



KEYNOTE ADDRESS
BY SERBIAN PRIME MINISTER DESIGNATE ANA BRNABIĆ

National Assembly of the Republic of Serbia

28 June 2017

Ladies and gentlemen, honourable MPs, Your Holiness, your Excellencies, dear friends, guests, dear citizens of Serbia,

Today, I am standing here before you to present the goals of the Government of Serbia for the forthcoming period. **It is important that we agree about the priorities and reach a social understanding on what we can and must jointly achieve in order to take Serbia among the ranks of successful states.** The time before us will show how courageous as society and individuals we are to jointly push boundaries and step into the future for the sake of all of us. **And I believe in the citizens of Serbia.**

After my business engagement I joined the political life for my love to Serbia, where I returned 15 years ago wishing to do something for my country and for all citizens of Serbia. **It is an honour to serve one's country** and to see it changing for the better as a result of work and efforts of all of its citizens. **The time we are living in is full of challenges and we must respond to such challenges courageously, decisively and with a clear vision of where are going.**

First of all, I would like to look back on a particularly intensive public debate that followed my appointment as the Prime Minister Designate. I believe that many asked themselves why I was not responding and I now wish to answer that it was my response. I had a goal in front of me and today I am standing here before those who have supported me and before those who have contested me, responsibly and proudly presenting the Programme of the Government because I am sure that this Government will have results to which even those who spoke about me with irony will not be able to turn a deaf ear.

We can build our vision on the foundations laid by the previous Government. Today, when I am presenting the Programme for the next Government before you and asking for support from the National Assembly and the citizens of Serbia, the state finances are in a sound condition, and macroeconomic indicators are positive. **Not a single government in the past 10 years started its term of office with such a good balance in the budget as this one that I am going to lead if we receive support from the majority of MPs.** For this, I must thank the previous Government and its Prime Minister, Aleksandar Vučić. On the other hand, **my responsibility towards the state and the citizens is thereby even greater.**

The previous Government actually managed to stop the bankruptcy of the state from which we were only three months away just a few years ago. That Government managed to consolidate the state budget and to reduce the deficit with which Serbia had unsuccessfully struggled for years before that. Over the past three years, the rating of Serbia on the World Bank's Doing Business List has significantly improved, placing our country, by the overall business conditions, at the 47th place out of 190 countries. **In two years, we managed to progress on this list by as many as 44 places.**

A detailed and comprehensive reform of the public administration has been initiated aimed to transform the state into the service of the citizens, provide a higher efficiency in the work of civil servants, simplify administrative procedures and to have a cheaper state. The foundations have been laid for the establishment of electronic governance to its full capacity. I will also remind you that the works on infrastructure have been initiated and that, **over the past few years, more**

kilometres of roads were constructed than in decades before that. Good infrastructure is the precondition for the **increase in investments and the launch of the local economic development, providing opportunities for a more balanced regional development.**

We must not forget that Serbia, at the beginning of 2014, started its EU membership negotiations and that so far **we have opened as many as 10 negotiation chapters.** The pillar of that dialogue is the National Convent for the European Union, the platform that gathers together over 700 **civil society organisations, which corroborates that a broad consensus has been established for the EU accession.**

Now is the moment to take a step further and to transfer our society, state and economy into the 21st century, which is marked by digitalisation. Digitalisation is an in-depth transformation of the manner in which we produce, spend, learn, work and exchange. Our entire social organisational setup and society as we know it will be completely redefined due to digitalisation.

Serbia must be ready for this, because if we now do not take the chance that emerged, hardly will we get the second one.

Digitalisation opens up new possibilities for a better quality of life of the citizens through a greater number of services, for services that are cheaper, for providing more accessible information and knowledge, for people to inter-connect. Although it is often connected with technology, digitalisation is much more than that, because it provides opportunities for new and better-paid jobs. Digitalisation may increase our export and, even more importantly, **it is our chance to stop the brain drain and even reverse the trend.** I am saying this based on experiences of our most successful companies from the IT and creative industries that have demonstrated to us in practice that digitalisation has started up the wheel of changes. Applied in agriculture, digitalisation creates an added value and thus increases our export potential putting Serbia among the countries exporting products with a higher degree of value.

Despite the deep-rooted opinion, I can assure you that our citizens are already ready for the new digital era. According to the latest survey of the World Economic Forum, Serbia is within the best third of the countries in the world by the level of technological readiness and by the number of citizens using the internet. Practically all the companies have access to the internet. **So, both the citizens and the business sector in Serbia have the habit of using the internet.**

At the same time, red tape has been recognised as one of the biggest problems of Serbian society, which is wasting huge resources of both the state and the citizens. Local companies can be even more efficient by making use of all of the advantages of new technologies.

This Government will work towards changing the existing paradigm and the way of thinking in every segment of society.

With the fourth industrial, i.e., digital revolution, we have the chance to make up for the lagging behind and to join the developed countries. **This technological revolution will fundamentally change our lives; it is inevitable and unstoppable. Only winning societies are looking forward to changes, they do not fear them. I deeply believe that Serbia is ready to lead the entire region in the changes that follow and in creating new opportunities for all.**

It is with great certainty that I expect that the digitalisation process will improve the standard and the quality of life for hundreds of thousands of Serbian citizens. Efficiency will be increased, costs will be reduced and a new value will be created in almost all the areas of life and work. The digitalisation process is the most important catalyst of innovations, competitiveness and growth.

I will once again repeat that what we now do in the field of digitalisation will determine the place of Serbia on the world map in the years and decades to come.

The role of the state should be to stimulate and allow an open, dynamic economy, to develop infrastructure, to provide as best quality and cost-effective services as possible, to **eliminate administrative barriers, to encourage, support, and legally protect every entrepreneurial initiative, with accountable and well-structured social policy in line with economic possibilities.**

My mission is to modernise our society in all its segments. By working on digitalisation, we will create society that provides equal opportunities to all of its citizens. This Government has a good basis that has been laid by the previous one and I am going to lead it in such a way as to retain the focus on the set goals, with **digitalisation and education listed as my top priorities.**

We must improve our education system, which will be the second most important priority during my tenure. This means that we are going to **stimulate the analytical way of thinking focused on problem solving and finding solutions. We will work on changing the way of thinking that prevents creativity.** It is important to **persuade young generations not to give up once they come across the first obstacle, but to fight for ideas, jobs, to believe in themselves and follow their ambitions. We are going to foster the entrepreneurial spirit among the youth.** This does not mean that all of them should be entrepreneurs, but that we will teach them to think as winners and to go for opportunities. I was guided by such a way of thinking when, last summer, I made a decision, of which I am proud, to accept the invitation of Aleksandar Vučić to join the Government of Serbia, although I had not worked in the public administration before that.

We must create a society where knowledge is valued, because knowledge is the highest value in the 21st century. By the time we finish our formal education, half of our knowledge is already out-dated and we must continue to study and learn. This century gives priority to all those who wish to learn and do not resist to changes. We should encourage our young generations to adopt new things, and we should all together encourage our elderly citizens to use modern technologies and be a part of the life of their children and grandchildren.

The Government team will work in the best interest of Serbia and I believe that this Government will know how to respond to numerous challenges that are ahead of us. As the Prime Minister, I will encourage dialogue as the method for us to make good decisions for Serbia. **I wish to stress that doors will be open for each proposal, each idea, and each constructive solution, and that we will then as the team act as one when it is necessary to defend our positions and justify the decisions we have taken. I invite all of you to join us in the joint work on the building of a better quality future and a better life for all of us.**

However, **as the Prime Minister, the biggest responsibility will be on me and I am not going to hide behind my associates and I will regularly report to the public about our results.** I will encourage constructive criticism aimed at finding solutions and I will give my best not to get into a trap and think I have a ready-made answer to everything. Despite the insults in the public that were already addressed to me in the past few days and that I can expect in the future, I am going to defend the truth and facts proudly and with dignity.

The greatest challenges of this Government will be to continue with economic reforms and **speed up the economic growth, to lead a balanced foreign policy,** to continue reforming the state through modernisation of work and a **more efficient work of civil servants who I expect to be the service to citizens,** to provide **education for and attract experts instead of brain drain and establishing partnership between all the segments of society and involvement of the civil sector in social initiatives.** I will endeavour for inclusiveness because only if we accept differences as a virtue, we have a chance to build a society of equal individuals.

I wish to send a message that this country has a magnificent cultural heritage and I wish that based on it we jointly build a new cultural policy. This is not just a bombastic phrase; we will start from seemingly little things that, once completed, will be big and of importance for the whole society.

I am aware that these are the challenges before which many would back away, but we have to set big goals and to work diligently and with dedication in order to make such a step forward because of all of us and the generations to come. We are responsible towards them, just as our ancestors were responsible towards us. Dedication, decisiveness, openness and courage are the values on which my work will be based and I invite you all to join me so that we could leave the remnants of the past where they belong – in the past. I am looking into the future because now is the moment when we can do the right things, with no delay, no waiting and no excuses.

Now I am going to present to you in more detail the concrete areas that this Government is going to focus on. In each of the areas I am going to pinpoint the most important tasks and goals that we must implement in order to make the change that we need. My address is the summary of the keynote address, which contains much more concrete data.

This Government will focus to speed up the economic growth, and **I will start from finances.** Due to high costs of borrowings in the past, we paid over EUR 1 billion for interest repayment in 2016 alone. For the citizens to better understand what money we are talking about, I will point out that with that kind of money we could build 150 km of a motorway – every year! **Only starting from 2018 we can expect reduction of such costs that will become due for payment as a result of poor management of public finances in the past.**

It is important to keep public finances in order, the order that was introduced by the previous Government and that the Government properly plans its revenues and expenditures today. The citizens have recognised the importance of such measures and they themselves have taken the burden of savings, recognising that self-sacrifice is sometimes the only way to create the basis for a sustainable growth.

The efforts of the citizens and of the Government of Serbia were recognised by the IMF, the World Bank and other international financial institutions. We have successfully passed through six reviews within the IMF Standby Arrangement, and currently we are undergoing the seventh one. **I wish to point out that, at the end of this year, we will successfully complete the three-year Arrangement with the IMF.**

This Government plans to continue with the **rigorous control of money spending** and to maintain the fiscal discipline and accountability in the management of public finances. **Our goal is to have the deficit of the general government below 1% until 2019, which will introduce us among the fiscally most responsible countries.** With a further growth of GDP and a low deficit, we plan to bring down the level of public debt below 60% of GDP by the end of the term of office of this Government. This would create additional room for an increase in salaries and pensions, new investments in infrastructure or even early loan repayment, which would speed up further reduction of public debt.

All this is possible only if we all get engaged and participate. **It is important that we act unanimously, because a society is stronger than an individual who cannot act alone or can do very little.** What is even more important, I am asking for your support to modernise the state and to abandon the bureaucratic way of thinking for ever.

In order to achieve the set goals, we must carry out the public finance management reform programmes. Such reforms imply **better collection of revenues**, capacity building for public debt management, improvement of budget planning and other measures. One of the most important items is empowering the Tax Administration, which will increase tax collection and ensure fair competition for entrepreneurs and companies that do business in compliance with the law. Let us not forget that our schools, hospitals, children's playgrounds and infrastructure are financed from collected taxes.

Reducing taxes and contributions and increasing salaries in the public sector are directly related to the better quality management of public finances. I am positive that the minister of finance will be dedicated to the implementation of the already initiated reforms, because public finances are the lifeline of the economic system of any country. We plan to increase salaries in the public sector and to reduce the burden on the employers. We can spend only as much as we have and this is something the minister of finance knows best and I will very much rely on him in this part.

In order to ensure a higher economic growth, we must complete projects for which we have secured the financing. **An uncompleted road does not bring money into the budget. A hospital that is 90% completed cannot treat people.** Each day of delay does not only mean a delay in the provision of a service, but also loss of money that would have been pooled into the budget had the project been completed.

The work ahead of us will be difficult. **We are not retreating in front of the problems;** instead, as rational and responsible people who lead the country, we are resolving them step by step, without a break and without delay.

In the years ahead of us, we expect a growth of real GDP of minimum 3.5% per annum. Such growth will be based on the growth of investments, increased exports of goods and

services, particularly of goods and services with a high added value, as well as reduced share of public expenditures and the deficit in the current transactions in the GDP. For the sustainable economic stability and economic growth in the years ahead of us, the key issue involves the continuation of the economy's restructuring, particularly of the public sector, further improvement of the business environment, as well as maintenance of the political stability and further accession to the EU. Digitalisation of our economy is the key leverage that will accelerate the economic growth and push the development of the entire society. **For an accountable government, it is not a matter of choice, but of necessity, and we will start with it immediately.**

Here I must underline the huge export potential of our IT industry. It is one of the biggest sectors in Serbia, and one of those that have the fastest growth, specifically over 10% annually while, within it, the industries of software and services have the growth of over 20% each year!

Today, the net exports of the IT sector amount to over EUR 400 million per annum, and the goal of the Government is to increase export to as much as EUR 1.5 billion per annum within five years. The employees in the IT sector are 6 times more profitable on the average than the employees in the rest of the business sector, having half of the required resources!

Due to all of the above stated, **human resources potentials in the IT have not only been fully utilised, but we are facing a lack of qualified staff, which slows down our further growth.** Assessments show that Serbia is lacking almost 15,000 IT experts, with the trend of increase in that number. Because of that, one of my priorities is to enable the increase of their number in Serbia, which will contribute to the development of economy and enable Serbia to keep up with the pace of the fourth industrial revolution. The key precondition for this is proper quality and efficient education.

The comprehensive reform I am talking about should be based on the concept of lifelong learning in all the forms and at all the levels of education, increased availability of education, modernisation of curricula, as well as on the creation of the education system according to the needs of society and the business sector.

Education should stimulate innovations, critical thinking, entrepreneurship and provide to the young the necessary skills in order to be globally competitive, which is the key driver of development.

We will introduce models of conceptual learning, we will stimulate children to acquire functional, applicable knowledge, instead of learning dull information by heart which they do not know how to apply and which is not applicable. **Let us stimulate them to think.**

It is important to restore **confidence of the public in the education system.**

Two very important elements of raising the quality of education and adjusting to the modern era are **dual and entrepreneurial education.**

Although I can understand fears that we could hear related to dual education, **this is the right moment to make it clear that dual education does not create cheap workforce. It is a better**

interconnection between the business sector and education at all levels and it introduces hands-on training in theoretical education. In such a way we are preparing students already during their formal education to work in the business sector.

Cooperation of faculties with companies would enable students to implement project ideas and their later employment in companies implementing them.

Entrepreneurship is a development element, particularly in societies with small populations such as ours. **It is more than a subject of instruction; entrepreneurship is the position, manner, and attitude towards life.** Our strategic development must be based on human capital and on the development of entrepreneurial competences in order to include as many people as possible. **I am pointing out that the entrepreneurial competence has been recognised as one of eight skills necessary for life and work in a society of knowledge,** characteristic for the 21st century. **Thus we will have a generation of people ready to assume responsibility and to create their own jobs.**

Introduction of Information Technologies and Programming as the compulsory subject as of the fifth primary school grade was one of the priorities of the previous Government and the Ministry of Education and we did succeed in that. Instructions will be given according to modern curricula, which will require the students to learn the fundamentals of programming and algorithmic, analytical thinking that will train them for any vocation they select to engage in in the future. **By building IT programmes and capacities in schools we train generations in Serbia for the time in which we live and we are preparing them for the future.** For the purpose of attracting children to learn programming, robotics and automation, in over 340 schools, robots have been provided for learning and we will proceed with this project.

Another equally important precondition is to have digitally competent teachers who use information technologies without fear and resistance in teaching, administration and professional development. The Ministry of Education has adopted the “Framework of digital competences of teachers“ and, the training of principals, teachers and staff associates will start at three level of digital maturity as of September.

We are going to proceed with the retraining programme for IT which will enable that at least 1,000 citizens of Serbia are annually retained through intensive courses up to the level of junior programmers and start a new career in the IT industry. In line with the growth of the IT industry, we expect to extend the capacities of our programmes in the forthcoming years.

We are also going to ensure education for our elderly fellow citizens and the use of computers in the homes for the elderly. The key thing is that new knowledge becomes accessible to all and we will encourage young people to train the elderly on the use of the internet, whereby we will include them in the community.

The number of employees has been increased and additional space has been provided for the technical faculties, which are among the key factors in the digitalisation of society and catching up with the pace of the 4th industrial revolution. Enrolment quotas for the next enrolment date in autumn this year will be increased by over 20% with respect to the previous year.

In order to make higher education even more efficient, the key issue is also to enable the method of financing of faculties under the performance based model, and not on the basis of the number of enrolled students. Opening the possibility for the experts from the business sector to be guest lecturers at faculties will enable an even better connection with the business sector and the acquisition of practical knowledge.

The previous Government launched capital investment projects focused on the improvement of infrastructure in the higher education. The future Government will follow this path.

Raising the competitiveness of science, research and innovations for the purpose of economic development is one of the priority goals of the Government.

It is also very important to include educational institutions in the programmes and projects of the European Union and to improve cooperation with foreign educational institutions. We must learn on the examples of the Faculty of Organisational Sciences in Belgrade and the Faculty of Technical Sciences in Novi Sad, as well as on the examples of the BioSens Institute in Novi Sad and the Institute of Physics in Belgrade, which have managed to secure major funds from international funds and to achieve internationally recognised results and thus position Serbia as a country that stimulates development of innovative industry.

The state is also intensively working on the creation of infrastructure for linking science and businesses, development of new technologies and modern doing business. We give significant support to the Scientific and Technological Park in Belgrade (Zvezdara) and we are also building scientific and technological parks in Novi Sad and Niš.

Serbia still lacks experienced human resources having modern knowledge, who are the key for our companies to be globally competitive and we have to look for them abroad. One great chance is to attract our citizens, many of whom are living abroad, and there we can do a lot as a society. Another possibility is to create an environment that will be desirable for scientists and engineers from all over the world to come to Serbia and develop new technologies from here.

In addition to quality education, particularly important for the economic growth that we are planning is the environment in which our companies are doing business.

It is necessary to modernise a whole set of laws in order to open up new potentials in the business sector, eliminate administrative barriers and increase efficiency. In these terms, we must simplify cross-border business operation, with free flow of people, data, goods and money between Serbia and the rest of the world.

The legal framework must not be an obstacle to innovations! It is also necessary to identify new methods of organisation of companies, new business models of sharing economy (shareconomy), business changes that are brought by new technologies, such as distributed database, i.e., *blockchain* as well as new methods of work of increasing number of people in Serbia and worldwide.

The vision of this Government is the development of entrepreneurship based on knowledge and innovativeness. According to the report of the World Economic Forum, the Republic of

Serbia is taking the 119th out of 138 places by the degree of sophistication of the production process. So, **we must do a lot in order to advance and start producing and exporting products of higher level of processing with a higher market value.**

A great potential for rapid development of the Serbian economy is also in the digitalisation of the traditional branches of economy. For example, one of the largest areas for implementation of new technologies is agriculture, where technologies, such as pilotless vehicles, sensors, bulk data analysis, automation of processes and so on, make the production of food healthier, more efficient, cheaper, and more secure. The technology also brings major progress in medicine, civil engineering, energy and other areas of great importance for everyday life of citizens. The technology is in the 21st century more accessible than before and we as society must go toward the changes that will bring us closer to more developed economies.

The lack of a legal framework for investing capital and investments at an early stage is the main obstacle for numerous newly created companies in Serbia. The state can help through enabling business operation of modern sources of financing, such as entrepreneurial capital funds, micro financing and crowd funding. It is also necessary to motivate successful business people in Serbia to invest in innovative companies. In such a way domestic capital will be more efficiently increased and innovative entrepreneurs will have more sources of financing available.

It is also necessary to improve dissemination of information to entrepreneurs concerning the available sources of financing, such as the COSME, the Horizon 2020, and the Western Balkans Enterprise Development & Innovation Facility (WB EDIF). We will endeavour to allocate even larger funds for the Innovation Fund in order to actually increase the support to innovative companies, modelled after Israel, which has in such a way become one of the most advanced countries in the world.

Particularly important is also the quality of the local suppliers of foreign companies that do business in Serbia. Our goal is that every foreign investor should hire local companies as contractors and subcontractors and the Government will work on the empowerment of local companies to meet the requirements and standards of foreign investors. The Government will also support women's entrepreneurship, entrepreneurship of young people and social entrepreneurship.

Serbia currently has a few companies that are global leaders and we wish by promoting them to stimulate others to follow their footsteps. For example, one of our IT companies has been officially declared one of 50 smartest international companies. Such companies and young people working in them have through personal example demonstrated that success is possible. Successful entrepreneurs must finally get social recognition and support that they have in the most developed countries. **To be successful is not an easily accessible goal and that is a reason more to encourage successful entrepreneurs to empower and increase their business systems.**

We will resolutely proceed with the processes of **restructuring and rationalisation of public companies** through optimisation of the number of employees, solving the issues of accumulated debts and uncollected receivables from earlier years. Subsidies to public companies have been reduced, and the Government has strictly limited, in order to strengthen the financial discipline,

the issuance of new guarantees and loans that had been used in the previous years to secure current liquidity.

Out of 17 strategically important **state-owned** companies, the status of 10 of them has already been resolved, while the status of the remaining 7 is currently being resolved. This will have a positive impact on public finances because the budgetary support to companies with major losses will be smaller.

A great progress has already been made in the area of **road infrastructure**. We are completing the construction of Corridor 10 worth over EUR 1 billion and we will complete the remaining sections in the first half of the next year. By the end of this year, we will also have over 102 km of the motorway on the Obrenovac to Preljina route.

We will endeavour to make use to the maximum of the EU grants for the financing of infrastructure projects, particularly those that contribute to regional integration. The Government will intensively work on the strengthening of regional cooperation also through connection of the infrastructure network with the countries in the region.

So far we have rehabilitated almost 200 km of roads across Serbia, and the big undertaking is yet ahead of us: we must rehabilitate an additional 900 km of roads within the next few years and the project documents for all 900 km is either in the preparation phase or in the procurement procedure.

By the end of this year, maintenance of 3,000 km of roads will commence on the economically most efficient way, and our plan includes the entire national network – all the 16,000 km of roads, to be transferred to this type of maintenance. This is a major step forward as compared to the so far practice.

Interconnectedness of Serbia with the rest of the world also relies on the current improvement and **expansion of capacities of our railway network**, and we have opened the market for the use of the railway infrastructure for local and foreign forwarders, which is very important for regional interconnection and economic exchange. During this year, modernisation of the Belgrade-Budapest railroad will commence.

Serbia has laid the foundations in order to become a **regional leader in the area of air traffic**. The total revenues of the air transport sector has been increased by around 70% with respect to the previous years, and over 30 agreements on air traffic have been signed and ratified, the most important of which are those with the USA, Canada, the People's Republic of China and South Korea.

In order to ensure further growth of turnover and new job creation at Nikola Tesla Airport and to increase competitiveness in air transport, we are going to enter into a concession arrangement, under which the budget of the Republic of Serbia will directly receive several hundreds millions of euros. This transaction is expected to be signed already in March 2018.

We have a great potential in the agriculture sector, which we must capitalise by improving productivity, **using modern technologies more intensively and focusing on export of**

products of a higher degree of processing, instead of export of raw materials that are the cheapest.

We will invest in the capital systems for irrigation: 14 systems, of which 11 in Vojvodina and 3 in central Serbia. We will also continue to invest in dams with reservoirs and in the reconstruction of water management facilities.

We will also amend the Law on Agricultural Land and thereby prevent full liberalisation of sale of agricultural land to foreigners. All these amendments will be in line with comparative solutions in the countries that have joined the EU over the past twenty years.

By the end of the year we will finalise accreditation for the use of the pre-accession EU funds for rural development – IPARD. We will prepare institutions and agricultural estates for Serbia's accession to the EU.

Mining as the branch of economy generates highly-skilled, well-paid jobs, where salaries are considerably higher than the average in the country. Mining contributes to the national, regional and local development and increases tax revenues.

Significant capital investments that follow the opening of mines could particularly help the undeveloped regions of Serbia where major mineral reserves have been registered, and thus strengthen regional development. For example, Jadar has been ranked as one of the largest deposits of lithium in the world, which can satisfy the majority of international requirements for this ore. Mining will, therefore, certainly be a segment of a major focus for the Government of Serbia.

Improvement of the energy sector is important because this higher stability is ensured, as well as security and better position of Serbia under complex geo-political circumstances. In order to respond to the local and international challenges of the energy sector, we must improve it in the manner that will improve the life of our citizens and the performance of economy.

I wish to point out that we are still one of the cheapest electricity markets in Europe. We will endeavour to consolidate some of our state-owned companies in the sector of energy and mining and to increase revenues from our existing energy infrastructure.

Energy from renewable sources is very important in order to ensure energy security and we will work to increase the share of renewable sources in the country's energy system.

We will continue with the construction of the Trans-Balkans Corridor project, which will increase the security in supply in Serbia and contribute to its long-term energy security.

The areas in which there are huge potentials, which have been undeservedly least discussed, include **tourism, creative industries and culture**. Owing to our particularly talented and creative people, uniquely versatile culture, gorgeous landscapes and historical heritage, these activities provide great potentials both for economic development, increase of foreign currency inflow and employment, as well as for promotion of Serbia across the world.

The goal of the Government of the Republic of Serbia is to increase the number of tourists from 2.7 million in 2016 to 3.7 million arrivals in 2020, with the projected foreign currency inflow from tourism of USD 2.5 billion.

I would particularly point out **the importance of the congress tourism**. Serbia, on the international list of congress destinations, jumped 25 places in the past 10 years and is now taking the 48th place. The focus of this Government will be to bring the gatherings of international organisations to Serbia, not only to Belgrade but also to other congress centres, such as Novi Sad, Subotica, Aranđelovac, Vrdnik, Kopaonik and Niš.

For the promotion of our country as a **tourist destination**, great contribution is given by the industry of film and TV production. Films, series and advertisements coming from the United States, Europe, and even India, enable that our landscapes are seen by dozens of millions of people across the world. We will support the programme of incentives that has yielded excellent results, we will work on the provision of training of our film workers because we will need more professionals, and we will look for investors for additional film studios.

Incentives are also intended for local film and TV productions. In line with the time in which we live, we will also support the development of new media, such as virtual reality, visual effects and digital entertainment, for which there are already excellent capacities in our country and the space for even greater development.

The two biggest and most important museums have been closed for more than 10 years. They are the **National Museum** and the **Museum of Contemporary Arts**. Together with my team I will do my best to have, by the end of the term of office of this Government, the two invaluable capital projects, finally completed.

All the institutions of culture and institutions of national importance should have mandatory special programmes for youth and children. Thus we are going to foster generations that will be creative, broadly educated, have a developed critical thought and be the necessary broad audience for all the forms of artistic and creative endeavours.

A modern, efficient, cheap public administration is the precondition to carry out all the goals I have specified. With the modernisation of the public administration, the state is becoming the true service to the citizens and the business sector. The state must be aware that the right "power" is in the hands of the citizens who pay taxes and thereby ensure salaries for civil servants.

The digitalisation of the public administration and provision of electronic services that the citizens will use in a simple and prompt manner remains one of my priorities.

E-governance increases efficiency, reduces bureaucratic procedures and eliminates corruption.

By the digitalisation procedure we have enabled that 6.7 million documents per year, which had been issued in the paper form, become electronically and easily available to the employees who will complete procedures for citizens and the business sector in a simpler way. We will economise over 6 million hours to our citizens who will no longer have to wait in queues, or around RSD 245 million per year.

The first next step is improvement of official records. The next thing that follows is the improvement of the address register, which means that in Serbia every street will get its name and every house – its number. By establishing the civil register, the data for the formation of a

single electoral roll will be precise and will be automatically updated, whereby we will significantly improve the electoral process and make it more democratic.

In this way we are introducing order and common sense in the public administration.

We are faced with the adoption of the Law on Electronic Signature, Electronic Document and Confidential Services, as well as harmonisation of all the other regulations with this law, in order to change the current practice in which over 100 regulations stipulate the necessary use of paper documents. Only on an example of a bank, it has been established that, annually, over 10 million documents are printed out, over 7 million documents are scanned, while bigger companies spend hundreds of millions of euros to archive the documents. We are going to change this and thus promptly and significantly improve the competitiveness of Serbia.

For the full establishing of e-governance, the precondition is the **introduction of electronic payment** to the state. Today, you can pay all the services via a mobile telephone from your bank account, and you must pay taxes and liabilities to the state over the counter, waiting in a queue in a bank or a post office and, after that, you must also go to the counter of the public authority to submit the payment slip. Enabling such payments via electronic or mobile banking is one of the key priorities for the Government of Serbia. In these efforts, the Ministry of Finance and the Treasury Administration will be one of the carriers of the reforms to be implemented.

The Companies Law unequivocally prescribes that **there is no obligation to use seal**, unless its use is prescribed by the law. However, even today there are over 70 different rulebooks and bylaws that have not been harmonised and that still require the use of seals. We will resolve this problem within the shortest possible time and send the seal to history once and for all! We cannot be in the 21st century with seals, counters and papers.

The public availability of data is one of the main drivers of innovations because open data stimulate economic growth, make the public administration more efficient, enable better quality services to citizens, reduce the room for corruption and increase confidence of citizens in their state. The **European Commission estimates that data opening will create a market worth EUR 40 billion per year.**

In the process of **rationalisation in the public sector** so far only redundant employees have been taken into account while at the same time the key functions and affairs of the state have been preserved. We have forbidden the reduction in the number of medical staff, employees in the social welfare institutions, jobs and capacities that are important for the EU accession as well as employees in inspection services.

Serbia is currently, within the entire Europe, one of the countries with the **smallest number of employees in the public administration** as compared to the number of inhabitants. Today, in Serbia, we have 6.4 employees in the public administration per 100 inhabitants, while the average in the EU is 8.5. Our biggest challenge is to have civil servants who are efficient and focused on citizens. The priority of the Government in the forthcoming period will be to provide more efficient and cheaper services to the citizens.

We will also establish the **National Academy** for Professional Development in the Public Administration next year. The new system of professional development will have its stronghold

in the competences that civil servants will have to possess in order to administer affairs in a modern and efficient way. The biggest change that the Academy will bring will be education of civil servants at the national and local levels, as well as mandatory education of public officials.

We are also proceeding with the **reform of the labour legislation**. Enactment of new laws will enable that around 60,000 of those employed through agencies have the same rights as those employed on other grounds; then legalisation of seasonal work where, only in agriculture, over 300,000 employees will be included in legal economic flows; improvement of the standard of living of the citizens and reduction in unemployment through engagement in activities of public interest and activation of special categories of unemployed persons.

We will also establish a **more flexible salary system**. We will enable the awarding of institutions that responsibly dispose of the funds, as well as of the employees who give maximum contribution to the improvement of the work of the institution. **However, higher responsibility goes hand in hand with greater rights**. The managers will have to dispose of the funds more carefully and more responsibly, while the employees, apart from the opportunity to “create their own destiny”, will have to focus on the results and satisfaction of the citizens.

Our goal is to value education, because the state wishes to attract and, then through the promotion system, to actually retain the talented, diligent and educated staff.

Particularly important is also the continued decisive fight against organised crime and corruption, particularly the work on the **building of capacities of the police for prevention of possible terrorist attacks, prevention of human smuggling and trafficking, as well as suppression of high-tech crime**.

The fight against organised crime, financial crime and corruption implies **prompt and efficient criminal proceedings**. The previous Government has already undertaken the key legislative measures in this direction and we are going to proceed with such measures. Preparations for their implementation are under way, and **the entire reform shall start on 1 March 2018**.

We also plan to introduce **specialisations of misdemeanour courts in the areas of customs, budgetary misdemeanour offences and misdemeanour offences based on the misdemeanour reports of independent bodies**. Also planned is the work on further improvement of the criminal procedural legislation aimed at the **strengthening of procedural powers of public prosecutor’s offices in investigations and other phases of criminal proceedings**.

In the forthcoming period, we will also improve the work of the Prosecutor’s Office for Organised Crime, by improving the quality and speed in exchange of data between the government authorities.

For the purpose of suppressing corruption, **the capacities will be strengthened for conducting investigations in criminal offences with elements of corruption**.

The newly adopted **Law on Police introduced a different concept of work of the Ministry of the Interior, i.e., the work of the police in the community and partnership with citizens, which we will continue to develop in the forthcoming period**.

The strategic goals in the judiciary reform include the unburdening of courts, speeding up proceedings and provision of information to the citizens about different options for dispute settlement. In 2016, the number of old enforcement cases in courts was reduced by almost 900,000 as compared to the previous year, and we will continue with such trend.

We will continue to **further improve the judicial infrastructure**, through the construction of the Palace of Justice in Kragujevac and reconstruction of the Palace of Justice in Belgrade. Increased legal security will without any doubt have a positive impact on the ranking of Serbia on the World Bank's Doing Business List.

When we are talking about the national security, I want to say that real national security cannot be achieved exclusively by strong military forces; it also requires strong diplomacy, intensive intelligence work, strong economy, fiscal discipline, and the efficient Government, which will above all call for the necessary support from the President and his rich experience in the area of foreign and defence policies.

We will also remain committed to the implementation of the measures undertaken in the strengthening of the defence industry of Serbia, as well as in participation in multinational operations under the mandate of the United Nations and the European Union. The Republic of Serbia remains dedicated to its engagement in the Partnership for Peace Programme.

One of our priorities will also be **the work with international institutions and a more comprehensive approach in disaster management, starting from the capacities for recovery and climate risk management.**

The Government of Serbia will continue to be deeply dedicated to the issue of minority rights. **I wish to clearly empathize before the Assembly and before all the citizens that I am very proud of how much we have achieved in legislative, strategic and institutional terms related to the protection of the rights of national minorities. There are over 20 ethnic or national groups living in Serbia, more than anywhere else in Europe.** Children are educated in 15 different languages, and as many as 11 languages are in official use. I believe that we should all together be proud of the differences and the tolerance that constitute parts of our society. That is one of the reasons that any society should be proud of.

Although the focus of the future Government is on the economic development and availability and modernisation of services, we must stimulate **solidarity** with those who live under difficult living conditions, who are excluded, poor and to whom welfare services are not always available. **In the area of social welfare**, we will place the emphasis on the improvement of adequacy, quality and targeting of social welfare.

For the first time in Serbia we are going to introduce the **integrated system of producing social cards** through networking of a great number of different institutions. Introduction of social cards will prevent abuses and ensure more just distribution of social welfare.

We have started addressing the **issue of allowances for young mothers** who are private entrepreneurs, and we will continue doing so. Therefore, all young mothers will receive maternity leave allowances on the ground of paid-in contributions.

The priorities for **improvement of the status of persons with disabilities** include employment, creation of new training programmes, education, improvement of accessibility to the facilities of public use, access to services and social protection.

We will work on the **provision of better services to mothers** who should exercise the right to maternity leave for the purpose of special care for a child. We also have the measures ready for **higher rates of leaves by fathers on the ground of child birth and care**, modelled after Scandinavian countries. Building upon that is also the policy of incentives for the **care for birth rate increase** and this Government will continue to apply special population policy measures.

Serbia has become the first country outside the EU that has introduced the Gender Equality Index.

Over the past three years, we have managed to stop the downturn of the health care sector. We will continue with the reform of the healthcare system of Serbia by further implementation of the **Integrated Healthcare Information System** and thereby significantly improve the work of pharmacists and doctors and facilitate the administering of therapies, first of all with chronic patients.

One of the biggest undertakings is the reconstruction and construction of four clinical centres in Serbia, for which an investment of approximately RSD 25 billion is planned.

The plan is that the Ministry of Construction, Transport and Infrastructure and the Office for Management of Public Investments start the implementation of the project of reconstruction, contraction and equipping of seven large healthcare institutions. They are: University Children's Clinic at Tiršova, Clinical and Hospital Centre Dragiša Mišović, Emergency Centre and Clinic for Gynaecology and Obstetrics, all of which are part of the Clinical Centre of Serbia, as well as Institute for Cardiovascular Diseases Dedinje, Clinic for Neurosurgery of the Clinical Centre of Serbia and Zemun Clinical and Hospital Centre, Paediatric Department.

We will complete the works on the Cardiac Surgery Clinic of the Niš Clinical Centre that started to work in November 2014 as one of the most modern clinics in the region.

We will continue the adaptation and rehabilitation of the network of 201 health institutions that we commenced in 2015.

We are continuing with the policy of **employment of young medical workers** and approval of specialisations. We will continue to work on the reduction of waiting lists and their elimination by the end of the term of office of this Government. We will also continue to invest in the equipment and Serbia will be the only state in the world that enables its citizens free of charge interventions on the state-of-the-art equipment, such as Gamma knife and Cyber knife.

Sport always makes us proud and it is one of the areas that continues to yield positive results to us. **We must preserve the attribute of a sporting country.** For the results to continue to add up, it is particularly important to constantly invest in the modernisation of sports and to make them available to all segments of the society.

With good results in the area of economy and stable economic growth, we will be in a position to invest more in **environmental protection**. Improvement of the quality of air, reduction in harmful emissions, management of wastes and wastewaters are some of the priority areas we are going to deal with and that is one of the reasons why we now have the Ministry of Environmental Protection.

All of the above is actually corroborated by our **strategic orientation towards the European Union**, which constitutes the values we stand for, and they are innovation, creativeness, knowledge and overall modernisation that leads to a higher standard and the quality of life. **By joining the EU, we will become a part of society in which there are more equitable, accessible, richer countries, and that is the place where Serbia should actually be.**

By the end of 2021, the European Union is expected to provide **one-off financial assistance** to Serbia amounting to **over EUR 1 billion**. It is of huge importance to successfully utilise those funds. At the local/municipal and regional levels, we will work even more to **increase visibility of the pre-accession funds for the purpose of greater utilisation of those funds for the overall local and regional development**.

After the formation of the new Government, we will work towards the adoption of a great number of regulations harmonising the domestic legislation with *Acquis Communautaire* and provide financial resources and the institutional framework for their implementation.

The same as in the previous period, the focus will be on the **strengthening of the international position** and reputation of the Republic of Serbia, on the **intensification of bilateral dialogue and cooperation with the countries across the world**. Only dialogue ensures stability and the basis for further growth to which we are aspiring instantly and without delay. In those efforts, I expect great support from the President of the Republic, bearing in mind his authorisations, and first of all based on the statesmanship experience and the reputation he enjoys in the world.

We will pursue the policy that means building best relations with the Russian people and its state leadership. Over the past few years we managed to build close and friendly ties with the People's Republic of China and we plan to further strengthen them. We established new relations with India, and we also improved relations with Japan, South Korea, Africa, Australia and South America.

We will continue to build increasingly better relations in all segments, and we will also develop good relations with other nations and states across the world.

We have also negotiated a long road aimed to establish **good neighbourly relations with the former Yugoslav republics** and Serbia plays a key role there. Serbia should continue to be a **loud advocate and a leader of firm alliances in the political, economic and cultural development of the Western Balkan region**.

Today, on the great Serbian holiday, St. Vitus Day, I wish to send the message that we are **continuing with the policy of peace and cooperation in Kosovo and Metohija, aiming to achieve the historical compromise and reconciliation of the Serbian and the Albanian people**. The goal is to preserve the political stability in the territory of the Autonomous Province of Kosovo and Metohija by implementing the established state measures, continuing negotiations

with the temporary institutions of self-government in Priština, **improvement of economic development, living conditions and economic empowerment of the Serbian population in Kosovo and Metohija and continuing to support sustainable return.** It is necessary to urgently **establish the Community of Serbian Municipalities**, specifically in the manner as it is stipulated in the First Agreement and the 2015 General Principles.

In this undertaking, I count on the support of the President of the state, as well as of the First Deputy Prime Minister who has long-term political experience. **I trust that results can be achieved only through teamwork and push us all forward.**

Finally, I wish to tell all citizens of Serbia that real changes do not happen when only the Government works, regardless of how active and capable it is. Real changes take place when every member of this society does his/her bit, when we work together, when we are responsible first of all to ourselves, our families, our neighbours and our environment.

What I wish is for us to set up not only a more responsible Government and the public administration, but also a more responsible society that will work for the common benefit.

I wish to present to the citizens and the MPs the makeup of the Government of Serbia that will work on implementation of the programme that I presented:

1. **Ivica Dačić**, First Deputy Prime Minister and Minister of Foreign Affairs,
2. **Nebojša Stefanović, PhD**, Deputy Prime Minister and Minister of the Interior,
3. **Rasim Ljajić, PhD**, Deputy Prime Minister and Minister of Trade, Tourism and Telecommunications,
4. **Professor Zorana Mihajlović, PhD**, Deputy Prime Minister and Minister of Construction, Transport and Infrastructure,
5. **Dušan Vujović, PhD**, Minister of Finance,
6. **Goran Knežević**, Minister of Economy,
7. **Branislav Nedimović**, Minister of Agriculture, Forestry and Water Management,
8. **Goran Trivan**, Minister of Environmental Protection,
9. **Aleksandar Antić**, Minister of Mining and Energy,
10. **Nela Kuburović**, Minister of Justice,
11. **Branko Ružić**, Minister of Public Administration and Local Self-Government,
12. **Aleksandar Vulin**, Minister of Defence,
13. **Jadranka Joksimović**, Minister for European Integration,
14. **Mladen Šarčević**, Minister of Education, Science and Technological Development,
15. **Zlatibor Lončar, PhD**, Minister of Health,
16. **Zoran Đorđević**, Minister of Labour, Employment, Veteran and Social Affairs,
17. **Vanja Udovičić**, Minister of Youth and Sport,

18. **Vladan Vukosavljević**, Minister of Culture and the Media,
19. **Prof. Slavica Đukić-Dejanović**, Minister without portfolio,
20. **Milan Krkobabić**, Minister without portfolio, and
20. **Nenad Popović, PhD**, Minister without portfolio.

Serbia now has a chance that will not repeat for a long time, to make use of the major changes brought about by digitalisation and to completely reverse its economic destiny within a short time. The new potentials before us do not depend on anyone and anything else, but only on ourselves and our readiness to win in the big international competition. We are entering a dynamic process of digitalisation, modernisation, integrative education and work, the period of rapid growth, new opportunities, a significantly higher standard of living and an overall better life of all the citizens of Serbia.

This time, Serbia is going to make use of its chance! Long Live Serbia! Thank you!