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Serbia

Food and Agricultural Import Regulations and Standards - Narrative

FAIRS Country Report

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Report Highlights:

This report provides information on Serbian regulations and standards concerning food, agricultural products and foreign trade. It includes updates on the new Serbian agriculture legislations recently adopted in the areas of food safety, livestock, animal welfare, pesticides, fertilizers, plant protection and GMO. The report also updates contact information of relevant government agencies.

Section I. Food Laws:

The new Law on Food Safety (“Official Gazette RS” 41/09) that was adopted in May 2009 represents one of the main agricultural laws in Serbia. It governs all aspects of production, circulation, control and consumption of food, general conditions for ensuring safety of food and feed, rights and responsibilities of persons performing food and feed businesses, early warning system, hygiene and quality of food and feed. The purpose of the Law is to ensure high level of

protection of life and health of consumers, and interests of consumers while ensuring efficient functioning of food trade. The adoption of the Law was necessary for the purpose of harmonization with EU regulations, in particular Directive 178/2002/EC, and compliance with the Agreement on Application of Sanitary and Phytosanitary Measures of the WTO.

The main new concepts introduced by the law encompass: implementation of the traceability of food; registration of all businesses dealing with food in one unified Central Register; full division of competences between the Ministry of Agriculture and the Ministry of Health that will enable that both quality and safety of food are controlled on the same food sample, and that one facility is controlled by one inspection; performance of controls in accordance with the risk assessment; establishment of the national reference laboratories; introduction of internal controls in accordance with the good manufacturing practice, good hygiene practice or HACCP depending on the type of food businesses. The new Law regulates the competency of the Ministry of Agriculture as the central authority, Ministry of Health as the responsible for public health and work of the laboratories. With the new Law management and organization of official controls are in place and there should not be any overlapping and unclear repartition of competences as it was in the past. Ministry of Agriculture through its veterinary, phytosanitary and agricultural inspection is responsible for the food safety in the primary production stage, processing and wholesome stage, imports and transit stage and in export stage. The Ministry of Agriculture issues import approvals for foods of animal origin, veterinary drugs, seeds, planting materials and pesticides. For other products, permits are not required.

With the new Food Safety Law there will be no sanitary inspection of the imported food at the customs clearance points. Ministry of Health through its sanitary inspection is responsible for control of novel food, dietetic supplements, food for babies, dietetic supplements and salts for human ingestion and production of additives, aromatics, enzymatic preparations of other than animal origin and accessories of other than animal origin, as well as drinking water in original packing (table water, mineral water and spring water), as well as water for public supply of drinking water in all stages of production, processing and circulation (wholesale, retail, imports on customs points and exports) shall be conducted by sanitary inspection.

The main difficulties in the implementation of the Law may be expected in the area of division of competences, in particular in the fact that the agricultural inspection may not have sufficient capacities to conduct the food safety controls of non-animal food products in production, processing, wholesale and exports, and introduction of internal controls in businesses (GMP, GHP, HACCP) since it places an extra financial burden on their operations.

Following the new Food Safety Law the Ministry of Trade and Services has distinct Market Inspection units that inspect food quality in retail distribution. Agriculture inspection that is under Ministry of Agriculture inspects quality of food up to the moment that food is distributed into the retail shops. Visual checks and for products listed in the above-mentioned laws (almost everything that is considered as food), additional safety checks are done, using laboratory testing on basic ingredients. Visual checks involve product identification (origin, type, quantity), determining if labeling and packaging requirements have been met, and checking for the necessary statements containing the importer's name and address, the product's general appearance, taste, flavor, presence of residues, color, structure, checking if the transportation requirements have been met, etc. Specific

ordinances define sampling procedures.

Quality control of imported products can be done again after the import procedure has been completed and prior to retail distribution on the market. Inspection can be done also after the retail distribution in the store. The quality of individual groups of products is subject to specific ordinances (e.g. Quality of Meat and Meat Products, Official Gazette No. 33/04; Quality of Milk and Milk Products - Official Gazette No. SRJ 26/02 and SCG 21/09, Quality of Honey and other Bee Products - Official Gazette No. SRJ 45/03, Quality of Beer, Official Gazette No. RS 39/05 - Quality of Animal Food Official Gazette No. SRJ 38/01, Quality of Raw Coffee and Coffee Products - Official Gazette No. SRJ 35/01 and SCG 06/03, Quality of Fish, Crabs, Shellfish, Sea Urchins, Frogs, Snails and their products - Official Gazette No. SRJ 6/03, SCG 56/04, Quality of Fruit, Vegetables and Mushrooms - Official Gazette No. SFRJ 4/04 and 12/05.

The longstanding disagreement between the Ministries of Agriculture and the Ministry of Health regarding overlapping responsibilities for inspection that has been one of the obstacles to Serbia's WTO accession in the area of agriculture was resolved with adoption of the new Food Safety Law. The new Food Safety Law clearly delineates the responsibilities of the relevant ministries. Beyond resolving the "double inspection" issue, the new draft law is written in compliance with the WTO/SPS Agreement and EU legislation. It will govern the conditions for production and distribution of safe food and feed, duties and responsibilities of food and feed business operators, rapid alert system, emergency measures and crisis management, food and feed hygiene and quality and establishment of the Food Safety Agency.

Beside passing the Food Safety Law Serbian Parliament also adopted legislation that include Law on Agriculture and Rural Development, Law on Livestock, Law on Plant Health, Law on Pesticides, Law on Fertilizers, Law on Brandy, Law on Animal Welfare, Law on Seed Breeder's Rights Protection, Law on GMO and Law on Wine, Law on Ethanol.

The new Serbian Law on Plant Health ("Official Gazette" 41/09) recently adopted, governs protection and improvement of plant health, measures for protection, detection, prevention of spreading, control and eradication of harmful organisms, phytosanitary controls and requirements for production, processing, imports, storage and trade in plants, plant products, requirements for prescribed facilities, as well as conditions to perform activities in the area of protection of plant health. The Law also envisages establishment of the national reference phytosanitary laboratory, and introduces controls based on the assessment of risk. The adoption of the Law was necessary for the purpose of harmonization with EU regulations, in particular Directive 2000/29/EC, International Plant Protection Convention, and the Agreement on Application of Sanitary and Phytosanitary Measures of the WTO.

Serbia also adopted the new Law on GMO ("Official Gazette" 41/09) according to which production, imports and commercial growing of GMO crops are strictly prohibited in Serbia. Law regulates only basic conditions for the use of GMO in closed systems and deliberate release into the environment. With this law, Serbian importers of soybean meal from biotech Round-Up Ready soybeans for cattle feed will no longer be possible. The new Law is prohibiting all commercial use of GMO crops, which has no scientific basis and will have an adverse effect on Serbia's WTO accession negotiations. Law is extremely problematic from the perspective of compliance with WTO

rules, since scientific and risk-based system for food, feed and cultivation of biotech products is not included in the law. The U.S. Government, the EU and other WTO members, expressed strong dissatisfaction with the adopted new Law. The implications of the ban for Serbian WTO accession were immediately recognized by Serbian trade officials and others who are committed to the accession. According to the senior Serbian officials, the law will be changed in the shortest possible procedure, possibly at the next Serbian Parliament session in the fall of this year.

Another new law is Law on Animal Welfare (“Official Gazette” 41/09) that regulates responsibilities of legal and natural persons and entrepreneurs in terms of animal welfare, protection of animals from torture and mistreatment, care for animal health and life, as well as treatment of animals during killing, keeping, raising, circulation, transport, slaughtering and conducting experiments on animals. In addition, the Law can facilitate exports of Serbian animals, and products of animal origin, in particular to the EU since it will ensure that all requirements in terms of keeping and transportation of animals are fulfilled. The adoption of the Law is necessary for the purpose of harmonization with rules of the OIE, Recommendations of the EU Council Nos. 86/609, 2003/65 and 2003/584 and Commission Decision 90/67.

The new Law on Livestock (“Official Gazette” 41/09) will regulate for the first time in the most comprehensive manner this important Serbian agribusiness sector. Prior to adoption of this Law livestock was regulated by the Law on Measurements of Livestock Improvement; Rulebook on quality control of reproductive animals, and terms and conditions of production and transport of poultry; and Law on Veterinary Services. The new legislative will bring substantial changes in organization and production methods in the sector by means of enabling formation of breeders’ associations and organizations with special authorizations, thus ensuring direct influence of producers on livestock breeding selection criteria and subsequently increased productivity of farm animals. The Ministry will control the activities of such associations and organizations through the Registry, and will at the same time provide timely and accurate information on their number and membership conditions to interested breeders.

The Veterinary Law (“Official Gazette” 91/05) from 2005 is still effective in Serbia. This law defines the protection and enhancement of animal health and welfare. It identifies animal diseases that are subject to the measures aimed at their prevention, detection, containment and eradication. The law deals with diseases transmittable to humans, the veterinary sanitary control and the requirements for production and circulation of animals and their products, edible animal products and animal feed, and the requirements for engagement in the practice of veterinary medicine. Following the adoption of this law, a number of related rulebooks were re-written to reflect changes.

Serbia signed with the EU Stabilization and Association Agreement (SAA) in 2008. The EU has not formally started with the implementation of the Agreement before finalization of Serbia’s cooperation with the Hague Tribunal, but Serbian products enjoy a privileged position on the European market. Since 2000, the EU has implemented a customs-free regime to Serbia for most of the products, so Serbian exporters do not pay customs and other taxes. As of January 30, 2009 Serbian started to formally implement the trade part of the SA Agreement and EU goods are entering Serbia without paying any customs and/or taxes. The application of this Agreement and creation of free trade zone between Serbia and EU is of most importance for Serbia, since 56 percent of all trade is traditionally done between EU and Serbia.

Serbia is still not a member of the World Trade Organization (WTO) but after adoption of a series of primary and secondary legislations, including food safety and phytosanitary regulations and Serbia's effort to bring its economy and agriculture in line with WTO standards. After changing problematic GMO Law and completing negotiations on customs tariffs Serbia has a plan to become a member of WTO by 2010. Serbia is already a member of the CODEX Alimentarius, the European Plant Protection Organization (EPPO), the Convention of Biodiversity (CBD), the Union of Protection of New Varieties of Plants (UPOV), the World Intellectual Property Organization (WIPO), the European Cooperative Program for Crop Genetic Resources Networks (ECP/GR); and is a signatory of the Aarhus Convention and the International Plant Protection Convention (IPPC).

Section II. Labeling Requirements: General Requirements

The Rule Book for Declaration and Labeling of Packed Food (Official Gazette SRJ, 4/04, 12/04, 33/04 and 48/04) regulates labeling requirements for packed foods designated for the consumer or public food consumption in Serbia. According to this regulation, a label must be present in both retail and bulk packaged foods and must indicate the following: expiration date, type and content of food additives, type and content of added vitamins, minerals, and other ingredients added to enrich the product's nutritional value. All foods are required to have the label in Serbian language.

For each type of food product there is a specific ordinance that spells out labeling requirements. Production specification must contain short description of the technological process, basic quality requirements, report related to the completed quality testing as well as the data regulated in the "Declaration and Labeling Packed Food" bylaw. Labels on foods that have been changed nutritionally for special diets must clearly indicate "dietetic food."

Content of the declaration label must contain the following:

- 1) Product's name and brand name if any
- 2) Quantity of the ingredients
- 3) Product net weight
- 4) Expiration date
- 5) Storage conditions
- 6) Lot number
- 7) Importers name and complete address, country of origin, and the country where from food is coming from
- 8) Usage instructions
- 9) Amount of alcohol for beverage that contains more than 1,2% v/v
- 10) Quality and class of the product if the food is regulated by the special rules under the categorization and classification
- 11) Other data important for the consumers and in accordance with the special rules for certain kind of food

If an original label is in English (e.g. standard U.S. label) or any other language, the seller is obliged

to prepare translated stick-on labels and deliver them together with imported products. It is the importer's obligation to place those translated labels on products prior to retail distribution.

Bulk packaged foods designated for bulk sale or in the public facilities for food consumption, must contain the declaration with the following information: product's name and brand name if any, product net-weight (mass or volume), expiration date. For imported foods products, declaration need to have importers name and complete address, country of origin, and the country where from food is coming. According to this ordinance, the label must be noticeable, visible, clear and legible. The product's and the manufacturer's names must be printed in larger fonts (the size of font is not specified). Labels for margarine and similar products must include the percentage of individual components. If vitamins are added the label must indicate, "Enriched with Vitamins." If the manufacturing and packaging companies are not the same, the label must indicate the company that did the packaging. Labels for honey must include its origin and production method (e.g. comb, liquid, strained honey). If it was imported, it must be labeled "imported honey." Labels for roasted coffee must indicate its origin and date of roasting.

Meat products must have declaration in accordance with the "the Declaration of the Packed Food Labeling" ("Official Gazette" 48/04). In the declaration, under the name of the meat product, product subgroup must be indicated, and for caned meat products the title indicating the method of thermo-process has to be included as well. Meat products must indicate, "Chilled, "Frozen", "Heat Treated", "Sliced", "Chopped" etc., and must provide instructions for use and storage if necessary.

If products were artificially colored and preserved by preservatives, it must be indicated right below the product's name, e.g. "artificially colored" or "preserved by preservative" as well include an indication as to which chemicals were used. Claims such as "light" and "reduced" are permitted. However, generally labels must not contain words, pictures and drawings and health-related information that could mislead consumers regarding product's origin, quantity and quality.

Additives must be marked on the declaration by its category and name or additive's "E" number (preservers-Sodium Benzoate or preservative E 211), except for the category of "modified starch" which has no denotation of the additive or "E" number. When modified starch may contain gluten, the origin of the starch has to be indicated on the declaration (wheat, barley, rye and oat). For the additives belonging to the acid category and contain word "acid" within the actual name, it is sufficient to quote only denotation of the additive without category.

Description of the nutritive values may contain data about the following component: starch, poliol, monounsaturated fatty acids, polyunsaturated fatty acids, cholesterol, minerals and vitamins.

Food samples shipped to Serbia do not need to be labeled. Samples should be marked clearly on all packaging of shipped products: "Samples - not for sale."

Requirements Specific to Nutritional Labeling:

Nutritional declaration, allowed nutritional statements and conditions for their highlight are regulated by the clause 29, 30, 31 and 32 of The Rule Book for Declaration and Labeling of Packed

Food (“Official Gazette SRJ”, 4/04, 12/04, 33/04 and 48/04). Nutritional declaration is mandatory when declaration contains nutritional statement such as low energy level, low fat content, high content of caffeine (>150 mg/l), low sugar content, enriched with vitamins, otherwise is voluntary. Since this rulebook is not regulating appearance of the nutritional declaration but only its content, the format of the US “nutritional facts” is acceptable. Part of the text of the food product name may contain the following statement: “with sweetener” (if product contains one or more sweeteners); “with sugar and sweetener addition” (if one or more different sugars and sweeteners were added into the product); “contain source of phenylalanine” (if the product contain aspartame-E591); “excessive usage may cause laxative effect” (if the product contain more than 10% additional polys). These need to be highlighted.

Section III. Packaging and Container Regulations:

Packaging requirements are subject to specific ordinances for each type of food. For example, packaging material for raw coffee packed in ½ kg units must weigh less than 50 g. per square meter. Packaging requirements for fresh seafood products are very comprehensive (Quality of Fish, Crabs, Shellfish, Sea Urchins, Frogs, Snails and their products (“Official Gazette SRJ” 6/03, SCG 56/04-clause 3)) and The Rule Book for Declaration and Labeling of Packed Food (“Official Gazette SRJ” 4/04, 12/04, 33/04 and 48/04, clause 8) etc. However, in most cases there are no special requirements concerning packaging material and container size. Most Serbian consumers prefer smaller packages and are price sensitive.

The Ministry of Environmental Protection prepared a new Law on Waste Management that was adopted in 2009 (“Official Gazette” 36/09), that complies with the EU directive on waste material. The law regulates use of a secondary material; manage its collection, conditions of processing and storage. This Law does not regulating material for food packaging. Collection and recycling of already used packaging materials is regulated by the Law on Waste Material Handling and by the Rulebook on Secondary Material Classification, Packaging and Storage Conditions and Handling (“Official Gazette RS” 55/01). Communal Waste Management, including food and beverage packaging material, is under the local and municipal supervision.

Section IV. Food Additives Regulations:

Serbian regulations of food additives are specified in the ordinance on “Rule Book for Quality and Conditions for use of additives in foodstuffs and about other requirements for additives and their mixtures” (“Official Gazette SCG” 56/03, 5/04, 16/05). According to that ordinance, additives are substances that are not foods (regardless of their nutritive value) but are added to foods during processing because of their effect on the food’s organoleptic characteristics. Substances added to enrich nutritive value and salt are not considered additives. Additives can be added to foods if approved and listed in the so-called “Positive List” provided in the above-mentioned ordinance (approximately 500 additives in total). The quantity used must be in accordance with specific regulations for each group of products. Additives must not affect/decrease a food product’s nutritive value or change significantly the taste and flavor of products, unless this is the intent. They also must not create toxins in products during the processing, storage or use. They must be identifiable, which means that their type and quantity in products can be tested, unless they were removed or destroyed during processing. Additive usage generally must be justified from a technical standpoint.

Additives are divided into 22 categories according to the “Positive List”: color, preservative,

antioxidants and synergists of antioxidants, acids, pH regulators, coagulants, stabilizers, emulsifiers, emulsifying salts, substances for gel formation, humectants, substances for dough raising, hardeners, anticoagulants, aroma enhancer, processing accessory substances against foaming, substances for glazing, substances for flour treatment, substances for volume enhancement, propellant, sweeteners, modified starch. As per clause no.13 of the same rulebook related to the additive usage in foodstuff - it is mandatory to declare “genetically modified (GMO)” if the additive is GMO or contains GMO components. As per clause no. 14, Etilenoxid cannot be used for the sterilization of additives used for the food production.

For each of the abovementioned groups there are specific requirements for additives’ labels that must clearly indicate the following:

- The additive’s name according to the “Positive List”, or mixture name, including its usage and brand name if any,
- The manufacturer’s name and complete address,
- The date of manufacturing (day/month/year) and “best before” date,
- The product’s net-weight (mass or volume) in metric units,
- Basic ingredients:
- For additives: The basic ingredient (active component) and its quantity in units or percentage compared to product’s net-weight. An additive’s basic ingredient is its active component. Additive carriers (e.g. ethanol) must be declared.
- For additive mixtures: List additive names from the “Positive List” in order of their predominance compared to product’s net-weight. If certain additives can be used only in limited quantity, the quantity must be declared.
- Name of the country of origin-if imported
- Printed indication that additive is GMO
- Other information important to consumers

The product’s name and the manufacturer’s name must be printed in larger fonts (size not specified). Labels must indicate the company that did the packaging (name and address) if different from manufacturer. Sodium nitrite, potassium and saltpeter mixtures used for pickling may be sold but only in original packaging and must be marked as “warning – poison” and “keep in dry place.”

Section V. Pesticides and Other Contaminants:

All imported food products into Serbia must comply with domestic rules on pesticides and other contaminants. Serbia is a member of the Codex Alimentarius Commission, the CODEX; thus maximum residue limits (MRLs) are generally recognized for imported foodstuffs. There is a specific ordinance on residue limits for pesticides and other contaminants, (e.g. hormones, antibiotics and mycotoxins) which can be found in food.

In May 2009, among the list of twelve new agriculture laws Serbian Parliament adopted the new Law on Plant Protection Products (Law on Pesticides) (“Official Gazette” 41/09) governs registration, control, circulation, imports and application of plant protection products in agriculture and forestry. The Law also envisages establishment of the national reference laboratory for residues.

The Law is prescribing unique authority (Ministry of Agriculture – Plant Administration) responsible for registration, placing in circulation and post-registration control of pesticides (up to now this task was conducted by the Ministry of Agriculture, Ministry of Health and Ministry of Environment). In addition, the Law prescribes that users of the pesticides will have to be trained (educated) in use of pesticides. This means that farmers will have to be trained in the safe use of pesticides. The adoption of the Law was necessary for the purpose of harmonization with EU regulations, in particular Recommendations of the EU Council 91/414 and 79/117, Directive 396/2005, and TBT Agreement of the WTO.

Ordinance “Quantity of Pesticides, Metals, Antibiotics, Hormones and other Contaminants in Food” published in the “Official Gazette SCG” 32/02 is still valid. According to the ordinance, pesticides are defined as substances used for protection of agricultural products against diseases and pests. Pesticides and their maximum residue limits in foods are listed in a special attachment. The list includes over 200 different pesticides, their commercial names, chemical names and maximum contents in milligrams per kilogram (mg/kg) of food. For concentrated and dehydrated products (e.g. milk powder, dried soups) the maximum quantities are being calculated for a product that is used for final consumption (on a liquid basis, e.g. liquid milk and soups).

Food contaminants are listed as lead, cadmium, mercury, zinc, tin, copper, arsenic, iron and other metals and nonmetals. The ordinance provides a table with maximum residue limits for 47 different foods (expressed in mg/kg). Hormones and antibiotics residues are generally not allowed in food products. Maximum residue limits of mycotoxins are also regulated for grains, flour, legumes, beans, nuts, coffee, roasted cocoa and peanuts. These lists are available from the FAS office in Belgrade (see Appendix II).

In May 2009, Serbia adopted the new Law on Plant Nutrition Products and Soil Enhancers (Law on Fertilizers) (“Official Gazettes” 41/09) that regulates classification, quality and labeling, phytosanitary control, sampling in circulation, imports, application and testing of plant nutrition products and soil enhancers (fertilizers). The new Law should facilitate exports of Serbian plant nutrition products, introduce labeling in accordance with EU requirements (label EC FERTILIZER). The adoption of the Law was necessary for the purpose of harmonization with EU regulations, in particular Directive 2003/2003 and 1774/2003, and the TBT Agreement of the WTO.

Serbia has a list of approved pesticides and fertilizers that can be imported and traded. These lists can be obtained from the Phytosanitary Departments, Import and Registration of Pesticides at the Ministries of Agriculture (see Appendix II). The latest list of pesticides approved for import was published in the Federal Official Gazette RS No. 9/08, while the new list of fertilizers approved for import and trade was published in the “Official Gazette RS” No. 24/09.

Trade, imports and sampling of pesticides are regulated by the ordinance of “Trade, Imports and Sampling of Imported Pesticides”, (“Official Gazette RS” 104/05). Trade, imports and sampling of fertilizers are regulated by the ordinance of “Trade, Imports and Sampling when Importing Fertilizers”, (“Official Gazette SRJ” 59/01). Import permits for plant protection products and fertilizers must be obtained from the Serbian Ministry of Agriculture, Phytosanitary Department.

Section VI. Other Regulations and Requirements:

Importers of live animals and products of animal origin must request import approval from the Serbian Ministry of Agriculture (see Appendix I for contact). Serbian import requirements are in accordance with the Office of International des Epizooties (OIE) requirements. Serbia is a member of the OIE since May 2003. Following the outbreaks of FMD, BSE, AH1N1 and Avian Influenza in recent years, Serbia banned imports and transportation of live domestic and wild animals and their products as well as feed containing proteins of animal origin from a number of countries. As per a decree issued in March 2007, Serbia allows the import of livestock, milking cows and embryos, milk, meat and meat products from selected countries, divided into four categories per a risk assessment analysis. Serbia adopted the new decree “Undertaking Measures for Prevention of Animal Diseases Importation into the Republic of Serbia” (Official Gazette RS 08/09) and can be obtained from the Ministry’ Veterinary Department (see Appendix I).

Food products must be tested for microbe levels at laboratories of the Institutes for Public Health. The ordinance on “Microbiological Wholesomeness of Food” was published in the “Official Gazette” 46/02 and provides maximum content of different microorganisms in food products.

Certification and documentation: Live animals, meat and dairy products require veterinary certification, while seeds, fruits and vegetables require a phytosanitary certificate issued by the exporting country’s relevant authorities (e.g. USDA/APHIS). Special certification is needed for veterinary drugs, demonstrating the drugs have been approved and used in the country of origin. Information can be obtained from the Serbian Ministry of Agriculture (Appendix I).

Foods that are subject to veterinary and phytosanitary inspections can enter on all border crossings where veterinary and phytosanitary border inspection posts exist. Importers should always inform the Ministry of Agriculture in order to send the import permits to the relevant border inspection post at the point of entry. Inspection services are charged as per a published, official price list. Inspections will cost more if they are performed after regular working hours and/or on weekends and holidays.

Foreign Trade and Customs Policies

In May 2009, Serbia adopted the new Law on Foreign Trade (“Official Gazette RS” 36/09). The Law regulates foreign trade in accordance with the EU and WTO rules and regulates the work of the National Agency for Export and Import Promotion. The Law is in principle designed to promote free trade of goods and services. Restrictions and imports bans, however, are applied to protect public health and guard the domestic market against subsidized or dumped products.

The Law on Customs Tariff (“Official Gazette RS” 61/07) and Decree on Harmonization of Customs Tariff Nomenclature (“Official Gazettes RS” 33/09) regulate issues regarding customs tariffs. The Law on Customs Tariffs adopted changes in a number of tariff lines that are now in accordance with the EU tariff schedules. Customs tariffs for some agriculture commodities have been changed while the majority of tariffs remained unchanged.

Serbia is applying the Harmonized System (HS) of commodity that provides description and coding. Customs tariffs for agricultural products range from one to 30 percent of imported values, with additional levies and seasonal taxes for some agricultural products based on unit weight, in Dinar or Euro/kg for product specific tariff information. Serbia continues to protect its domestic agriculture

production with higher customs tariffs (agriculture production currently accounts for 24 percent of GDP in Serbia).

The harmonization of Serbian customs tariffs was necessary to facilitate customs clearance with EU countries that are among the main Serbian trade partners and to assist future WTO negotiations. As per the Decree on Harmonization of the Customs Tariff Nomenclature (“Official Gazette RS” 33/09), the number of tariff lines decreased from 10,181 to 9,706 and the tariff lines are harmonized with the EU customs tariff nomenclature. Tariff lines for agriculture commodities also decreased from 2,341 to 2,309 (Chapter 1-24). Custom protection for agriculture commodities is 14 percent on average.

In 2007, Serbia ratified the Central European Free Trade Agreement (CEFTA). Serbia is the largest net exporter among all CEFTA signatory countries, with 32.4 percent of its total exports going to CEFTA countries and 7.7 percent of imports comes from these countries. The Chambers of Commerce of CEFTA members established three working groups to help eliminate trade barriers, with CEFTA’s implementation slated to begin by the end of the year and full trade liberalization is expected by the end of 2010.

Customs and Taxation

With the new Customs law and law on Customs tariffs Serbia passed a number of implementing legislative acts. The legislation has been amended to be aligned to the EU *acquis* and some simplified procedures have been set up (summary declaration procedure and simplified declaration). Serbia has adopted a new law on free trade zones offering tax breaks and simplified procedures, while enabling foreign owned companies to establish and manage free trade zones in Serbia.

Overall, Serbia has reached a relatively good level of alignment with the EU customs *acquis*. In particular, significant improvements have been noted in the field of control and management of the preferential trade measures (origin). This results from not only the existence of a satisfactory management of customs procedures through computerized systems, but also an intensified training of customs officers. Concerning taxation, taxes are applied at the same rates for locally produced and imported goods. As of January 2005, Serbia is applying value-added tax (VAT) of 18%, though for most agricultural goods the VAT was reduced to 8%.

Internal Market

Preparations for alignment with EU regulations were launched in early 2006 for framework legislations such as the Law on Standardization, the Law on Accreditation, the Law on Metrology and the Law on Technical Requirements for Products and Conformity Assessment of Products. Following the adoption of a framework Law on Consumer Protection in 2005, the Government has set up a Consumers Protection Council which started its work in the second quarter of 2006. Serbia has also created local consumer offices in three major cities: Belgrade, Niš, and Novi Sad. However, the administrative capacity remains weak and active consumer protection policy needs to be further strengthened. Serbia needs to make sustained efforts to achieve adequate administrative capacity for active consumer protection in line with EC consumer protection policy. Some progress can be reported in the area of health protection. The Serbian legislation on the prohibition on indoor

smoking was amended in November 2005, introducing sanctions in case the legal requirements were not respected.

Section VII. Other Specific Standards:

Alcoholic beverages (“Official Gazette SCG” 24/04), wine (“Official Gazette SCG” 39/02), nonalcoholic beverages (“Official Gazette SCG” 18/06) and tobacco products (“Official Gazette RS” 09/09) are subject to specific taxation rules and requiring import license issued by the Ministry of Finance. The Ministry of Finance issues control excise stamps, which are to be included in the packaging prior to import to Serbia. Serbia recently adopted the new Law on Wine (“Official Gazette RS” 41/09), the new Law on Brandy (“Official Gazette RS” 41/09) and the new Law on Ethanol (“Official Gazette RS” 41/09).

The Law on Wine regulates various aspects of production and sales of wine. The aspects regulated fall mainly into the categories winemaking practices, classification and labeling, wine-production potential, documentation of wine industry activities and duties of enforcement agencies/inspections. The Law on Brandy regulates alcohol beverage sector in line with EU standards and regulations. There are more than 2000 registered fruit-based brandy producers in Serbia along with a significant number of non-registered producers; however production is on the low technological level and products are not efficiently controlled due to lack of systematic approach. The Law envisions mandatory registration of brandy and other alcohol beverage producers to prevent illegal production and marketing. The Law on Ethanol regulates production, marketing, export and import of ethanol. The new regulation will introduce EU standards and regulatory frame which is expected to result in increasing export of ethanol both on EU and regional market.

The “Law on Organic Agricultural Production” published in the “Official Gazette RS” No. 62/06” regulates agriculture products and other production produced by the methods of organic production. It also regulates processing, storage, transport, certificate issuing, labeling, declaration and trading of organic products.

Section VIII. Copyright and/or Trademark Laws:

The “Law on Special Authorization of the Efficient Protection of the Intellectual Properties” (“Official Gazette” 46/06) protects trademark, service and brand names. Trade or service marks receive protection for a 10-year term from the date of filing, with the term being extendable.

Serbia also applies the Law on Trademarks (“Official Gazette SCG” 61/04) governing the manner of acquisition and the protection of rights with respect to marks used in trade of goods and/or services. The Law on Patents (“Official Gazette” 115/06) protects and regulates patents, while the Law on Copyrights (“Official Gazette” 61/04) regulates copyright matters.

Domestic and foreign applications must be submitted to the Intellectual Property Office (see Appendix II). Serbia is a member of the World Intellectual Property Organization (WIPO) and signatory to a large number of conventions such as the Paris Convention Treaty on Patent Cooperation and the Madrid Agreement on International Registration of Marks.

As a part of harmonization legislation with the EU and WTO requests, in May 2009 Serbia adopted the new Law on Protection of Plant Breeder's Rights (UPOV law) ("Official Gazette RS" 41/09) that regulates protection of intellectual property rights of plant variety breeders, conditions for domestic breeders to register new plant varieties, conditions for safe circulation of foreign protected varieties in the domestic market. The Law will improve availability of new domestic and foreign plant varieties of a better quality that will consequently result in the positive effects on the production volumes and improvement of the quality of agricultural products. The adoption of the Law was necessary for the purpose of harmonization with the Convention of the Union for Protection of New Varieties of Plants from 1991, and represents a precondition for membership of Serbia in UPOV. This Law is also important for the purpose of harmonization with the EU legislation, and with the TRIPS Agreement of the WTO.

Section IX. Import Procedures:

Foreign suppliers can export food products to Serbia using a locally registered office or a local company, shipping agency or forwarding agent registered for import activities. It is common for agents to help with food import regulations.

Import approvals for agriculture commodities should be obtained from the Ministries of Agriculture. Import approvals are required for import of live animals and all products of animal origin with more than 2 percent of animal component, genetics, veterinary drugs, seeds and planting materials or pesticides. Prior approval is not required for other food products.

All food products must be accompanied by standard documents that follow each shipment and by health certificates issued by relevant authorities of exporting countries (e.g. veterinary certificate for meat and meat products, phytosanitary certificates for fruits, vegetables, seeds, planting material etc) and are subject to veterinary and phytosanitary inspections at border crossing's customs points.

Foods of animal origin and veterinary drugs: Import approvals are processed at the Veterinary Departments of the Serbian Ministries of Agriculture. Import forms are available online at the Ministry of Agriculture's Website but can be obtained from the Ministry's Veterinary Department or from the Department for International Trade and Collaboration.

Seed and Planting Materials

Imports of seeds and planting materials into Serbia are regulated by the Law on Seeds ("Official Gazette RS" 45/05), the Law on Planting Material of Fruits, Vine and Hops ("Official Gazette RS" 18/05) and the Law on Reproductive Material of Forest Trees ("Official Gazette RS" 41/09).

The current Law on Seeds does not regulate production and marketing of GMO seeds or agricultural plants. Imported seeds must be accompanied by bill of lading, phytosanitary certificate, variety of seed certificate, and Quality of Seed Certificate (ISTA). Imported seeds must have a declaration issued by the relevant institution in the country of origin when they enter the Serbian market. Since the current Law on Seed is not fully harmonized with EU legislation, WTO or the Union of Protection of New Varieties of Plants (UPOV) requirements, a working group from the Ministry of Agriculture has prepared a draft of a new Law on Seed that is expected to improve system of control and certification of seeds.

Appendix I. Government Regulatory Agency Contacts:

1. Import of live animals and products of animal origin, veterinary drugs:

Serbian Ministry of Agriculture and Water Management

Veterinary Department (International Trade)

Omladinskih brigada 1,

11000 Belgrade, Serbia

Contact person: Mr. Sinisa Kotur

Tel: ++ 381 11 2602 634

Fax: ++ 381 11 2602 498

E-mail: Sinisa.Kotur@minpolj.gov.rs

2. Import of seeds and planting material:

Serbian Ministry of Agriculture and Water Management

Phytosanitary Department

Omladinskih Brigada 1,

11070 New Belgrade, Serbia

Contact person: Ms. Svetlana Stankov

Tel: ++ 381 11 21 20 462

Fax: ++ 381 11 2604 576

E-mail: stankov.svetlana@minpolj.gov.rs

3. Import of pesticides:

Ministry of Agriculture and Water Management

Phytosanitary Department/Import and registration of pesticides

Omladinskih Brigada 1,

11070 New Belgrade, Serbia

Contact person: Ms. Snezana Petric-Savcic

Tel: ++ 381 11 2600 081; 602 555 ext 3054

Fax: ++ 381 11 2602 320

E-mail: snezanasp@yubc.net

4. GMO approvals and registrations:

Serbian Ministry of Agriculture and Water Management

1, Omladinskih Brigada St.

11070 New Belgrade, Serbia

Tel: ++ 381 11 260 4720

Fax: ++ 381 11 260 4720

Contact: Mrs. Vanja Kojic

E-mail: Vanja.Kojic@minpolj.gov.rs

5. Inspection on sanitary conformity:

Serbian Ministry of Health

Department for Sanitary Inspection
Nemanjina 22-26
11000 Belgrade, Serbia
Tel: ++ 381 11 361 62 64
Fax: ++ 381 11 361 47 00
E-mail: sanitarnainspekcija@zdravlje.gov.rs
Web page: www.zdravlje.gov.rs

6. Market inspection:

Serbian Ministry of Trade
Department for Market Inspection
Nemanjina 22-26
11000 Belgrade,, Serbia
Tel: ++ 381 11 3631 136
Fax: ++ 381 11 3610 258
Web page: www.mtu.gov.rs

7. Alcohol, nonalcoholic beverages, tobacco:

Serbian Ministry of Finance
Nemanjina 22-26,
11000 Belgrade, Serbia
Contact Person: Darko Jaksic
Tel: ++ 381 11 3617 595
Fax: ++ 381 11 3616 535
E-mail: djaksic@minpolj.gov.rs
Web page: www.mfin.sr.gov.yu

8. Customs clearance:

Serbian Custom Administration
Bul. AVNOJ-a 155
11070 New Belgrade, Serbia
Tel: ++ 381 11 2690 822
Web page: www.fcs.yu

9. Institute for trade marks, patents and intellectual property

Federal Intellectual Property Office
Zmaj Jovina 21, 11000 Belgrade
Tel: ++ 381 11 2630 499
Fax: ++ 381 11 311 23 77
E-mail: zis@zis.gov.rs
Web page: www.zis.gov.rs

10. Serbian Government Official web page: www.serbia.gov.rs

Appendix II. Other Import Specialist Contacts:

1. Office of Agricultural Affair (Foreign Agricultural Service (FAS))

U.S. Embassy Belgrade
Kneza Milosa 50,
11000 Belgrade, Serbia
Tel: ++ 381 11 306 4927
Fax: ++ 381 11 306 4922
Contact: Agriculture Specialist, Mrs. Tatjana Maslac
E-mail: tatjana.maslac@usda.gov
Web page: www.http:/belgrade.usembassy.gov/

2. Serbian Ministry of Agriculture

Nemanjina 22-26,
11000 Belgrade, Serbia
Tel: ++ 381 11 3065 038
Fax: ++ 381 11 3616 272
E-mail: office@minpolj.sr.gov.yu
Web page: www.minpolj.sr.gov.yu

3. University of Belgrade, Veterinary Faculty

Bul. JNA18,
11000 Belgrade, Serbia
Tel: ++ 381 11 361 5436
Fax: ++ 381 11 685 936
Web page: www.vet.bg.ac.yu

4. Institute of Meat Hygiene and Meat Technology

Kacanskog 13,
11000 Belgrade, Serbia
Tel: ++ 381 11 2650 655
Fax: ++ 381 11 2651 825
E-mail: meatins@beotel.yu

5. National Laboratory for Seed Testing

Maksima Gorkog 30,
21000 Novi Sad, Serbia
Tel: ++ 381 21 421 248
Fax: ++ 381 21 421 249

6. Institute for Public Health “Dr. Milan Jovanovic Batut”

Dr. Subotica 5,
11000 Belgrade, Serbia
Tel: + 381 11 2684 566
Fax: +381 11 2685 735
Web page: www.batut.org.rs

7. Agriculture Faculty Belgrade

Nemanjina 6,
11080 Zemun, Serbia
Tel: ++ 381 11 2615 315
Fax: ++ 381 11 2193 659
Web page: www.agrifaculty.bg.ac.yu

8. Agriculture Faculty Novi Sad

Trg D.Obradovica 8,
21000 Novi Sad, Serbia
Tel: ++ 381 21 450 355
Fax: ++ 381 21 459 761
Web page: <http://polj.ns.ac.yu>

9. Institute for Molecular Genetics and Genetics Engineering

Vojvode Stepe 444a
11001 Belgrade, Serbia
Tel: ++ 381 11 3975 744
Fax: ++ 381 11 3975 808
Web page: www.imgge.bg.ac.yu

10. Serbian Chamber of Commerce

Resavska 13-15
11000 Belgrade, Serbia
Tel: ++ 381 11 324 0611
Fax: ++ 381 11 3230 949
Web page: <http://pks.komora.net/>

11. The Intellectual Property Office

11 000 Beograd, Kneginje Ljubice 5
Republic of Serbia
Telephone: +381 11 20 25 800;
Fax: +381 11 311 23 77; +381 11 26 29 483
Web page: http://www.yupat.sv.gov.yu/en/home/o_zavodu.html

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