

SERBIA**DACIC: END TO TALKS, AGREEMENT ON KOSOVO UNLIKELY IN 2019**

BELGRADE, 5 January 2019 (Beta) - Serbian Foreign Minister Ivica Dacic was sceptical about the expectation that talks with Pristina and an agreement to resolve the Kosovo issue could be finalized by the end of the year. Minister Dacic said in an interview to the Blic newspaper that the original intention was that the talks should be completed until the end of EU High Representative Federica Mogherini's term in office, in the last third of the year, but after everything that happened, hampering the talks, it's almost certain that she wouldn't be a negotiator in the future. "There are several reasons why it's difficult to expect the talks to be over by the end of the year. The Albanians won't give up the idea that the only agreement is the one for Serbia to recognize an independent Kosovo," Dacic said. On the other hand, it's a great success that the focus is back on a substantial solution, as opposed to technical matters discussed so far." "All those to whom independence was an absolute certainty are now opening room to what Americans call a relative solution, which would take into account the views of both sides," the minister said. Dacic explained that no one could expect the dialogue to be in full swing in a year electing a new European Parliament, a new European Commission and even a new high representative, assigned a direct role in the dialogue. The Serbian foreign minister said that demarcation was still an option on the negotiating table, but that it wasn't elaborated.

MACRON WRITES VUCIC THAT HE LOOKS FORWARD TO VISIT TO BELGRADE, SUPPORTS EFFORTS TO REACH DEAL WITH PRISTINA

BELGRADE, 5 January 2019 (Beta) - French President Emmanuel Macron said in a letter to his Serbian counterpart Aleksandar Vucic that he was looking forward to his visit soon to Serbia and voiced support for the efforts to reach a final agreement with Pristina. I look forward to visiting Serbia soon so we can mark the strong friendly ties between our countries and support the spread of bilateral cooperation based on strategic partnership, the letter reads according to a Jan. 5 announcement by Vucic's press service. Macron cordially thanked Vucic for his Dec. 21 letter and wishes. For my part, I wish you, your family and Serbia much happiness and success in 2019, the letter read. As you stressed, Macron added, that Nikola Tesla Airport concession to Vinci testifies to the strength of economic relations and the mutual trust between our two countries. France supports the European outlook of Serbia, which is a guarantor of stability, and economic and social development, Macron said. This support is at the same time political and concrete, through French expertise in areas like public administration reform and economic management, but also through projects that the French Development Agency will launch in Serbia in the near future. The French president expressed the desire for France to be even more engaged bilaterally for the benefit of sustainable stabilization of the West Balkans. To this end, I support your efforts to reach a comprehensive and final agreement with Pristina in the dispute between Serbia and Kosovo, in spite of the current obstacles to dialog, the French president's letter read.

CHEPURIN CONGRATULATES VUCIC ON RECEIVING RUSSIA'S HIGH DECORATION

BELGRADE, 7 January 2019 (Beta) - The Russian ambassador to Serbia, Alexander Chepurin,

congratulated Serbian President Aleksandar Vucic on Jan. 7 on the Russian order he had been awarded. "Russian President Vladimir Putin signed a decree on Jan. 7 to honor Aleksandar Vucic with the Order of Alexander Nevsky," Chepurin tweeted, posting a photo of the presidential decree. The Russian president awarded the decoration to President Vucic for the great personal contribution to the development of all aspects of cooperating with the Russian Federation, says the decree, sealed by the Office of the Russian President.

LJAJIC DOESN'T EXPECT CEFTA TO SOLVE TAX HIKE

BELGRADE, 6 January 2019 (Beta) - Serbian Minister of Trade, Tourism and Telecommunications Rasim Ljajic has stated that CEFTA bodies could not be expected to solve the problem of Pristina's tariff hike on Serbian goods, and that compensation for the damage inflicted on the economy should not be expected. "None of us expect CEFTA to be able to resolve this, but we want to follow the legal procedure fully so we can go to arbitration," Ljajic told BETA in an interview, while commenting on a request sent by Serbia on Nov. 27 to the secretariat of CEFTA to resolve the issue. Ljajic said "we should be extremely objective and realistic when assessing this legal procedure," because CEFTA, in his estimation, has never had an adequate mechanism for resolving trade disputes. "No trade row was resolved within CEFTA in these 11 years. When the disputes did arise, they were dealt with bilaterally," Ljajic said, recalling that he, too had been a participant in resolving them, especially with Macedonia. Asked about Serbia's avenues outside of CEFTA for legal assistance and possible damages, Ljajic said a legal team was working on it and that the state would follow whatever the experts propose, but would not give any details. From Nov. 21, 2018, he stressed, when the 100-percent tariff on goods imported from Serbia was levied, to Dec. 30, EUR46.1 million worth less of Serbian goods were sold in Kosovo than in that period in 2017. "If we include the time from Nov. 6, 2018, when a ten-percent tariff was levied, the difference in sales is even greater and exceeds EUR50 million," Ljajic said.

ECONOMY

LJAJIC: LAST YEAR BREAKS TOURISM RECORDS WITH 3.4 MILLION TOURISTS, EUR1.3 BILLION REVENUE

BELGRADE, 5 January 2019 (Beta) - Serbian Minister of Trade, Tourism and Telecommunications Rasim Ljajic has stated that, according to preliminary assessments, 2018 would prove to have been a record-breaking year in Serbian tourism, with 3.4 million visitors, foreign currency revenue in excess of 1.3 billion euros and some 9.5 million overnight stays. "It is estimated that according to the results for the first ten months we can already say that 2018 will be a record-breaking year in tourism. Compared to 2017, we expect an increase of around 12 percent in the number of tourists, approximately 15-percent growth in the number of foreign tourists, some 14 percent more overnight stays and around 13 percent more currency inflow," Ljajic told BETA in an interview, noting that the official figures on the number of tourists and overnight stays would be out late in January, and on currency inflow late in February. Ljajic stressed that all results achieved in 2018, except currency inflow, were in the Tourism Development Strategy projection, but were reached two years ahead of the plan. "It is also important that the number of domestic and foreign tourists is on a par for the first time," Ljajic

said, adding that a voucher distribution drive helped boost the numbers, which had been in decline since 2007. The greatest number of foreign guests in 2018, 1.7 million according to Ljajic, came from Bosnia and Herzegovina, followed by Turkey and China, and then Germany and other countries in the region. On the topic of investments in tourism, Ljajic announced that Serbia should get three remodeled travel destinations over the next two years, which, together with the already existing ones, would make up the top ten most visited destinations in Serbia. He underscored that these were the Lower Danube River Basin, Palic area and Mt. Divcibare. "Belgrade, Novi Sad, Mt. Kopaonik, Mt. Zlatibor and Vrnjacka Banja contributed the most to the achieved tourism results, because these top five destinations account for 55 percent of total sales and number of overnight stays," Ljajic said.

TELENOR SRBIJA CONTINUES TO INVEST IN SERBIA

BELGRADE, 5 January 2019 (Beta) - Telenor's new director general, Mike Michel, announced that the company planned to invest over EUR100 million in Serbian economy by the end of the year, based on direct investment in the telecommunications infrastructure, development of mobile broadband and digital technologies, taxes and salaries, as well as social transfers. "Users' wishes will provide the driving force and guideline for Telenor's investment. It is certain that more than 50 percent of infrastructure investments will go to the development of network capacity, the Internet, service and innovation," Michel said in an interview with the Beta agency. As he put it, 2018 was a good year for Telenor Srbija. In the last three quarters, the company grew three times as fast as the competition, and the number of users in the same period went up three percent compared to the same period in 2017. Michel said that "there's a good business climate in Serbia," adding that "Telenor works hard to promote Serbia as a good investment destination." He also said that Serbia's business climate was improving, but that there's still room for improvement, and that Telenor would always support predictability in business, transparency and fair play. Telenor's CEO believes that the company, in collaboration with the Serbian government and other market actors, can contribute to the development of digitalization in the country, which had become one of the top priorities in all areas. "Telenor tested a 5G network in Serbia back in 2016. There is readiness to get it off the ground, but commercial and regulatory aspects still need some work," Michel said. He explained that Telenor, currently employing more than 900 people, planned to increase the work force, as the company expected the Serbian economy and the retail market to grow, but that it was too early to say precisely how many people it would employ. In mid-2018, PPF took over 100 percent of Telenor's operations in Central and Eastern Europe for EUR2.8 billion. Their telecommunications portfolio includes the Czech Republic, Slovakia, Hungary, Bulgaria, Serbia and Montenegro. "A decision by PPF to buy Telenor's companies in Serbia, Montenegro, Bulgaria and Hungary was a strategic one, as the telecommunications sector was one of the main pillars of business operations," Michel said. He recalled that the PPF runs assets worth EUR38 billion in 22 states on three continents.