

**Statement of Mr. Jovan Jovanovic, Ambassador of the Republic of Serbia
to the Republic of Indonesia**

Mr. Chairman,

Excellencies, Distinguished Ladies and Gentlemen,

Allow me first to greet you all on behalf of the Republic of Serbia and to thank the hosts and WTO Secretariat for excellent organization of this important event.

The global and regional interconnections were extremely visible when we all experienced the recent financial, economic, debt and growth crisis. That situation reminded us all that only jointly we can respond to international challenges. Having this in mind our ongoing activities within the auspices of the WTO are even more accurate and important.

Mr. Chairman,

Distinguished delegates,

Serbia has taken important steps towards establishing a functional market economy and achieved a macroeconomic stability in spite of the global economic and financial crisis. However, further efforts will be necessary for restructuring the economy and improving the business environment, in particular by strengthening the rule of law, enhancing competition and the role of the private sector as well as tackling rigidities on the labour market.

In the last three years Serbia's GDP remains downsized in comparison to the pre-crisis levels, but in 2013 our economy features first signs of recovery. In the first half of the year this recovery was export-led, with GDP rising by 2.7% year-to-year in the first quarter and 0.2% year-to-year in the second quarter. Budget deficit was 6.4% in 2012. Inflation rate has fallen significantly in recent months and is now back within the central bank's target zone of 3% to 6%. In 2012 the labour market indicators deteriorated, unemployment rate reached the peak of 25.5%, and only in 2014 improvements are to be expected.

Exports are growing strongly, boosted by the revival of the car industry. Export growth recorded a rate of 26.7% in period of January to September 2013, while imports grew by 4.9% in comparison to the same period last year. However, Serbia has major fiscal problems, with a government deficit projected by the IMF at between 7 and 8% of the GDP in 2013 and public debt having reached about 60% of the GDP and still rising.

Aware that an increase in trade generates benefits from factors reallocation, contributes macroeconomic stability, improves productivity and competitiveness, Serbia believes that further trade liberalization generally on the multilateral level, and regionally might be one of the important responses to crisis.

Having this in mind, Serbia invested efforts to negotiate further trade liberalization in the regional framework, within the CEFTA Agreement, but has also taken significant measures to expand free trade with other countries or to improve the level of economic cooperation with them in years by concluding FTA agreements with the EFTA, Turkey and the Customs Union of Russia, Belarus and Kazakhstan.

Mr. Chairman,

Distinguished delegates,

We share the views that trade protectionism is not an answer to the current global situation and our practice has demonstrated our words.

The role of the WTO in the period of global economic crisis is even bigger than in the period of stable economic environment

We are confident that the solutions we are seeking to overcome these problems and to achieve sustainable growth and job creation lie very much in decisions that lead to more open trade in goods and services and more investments. There is a strong positive and self-reinforcing relationship between trade and FDI flows, with trade inducing FDIs as well as FDIs inducing trade as a result of rapid liberalization of trade. We are witnessing that trade and investment flows are key factors to the expansion of innovation and new technologies also.

Knowing that open and fair trade are prerequisites for accelerating growth it becomes more evident that successful conclusion of the Doha Development Round could generate increase of world exports, according to some projections between 360 bill\$ and 500 bill\$ on annual basis which can constitute a sound basis for ensuring sustainable growth and thus help economies in specific challenging period.

Not using the opportunity of creating more favourable trading conditions could orient countries to protectionism, formation of regional blocs and violation of multilaterally agreed rules. This is why this is a very important, I would say historical moment for the global trade. The WTO Members need to show an immense global political will for restoring the confidence and effectiveness of the multilateral trading system.

The accession of Yemen to the WTO represents one positive sign in the right direction contributing to a truly universal character of the organization, but also at the same time puts the vast majority of the world economy under the same framework of international rules and responsibilities.

Mr. Chairman,

The Republic of Serbia is ready to stand under the same WTO framework.

The accession to the WTO remains the foreign economic priority of my country. Our foreign economic priority goes in hand with our efforts to combat the crisis since we believe that greater trade openness and becoming a part of the multilateral trading system would help to further boost economic activities in the country and also help to improve so much needed competitiveness.

Encouraged with the new accessions to the WTO, Serbia is prepared to take full WTO commitments and responsibilities under fair and equitable rules for every country and we hope that our WTO Members partners would help us to expedite this process.

I thank you all for your attention