

EBRD and EU boost competitiveness of Serbian firms

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- EBRD and EU support Serbian businesses to achieve EU standards
- €40 million in EBRD loans via UniCredit and Banca Intesa combined with grants from the EU
- Investments to include raising of health and safety standards and product quality

Small and medium-sized enterprises (SMEs) in Serbia (<https://www.ebrd.com/serbia.html>) will be able to boost their competitiveness thanks to a new EBRD programme combining targeted and grant-supported investments.

The EBRD SME Competitiveness Programme is providing a €40 million credit line that two local partner banks, UniCredit and Banca Intesa, will offer to local SMEs. In addition, borrowers will be able to benefit from European Union grant incentives worth 15 per cent of the total investment. (<https://www.ebrd.com/who-we-are/structure-and-management/shareholders/european-union.html>)

The prospect of EU membership and a free trade agreement presents many opportunities for Serbian SMEs, but also involves significant adjustments to comply with new regulatory standards, which can create an additional burden for enterprises.

The programme was developed to assist private small firms to achieve compliance with EU Directives, particularly in the fields of environmental protection, occupational health and safety and product quality and safety. This will equip Serbian firms with the tools they need to export to EU countries but also enable them to offer better quality services and products, making them more competitive in the local markets.

On successful completion of the investment project, SMEs will be eligible for a cashback grant of 15 per cent, which will significantly reduce the costs of their investments.

In addition, SMEs will have access to EBRD advisory support (https://www.ebrd.com/work-with-us/advice-for-small-businesses/serbia.html#_blank), which is funded by the EU.

Zsuzsanna Hargitai, EBRD Regional Director, Western Balkans, said: “One of the main challenges to joining the EU is to improve the competitiveness of the local economy so that it can compete with EU countries. This programme does exactly that; it helps Serbian firms to get closer in terms of quality and standards to their EU counterparts.”

Michael Voegele, Western Balkans Investment Framework’s Team Leader, European Commission, said: “The European Union is committed to assisting Serbia in providing incentives for the companies to start, grow and expand regionally and internationally. There are challenges that limit the competitiveness of private enterprises and we work in partnership to overcome these.

Predrag Milenović, Member of the Banca Intesa Executive Board and Head of the Corporate and SME Division, said: “By taking part in the SME Competitiveness Programme, Banca Intesa is continuing its successful long-standing cooperation with the EBRD as part of which we have made available nearly €200 million in loan support to the Serbian economy and households so far. As part of this programme, we have offered favourable investment loans to SMEs, helping this strategically important part of the domestic economy to improve its operations and boost competitiveness“.

Željko Kišić, Head of Mid Market Department in UniCredit Bank Serbia said: “We are very pleased to be an EBRD reliable partner for boosting the development of small and medium enterprises in Serbia. This segment of the economy has a huge potential, thus our goal is to enable easier access for financing that will allow them to improve and expand their business.”

The EBRD is a leading institutional investor in Serbia. The Bank has invested more than €5 billion across 250 projects in the country to date. The EBRD is supporting private-sector development and the transition towards a green economy.

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