

REFORMS FOR ECONOMIC GROWTH AND BUSINESS RESILIENCE 2025

TRADE FACILITATION COMMITTEE



AMCHAM SERBIA
A LEADER IN CHANGE

TRADE FACILITATION COMMITTEE

OBJECTIVE 1: ENHANCE EFFICIENCY OF EXPORT AND IMPORT PROCEDURES AND ONLINE COMMUNICATION WITH CUSTOMS AUTHORITIES WITHIN SERBIA

... THROUGH THE CONTINUED EFFECTIVE LEADERSHIP OF THE NATIONAL TRADE FACILITATION BODY (NTFB) BY THE MINISTER OF DOMESTIC AND FOREIGN TRADE

Foreign trade involves the operations of numerous institutions across several ministries. The ease of conducting foreign trade depends on their coordinated efforts. In the absence of such coordination, numerous delays and non-tariff barriers arise, prolonging and increasing the cost of trade processes. This results in higher costs for companies, reduced competitiveness, higher prices for final products for consumers, and exposes the country to complaints from trading partners, as well as potential delays in EU integration in relevant chapters. Although the Ministry of Domestic and Foreign Trade does not directly manage border services, it is responsible for foreign trade policy, leads bilateral and multilateral negotiations, and coordinates alignment with EU rules. Additionally, the largest domestic trade inspection service (market inspection) operates within the Ministry. Therefore, the coordinating role of the Ministry with other ministries and services that have competencies in foreign trade is crucial for the implementation of trade policy and the monitoring of compliance with agreed measures. The **National Trade Facilitation Body (NTFB)** has functioned since 2017 as a structured platform for dialogue between the private sector and public authorities. Serbia has received recognition from international organizations for the functionality of this platform. However, considering that the platform's work results in **clearly defined priorities for each competent institution**, the effectiveness of its operation requires that the NTFB be chaired at the highest political level—that of a minister. This is supported by the fact that, according to the action plans of all four working groups, the greatest progress since NTFB's establishment was achieved from mid-2023 onward, when the Minister of Domestic and Foreign Trade assumed the chairmanship. **Therefore, we strongly recommend that the chairmanship of the NTFB remain at ministerial level throughout the mandate of the current Government.**

...BY IMPLEMENTING A NATIONAL SINGLE POINT OF CONTACT SYSTEM AND AUTOMATED IMPORT AND EXPORT SYSTEMS (AIS/AES)

CHALLENGE: Electronic communication is not fully available with all government authorities when importing and exporting goods. Existing online systems operated by the authorities vary widely in terms of comprehensiveness and digital accessibility. A number of bodies are unable to receive some documents in an electronic form, whereas others allow no electronic submissions at all. In addition, all border authorities do not control shipments based on risk assessment, with some requiring physical inspections of certain percentage or all shipments of certain goods regardless of any other considerations (such as producer certification, country of origin, importer performance to date as evidenced by results of previous shipment inspections, and the like).

RECOMMENDATION: Implement a **National Single Window** system that ought to entail **complete digitalisation of all import and export procedures**, allow **exchange of all import and export documents digitally**, and include development or integration of a **risk assessment module for inspections that do not have this module in their current systems**. The National

Single Window system should serve as an umbrella for all services inspecting imported goods before these are marketed in Serbia and goods intended for export, including the Customs Administration, sanitary, phytosanitary, and veterinary inspection services, and the Serbian Medicines and Medical Devices Agency (ALIMS). The objective here is to provide businesses with a single electronic point of contact with inspections and other relevant authorities and improve the quality of data collected and facilitate their analysis. This system should also allow electronic payment of fees, taxes, and other levies, customs clearance procedures, and any additional information sharing between government services to expedite oversight of foreign trade whilst eliminating undue administrative barriers.

In addition, the **Customs Administration** should modify its online resources to allow **automated import and export systems (AIS/AES)** and full-fledged online communication with the Customs Administration. An AIS/AES arrangement, coupled with the National Single Window, ought to ensure the Customs Administration is fully online connected with other government ministries, administrations, agencies, and directorates responsible for issuing trade approvals, permissions, and certificates using the Single Window functionality. This would simplify oversight, reduce red tape, and accelerate import and export procedures.

... THROUGH FULL ELECTRONIC INFORMATION EXCHANGE WITH THE CUSTOMS ADMINISTRATION

CHALLENGE: The exchange of information between the Customs Administration and the competent inspection authorities is still insufficiently developed.

RECOMMENDATION: Establish IT-based integration between the Customs Administration and relevant inspection authorities (the Plant Protection Directorate – Border Phytosanitary Inspection, the Veterinary Directorate – Border Veterinary Inspection, and the Sanitary Inspection). This includes defining the dataset to be submitted to the Customs Administration and developing a system for electronic data exchange and connectivity.

...BY OPTIMISING AND DIGITALISING IMPORT PROCEDURES FOR AGRICULTURAL PRODUCE AND FOOD

CHALLENGE: Even though Serbia has made progress in recent years, the efficacy of import procedures for agricultural produce and food remains widely divergent between the various authorities and due to the uneven impact of regional trade facilitation initiatives.

The current system is characterised by a myriad of problems: import procedures for agricultural produce continue to be time-consuming, leading to unnecessary costs, whilst long delays prevent efficient importation and marketing of products with short shelf lives and generate major losses for importers. Lengthy procedures are required once goods are sampled; laboratory findings become available only after long delays (with these findings often taking a long time to reach the relevant authorities); and local bodies fail to recognise findings of accredited laboratories in EU member states and/or third countries with which Serbia has agreements governing recognition of laboratory results.

Progress has been made recently in a number of areas, including the introduction of a new information technology management, communications, and control system (ITCM) for the Phytosanitary Inspection; the removal of inspections from border crossing to points further inland, which has shortened the time needed to input data into the variety of previous systems; and the resolution of overcrowding issues at the Tabanovce border crossing point. Laboratories have come under increasing

scrutiny, but the findings of these audits must also result in efficiency and not just effectiveness improvements.

As part of the Open Balkans initiative, the Veterinary Inspectorate has removed or reduced fees for goods coming from the region's countries.

However, the Sanitary Inspection has failed to replace its current paper-based system with an online platform.

RECOMMENDATIONS: Until the National Single Window is established, several measures can be taken to shorten import procedures for agricultural produce and food:

- **Allow shipments to be announced in advance to permit pre-arrival processing. (Applies to Border Sanitary Inspection)**
- In cases where imported goods are sampled, permit **random selection of authorised laboratories** able to perform all required analyses that are geographically closer to the border crossing post, have samplers available at the border crossing post or sampling location, and are able to perform the analyses within the required timeframes, so as to reduce time needed for sample analysis. (Applies to Border Sanitary Inspection and Border Veterinary Inspection)
- Ensure that all laboratories are able to **efficiently exchange samples and analysis reports with relevant inspections bodies electronically**. Make the process more transparent and involve third parties – customs agents or importers – since importers initiate and pay for these investigations.
- Publish **up-to-date lists of authorised laboratories** and types of accredited analyses they are able to perform on the web sites of the Ministry of Agriculture and Ministry of Health.
- Establish an **effective oversight and control mechanism for authorised laboratories**, including de-licensing for non-compliance. (Applies to all relevant inspections services)
- Establish **full digitalization of the trade in agri-food products, including digital solutions featuring qualified electronic signatures by inspectors**. It is also necessary to initiate negotiations with CEFTA countries that do not yet have an agreement on mutual recognition of qualified electronic signatures.
- **Admit laboratory analyses performed by accredited laboratories in EU Member States and/or countries with which Serbia has agreements** on recognition of laboratory analyses and publish list of these laboratories and their accredited analyses on the websites of the Ministry of Agriculture and Ministry of Health. (Applies to all relevant inspections services)

CHALLENGE: Since late 2021, major delays have been observed with issuance of **veterinary certificates** for import of raw materials for the meat processing industry: the time needed to issue these documents has increased from 8 to 10 days in the past to 60 days, which is the maximum statutory waiting time, according to an opinion of the responsible ministry. Moreover, some certificates have been withdrawn without explanation. The validity period of permits was extended back to 6 months in 2024 (previously reduced to 3 months), but with quantity limitations and uncertain processing times, especially for importers of large volumes from the same suppliers. As a result, the entire procedure significantly increases administrative costs for businesses, even though veterinary and sanitary requirements remain unchanged. These delays create issues for Serbian meat processors

as they incur warehousing costs and are forced to pay penalties to suppliers, compounding the already difficult position faced by the food industry.

Since no robust solution could be found over the past two years, businesses continue to face intermittent uncertainties in this regard for import of other veterinary products as well. Effectively, these practices are tantamount to quantitative import restrictions, which are in contravention to FTAs, and are generally used only to address short-term disturbances with the supply of limited ranges of foodstuffs.

RECOMMENDATIONS: In the short term, it is necessary to restore the efficient process for issuing decisions on veterinary-sanitary conditions, as it functioned prior to 2022. As a second step, the list of products exempt from the mandatory decision on compliance with veterinary-sanitary requirements for import and transit should be further expanded. In parallel, it is necessary to conduct an analysis of the necessity of this procedure, as well as its effects on imports since 2022, compared to the previous period. If it is determined that the procedure has not contributed to improving veterinary-sanitary standards, its abolition should be considered.

In cases where this instrument is used as a basis for quantitative import restrictions, the authorities should publicly disclose which product categories are experiencing market disruptions and what conditions must be met for such emergency measures to be lifted.

CHALLENGE: Some inspections services continue using an administrative-based rather than a risk-based approach to selecting shipments for additional sampling or controls. Certain bylaws, annual inspection plans, instructions, and interpretations of regulations means shipments containing certain products are always sampled, regardless of their actual risk. In addition, even inspections that partially employ risk assessment do not appropriately account for all risk parameters, which should be broadened to include **importer risk** in addition to product, country, producer, and destination risk.

RECOMMENDATIONS: Internal quality control systems employed by importers can range from non-existent to highly sophisticated, standardised, and certified, and as such require assessment, appraisal, and risk categorisation. As such, it is neither logical nor efficient to use scant administrative resources for equally frequent controls of both firms that pay close attention to product safety and quality controls and those that lack risk management systems altogether. Comprehensive risk analysis would allow food businesses to be grouped into high- and low-risk categories, which would expedite customs clearance and market placement of products that pose low or negligible risk. Importers whose risk is assessed as low or negligible would be able to save money and time by having their documents processed more quickly and being required to submit to fewer sampling procedures at the time of importing. Risk assessment would also focus control and administrative resources to where they are most needed and better protect the market from potential entry of non-conforming products. Specific steps ought to include:

- Develop and implement a risk analysis model for import procedures, based on European practices and methodologies. The model should take into account factors such as the risk profile of the importer regarding compliance with regulatory requirements, good business practices, and established internal quality control systems. The Sanitary Inspection should be responsible for developing a comprehensive risk analysis model, while the Border Phytosanitary and Veterinary Inspections—based on the existing data available in the ITCM system—can begin modeling importer risk as an additional criterion, which is currently not included in their existing models.

- Reviewing current rules and, wherever possible, introducing risk assessment into the control of agricultural and food products for presence of genetically modified organisms (GMOs) and radioactivity (instead of the current practice whereby all products are always sampled). - Applies to Border Phytosanitary Inspection
- Developing and implementing risk-based official control plans. - Applies to all inspections services
- Assessing options for introducing IT tools for risk assessment and management in border controls of goods and developing such tools. - Applies to all inspections services

...BY OPTIMISATION OF IMPORT PROCEDURES FOR INDUSTRIAL (NON-FOOD) PRODUCTS

CHALLENGE: The Sanitary Inspection samples an arbitrarily chosen percentage of shipments without considering the risk posed by any single shipment. In addition, there is no electronic communication with this inspection service and the required infrastructural and technical capacity for such communication is lacking.

RECOMMENDATIONS:

- It is necessary to digitalize the operations of the Border Sanitary Inspection, and in this regard, urgent funding and capacity must be secured to continue the implementation of the system already applied by the Phytosanitary Inspection.
- Digitalizing the procedure would also facilitate the introduction of a risk analysis system for deciding which consignments to sample during import, particularly within the Sanitary Inspection's portfolio of non-food industrial products and novel foods. Such a system would involve risk assessment of each consignment, taking into account the product risk, country of origin, manufacturer, and importer risk. This would allow for a more efficient allocation of inspection resources, leading to better results in ensuring the safety of imported products, compared to the current model.

...BY CONSISTENTLY SEEKING TO FACILITATE TRADE IN THE REGION AND WITH THE EU AND U.S.

Foreign trade is inherently dependent on best global or regional practices and is subject to numerous bilateral and multilateral rules across various forums. Through signed agreements with the EU (such as the Stabilization and Association Agreement) and within regional initiatives (CEFTA, Open Balkan, Berlin Process), numerous areas have been identified that could accelerate trade facilitation—but progress is often hindered by various economic and non-economic factors. The EU Growth Plan offers the possibility for countries to access the EU Single Market, provided they make progress in regional trade and implement the measures outlined in the Common Regional Market Action Plan (CRM 2025–2028), which was revised in October 2024.

CHALLENGE: Non-acceptance of EU certificates of conformity by competent authorities in Serbia, contrary to the signed EA MLA agreement.

RECOMMENDATION: Additional training is needed for both public administration and the business sector regarding the implementation of the EA MLA Agreement, particularly concerning the recognition of foreign certificates of conformity, especially those issued by Notified Bodies (as listed in the EU NANDO database) for conformity assessment. Such training should further clarify the legal basis for accepting documents issued by accredited Conformity Assessment Bodies (CABs) from countries that are signatories to the EA MLA (Multilateral Agreement of the European Cooperation for Accreditation), when such documents confirm

compliance with EU technical regulations transposed into Serbian legislation, enabling the placing of goods on the Serbian market. This should be supported through:

- Signing international agreements/memoranda of cooperation on the mutual recognition of documents issued by accredited laboratories
- Developing informational brochures and organizing training sessions for all stakeholders on the acceptance of foreign conformity documents or test results, as well as the legal possibility of issuing appropriate national certificates of conformity for the relevant product without repeating the conformity assessment process, potentially with the support of the civil sector (through projects, organizations, associations, etc.).

CHALLENGE: A problem has been observed in the recognition and application of European and international standards in Serbia, as well as in the use of guidelines and recommendations by some accredited and designated laboratories and the Sanitary Inspection.

RECOMMENDATION: Although the Law on General Use Items provides that, for the purpose of assessing the health safety of general use products, measures based on scientific principles, as well as Serbian, European, and international standards, guidelines, and recommendations may be applied to the extent necessary to protect human life, health, and the environment, in practice, these documents are not accepted as relevant by certain designated and accredited laboratories and segments of the Sanitary Inspection. Such actions lead to arbitrary and unjustified discrimination against products already placed on the EU market and create a disguised barrier to the free movement of goods. Moreover, this practice is not in line with the Stabilization and Association Agreement (SAA) between the European Union and Serbia, which entered into force on September 1, 2013, and through which Serbia committed to establishing a free trade area and aligning its legislation with EU law.

There is a clear need for **additional training for public administration**, as well as for accredited and designated laboratories, to ensure that, within their respective mandates, they are aware of and correctly apply all relevant and available materials, in line with EU principles and practices.

It is also necessary to establish an **effective oversight and control mechanism over designated laboratories**, including the possibility of revoking authorizations in cases of negligent or unlawful conduct.

CHALLENGE: **Regional foreign trade cooperation, although envisaged through various agreements such as CEFTA, Open Balkan, and initiatives that have become an integral part of EU integration (CRM 2025–2028)**, is burdened by various political (particularly in the context of Kosovo–Serbia relations) and economic, mostly non-tariff, barriers.

RECOMMENDATION: To support regional integration across all Western Balkan markets, it is necessary to establish an effective system that builds on the progress made under previous initiatives (e.g., Open Balkan) and annually prioritizes a limited number of concrete improvements. Such a system should include a governance and monitoring structure to track the implementation of agreed reforms, along with mechanisms for addressing business sector complaints regarding poor implementation. This would ensure a realistic picture of implementation and create clear linkages to the benefits offered through the EU Growth Plan.

Particular focus should be placed on advocating for:

- Immediate elimination of any discriminatory measures that restrict or hinder the import of goods;
- Mutual recognition of laboratory reports and reports issued by accredited bodies, provided that the laboratory systems and quality infrastructure are aligned with EU rules;
- Upgrading infrastructure and technology at border crossings (potentially with EU funding), and establishing fully operational Green Corridors toward the EU, especially at the borders with Hungary and Croatia;
- Mutual recognition of Authorized Economic Operator (AEO) status within the region;
- Systematic harmonization and reduction of fees and charges;
- Alignment of safety, quality, and labeling requirements for products.

We therefore propose the **prioritization of measures under the CRM 2025–2028 framework** within Serbia, and urge Serbian representatives in CEFTA and EU forums to advocate for the implementation and monitoring of the following key measures and activities:

- 1.1. Free movement of agri-food products, with particular focus on activities 1.1.1 and 1.1.2;
- 1.2. Free movement of non-food industrial products, especially activity 1.2.1: expanding the scope of the CEFTA Decision on Mutual Recognition of Conformity Assessment Results for industrial products;
- 1.4. Other trade facilitation measures, particularly activity 1.4.2: eliminating non-tariff barriers;
- 2.6. E-commerce and related information society services, with a focus on activity 2.6.3: CEFTA agreement on mutual recognition of electronic signatures for trade documents and trust services, in line with the EU acquis (eIDAS Regulation);
- 3.1. Green corridors and reduction of border crossing times, in particular:
 - 3.1.1: Improving inter-agency cooperation, enabling electronic data exchange and faster processing times for perishable goods, live animals, mutual recognition of AEO certificates with the EU, and coordination of inspection authorities' working hours;
 - 3.1.3: Agreement on mutual recognition of customs controls, especially scanner reports, weight measurements, etc.;
 - 3.1.5: Agreement on a list of agri-food products exempt from border controls;
- 3.2. Digitalization and paperless trade through CEFTA SEED, particularly activity 3.2.1: simplifying procedures for issuing and recognizing phytosanitary, veterinary, and health certificates, as well as import/export permits for medicines containing controlled substances.

CHALLENGE: The shift in U.S. trade policy toward the rest of the world—particularly toward the EU and Serbia—could have long-term negative effects on Serbia's economy. Although bilateral trade in goods between Serbia and the U.S. is relatively modest, Serbia's preferential trade treatment with the U.S. plays an important role in its attractiveness as an investment destination, as well as in the potential to expand bilateral trade. The introduction of special tariffs on steel, aluminum, and the automotive sector, along with reciprocal tariffs that have been introduced and then suspended for 90 days, could have a significant negative impact on Serbia's economy—both indirectly (e.g., through



reduced demand from the EU for automotive components and steel, or import restrictions on steel) and directly, affecting major exporters to the U.S..

RECOMMENDATION: Priority should be given to utilizing diplomatic and other bilateral channels to ensure that trade in goods between Serbia and the United States is regulated in a way that is at least not more restrictive than that applied to other trading partners (especially neighboring countries and the EU), and ideally, on more favorable terms.

Additionally, considering that Serbia and the United States have a valid Treaty of Commerce and Navigation from 1881, which generally establishes reciprocal trade relations based on MFN (Most Favored Nation) principles, it would be advisable to explore the possibility of updating or expanding this agreement. The goal would be to secure preferential tariff treatment for Serbian exports to the U.S., alongside reciprocal approval of the lowest applicable tariffs for U.S. exports to Serbia.

AmCham remains committed to supporting the Government of Serbia in identifying and implementing initiatives that advance Serbia–U.S. trade relations.