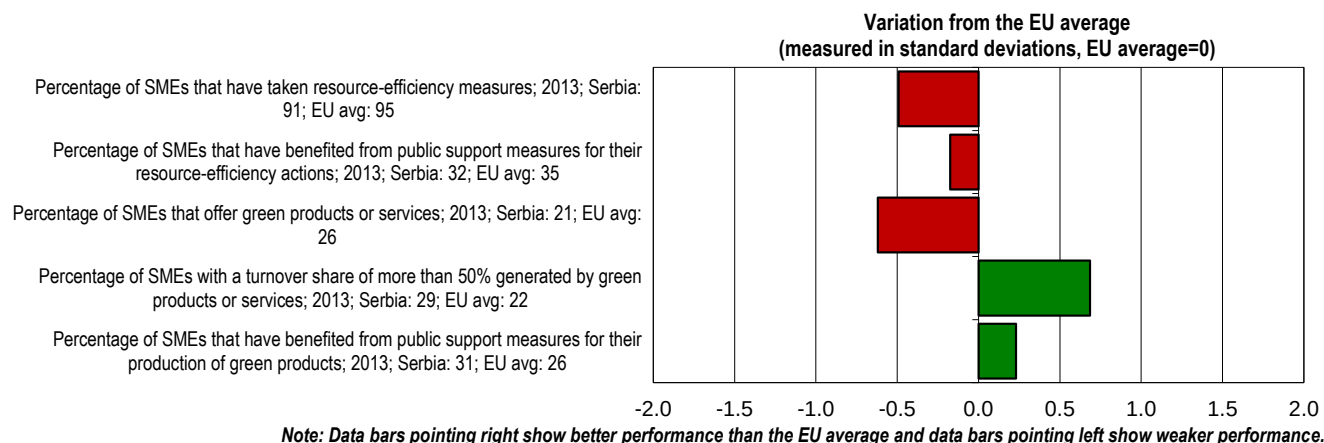
- the establishing of the Innovation Fund, which brought substantial improvements, although an innovation policy as such has yet to be defined;
- continuation of the improvements among SMEs that have come since 2008 from the standard training delivered through the system of Regional Development Agencies; and

- the setting-up of a register of certificated consultants that can provide support.

In the past, a number of projects established a support framework for innovative SMEs:

- Support for Enterprise Competitiveness and Export Promotion, which prepared the mapping of clusters;
- the Education and Information Centre to raise awareness about the social importance of intellectual property;
- the Innovation Serbia Project, aimed at developing closer ties between R&D and business; and
- the South-East Europe Network of Excellence for Clusters, which aimed to establish training tools and cooperation platforms in cluster management.

Environment



Serbia slightly trails the EU average in this area. The indicators show an uneven picture: Serbia was able to improve in almost all areas but the EU countries improved even more. Starting with measures that SMEs took to improve their own resource-efficiency, in Serbia 1% fewer were recorded than in 2012, while the EU average improved by 2%. Serbia saw a substantial rise, from 10% to 32%, in the proportion of enterprises that benefited from public support for their resource-efficiency actions, but this remains slightly below the EU average, which increased from 26% to 35%. The percentage of Serbian SMEs that offer green products increased slightly from 19% to 21%. As the EU average stayed at 26%, Serbia remains below average on this indicator.

A different picture has emerged when it comes to companies that generate over half their turnover through green products or services, the proportion of which increased in Serbia from 25% to 29%, as compared with the EU average, which remained at 22%. This constitutes a substantial improvement for Serbia.

Lastly, the percentage of Serbian enterprises that resorted to public support measures for the production

of green products rose from 1% to 31%; this is in line with the general development in Europe, since EU companies also showed an improvement, from 8% to 26%.

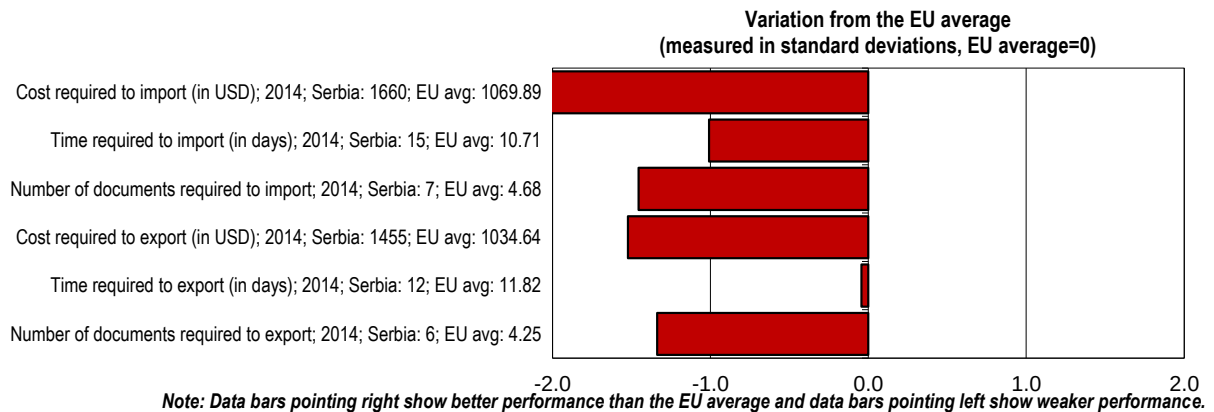
To sum up, Serbia is on the right track and should keep going.

On the policy front, a relatively large number of laws, directives, ordinances and support measures have been adopted in this area, although none were particularly directed towards SMEs.

The government introduced incentives for green companies involved in recycling of electronic and electrical waste, rubber waste and waste oils. The area of environmental protection has seen substantial growth on the back of the new measures and procedures introduced with the Law on Waste Management and the Strategy on Waste Management.

An electronic waste production, treatment, disposal and export reporting mechanism was established through the Serbian Environment Protection Agency's web portal. This is aimed at reducing reporting costs and improving the effectiveness of the Agency's environmental protection and monitoring capabilities.

Internationalisation



Serbia's SBA performance on 'internationalisation' is weak compared with the EU average, with no significant progress captured by the available indicators. However, it is worth taking a closer look at each indicator of the conditions for companies engaging in international business, as these are very similar to last year's figures. The evaluation reveals a rather stagnant situation in relation to all indicators except the last. Serbia reduced red tape for small and medium-sized businesses by cutting the number of export documents required from 7 to 6; this also reduced the distance from the EU average, although it remains clearly below par. It is also worth mentioning that the EU average has improved in terms of the time required to import (from 11 to 10.71 days) and the

number of import documents required (from 5 to 4.68), which consequently increases the gap with Serbia.

The EU figures for export cost and time deteriorated, and Serbia's relative performance improved slightly as a result.

These results, limited overall, can be partly attributed to the fact that Serbia is not an EU Member State.

On the policy side, progress has been moderate. Support for this principle has come mostly from the Serbian Investment and Export Promotion Agency, a government body dedicated to aiding foreign investors and buyers, and raising awareness abroad about Serbian companies.

3. Good practice

Below is an example of an interesting policy practice from Serbia to show what governments can do to support SMEs:

Programme for supporting the activities of associations for the development of entrepreneurship in 2013

The Programme had three specific goals:

1. to promote a positive attitude among young people towards entrepreneurship, including the development of skills, knowledge and an active relationship with their environment;
2. to promote women's entrepreneurship, including the development of skills, knowledge and an active relationship with their environment, as well as translating business ideas into concrete activities; and
3. to promote positive attitudes towards social entrepreneurship among interested people and groups, including the development of skills, knowledge and active relationship with their environment, as well as support for translating business ideas into concrete activities.

The measure was well received, especially as regards the second goal.

References:

<http://www.mfin.gov.rs/pages/article.php?id=9326>

Important remarks

The Small Business Act (SBA) Fact Sheets are produced by DG Enterprise and Industry as part of the SME Performance Review (SPR), which is its main vehicle for economic analysis of SME issues. They combine the latest available statistical and policy information for the 28 EU Member States and nine non-EU countries which also contribute to the EU's Competitiveness and Innovation Framework Programme (CIP). Produced annually, the Fact Sheets help to organise the available information to facilitate SME policy assessments and monitor SBA implementation. They take stock and record progress. They are not an assessment of Member States' policies but should be regarded as an additional source of information designed to improve evidence-based policy-making. For example, the Fact Sheets cite only those policy measures deemed relevant by local SME policy experts. They do not, and cannot, reflect all measures taken by the government over the reference period. More policy information can be found on a database accessible from the SPR website. Please also see the end notes overleaf.

For more information

SME Performance Review:

http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index_en.htm

Small Business Act:

http://ec.europa.eu/enterprise/policies/sme/small-business-act/index_en.htm

The European Small Business Portal:

http://ec.europa.eu/small-business/index_en.htm

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¹ The 2014 SBA Fact Sheets benefited substantially from input from the European Commission's Joint Research Centre (JRC) in Ispra, Italy. The JRC made major improvements to the methodological approach, statistical work on the dataset and the visual presentation of the data.

² Calculated on the basis of GDP in euro (provided by AMECO); http://ec.europa.eu/economy_finance/ameco/user/serie/SelectSerie.cfm (last update 25 February 2014).

³ <http://mtt.gov.rs/slider/ljajic-rekordan-izvoz-2013-godine/>

⁴ <http://www.apr.gov.rs>

⁵ GDP in current prices dropped by 5.8% as compared with 2011; source: AMECO database; http://ec.europa.eu/economy_finance/ameco/user/serie/SelectSerie.cfm (last update 25 February 2014).

⁶ http://www.privreda.gov.rs/UserFiles/File/1_PRIVREDA/Izvestaj_o_MSP_za_2012_godinu.pdf

⁷ Calculated on the basis of GDP in euro (provided by AMECO); http://ec.europa.eu/economy_finance/ameco/user/serie/SelectSerie.cfm (last update 25 February 2014).

⁸ <http://webrzs.stat.gov.rs/WebSite/repository/documents/00/01/30/31/MSB-11-2013.pdf>

⁹ <http://www.inkluzija.gov.rs/?p=17630>

¹⁰ <http://mtt.gov.rs/slider/ljajic-rekordan-izvoz-2013-godine/>

¹¹ <http://webrzs.stat.gov.rs/WebSite/public/PublicationView.aspx?pKey=41&pLevel=1&pubType=2&pubKey=2194>

¹² <http://mtt.gov.rs/slider/raste-suficit-u-trgovini-sa-zemljama-cefta/>

¹³ <http://www.euractiv.rs/srbija-i-eu/6756-snien-kreditni-rejting-srbije>

¹⁴ The policy measures presented in this SBA Fact Sheet represent only a selection of the measures taken by the government in 2013 and the first quarter of 2014. The selection was made by the national SME policy expert contracted by CARSA Spain (DG Enterprise's lead contractor for the 2014 Fact Sheets). The experts were asked to select only those measures that, in their view, were the most important, i.e. were expected to have the highest impact in the specific SBA area. The complete range of measures that the experts compiled in producing this year's Fact Sheets will be published alongside the Fact Sheets in the form of a policy database on the DG Enterprise website.

¹⁵ The quadrant chart combines two sets of information: first, it shows the status quo performance based on data for the latest available years. This information is plotted along the x-axis measured in standard deviations of the simple, non-weighted arithmetical average for the EU-28. The vertical corridor marked by the dotted lines defines the EU average. Secondly, it reveals progress over time, i.e. the average annual growth rates for 2008–14. The growth rates are measured against the individual indicators which make up the SBA area averages. Hence, the location of a particular SBA area average in any of the four quadrants provides information not only about where the country is located in this SBA area relative to the rest of the EU at a given point in time, but also about the extent of progress made in 2008–14.

¹⁶ <http://www.doingbusiness.org/data/exploreeconomies/serbia>

¹⁷ SME Policy Index Western Balkans and Turkey, 2012 Progress in the Implementation of the Small Business Act for Europe; SBA profile: Serbia; p. 233-234.