Interview: Vera Nikolic-Dimic – Executive Director, AmCham Serbia



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Vera Nikolic-Dimic, executive director of the American Chamber of Commerce (AmCham) in Serbia, pinpoints the key facets of the Serbian economy that have captivated the interests of American businesses, the challenges and opportunities companies operating in the country are currently facing, as well as the Chamber's fundamental role in promoting Serbia

's investment potential.

As executive director, could you please provide an overview of AmCham Serbia and its current activities?

AmCham Serbia was established in 2001 and from the beginning we represented the biggest American, international and local companies operating in Serbia. We currently have over 200 members, and our priorities are based on the members' needs.

Our motto is *Leader in Change*, and our mission is to improve the business environment for our members. We are covering 12 industries, and we work through nine committees that have very active roles in shaping relevant public policies.

In recent years, one of AmCham's top priorities has been healthcare and the improvement of the health environment in Serbia, where we primarily focus on solving the issues regarding the lack of innovative medicines, supporting the current reforms, and enhancing the digitalization process as a

solution to improve the efficiency of healthcare procedures. Our Healthcare Committee is working closely with the relevant government institutions in order to improve the overall healthcare system, for the needs of both of the state and the patients and for the needs of a wider involvement and greater support of the private sector.

Our members in life science sector are not merely pharmaceutical companies, but also the medical device companies and private healthcare institutions that are providing Serbian patients with private healthcare solutions, such as private hospitals. Other industries we are focusing on and that are pivotal for the Serbian economy include real estate, energy and infrastructure, trade and the environment, one of the most important issues to be solved in Serbia's EU accession process.

What are the current trends and dynamics in the Serbian healthcare and life science sector?

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The emerging sector of private healthcare solutions is a trend slowly impacting more and more customers. In Serbia, each employed individual is obliged to pay contributions towards the healthcare plan which is deliverable by the state healthcare institution. Nevertheless, in the last 10 years, more and more private healthcare plan providers have started operating in parallel with state services. Private healthcare services are growing in scope, but are still dominated by primary services and outpatient care, while complicated operations are still predominantly performed by the state healthcare sector. The key issue is that mandatory contributions paid by each employed individual cannot be used for payments of services in the private sector, therefore each individual is not able to choose or decide the healthcare budget. Remedying such a state would be possible by gradually growing the number of healthcare services that can be obtained by citizens in the private as well as public sector. The suggestion is to first enable the services that are prone to the long waiting lists in the public sector.

Access to innovative medicines is another important issue to be addressed, as for the past five to six years there has been an exceptionally small number of new medicines being introduced to the Serbian market. There is a crucial need for the state and in-charge institutions to create a firm strategy on how to bridge this long-present gap. The whole industry is looking for the solutions to support this reform and bring innovative products to Serbian patients.

In one of your most recent interviews you highlighted a crucial need for reducing bureaucracy and improving efficiency of the processes not only in the healthcare and life science sector, but also in taxation and state administration. How responsive is the

government to those suggestions and what are the solutions proposed?

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AmCham has open dialogue with the Government, however there is more space for improvement. Private-public dialogue is still in its early stages and it is important that both government and private sector is dedicated and determined to engage in this process. Both sides need to be educated and ready for the constructive dialogue.

In this field, AmCham has a large experience and we are confident that this is the reason our suggestions are frequently accepted in the legislation. However, one of the solutions to make the processes more efficient for everybody is the digitalization trend. Some effects of the digitalization process are already present in healthcare sector, where innovative solutions such as e-prescription or e-appointment not only save time of the patient, pharmacist and doctor, but moreover increase the efficiency in healthcare expenditures, and limit the opportunities for corruption.

AmCham Serbia recently collaborated with Health Minister Lončar on a study outlining strategies for continuation of health system reform. How did that collaboration come to life and what are the results?

In April 2016 AmCham published the Study conducted together with the Ministry to find more efficient ways to fund healthcare in Serbia, in comparison to the most similar neighboring countries. The Study helped in drafting the conclusions that indicated the main areas for improvement on which the Ministry of Health developed a Strategic plan to overcome those issues. We are hopeful that the promises will be followed by actions.

AmCham is also leading in change through our advocacy efforts, highlighting the problems while being persistent in demanding solutions and improvements. We always propose the solutions, we are always exposing the benefits for the citizens, institutions and the companies, as well as for the state. I believe that once healthcare becomes the real political priority, that the industry, including business associations such as AmCham, and all key stakeholders – institutions, opinion leaders, associations and companies – will work together to support the Government in the implementation process. So far, little has been done in this domain.

For an American pharmaceutical company looking to invest in Serbia, how would you evaluate the ease of doing business here?

American pharmaceutical industry is hugely present here in Serbia, however, our market is not attractive for this industry as it was six years ago, and the investments has significantly decreased.

Healthcare policy and bureaucracy together with lengthy and complex processes forced many of our members to decrease their presence or operations here. In the situation as such where in six years very few innovative medicines were introduced in the market, it sends a clear signal that public health strategy is not geared towards innovation. There are some signs that current situation will improve, however, it remains to be seen whether results will match these announcements.

The members of AmCham are currently employing 100,000 Serbians and have to date invested more than EUR 14 billion in the country – what underlying factors have characterized Serbia as such an appealing investment destination for American companies?

Serbia really has a huge potential especially in the innovation and technology sectors, but current developments in these areas are still modest. What distinguishes Serbia as an excellent investment destination from others is its very highly skilled and well-educated workforce. As an investment destination, we have a competitive tax burden, a relatively stable macroeconomic outlook and we are in the process of entering the EU, which brings general predictability as to how our policies will develop.

There are recent statements by the Government that the clinical trials sector will become more attractive for investment, and this is opportunity investors around the world should not miss.

What are your main priorities for 2018?

I would say to stay the leader in change as it is essential for us to keep inspiring and leading the change in Serbia. As for the future, we would like to become better every day and be able to serve our members and support the country’s economy.

What is your final message for our international executive readership?

Very simple: come to Serbia and invest in Serbia!

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