

Q. How do you evaluate bilateral cooperation between Serbia and Japan?

A. Serbia and Japan have traditionally good and friendly relations. The year 2012 was the year of the 130th anniversary of the first correspondence between King Milan Obrenovic and Emperor Meiji, which was marked by a series of appropriate events in both countries. Serbia is one of the few countries that can pride themselves on such a jubilee in the cooperation with Japan. Certainly, there is a desire existing on both sides to further promote relations in all areas. Japan believes that Serbia is a key country in the SEE region as regards its geography, human, economic and natural resources. Japan is the largest single donor country to Serbia and one of its most important partners in Asia.

The only outstanding issue between the two countries is the fact that Japan has recognized Kosovo's unilaterally declared independence.

Q. What are your impressions of Japan, given that you served as Ambassador to that country?

A. I spent almost five years in Japan as Ambassador. I and my family have enjoyed immensely there and we cherish the best possible memories of that country. My appointment in Japan was also an opportunity for me to learn a lot about this exceptional country. Five years is not enough time to visit and find out even the most basic things about Japan, given its rich history, tradition and culture. Japan is a fascinating country, both in terms of its tradition and its modern achievements. During my stay there I was able to see for myself that there are many similarities between the Serbs and the Japanese, which paves the way for an even better and closer cooperation with this country that many things can be learnt from.

Q. What are the areas and activities where Serbia and Japan could further expand their cooperation? How can we attract investments from Japan and increase our exports to it?

A. It is important to expand cooperation in all areas. No area is small or insignificant. Japan should not be seen only as a country of highly sophisticated technology. Of course, assistance and co-operation in this area really means a lot to our country but we, too, have a lot to offer to Japan. Tourism, for example, is what could be very attractive to Japan, particularly our historical sites, villages and our agricultural products. We are doing our best to sell our products over there. We participate in the biggest food fair called Foodex and we are always very visible at this fair.

Japan has granted Serbia yen loan for the „Fuel Gas Desulphurization at Thermal Power Plant Nikola Tesla", valued at 28.2 billion yen (about EUR 260 million) which officially came into force on 29.2.2012. In 2009, the Project "Solving the problem of waste water in the City of Belgrade" applied for yen loan valued at EUR200 million. Elaboration of the Project documentation is under way according to the terms of the Japanese Government. The loan, which was approved under exceptionally favourable conditions is, in fact, a grant aid and ensures a better quality of life for our citizens.

As a developed country with a population of 130 million and a GDP of some 46,000 dollars per capita, Japan is a very attractive, but also a very demanding market for all kinds of goods, especially consumer goods, export of equipment and machinery and other technologies and products in the corporate but in the public sector as well.

In conditions of very stiff international competition on the Japanese market, our country faces great challenges. In 2011, among the 169 countries to which Serbia exports its goods, Japan was in 70th place, and 29th among the 201 countries from which Serbia imports a variety of goods. Exports to Japan accounted for 0.78% of all Serbian exports in 2011. The trend of our exports to Japan has been significantly improving but our trade deficit is still very high. For the first nine months of 2012, exports to Japan were US\$2.8 million in value terms, while imports were around US\$106.9 million. The biggest breakthrough in the previous period was made by companies manufacturing frozen fruit, especially raspberries (probably the best in the world), and blackberries. On the import side, Serbia has a tradition of importing Japanese cars, special machinery, electronic equipment, chemicals and medicines.

I would like to point out in particular that Japan provided substantial grants to our country over the past decade for the purpose of renovating primary schools, transportation system, as well as grants intended for healthcare. Overall grants by Japan to Serbia between 1998 and 2008 amounted to EUR113.7 million, making Japan one of the largest individual donors to Serbia. This amount becomes even higher if a EUR84-million debt relief by the Paris Club of government creditors is added to it. The Government of the Republic of Serbia, in the wake of a disastrous earthquake and tsunami that hit Japan in March 2011, sent 50 million dinars (around US\$680,000), which makes Serbia 9th donor country from Europe and 18th from the rest of the world.

The initial Japanese investment (more than EUR100 million) in the Republic of Serbia was the purchase of the Senta tobacco factory by Japan Tobacco International in 2006. In 2010, the project, co-funded by Asahi Food and Healthcare and Mitsui Co companies, was realized for the production of yeast extract at Alltech-Fermin, Senta; it was worth EUR25 million. In 2010, the "Panasonic" founded a plant in Svilajnac for the manufacture of lighting components. The initial investment for this production facility was approximately EUR580, 000, whereas the overall investment will amount to EUR15 million. JBIC has approved funds for a feasibility study on the Mitsubishi Heavy Industry Project to build "Krivaca" wind farm, near Golubac, worth EUR100 million.

There is scope for more intensive cooperation in the fields of energy, power equipment, environmental protection, renewable energy sources and bio energy, components for the automotive industry, electronics and IT.

Although Japan is mainly oriented towards the Asian region in terms of foreign investment and looks at Europe mainly as a market for its goods, Serbia is an important target country for marketing Japanese products into South East Europe precisely in the areas that coincide with the strategic sectors of our economy.