

Pursuant to Article 38, paragraph 1, of the Planning System Law ("Official Gazette of RS", No. 30/18),

The Government hereby passes the

## ACTION PLAN FOR THE IMPLEMENTATION OF THE INDUSTRIAL POLICY STRATEGY OF THE REPUBLIC OF SERBIA FROM 2021 TO 2030, FOR THE PERIOD FROM 2021 TO 2023

### 1. INTRODUCTION

The Industrial Policy Strategy of the Republic of Serbia from 2021 to 2030 ("Official Gazette of RS", No. 35/20, hereinafter: the Strategy), covers a wide range of economic activities, with a focus on the processing industry. The Action Plan for the Implementation of the Industrial Policy Strategy of the Republic of Serbia from 2021 to 2030, for the period from 2021 to 2023 (hereinafter: the Action Plan), is a public policy document for the operationalization of general and specific objectives of the Strategy.

Raising the competitiveness of the national economy is high on the priority list, and to that end, overall goal of the Strategy is defined as *Improving industrial competitiveness* in the Republic of Serbia. The achievement of all five specific objectives is planned through six areas of intervention: empowering people, digitization, innovation, investments, international dimension and circular economy. These areas of intervention are in line with the Communication of the European Commission issued in 2017.

Given that the new Communication of the European Commission of March 2020 same as two most important processes for the economic growth and recovery, set forth digitization and circular economy, at the same time taking into account all effects of the Coronavirus crisis in the national economy, the Action Plan lays down activities focused on digitization, innovation, investments, export restructuring and circular economy. These five areas ought to change the picture of economic activity in the Republic of Serbia and significantly contribute to economic growth.

Under the impact of the crisis caused by the Coronavirus pandemic, according to the estimation of the Statistical Office of the Republic of Serbia, the decline in domestic demand has led to the GDP decline in the second quarter of 2020 of ca. 6.3% at year-on-year level. The effects of the crisis were visible in investments, and to a slightly lower extent in private consumption, while public spending was increased due to the purchase of goods and services necessary to fight the Coronavirus.

The greatest negative effects of the pandemic in economic activity were reflected in April, followed by the recovery in May, which continued in the period June- August, stimulated by the measures undertaken by the Government. Due to the timely implemented measures, in the majority of production and service sectors recovery was faster than expected.

The industrial GDP drop in the second quarter of 2020 amounted to 7.6% year-on-year. The causes of this decline are found in the slowed down external demand, more difficult transport communication and temporary interruption in global supply chains, same as in declaration of the state of emergency in April, which has all affected reduced exploitation of production capacities. Moreover, the industrial decline is mirrored in the reduced volume of industrial production in the second quarter of 7.7% year-on-year, with manufacturing industry achieving a somewhat larger decline (8.1%), while on the other side, mining sector was least affected by the crisis which is reflected in the minimum drop in production in the second quarter (1.5%).

Industrial recovery began in May, when the decline was slowed down to 9.3% year-on year (from -16.6% in April), and in the forthcoming months already positive year- on- year growth rates

were achieved (June 2.6%, July 0.4% and August 4.2%), resulting from the increased volume of manufacturing industry production (June 4.1% and August 3.0% year- on- year), with a minimum decline being registered in July (-0.8% year-on-year). Positive trends in manufacturing industry in August were notable across different business activities, since the increased volume of production year-on-year was registered in 13 out of 24 business activities.

Improved performance of the economy and ensuring conditions for faster growth require intensified implementation of measures and activities laid down in the Strategy. To that end, the focus will be on innovative and technology- intensive sectors, moving away from the labour- intensive sectors, with a lesser extent of attracting investments based on the inexpensive labour force, and more investments in human capacity building through improved education and training in line with the industry and circular economy demand, while stimulating creation of innovative products with higher value added, and using advantages of digital technology in business, same as economic cooperation of domestic producers with European and international partners. The overall goal and specific objectives set forth in the Strategy, aligned with the Smart Specialisation Strategy in Republic of Serbia for the period from 2020. to 2027. (“Official Gazette of RS”, no. 21/20) , have retained their relevance even in the Coronavirus pandemic.

In line with that, special attention is paid for the activities set in the Action Plan to enable focused development of the Republic of Serbia towards the highly concentrated economy via research, development, innovation and entrepreneurial initiatives in the 4S areas.

## 2. CONSULTATIVE PROCESS

Besides the Expert Team, Working Group of the Ministry of Economy took part in the Action Plan drafting. Moreover, given the scope of the set objectives, and due to the inability to organise larger events due to the Coronavirus pandemic, the consultative process was mostly organised with institutions playing the most important role in the implementation of the Action Plan measures and activities.

To that end, for the purpose of implementation of activities under objective 1- Improved digitization of industrial production business models, intensive cooperation was established with the Serbian Chamber of Commerce and Industry and Digital Transformation Center. In relation to objective 2 – Industrial development based on innovation and development of higher stages of technological production, consultations were held with the Ministry of Education, Science and Technological Development, keeping in mind the link between the Industrial Policy Strategy of the Republic of Serbia 2021- 2030 and Smart Specialisation Strategy, for each of the five specific objectives. The discussions aimed at formulation of activities to contribute to achieving objectives 3 and 4 –Increased total volume of industrial investments with improved quality of investments and Improved technological export structure, were guided by the Development Agency of Serbia (DAS) and Serbian Chamber of Commerce and Industry . In relation to activities under objective 5- Industrial transformation from linear to circular model, cooperation was established with the Ministry of Environmental Protection and Chamber of Commerce Industry Center for Circular Economy.

In the period from 11 to 30 December 2020, a public debate was held on the Draft Action Plan for the period from 2021 to 2023, for the implementation of the Industrial Policy Strategy of the Republic of Serbia from 2021 to 2030. The report on the conducted public debate was published on the website of the Ministry of Economy and the e-government portal.

Consultative process was designed as an ongoing procedure in all stages of development and implementation of the Strategy, and in relation to this, the consultative process will be continued during

the implementation of the Strategy and Action Plan, and in the course of evaluation of the achieved outputs.

### 3. ANALYSIS OF FINANCIAL EFFECTS

The Action Plan implementing the Strategy covers a three-year period from 2021 to 2023, and the funding will be ensured from the budget of the Republic of Serbia and donor funds. The Action Plan activities are harmonised with the donor activities (EU, World Bank, GIZ), therefore their implementation will subsequently include donor funds once the conditions have been met.

The key actors for the implementation of activities under the implementation of measures, in addition to the Ministry of Economy, will include Serbian Chamber of Commerce and Industry, Development Agency of Serbia, Ministry of Education, Science and Technological Development and Ministry of Environmental Protection.

The requirements for achieving specific objective 1: Improved digitization of industrial production business models, under Heading 21- Ministry of Economy, the funds will be allocated under the following appropriation:

- Programme 1509- Incentives for the development of the economy competitiveness, Project 4008- Support to industrial sector, in the amount: RSD 161,000,000 in 2021, RSD 181,500,000 in 2022 and RSD 191,500,000 in 2023.

The requirements for achieving specific objective 2: Industrial development based on innovation and development of higher stages of technological production, under Heading 21- Ministry of Economy, the funds will be allocated under the following appropriations:

- Programme 1509- Incentives for the development of the economy competitiveness, Project 4008- Support to industrial sector, in the amount: RSD 74,000,000 in 2021, RSD 98,000,000 in 2022 and RSD 98,000,000 in 2023.

- Programme 1509- Incentives for development of the economy competitiveness, Project 4002- Support to development of entrepreneurship, amounting to RSD 200,000,000 annually, in 2021, 2022 and 2023.

The requirements for achieving specific objective 3: For the increased volume of industrial investments with the improved quality of investments, under the Heading 21- Ministry of Economy the funds will be allocated under the following appropriations:

- Programme 1510- Attracting investments, Programme activity- 0003- Investments of special importance, in the amount RSD 14,914,273,000 in 2021, RSD 16,000,000,000 in 2022 and RSD 16,000,000,000 in 2023.

- Programme 1510- Attracting investments, Programme activity- 0001- Expert and administrative support in the area of economic and regional development, in the amount of RSD 40,000,000 in 2021, RSD 50,000,000 in 2022 and RSD 60,000,000 in 2023.

- Programme 1505- Regional development- project 4004- Support to development of business infrastructure, in the amount of RSD 1,470,000,000 annually in 2021, 2022 and 2023.

The requirements for achieving specific objective 4: Improved technological structure of exports, under the Heading 21- Ministry of Economy, the funds will be allocated under the following appropriations:

- Programme 1509- Incentives for development of the economy competitiveness, Project 4008- Support to industrial development, amounting to RSD 10,000,000 annually, in 2021, 2022 and 2023.

- Programme 1510- Attracting investments, Programme activity- 0001- Expert and administrative support in the area of economic and regional development, in the amount of RSD 309,504,400 in 2021, RSD 400,000,000 in 2022 and RSD 475,000,000 in 2023.

The requirements for achieving specific objective 5: Industrial transformation from linear to circular model, under the Heading 21- Ministry of Economy, the funds will be allocated under the following appropriations:

Programme 1509- Incentives for development of the economy competitiveness, Project 4008- Support to industrial development, amounting to RSD 15,000,000 annually, in 2021, 2022 and 2023.

#### 4. ACTION PLAN TABLE

Policy document:	Industrial Policy Strategy of the Republic of Serbia from 2021. to 2030
Action Plan:	Action Plan for the Implementation of the Industrial Policy Strategy of the Republic of Serbia from 2021 to 2030, for the period from 2021 to 2023.
Proponent	Ministry of Economy (MoE)
Coordination and reporting	Ministry of Economy (MoE)

Overall goal 1: Raising competitiveness of industry in the Republic of Serbia						
Institution responsible for the implementation monitoring and oversight: Ministry of Economy						
Indicator(s) at the overall goal level (impact indicator)	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2023	Final year of the AP validity
GVA of processing sector in total GVA	%	SORS, EUROSTAT	17.5	2018	19.5	2023
GVA per processing sector employee, in thousand Euro	thousand EUR	SORS, EUROSTAT	15.7	2018	19.0	2023

Specific objective 1: Improved digitization of industrial manufacturing business models						
Institution responsible for coordination and reporting: Ministry of Economy						
Indicator(s) at the specific objective level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2023	Final year of the AP validity
Percentage of industrial economic operators using ERP <sup>1</sup> software	%	EUROSTAT	30	2019	45	2023

Measure 1.1: Promotion of industrial digital transformation
Implementing institution: Ministry of Economy

<sup>1</sup> ERP software is a software for integrated business management in real time, allowing for making optimum business decisions through integration of all business aspects into a single system

Implementation period: 2021-2023				Type of measure: informative, educational			
Indicator(s) at the measure level (output indicator)	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Number of economic operators familiar with the digital transformation concept	Number	MoE	0	2020	150	200	200

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy	Programme: 1509 Project: 4008	2,000	2,000	2,000
German international cooperation*				

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023
1.1.1. Organising promotional activities to bring the digital transformation concept and services of the Digital Transformation Center closer to representatives of traditional industries (e.g. conferences, brochures on specific industries, collection of success stories, etc.)	MoE		4th quarter of 2023					
1.1.2. Organising events at IT centers, to be attended by the traditional industry economic operators	MoE		4th quarter of 2023					

Measure 1.2: Education programme and advising companies on the implementation of digital solutions in industry	
Implementing institution: Ministry of Economy	
Implementation period: 2021-2023	Type of measure: informative, educational

Indicator(s) at the measure level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Number of economic operators completing the training programme annually	Number	MoE	100	2019	150	175	200

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy	Programme: 1509 Project: 4008	6,000	7,000	7,000
German international cooperation*				

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023
1.2.1 Organising educational workshops at IT hubs for traditional industry companies	MoE		4th quarter of 2023					
1.2.2 Extending human capacities, primarily the number of consultants at the Digital Transformation Center	MoE		4th quarter of 2023					

Measure 1.3: Incentive support programme to industrial digital transformation in the Republic of Serbia							
Implementing institution: Ministry of Economy							
Implementation period: 2021-2023				Type of measure: incentive			
Indicator(s) at the measure level (output indicator)	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Number of implemented digital solutions by economic operators	thousand RSD	MoE	35	2020	120	200	250

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy	Programme: 1509 Project: 4008	136,500	155,000	165,000
EU funds – IPA*				

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023
1.3.1 Analysis of Digital Transformation Programme 2019-2020.	MoE							
1.3.2 Creating new or improving the existing Programme based on the data obtained by the analysis of the SME digital transformation support Programme in the period 2019-2020	MoE		4th quarter of 2023					
1.3.3 Continuous advice to companies via the network of certified consultants on determining their status and needs for digital transformation and developing Expert Analysis to define main potentials of digital transformation (diagnosis)	MoE		4th quarter of 2023					
1.3.4 Continuous advice to companies via the network of certified consultants in defining the strategy for implementation of the selected priority area based in the expert analysis ( <i>Road Map</i> )	MoE		4th quarter of 2023					
1.3.5 Ongoing co-funding of implementation costs of the selected projects proposed under the digital	MoE		4th quarter of 2023					



transformation strategy of individual economic operators (improvements/ introduction of new: business processes, business models, products, services), same as the costs of certified consultants' services								
1.3.6 Programme impact analysis	MoE		4th quarter of 2023					

<b>Measure 1.4: Increasing accessibility of financial instruments for industrial digitization and innovation</b>							
Implementing institution: Ministry of Economy							
Implementation period: 2021-2023				Type of measure: incentive			
Indicator(s) at the measure level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Level of investments in research & development (BERG) in industry	million EUR	EUROSTAT	9,1	2018	13	15	17
Level of investments in research & development (BERG) in manufacturing sector	million EUR	EUROSTAT	0,2	2018	1	1,5	2

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy	Programme: 1509 Project: 4008	1,000	1,000	1,000

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023
1.4.1 Organising training for the MSME loan applications	MoE		4th quarter of 2022					
1.4.2 Drafting proposed measures to attract venture capital funds	MoE		4th quarter of 2023					

1.4.3 Support in establishing the state investment fund	MoE		4th quarter of 2023					
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Measure 1.5: Ensuring adequate level of digital security for industry							
Implementing institution: Ministry of Economy							
Implementation period: 2021-2023				Type of measure: regulatory			
Indicator(s) at the measure level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Percentage of industrial companies (with 10 and more staff) testing ICT security protection	%	EUROSTAT	22	2019	25	28	30

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy	Programme: 1509 Project: 4008	500	500	500

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023
1.5.1 Establishing promotional platform for digital security and communication security aimed at increasing relevance and reaching solutions in this area	MoE		4th quarter of 2022					
1.5.2 Ongoing harmonisation of regulatory framework on digital security with global standards and EU directives and stimulating more prominent participation of institutions in international exchange (taking into account the	Ministry of Trade, Tourism and Telecommunications	IT and Entrepreneurship Team of the Government of the Republic of Serbia, DTC, Digital Serbia	4th quarter of 2023					

recommendations laid down in the Smart Specialisation Strategy)								
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Measure 1.6: Harmonising digital education with the industry needs							
Implementing institution: Ministry of Economy							
Implementation period: 2021-2023				Type of measure: institutional, management, organisational			
Indicator(s) at the measure level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Number of implemented industry proposals aimed at education system improvement annually	Number	MoE	0	2020	5	4	3

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy				

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023
1.6.1 Establishing a unique address and creating a systematised event for industry representatives to present specific proposals for	Chamber of Commerce	MoE, Chambers and business associations	4th quarter of 2022					

improvement of digital education, primarily in sectors recognised in the Smart Specialisation Strategy								
1.6.2 Compiling annual reports containing key industry proposals for improvement of digital education, and the analysis of such proposals	Chamber of Commerce	MoE	4th quarter of 2023					

Measure 1.7: Incentive programmes aimed at strengthening of the industry staff digital skills through informal education system							
Implementing institution: Ministry of Economy							
Implementation period: 2021-2023				Type of measure: institutional, management, organisational			
Indicator(s) at the measure level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Number of certified trainees	Number	MoE	0	2019	30	50	100

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy	Programme: 1509 Project: 4008	15,000	15,000	15,000
EU funds – IPA*				

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023
1.7.1 Creating promotional training platform in the digital skills area	MoE	IT clusters	4th quarter of 2022					
1.7.2 Organising digital skills trainings at the Chamber of Commerce	MoE	IT clusters	4th quarter of 2023					

Specific objective 2: Industrial development based on innovation and development of higher stages of technological manufacturing						
Institution responsible for coordination and reporting: Ministry of Economy						
Indicator(s) at the specific objective level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2023	Final year of the AP validity
Indicator of technical efficiency of business	%	Indicator assessed based on the SORS data	58%	2018	62%	2023

Measure 2.1: Incentives to industrial companies for development of innovative solutions through cooperation projects with R&D community							
Implementing institution: Ministry of Economy							
Implementation period: 2021-2023				Type of measure: incentive			
Indicator(s) at the measure level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Investments of manufacturing sector economic operators in R&D	thous. EUR	EUROSTAT	187.0	2018	600.0	800.0	1000.0

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy	Programme: 1509 Project: 4008	60,000	80,000	80,000
EU funds – IPA*				

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023
2.1.1 Defining the Ministry of Economy programme of support to economic operators developing innovative solutions, making the	MoE	Chamber of Commerce, Development	4th quarter of 2021					

part of institutional infrastructure, in sectors recognised under the Smart Specialisation Strategy		Agency of Serbia						
2.1.2 Implementing support programmes aimed at supporting economic operators developing innovative solutions	MoE	Chamber of Commerce, Development Agency of Serbia	4th quarter of 2022					
2.1.3 Compiling the programme impact analysis	MoE	Development Agency of Serbia	4th quarter of 2023					

<b>Measure 2.2: Including industrial companies in international programmes aimed at development of innovative solutions and improvement of industrial competitiveness</b>							
Implementing institution: Ministry of Economy							
Implementation period: 2021-2023				Type of measure: informative, educational			
Indicator(s) at the measure level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Number of applications for international programmes	Number	Chamber of Commerce	0	2020	2	3	5

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy	Programme: 1509 Project: 4008	6,000	6,000	6,000

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023
2.2.1 Organising information center for participation in international projects supporting research,	MoE	Regional development agencies	4th quarter of 2023					

development, innovation and entrepreneurial initiatives								
2.2.2 Organising workshops to complete the application	MoE	Regional development agencies	4th quarter of 2023					

Measure 2.3.: Support to development and improvement of production processes via industrial institutional infrastructure projects							
Implementing institution: Ministry of Economy							
Implementation period: 2021-2023				Type of measure: incentive			
Indicator(s) at the measure level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Number of companies that are beneficiaries of specific consulting services at the institutional infrastructure level	Number	MoE	0	2020	50	70	100

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy	Programme: 1509 Project: 4008	6,000	10,000	10,000
EU funds – IPA*				

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	-2023
2.3.1 Providing specific consulting services to institutional infrastructure organisations aimed at strengthening their organisational capacities (business incubators, clusters, etc.)	MoE	Development Agency of Serbia	4th quarter of 2023					

2.3.2 Developing services in institutional infrastructure organisations for economic operators, to the topic of programme on the production process development (e.g. Layout production)	MoE	Development Agency of Serbia	4th quarter of 2023					
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Measure 2.4.: Affirmation of intellectual property protection							
Implementing institution: Ministry of Economy							
Implementation period: 2021-2023				Type of measure: informative, educational			
Indicator(s) at the measure level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Intellectual Property Rights Subindex (IPR)	Global ranking out of 129 countries	Property Rights Alliance	108	2020	106	103	100

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy	Programme: 1509 Project: 4008	2,000	2,000	2,000

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023
2.4.1 Organising a promotional campaign on the protection of own and use of other's intellectual property	MoE	Intellectual Property Office	4th quarter of 2023					
2.4.2 Organising educational workshops on the need of intellectual property protection	MoE	Intellectual Property Office	4th quarter of 2023					



Measure 2.5: Support programme for industrial companies in procurement of technological equipment of first generation							
Implementing institution: Ministry of Economy							
Implementation period: 2021-2023				Type of measure: incentive			
Indicator(s) at the measure level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Value of purchased first- generation technological equipment	thous. RSD	MoE	0	2019	450,000	450,000	450,000

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy	Programme: 1509 Project: 4002	200,000	200,000	200,000

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023
2.5.1 Drafting proposed inventive entrepreneurship programmes via development projects encompassing industrial companies for purchase of first-generation technological equipment	MoE	Development Fund of the Republic of Serbia	2rd quarter of 2021					
2.5.2 Implementation of the Incentive support entrepreneurship programme via development projects	MoE	Development Fund of the Republic of Serbia	4th quarter of 2021					
2.5.3 Development of the programme impact analysis and recommendations for improvement	MoE	Development Fund of the Republic of Serbia	4th quarter of 2023					

Specific objective 3: Increased total volume of industrial investments, accompanied by the improved quality of investments						
Institution responsible for coordination and reporting: MoE						
Indicator(s) at the specific objective level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2023	Final year of the AP validity
Share of investments in GDP	%	SORS	20.1	2018	24	2023

Measure 3.1: Adjusting the criteria for attracting industrial investments aimed at increasing the share of domestic gross value							
Implementing institution: Ministry of Economy							
Implementation period: 2021-2023				Type of measure: regulatory			
Indicator(s) at the measure level (indicator of outputs)	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Share of capital of high and medium- high technology sectors in total manufacturing industry capital value	%	SORS	33.8	2019	-	-	37

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy				

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023
3.1.1. Defining a new set of criteria to attract investments, stimulating investments with higher value added, higher technology level and higher potential for engagement of domestic suppliers	Development Agency of Serbia	MoE	4th quarter of 2021					

3.1.2. Harmonising incentive system with the new criteria	Development Agency of Serbia	MoE	4th quarter of 2021					
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Measure 3.2: Incentive programme for investments in industrial production							
Implementing institution: Ministry of Economy							
Implementation period: 2021-2023				Type of measure: incentive			
Indicator(s) at the measure level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Total value of manufacturing companies in machinery and equipment	million EUR	EUROSTAT	970.0	2018	1100	1200	1250

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy	Programme: 1510 Project: 0003	14,914,273	16,000,000	16,000,000

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023
3.2.1. Drafting the proposed grant support programme for investments in industrial production based on innovative solutions, in line with recommendations set forth in the Smart Specialisation Strategy	Development Agency of Serbia	MoE	2rd quarter of 2021					
3.2.2. Implementing the grant support programme for investments in industrial production	Development Agency of Serbia	MoE	3rd quarter of 2022					

Measure 3.3: Promotion of the Republic of Serbia as an investment destination open to new investments of domestic and foreign companies with higher value added

Implementing institution: Ministry of Economy							
Implementation period: 2021-2023				Type of measure: informative, educational			
Indicator(s) at the measure level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Number of high and medium-high technology sectors investors contacted	Number	Development Agency of Serbia	20	2019	100	150	200
Number of initial meetings with high and medium-high technology sectors investors as a result of outreach activities	Number	Development Agency of Serbia	2	2019	10	15	20
Number of new investments projects in medium and high technological level	Number	Development Agency of Serbia	n/a	2019	2	3	6

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy	Programme: 1510 Project: 0001	40,000	50,000	60,000
International Donor Organizations*				

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023
3.3.1. Ongoing promotion of regulatory framework, support programme, infrastructure and human potential for industrial investments in the country and presentation of potential local suppliers through participation in and organisation of fairs, summits, seminars and conferences (including online events)	Development Agency of Serbia	Chamber of Commerce	4th quarter of 2023					

3.3.2. Ongoing visits to existing investors to obtain information on their business operations so far, cooperation with domestic suppliers, plans for further extension and presentation of the “Aftercare” support model	MoE	Development Agency of Serbia, Chamber of Commerce	4th quarter of 2023					
3.3.3. Proactive approach in attracting potential investors via direct contact- outreach	MoE	Development Agency of Serbia, Chamber of Commerce	4th quarter of 2023					
3.3.4. Ongoing promotion of the Republic of Serbia as an investment destination for high value added projects- “Advertisement”	Development Agency of Serbia	MoE	4th quarter of 2023					
3.3.5. Ongoing technology transfer of foreign SMEs to domestic suppliers as a result of outreach activities	Development Agency of Serbia	MoE	4th quarter of 2023					
3.3.6. Promotion of industrial zones	MoE	Development Agency of Serbia	4th quarter of 2023					

Measure 3.4: Support programme for development of infrastructure for the needs of industrial zones							
Implementing institution: Ministry of Economy							
Implementation period: 2021-2023				Type of measure: incentive			
Indicator(s) at the measure level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Value of delivered support to the business infrastructure development (industrial zones and other business infrastructure)	million RSD	MoE	295.8	2019	1,350,000	1,350,000	1,350,000

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023

Budget of the Republic of Serbia- Ministry of Economy	Programme: 1505 Project: 4004	1,470,000	1,470,000	1,470,000
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Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023
3.4.1. Adoption of the Support programme to the business infrastructure development aimed at creating enabling conditions to attract investments, improve business climate and open new jobs	MoE		3rd quarter of 2021					
3.4.2. Monitoring implementation of infrastructure projects and their effect on the business climate improvement	MoE	Local governments	Upon adoption of the Programme					
3.4.3. Creating impact analysis of the Support programme to the business infrastructure development	MoE		4th quarter of 2022					
3.4.4. Drafting regulatory framework for the industrial zones' regulation	MoE	Development Agency of Serbia	4th quarter of 2021					

Measure 3.5: Balancing regional industrial development							
Implementing institution: Ministry of Economy							
Implementation period: 2021-2023				Type of measure: regulatory			
Indicator(s) at the measure level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Total incentives to regional development in the form of financial assistance in attracting investments	million RSD	Business Registers Agency	5,537.4	2019	6,000	6,500	7,000

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy				
EU funds – IPA*				

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023
3.5.1. Defining investment incentives focused on the regions with predominant manufacturing industry with low value added	MoE	Development Agency of Serbia, Chamber of Commerce	4th quarter of 2021					
3.5.2. Activities to attract investments in the regions with predominant manufacturing industry with higher value added with potential for research, development, innovation and entrepreneurial initiatives in line with the recommendations laid down in the Smart Specialisation Strategy	MoE	Development Agency of Serbia, Chamber of Commerce	4th quarter of 2023					

Specific objective 4: Enhance technological structure of exports						
Institution responsible for coordination and reporting: MoE						
Indicator(s) at the specific objective level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2023	Final year of the AP validity
Import coverage by export in the medium/ high technology industry sector	%	SORS	84	2018	90	2023

Measure 4.1: Identifying and stimulating export-oriented industrial sectors entailing higher stages of processing							
Implementing institution: Ministry of Economy							
Implementation period: 2021-2023				Type of measure: Educational- informative			
Indicator(s) at the measure level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Number of companies that have completed the training	Number	MoE, Chamber of Commerce	0	2020	25	30	50

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy	Programme: 1509 Project: 4008	10,000	10,000	10,000

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023
4.1.1 Identifying companies with export potential in the area of higher stages of processing, same as their needs, primarily in sectors recognised in the Smart Specialisation Strategy	MoE		4th quarter of 2023					



4.1.2 Organising educational workshops with identified companies with export potential in the area of higher stage of processing, primarily in the sectors recognised in the Smart Specialisation Strategy	MoE		4th quarter of 2023					
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Measure 4.2: Support programme for internationalisation of industrial companies							
Implementing institution: Ministry of Economy							
Implementation period: 2021-2023				Type of measure: incentive			
Indicator(s) at the measure level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Manufacturing industry export value	million EUR	SORS	16,109	2019	16,500	17,600	19,000

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy	Programme: 1510 Project: 0001	75,000	100,000	125,000
EU funds – IPA*				

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023
4.2.1 Implementation of annual support programmes for export promotion in targeted sectors	Development Agency of Serbia	Chamber of Commerce	4th quarter of 2023					
4.2.2 Ongoing diagnostics of business performance and business support beneficiaries	Development Agency of Serbia	Chamber of Commerce	4th quarter of 2023					

4.2.3 Organisation of national stands at international fairs	Development Agency of Serbia	Chamber of Commerce	4th quarter of 2023					
4.2.4 Development of sector and market analyses	Development Agency of Serbia	Chamber of Commerce	4th quarter of 2023					

<b>Measure 4.3: Support programme for industrial companies to enter supplier chains of multinational companies</b>							
Implementing institution: Ministry of Economy							
Implementation period: 2021-2023				Type of measure: incentive			
Indicator(s) at the measure level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Number of new suppliers of multinational companies from the Republic of Serbia annually	Number	Development Agency of Serbia	0	2018	6	9	12

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy	Programme: 1510 Project: 0001	234,504	300,000	350,000
International Donor Organisations*				

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023
4.3.1 Implementation of annual support programmes for entry into the supplier chains	Development Agency of Serbia	Chamber of Commerce, clusters	4th quarter of 2023					
4.3.2 Ongoing diagnostics of business performance and business support beneficiaries and drafting	Development Agency of Serbia	Chamber of Commerce, clusters	4th quarter of 2023					

accompanying improvement plans and implementation plans aimed at establishing and extending cooperation with multinational companies								
4.3.3 Continuous organisation of “Suppliers Day” and B2B meetings	Development Agency of Serbia	Chamber of Commerce, clusters	4th quarter of 2023					
4.3.4 Presenting international business standards to economic operators	MoE	Chamber of Commerce, clusters	4th quarter of 2023					

Specific objective 5: Industry transformation from linear to circular model						
Institution responsible for coordination and reporting: MoE						
Indicator(s) at the specific objective level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2023	Final year of the AP validity
Rate of utilisation of circular resources in industry	%	EUROSTAT SORS	n/a	2019	7	2023

Measure 5.1: Promotion of circular economy and education of companies							
Implementing institution: Ministry of Economy							
Implementation period: 2021-2023				Type of measure: informative, educational			
Indicator(s) at the measure level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Number of strategic level staff in economic operators that have completed the training on circular economy	Number	Chamber of Commerce	0	2019	200	1000	3000

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy	Programme: 1509 Project: 4008	15,000	15,000	15,000
EU funds – IPA*				
German international cooperation*				

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023
5.1.1 Organising promotional and educational events for industrial	MoE	Ministry of Environment	4th quarter of 2023					

entities to the topic of circular economy for different types of recyclable materials and more efficient use of resources, by including centers active in this sector		Protection, NALED						
5.1.2 Developing the analysis of potential international partners for international projects in the area of circular economy	MoE		4th quarter of 2023					

<b>Measure 5.2: Fostering investments in circular and low-carbon solutions as engines of growth</b>							
Implementing institution: Ministry of Economy							
Implementation period: 2021-2023				Type of measure: regulatory			
Indicator(s) at the measure level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023
Gross value added per unit of recycled raw material	GVA, mil. € /circular raw material (kilo tonnes)	SORS	22.9	2019	-	-	22.0

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy				
EU funds – IPA*				
German international cooperation*				

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023

5.2.1 Adjusting the criteria for incentives for the purchase of equipment to include investments in equipment calibrated so as to use recycled resources	MoE	Development Agency of Serbia, Development Fund of Republic of Serbia, Chamber of Commerce	2nd quarter of 2021					
5.2.2 Monitoring effects of incentives against the set criteria	MoE	Development Agency of Serbia, Development Fund of Republic of Serbia, Chamber of Commerce	4th quarter of 2023					
5.2.3 Organising workshops on new business models of industrial plants aimed at more efficient use of capacities and increase in the final total value of products, minimising waste and maximum use of entrepreneurial potential of small and medium-sized enterprises	Chamber of Commerce	Ministry of Environmental Protection	4th quarter of 2023					

Measure 5.3: Fostering more efficient use of material resources and energy efficiency in industrial processes								
Implementing institution: Ministry of Economy								
Implementation period: 2021-2023					Type of measure: regulatory			
Indicator(s) at the measure level	Unit of measurement	Source of verification	Baseline	Baseline year	Target value in 2021	Target value in 2022	Target value in 2023	
Gross value added per unit of domestic material used	GDA, thous. € / domestic material used (thous. tonnes),	SORS	298.7	2018	-	-	315.0	

Source of the measure funding	Link to the programme budget	Total estimated funds in RSD 000		
		In 2021	In 2022	In 2023
Budget of the Republic of Serbia- Ministry of Economy				

Activity title:	Implementer	Implementing partners	Time frame	Source of funding	Link to the programme budget	Total estimated funds per source in RSD 000		
						2021	2022	2023
5.3.1 Adjusting the incentive criteria for purchase of equipment so as to include investments in more energy efficient equipment and/or meet Eco- design requirements	MoE	Development Agency of Serbia, Development Fund of Republic of Serbia, Chamber of Commerce, Ministry of Mining and Energy	2nd quarter of 2021					
5.3.2 Monitoring effects of incentives against the set criteria	MoE	Development Agency of Serbia, Development Fund of Republic of Serbia, Chamber of Commerce, Ministry of Mining and Energy	4th quarter of 2023					

\* Funds are not provided. It is planned to provide additional funds in negotiations with international donor organizations in order to achieve defined specific goals in faster and more efficient way, as well as to achieve the general goal of the Strategy.

## 5. ABBREVIATIONS

MoE – Ministry of Economy  
SORS – Statistical Office of Republic of Serbia  
DTC – Digital Transformation Center  
IT – Information Technologies  
GVA - Gross Value Added  
NALED – National Alliance for Local Economic Development

## 6. FINAL PROVISIONS

This action plan is to be published on the Government website, website of the Ministry of Economy and E-Government portal, within seven working days of the day of its adoption.

This action plan is to be published in the “Official Gazette of the Republic of Serbia”.

05 No: 30-3191/2021  
In Belgrade, on 8 April 2021

## G O V E R N M E N T

PRIME MINISTER  
Ana Brnabić, signed