**FOREIGN AFFILIATES IN THE REPUBLIC OF SERBIA IN 2023**

**Introduction**

In the process of harmonising structural business statistics with European statistical standards, the Statistical Office of the Republic of Serbia has been calculating, since the referent 2011, the main indicators of inward statistics on foreign affiliates in the Republic of Serbia (inward FATS). The survey is defined in the *REGULATION (EU) 2019/2152 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 November 2019 on European business statistics*. In the circumstances of globalisation, constant capital fluctuation and world financial and economic crisis, these indicators are growingly becoming the focus of interest of users of all profiles.

This statistics describes the activity of resident business entities in the reporting country (Republic of Serbia) being under the control of foreign enterprises. These are enterprises in which the share of foreign capital (one or more countries) in the total capital is 50% and more. The main objective of this statistics is to show the share and influence of these enterprises on the domestic economy.

The data are collected by means of the questionnaire Structural Business Survey (SBS 01 and SBS01A), meaning that covered are active enterprises, other legal entities and part of entrepreneurs classified by CA activities 2010 (except sections K and O). Part of the data comes from administrative sources. Unlike the previous years in 2021 and onwards SBS unit coverage is extended and, besides enterprises and part of other legal entities, part of entrepreneurs which provide annual financial report are included. The results are presented by CA activities (sections B-J, L-N, P-R, S95 and S96) and countries where seats the ultimate controlling institutional unit of the foreign affiliate. This is an institutional unit being the last in the chain of control and not being controlling by any other unit.

**Basic data, 2023**

In 2023 there were 2942 foreign affiliates in Serbia (section B-J, L-N, P-R, S95 and S96) with 369918 persons employed. The total turnover realised by these business entities in 2023 amounted to 6261 billion dinars while the value added by factor costs was 1624 billion dinars.

Observed by CA activities, the following is worth stating:

* **The number of foreign affiliates in the Republic of Serbia amounted to 2942, which was 1.4% of the total business entities** covered by SBS 01, sections B-J, L-N, P-R, S95 and S96 (hereinafter SBS coverage). In the set of foreign affiliates, the largest number of them were predominantly dealing in the section Wholesale and retail trade; repair or motor vehicles and motorcycles (32.4%), then in Manufacturing (21.0%) and in section Information and communication (14.6%).
* **Foreign affiliates employed 21.2% of the total number of persons employed** in SBS coverage. In the set of foreign affiliates over 80% of persons employed were in the sections Manufacturing (52.7%), Wholesale and retail trade; repair of motor vehicles and motorcycles (17.3%) and Information and communication (10.4%).
* **The share of foreign affiliates in the total realised value added in SBS coverage was 34.1%,** meaning that the total value added was to that extent under the control of enterprises with majority foreign capital. The largest contribution to the value added of foreign affiliates (near 74%) was in Manufacturing (41.8%), then Information and communication (17.1%) and Wholesale and retail trade; repair and motor vehicles and motorcycles (15.0%). In Manufacturing, the greatest share in the value added was noted in the divisions Manufacture of motor vehicles, trailers and semi-trailers (17.2%), Manufacture of coke and refined petroleum products (13,6%), and Manufacture of food products (13.0%).



Observed by countries where seats the ultimate controlling institutional unit of the foreign affiliate, the most important results are as follows:

* **69.5%** of the number of foreign affiliates originate **from EU member countries,** 29.8% from countries outside the European Union and 0.7% from offshore financial centres.
* **62.7%** of the number of persons employed in foreign affiliates originate **from EU member countries,** 36.3% from countriesoutside the European Union and 1.0% from offshore financial centres.
* **52.7%** of the value added produced inforeign affiliates originate **from EU member countries,** 46.8%from countriesoutside the European Union and 0.5% from offshore financial centres.
* **23.5% оf the total value added in SBS coverage was under the control of capital from nine countries,** primarily Germany (4.4%), China (4.1%), USA (3.3%), Russian Federation (3.0%), Netherlands (2.1%), Austria (1.8%), France (1.6%), Switzerland (1.6%) and Great Britain (1.6%). Affiliates in these countries engaged **12.8% of the total number of persons employed** in SBS coverage.

 