

## **Serbia: With presidential elections behind us, new Middle-Eastern investments are on the cards**

Last week, Serbia got a new president, Mr. Aleksandar Vucic, who until now served as the country's prime minister. Since during his term in the government he oversaw a significant influx of investments from the Middle East, it is expected that this trend will continue now that he is the chief of state.

Among Middle-Eastern investors, particularly active in Serbia has been the UAE, which seems to prefer Serbia as its business destination in the Balkans. The largest UAE investments have been joint ventures with the Serbian state – the Etihad/Air Serbia deal, which has helped Air Serbia become a regional leader in air transport, and the monumental real estate project 'Belgrade Waterfront', which is now well under way.

Apart from air transport and real estate development, UAE investors seem to be eyeing the Serbian agricultural sector – an Emirati company Al Dahra has already gained a strong foothold in Serbia by acquiring agricultural company Rudnap Agrar. Also, investors from the UAE are rumored to be interested in PKB, the largest Serbian agricultural complex.

What could be the next big thing in UAE investments in Serbia is tourism. Serbia has a significant tourist potential, including city tourism, mountain resorts, and spas. This sector has been a particularly dynamic segment of the country's economy, registering double digit growth rates. Taking into account UAE's tourism-related investments in the region (most notably, in Porto Montenegro on the Montenegrin seaside), such large scale investments can also be expected in Serbia.

Especially worth keeping an eye on are spas. Serbia is fairly rich in spa water but so far has not exploited this sufficiently, as state ownership did not prove to be the best way for encouraging the development of spa tourism. It seems this is about to change – Serbian tourism minister has recently hinted that 2017 will be the year of first privatizations and strategic partnerships in the spa sector.