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Serbia

Food and Agricultural Import Regulations and Standards - Narrative

FAIRS Country Report

Approved By:
Hoa Huynh
Prepared By:
Tatjana Maslac

Report Highlights:
This report provides information on Serbian regulations and standards concerning food, agriculture, agricultural products and foreign trade. It includes information on labeling, packaging, food additives and import procedures. Important points of contact or relevant government agencies for U.S. food exporters are listed in the appendices.

Section I. Food Laws:

AUTHOR DISCLAIMER:

This report was prepared by the Office of Agricultural Affairs of the USDA/Foreign Agricultural Service in Belgrade, Serbia for U.S. exporters of food and agricultural products. While every possible care was taken in the preparation of this report, information provided may not be completely accurate either because policies have changed since its preparation, or because clear and consistent information about these policies was not available. It is highly recommended that U.S. exporters verify the full set of import requirements with their foreign customers, who are normally best equipped to research such matters with local authorities, before any goods are shipped. FINAL IMPORT APPROVAL OF ANY PRODUCT IS SUBJECT TO THE IMPORTING COUNTRY'S RULES AND REGULATIONS AS INTERPRETED BY BORDER OFFICIALS AT THE TIME OF PRODUCT ENTRY.

The responsibilities for food and feed controls in Serbia are distributed between the Ministry of Agriculture, Trade, Forestry and Water Management and the Ministry of Health.

Ministry of Agriculture, Trade, Forestry and Water Management

After Serbian Parliament decision for reshuffling the government on March 14, 2011, Ministry of Agriculture merged with Ministry of Trade and formed the new Ministry of Agriculture, Trade, Forestry and Water Management. The Ministry represents is the specialized body of the central public administration with governmental jurisdiction. It applies the Government's strategy in the field of agriculture, international and domestic trade, food processing, rural development, forestry and water management.

Ministry of Health

The Ministry of Public Health is responsible for overseeing the production and registration of drugs, food additives, and medical equipment. It is also responsible for the public health as it relates to food and contaminants.

Food Laws:

Since 2009, as part of the EU integration process, Serbia made significant progress in adopting the new legislation in the area of agriculture and food. Most of these laws are in accordance with *Acquis Communitaire* of the EU. For the past three years Serbia adopted 23 new laws related to agriculture and food.

The following laws were adopted in 2009 ("Official Gazette RS" 41/09):

Law on Food Safety
Law on Public Warehouses for Agriculture Products
Law on Plant Health
Law on Agriculture and Rural Development
Law on Livestock
Law on Pesticides
Law on Fertilizers

Law on Brandy
Law on Animal Welfare
Law on Ethanol
Law on Wine
Law on reproductive Material of Forest Trees
Law on Genetically Modified Organisms
Law on Amendments to the Law on Agriculture Law
Law on Protection of Plant Breeders' Rights/UPOV

The following laws were adopted in 2010 ("Official Gazette RS" 30/10):
Law on Forests
Law on Waters
Law on Beer
Law on Registration of Crop Varieties
Law on Organic Production
Law on Amendments to the Veterinary Law
Law on Agriculture Extension and Expert Service

The following law was adopted in 2011("Official Gazette RS" 88/11):
Law on Amendments on Changes of Law on Protection of Plant Breeders' Rights
During 2011, Serbian Ministry of Agriculture, Trade, Forestry and Water Management adopted around 40 sub-laws that enable implementation of the new laws adopted during 2009 and 2010.

The following newly adopted laws and regulations in Serbia are relevant both for locally processed and imported foods:
Law on Food Safety ("Official Gazette RS" No.41/09) 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 law regulates the competency of the Ministry of Agriculture as the central authority and Ministry of Health as the responsible for public health. With this 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 and Trade through its veterinary, phytosanitary, agricultural and market 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 and Trade issues import approvals for foods of animal origin, veterinary drugs, seeds, planting materials and pesticides. For other products, permits are not required. Sanitary Inspection under Ministry of Health is responsible for food safety of novel food, dietetic products, baby food, diet supplements, additives and drinking water.

In March 2011 after merging Ministry of Agriculture and Ministry of Trade, Market Inspection located in the within newly established Ministry of Agriculture, Trade, Forestry and Water Management. Market inspection responsibility is to inspect food quality in retail distribution. Agriculture inspection inspects quality of food up to the moment that food is distributed into the retail shops. Visual checks for products listed in the above-mentioned laws (almost everything that is considered as food) and 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. Specific ordinances define sampling procedures.

Quality control of imported products can be done 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 rulebooks. This is the list of some of the rulebooks that are determining quality of different agriculture products:

- Rulebook on quality of meat and meat products ("Official Gazette SCG" No. 33/04);
- Rulebook on quality of raw milk and milk products ("Official Gazette RS" No.21/10 and No.69/09);
- Rulebook on quality of honey and other bee products ("Official Gazette SCG" No. 45/03);
- Rulebook on quality and other requirements for beer "(Official Gazette SCG" No.39/05);
- Rulebook on quality of animal feed ("Official Gazette SRJ" No.20/00 and 38/01);
- Rulebook on quality of raw coffee and coffee products ("Official Gazette SRJ" No. 35/01);
- Rulebook on quality of fish, crabs and shellfish ("Official Gazette SRJ" No. 6/03, SCG 56/03 and SCG 4/04);
- Rulebook on quality of fruits, vegetables and mushrooms ("Official Gazette SCG" No.12/05);
- Rulebook on Quality of Sugar ("Official Gazette SCG" No. 4/04);
- Rulebook on quality of wine ("Official Gazette" RS No. 87/11);
- Rulebook on quality of alcoholic drinks ("Official Gazette" SCG No.24/04);
- Rulebook on quality of fruit juices ("Official Gazette" RS No. 27/10);
- Rulebook on quality of non-alcoholic drinks "Official Gazette ("SCG No. 18/06);

Law on Plant Health ("Official Gazette RS" No.41/09), 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.

Law on GMO ("Official Gazette RS" No.41/09) is restricting production, imports and commercial growing of GMO crops 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 import of soybean meal from biotech Round-Up Ready soybeans for cattle feed is no longer possible. The law is prohibiting all commercial use of GMO crops, which has no scientific basis and has 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. Serbia sill by the end of 2011 failed to amend its current GMO laws that prohibit cultivation of biotech crops and commercialization of biotech crops and products.

Law on Organic Production ("Official Gazette RS" 30/10) is further harmonizing Serbian legislation with EU ordinance on organic production and labeling. Law is defining production, processing, labeling, storing, transportation, domestic trade and export and import of organic products (vegetable and animal products). Law regulates production of organic agriculture products, systems and methods of organic farming, as well a system of controlling and certifying the whole chain of organic production.

With changes and amendments to the *Veterinary Law* ("Official Gazette RS" 30/10) Serbia is getting closer to the EU standards and will improve conditions for exports of animals and animal products to the EU. Amended law is defining new conditions for establishing Centers for storing and distribution of semen for artificial insemination, defining responsibilities of National Reference Laboratory, system of alert in the case of contagious diseases and defining the measures that will be undertaken, system of identification and registration of animals and as well other changes and harmonization with EU rules. The Veterinary Law ("Official Gazette RS" 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.

Law on Livestock ("Official Gazette RS" No.41/09), regulates this important agribusiness sector. Law

on livestock brought 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 is controlling the activities of such associations and organizations through the Registration Body and at the same time provide information on their number and membership conditions to interested breeders.

Law on Animal Welfare ("Official Gazette RS" No.41/09), 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 is facilitating 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 was 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.

Section II. Labeling Requirements:
General requirements

The Rulebook on "Declaration and Labeling of Packed Food" ("Official Gazette SCG" No. 4/04, 12/04 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" by-law. 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) and 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 same Rulebook on "Declaration and Labeling of the Packed Food". In the declaration, under the name of the meat product, product sub-group must be indicated, and for canned 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, polio, 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 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 Rulebook for “Declaration and Labeling of Packed Food” (“Official Gazette SCG”, No.4/04, 12/04 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 U.S. “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 polios). These need to be highlighted.

Section III. Packaging and Container Regulations:

The Law on Packaging and Packaging Waste Management was adopted in 2009 (“Official Gazette RS” No.36/09). Law complies with the EU directive on packaging and waste material. The law regulates use of a secondary material; manage its collection, conditions of processing and storage, but is 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” No.55/01). Communal Waste Management, including food and beverage packaging material, is under the local and municipal supervision.

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 are regulated by Rulebook on quality of fish, crabs and shellfish (“Official Gazette SRJ” No.6/03, SCG 56/03 and 4/04, clause 3) and Rulebook for “Declaration and labeling of packed food” (“Official Gazette SCG” No.4/04, 12/04, and 48/04, clause 8).

Section IV. Food Additives Regulations:

Serbian regulations of food additives are specified in the Rulebook for “Quality and conditions for use of additives in foodstuffs and about other requirements for additives and their mixtures" (“Official Gazette SCG” No.56/03, 4/04, 5/04 and 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.14 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. 16, 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;
- 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.

Law on Plant Protection Products (pesticides) ("Official Gazette" No.41/09) governs control, circulation, imports and application of plant protection products in agriculture and forestry. Law was adopted in May 2009, but portion of the law that covers product registration (articles 11-25) will not be implemented until the end of 2013. Articles that refer to registration of new products and extended current registration of existing products for plant protection are still valid from the old Law on plant protection ("Official Gazette SRJ" No.24/98 and No.26/98 and "Official Gazette RS" No.101/05), that for other articles is not longer valid. The lack of full implementation of the new Law on plant protection can causes disparity in the treatment between suppliers of generic and original products. Importers of generic products are able to register their products with only limited data regarding content of the products while importers of original products must supply a full dossier on the products to local authorities for product registration.

The law also envisages establishment of the national reference laboratory for residues. The law prescribes unique authority responsible for registration, placing in circulation and post-registration control of pesticides. 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.

Rulebook on "Maximum allowed quantities of remains of pesticides in food and feed" ("Official Gazette RS" No.25/10 and 28/11), defines maximum level of pesticides remaining in food and feed, as substances used for protection of agricultural products against diseases and pests. A list of food and feed, list of maximum allowed residue limits of the remaining of pesticides and the list of active substances in mg/kg are listed in the attachments to this Rulebook. Lists include different pesticides, their commercial names, chemical names and maximum contents in milligrams per kilogram (mg/kg) of food and type of food.

Food contaminates are listed as lead, cadmium, mercury, zinc, tin, cooper, arsenic, iron and other metals and nonmetals. The ordinance provides a table with maximum residue limits for 43 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).

Law on Plant Nutrition Products and Soil Enhancers (fertilizers), ("Official Gazette" 41/09) regulates classification, quality and labeling, phytosanitary control, sampling in circulation, imports, application and testing of plant nutrition products and soil enhancers. The law facilitates 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 Department/Import and Registration of Pesticides at the Ministries of Agriculture (see Appendix II). Rulebook on "Request Forms and Content for Enlisting into Register of Distributors and Importers of Plant Protection Products and Content of this Register" ("Official Gazette RS" No.5/10) is regulating listing of distributers and importers of fertilizers in the official register. Serbia also adopted the new Rulebook on "Packaging Manners of Fertilizers" ("Official Gazette RS" No.13/10), that indicates how fertilizers should be packed depending if they are in liquid or in hard formulation.

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.

The Rulebook on "General and specific conditions for hygiene of food at any phase of production, processing and trade" ("Official Gazette RS" No. 72/10) is effective since June 1st, 2011. This Rulebook is regulating a system of hygiene in all phases of food production, processing and trade. Appendix I of this Rulebook includes a list of microbiological criteria for different kind of 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

Law on Foreign Trade ("Official Gazette RS" No.36/09, 36/11 and 88/11) 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.

Law on Customs Tariff ("Official Gazette RS" No.62/05, 61/07, 112/07, 9/08, 10/09, 100/09 and 66/10) with Amendments and Decree on Harmonization of Customs Tariff Nomenclature for 2011 ("Official Gazettes RS" No.90/10 and 58/11) 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.

Serbia is applying the Harmonized System (HS) of commodity that provides description and coding. Customs tariffs for agricultural products range from zero to 30 percent of imported values, with additional levies and seasonal taxes for some agricultural products based on unit weight, in dinar/kg for product specific tariff information. Serbia continues to protect its domestic agriculture production with high customs tariffs due to the huge importance that agriculture and food processing has in the Serbian economy. Agriculture and food production currently accounts for 16 percent of GDP in Serbia and 24 percent of the total Serbian exports.

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" No.90/10 and 58/11), the number of tariff lines is 9,706 and the tariff lines are harmonized with the EU customs tariff nomenclature.

As of October 1, 2010 customs tariff rates are separated in six groups: standard tariff rates, tariff rates for the EU, tariff rates for countries in CEFTA, that includes Albania, Macedonia, Montenegro, Croatia, Moldavia, Bosnia and Herzegovina and UMNIK-Kosovo and custom tariffs for Russia, Belorussia and Turkey (as per signed Free Trade Agreements). Tariff lines for agriculture commodities are in chapter 1

to chapter 24.

As of January 1, 2010, Stabilization and Association Agreement (SAA) that Serbia signed with EU in 2008 is fully applied by both sides. Serbia has six years period (until 2015) during which customs tariffs for agriculture and food products will be reduced from 10.8 percent that were applied in 2009 to 1.7 percent that will be applied in 2015. Even before full implementation of SAA, Serbian products enjoyed 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. Application of this agreement and creation of free trade zone between Serbia and EU is of most importance for Serbia, since 44.2 percent of Serbian export is going to the EU and 42.3 percent of Serbian import comes from the EU countries.

Serbia is a member of Central European Free Trade Agreement (CEFTA) since 1st May, 2007 with seven other countries. CEFTA is a trade agreement between non-EU countries in Central and South-East Europe that includes: Albania, Macedonia, Montenegro, Croatia, Moldavia, Bosnia and Herzegovina and UMNIK-Kosovo. Export of agriculture commodities to CEFTA countries accounts 50 percent of Serbian total agriculture exports and 21.9 percent of Serbian total agriculture imports. CEFTA region is for Serbia of largest importance for export of agriculture and food processing products, since member countries that are still not EU members have lower import requirements for agriculture commodities than EU countries. Due to that Serbia can find more opportunities for export of its agriculture and food products to CEFTA countries.

Serbia is still not a member of the World Trade Organization (WTO) but is moving in that direction with adoption of a series of primary and secondary legislations, including food safety and phytosanitary regulations and with efforts to bring its economy and agriculture in line with WTO standards. After changing problematic GMO Law and completing negotiations on market access, Serbia can request to become member of WTO. 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).

Customs and Taxation

With the amended Customs Law and the 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%.

Section VII. Other Specific Standards:

Alcoholic beverages, wine, nonalcoholic beverages and tobacco products are subject to specific taxation rules 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. Import of alcoholic beverages, wine and nonalcoholic beverages are free, it requires only quality control before importing. In 2009, Serbia adopted the new Law on Brandy, the new Law on Wine, the new Law on Beer and the new Law on Ethanol. During 2011, number of rulebooks were adopted by the Ministry of Agriculture and Trade in order to support application of these laws. For more information please contact FAS Belgrade Office.

Law on Brandy ("Official Gazette RS" No.41/09) 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. Controlling mechanisms are prescribed for the entire process of production along the value chain, to finally include mandatory labeling of all products for commercial purposes.

Law on Wine **(**"Official Gazette RS" No.41/09) 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.

Law on Ethanol **(**"Official Gazette RS" No.41/09) is regulating production, marketing, export and import of ethanol. The law introduced EU standards and regulatory frame which is expected to result in increasing export of ethanol both on EU and regional market. Regulation will contribute to quality control, thus enabling usage of ethanol in various industries (food processing, alcohol beverages production, medical, pharmaceutical cosmetics etc), as well as attracting of new investment in ethanol production and trade, once the area is adequately regulated. The law prescribes methods of registering production, packaging, marketing, quality controls and responsibilities of controlling agencies/ inspections. Several by-laws should be adopted in order to more precisely regulate technical aspects of ethanol production, evidence of trade and market conditions.

Law on Beer ("Official Gazette RS" 30/10), represents a legal framework for regulation beer production

and sales, and is trying to make beer industry more competitive on export markets. The law allows only registered breweries to produce beer. Serbian Ministry of Agriculture, Trade, Water Management and Forestry has a register of breweries, which is be public and contains data on annual production, consumption of raw materials and production of final products.

Section VIII. Copyright and/or Trademark Laws:

The Law on Special Authorization of the Efficient Protection of the Intellectual Properties, ("Official Gazette RS" No.46/06 and 104/09) 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 RS" No.104/09) 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 SCG" No. 32/04, 35/04 and "Official Gazette RS" No. 115/06) protects and regulates patents, while the Law on Copyrights, ("Official Gazette RS" No.104/09) 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, Serbia adopted the Law on Protection of Plant Breeder's Rights/UPOV ("Official Gazette RS" No.41/09 and No. 88/11) 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 improved 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, Trade, Forestry and Water Management. 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 crossings 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 (please see Appendix I).

Imports of seeds and planting materials into Serbia are regulated by the Law on Seeds ("Official Gazette RS" 45/05 and 30/10), the Law on Planting Material of Fruits, Vine and Hops ("Official Gazette RS" No.18/05 and 30/10) and the Law on Protection of Plant Breeders' Rights ("Official Gazette RS" No.41/09 and No. 88/11). Under current Law on Seeds imports of seeds must be accompanied by bill of lading, phytosanitary certificate, and variety of seed certificate (OECD) and seed quality certificate (ISTA). Imported seeds must have a declaration issued by the relevant institution in the country of origin when they enter the Serbian market.

Appendix I. Government Regulatory Agency Contacts:

1. Serbian Ministry of Agriculture, Trade, Forestry and Water Management
Nemanjina 22-26,
11000 Belgrade, Serbia
Phone: ++ 381 11 260 7960
Fax: ++ 381 11 260 7961
E-mail: info@mpt.gov.rs
Web page: www.mpt.gov.rs

2. Serbian Ministry of Environment, Mining and Spatial Planning
Nemanjina 11,
11000 Belgrade, Serbia
Phone: ++ 381 11 361 7717
Fax: ++ 381 11 361 7722
Web page: www.ekoplan.gov.rs

3. Import of live animals and products of animal origin, veterinary drugs
Serbian Ministry of Agriculture, Trade, Forestry and Water Management
Veterinary Department/International Trade and Certification
Omladinskih brigada 1,
11000 Belgrade, Serbia
Contact person: Mr. Sinisa Kotur
Phone: ++ 381 11 2602 634

Fax: ++ 381 11 2602 498
Sinisa.Kotur@minpolj.gov.rs

4. Import of seeds and planting material
Serbian Ministry of Agriculture, Trade, Forestry and Water Management
Phytosanitary Department
Omladinskih Brigada 1,
11070 New Belgrade, Serbia
Contact person: Mr. Vlade Djokovic
Phone: ++ 381 11 311 7371
E-mail: vlade.djokovic@minpolj.gov.rs

5. Import of pesticides and fertilizers
Ministry of Agriculture, Trade, Forestry and Water Management
Phytosanitary Department/Import and registration of pesticides
Omladinskih Brigada 1,
11070 New Belgrade, Serbia
Contact person: Ms. Snezana Petric-Savcic
Phone: ++ 381 11 2600 081
E-mail: snezana.savcicpetric@minpolj.gov.rs

6. GMO approvals and registrations
Serbian Ministry of Agriculture, Trade, Forestry and Water Management
1, Omladinskih Brigada St.
11070 New Belgrade, Serbia
Contact person: Mrs. Vanja Kojic
Phone: ++ 381 11 311 7591
Fax: ++ 381 11 311 7591
E-mail: Vanja.Kojic@minpolj.gov.rs

7. Approvals of plant varieties
Serbian Ministry of Agriculture, Trade, Forestry and Water Management
1, Omladinskih Brigada St.
11070 New Belgrade, Serbia
Contact person: Mr. Dragan Dedic
Phone: ++ 381 11 311 7317
E-mail: Dragan.Dedic@minpolj.gov.rs

8. Inspection on sanitary conformity
Serbian Ministry of Health
Department for Sanitary Inspection
Nemanjina 22-26
11000 Belgrade, Serbia
Phone: ++ 381 11 361 62 64

Fax: ++ 381 11 361 47 00
E-mail: sanitarnainspekcija@zdravlje.gov.rs
Web page: www.zdravlje.gov.rs

9. Market inspection
Serbian Ministry of Agriculture, Trade, Forestry and Water Management
Department for Market Inspection
Nemanjina 22-26
11000 Belgrade, Serbia
Phone: ++ 381 11 3614334
++ 381 0800 102 101
Web page: www.mpt.gov.rs

10. Imports of Wine
Serbian Ministry of Agriculture, Trade, Forestry and Water Management
Nemanjina 22-26,
11000 Belgrade, Serbia
Contact person: Mr. Darko Jaksic
Phone: ++ 381 11 3617 595
Fax: ++ 381 11 3621 505
E-mail: djaksic@minpolj.gov.rs

11. Imports of brandy, alcohol and nonalcoholic beverages
Serbian Ministry of Agriculture, Trade, Forestry and Water Management
Nemanjina 22-26,
11000 Belgrade, Serbia
Contact persons: Ms. Kolinda Herhorovic/Mr. Milan Cupric
Phone: ++ 381 11 3617 701
E-mail: kolinda@minpolj.gov.rs
mcupric@minpolj.gov.rs

12. Directorate for National Reference Laboratories
Serbian Ministry of Agriculture, Trade, Forestry and Water Management
Batajnicki drum bb,
11080 Zemun, Serbia
Contact person: Mr. Uros Ungurovic
Phone: ++ 381 11 377 2070
Fax: ++ 381 11 377 2025
E-mail: office-dnrl@minpolj.gov.rs
Web page: http://www.dnrl.gov.rs

13. Customs clearance:
Serbian Custom Administration
Bulevar Zorana Đinđića 155 a,

11070 New Belgrade, Serbia
Phone: ++ 381 11 2690 822
E-mail: pr@carina.rs
Web page: http://www.carina.rs/en

14. Institute for trademarks, patents and intellectual property
Intellectual Property Office
Knjeginje Ljubice 5, 11000 Belgrade
Contact person: Mr. Vladimir Maric
Phone: ++ 381 11 2025 800
Fax: ++ 381 11 311 2377
E-mail: vmaric@zis.gov.rs
Web page: www.zis.gov.rs

15. Serbian Ministry of Finance
Kneza Milosa 20,
11000 Belgrade
Phone: ++381 11 3613245
Fax: ++ 381 11 364 2600
Web page: http://www.mfin.gov.rs

15. Serbian Government Official
Web page: www.srbija.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
Phone: ++381 11 306 4802
Fax: ++ 381 11 306 4922
Contact person: Agriculture Specialist, Mrs. Tatjana Maslac
E-mail: tatjana.maslac@fas.usda.gov
Web page: http://serbia.usembassy.gov/

2. USAID/Agribusiness Project Serbia
Internacionalnih Brigada 57,
11000 Belgrade, Serbia
Phone: ++ 381 11 243 6611
Fax: ++ 381 11 344 5363
E-mail: office@agrobiznis.net
Web page: http://www.agrobiznis.net

3. University of Belgrade, Veterinary Faculty
Bul. JNA18,
11000 Belgrade, Serbia
Phone: ++ 381 11 361 5436
Fax: ++ 381 11 2685 936
Web page: http://www.vet.bg.ac.rs/

4. Institute of Meat Hygiene and Meat Technology
Kacanskog 13,
11000 Belgrade, Serbia
Phone: ++ 381 11 2650 655
Fax: ++ 381 11 2651 825
E-mail: institute@inmesbgd.com
Web page: www.inmesbgd.com

5. National Laboratory for Seed Testing
Maksima Gorkog 30,
21000 Novi Sad, Serbia
Phone: ++ 381 21 4898 100
Fax: ++ 381 21 6621 212
E-mail: institut@ifvcns.ns.ac.rs
Web page: http://www.nsseme.com/en/

6. Institute for Public Health "Dr. Milan Jovanovic Batut"
Dr. Subotica 5,
11000 Belgrade, Serbia
Phone: + 381 11 2684 566
Fax: +381 11 2685 735
Web page: www.batut.org.rs

7. Institute for Science Application in Agriculture
Phone: ++ 381 11 275 1622
Fax: ++381 11 275 2959
Bulevar Despota Stefana 68b,
11000 Belgrade, Serbia
E-mail: admin@psss.rs
Web page: www.psss.rs

8. Agriculture Faculty Belgrade
Nemanjina 6,
11080 Zemun, Serbia
Phone: ++ 381 11 2615 315
Fax: ++ 381 11 2193 659

Web page: www.agrifaculty.bg.ac.rs

9. Agriculture Faculty Novi Sad
Trg D.Obradovica 8,
21000 Novi Sad, Serbia
Phone: ++ 381 21 450 355
Fax: ++ 381 21 459 761
Web page: http://polj.uns.ac.rs/

10. Institute for Molecular Genetics and Genetics Engineering
Vojvode Stepe 444a
11001 Belgrade, Serbia
Phone: ++ 381 11 3975 744
Fax: ++ 381 11 3975 808
Web page: http://www.ibiss.bg.ac.rs/

11. Serbian Chamber of Commerce
Resavska 13-15
11000 Belgrade, Serbia
Phone: ++ 381 11 3241 328
Fax: ++ 381 11 3230 949
Web page: http://www.pks.rs

Author Defined: