



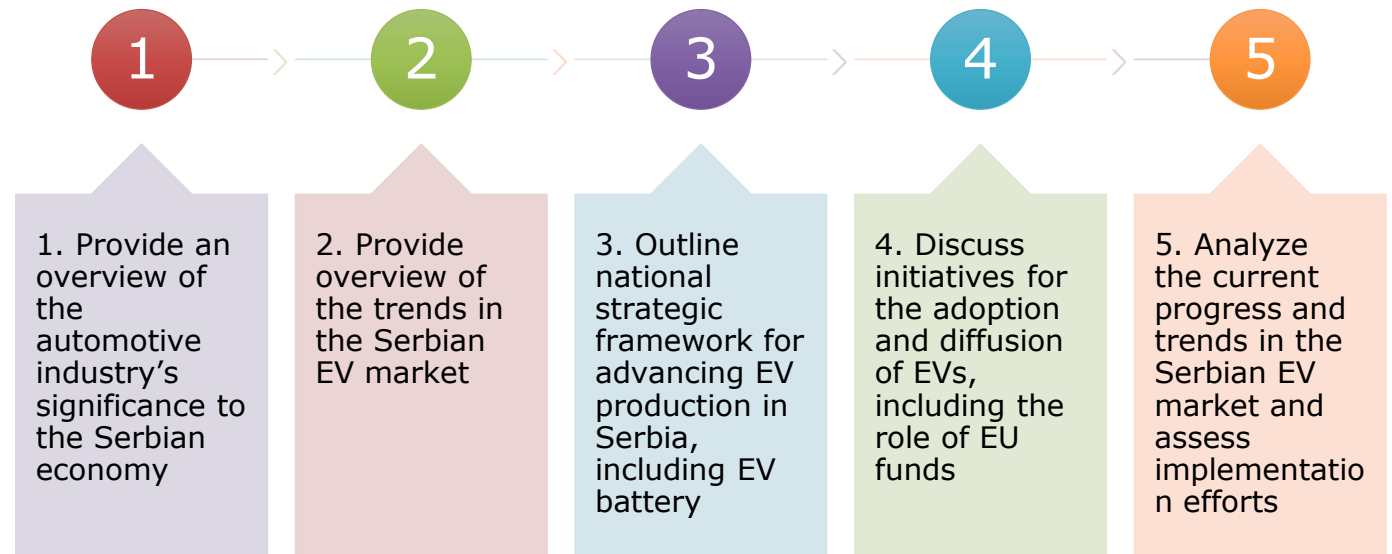
INSTITUTE  
OF ECONOMIC  
SCIENCES

# GOVERNMENT POLICIES FOR THE DEVELOPMENT OF ELECTRIC CAR PRODUCTION IN SERBIA

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STATE POLICIES ON THE BUILDOUT OF ELECTRIC CAR PRODUCTION IN CEE COUNTRIES  
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# Agenda



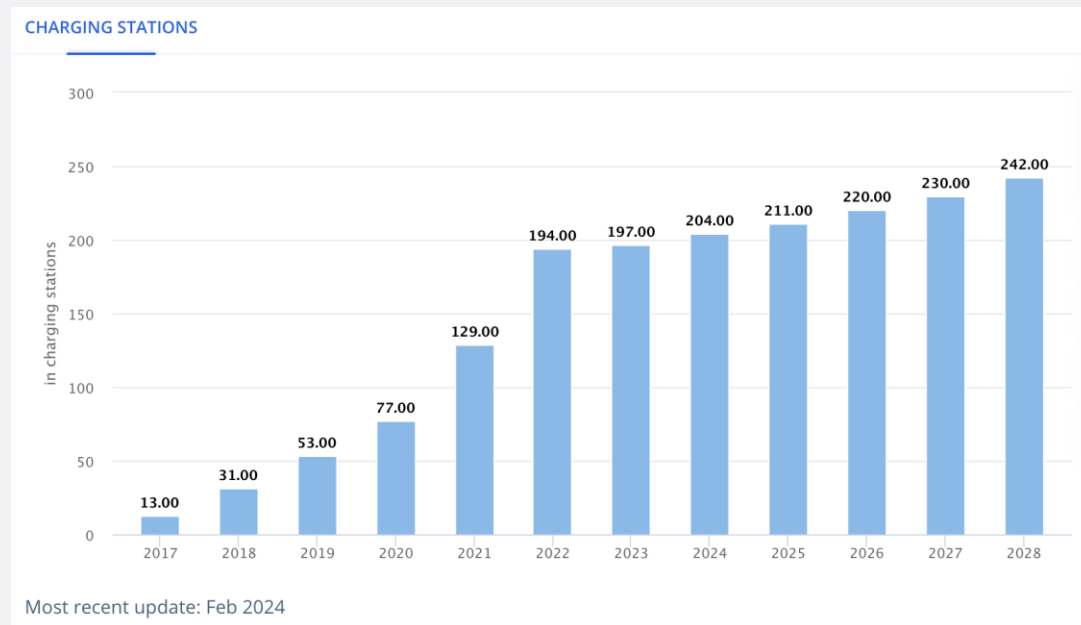
# Overview of the automotive industry in Serbia



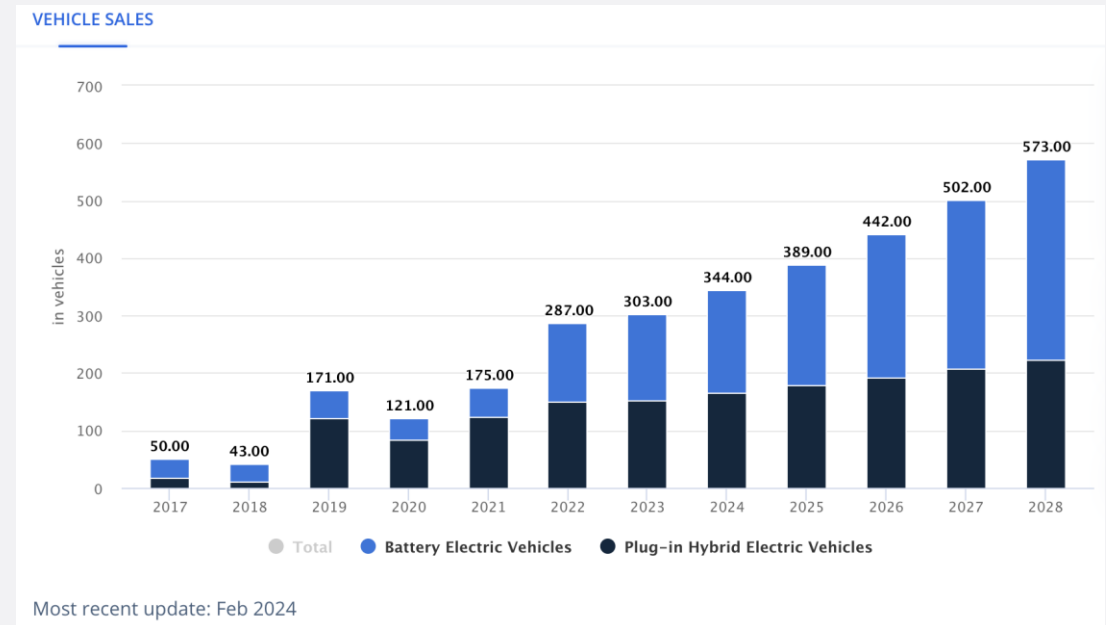
- 70-year long tradition
- Zastava's car production under the license of Fiat
- Suppliers' cooperation with Mercedes, Ford, Opel
- Privatization process begun in 2000
- Foreign investment from Italy (Fiat, Proma-MA, Magneti Marelli, Sigit), France (Michelin, Le Belier), Germany (Bosch, Leoni, Dräxlmaier), the United States (Cooper, Johnson Controls), and South Korea (Yura)
- Fiat project (Fiat Chrysler Automobiles)
- €4.5 billion FDI in 2023, 7% of Serbia's GDP
- Production of vehicle components generated €2.55 billion in exports, 2023

# Current and future trends in the Serbian EV market

## Number of EV charging stations



## Sales volume of BEV and PHEV



# Future prospects for EV battery production in Serbia

- Large lithium deposits
- The Anglo-Australian mining group Rio Tinto's Jadar lithium borate project (USD 2.4 billion)
- Serbian battery developer ElevenEs plans investment in the factory for the production and recycling of EV batteries in Subotica (EUR 1 billion)
- Support from the EIT InnoEnergy
- Slovakian battery manufacturer InoBat signed the MoU for the construction of a plant for the production and recycling of EV batteries
- Japanese manufacturer Nidec built two new factories in Novi Sad
- Stellantis in Kragujevac
- US-based EV manufacturer Rivian set up technological center in Belgrade

Company	Activity	Location	Investment value	Status of activity/investment
Rio Tinto	Jadar lithium borate project	Loznica	USD 2.55 billion	Delayed
ElevenEs	Construction of a 16 GWh factory for the production and recycling of EV batteries	Subotica	EURO 1 billion	Planned
InoBat	Construction of a plant for the production and recycling of EV batteries	Ćuprija	n/a	MoU signed
Nidec	Two factories for EV components	Novi Sad	n/a	Established
Stellantis	EV manufacturing	Kragujevac	n/a	Planned
Rivian	Technological center in Belgrade	Belgrade	n/a	Established



# National strategic framework (1)

Aligned with European commitments and standards:

- The Paris Agreement on climate change
- The United Nations' 2030 Sustainable Development Program
- The Sofia Declaration on the Green Agenda for the Western Balkans (2020), committing to carbon-neutral transport by 2050 and emphasizing climate policy reform and sustainable urban mobility plans
- The European Strategy for Low Emission Mobility
- Nationally Determined Contributions (NDCs)

# National strategic framework (2)

- The Industrial Policy Strategy 2021-2030
- Low Carbon Development Strategy of the Republic of Serbia for the period 2023- 2030 with projections until 2050
- Integrated National Energy and Climate Plan of the Republic of Serbia for the period until 2030 with a vision until 2050
- Guidelines for the Development of Electromobility in the Republic of Serbia 2019-2025
- The Sustainable Urban Mobility Plan of Belgrade



# Objectives of the national strategic framework

Alignment with  
International  
Commitments

Integration with  
EU Transport  
Policy

Promotion of  
Low-Emission  
Mobility

Reduction of  
Greenhouse  
Gas Emissions

Strengthening  
of Regulatory  
Framework

Infrastructure  
Development

Collaboration  
and  
Stakeholder  
Engagement

Research and  
Innovation

Capacity  
Building

Promotion of  
Sustainable  
Urban Mobility

# Government incentives

Subsidies for the purchase of new EV (approximately EUR 1.5 million, single subsidy varies between EUR 250 and EUR 5,000 depending on the type of vehicle purchased)

Financing package of EUR 419 million for the Slovakian manufacturer InoBat to build a plant for the production and recycling of EV batteries

# EU funded projects

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*Electric Vehicles Manufacturing Serbia, European Investment Bank, EUR 221 million*

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*EU for Green Agenda in Serbia, UNDP, EUR 16 million*

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*EU4Green: Greening the Western Balkans, EU4Green, EUR 10 million*

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*EU PPF Programme: Enhancing Infrastructure and Institutional Capacities in Serbia, EU projects in Serbia, EUR 900 million*

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*EU for Better Environment: Enhancing Environmental Protection in Serbia, EU projects in Serbia, EUR 2 million*

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*Further Development of Energy Planning Capacity: Strengthening Serbia's Commitment to Climate Action, EU projects in Serbia, EUR 1,4 million*

## Summary of Serbia's key implementation steps in EV and battery production

- Global Shift in EV Battery Production from Asia to Europe, creating investment opportunities for Central and Eastern Europe, including Serbia
- Major Investments (Rio Tinto, ElevenEs, InoBat, Nidec)
- Automotive Investments: Stellantis in Kragujevac is preparing for EV production, showcasing Serbia's appeal to global automakers.
- Challenges: Serbia's exclusion from the European market presents a significant obstacle, and the country still lacks a coherent national EV and battery strategy.

# Concluding remarks

- **Strategic Potential:** Serbia is well-positioned to become a major player in EV and battery production due to its strong automotive sector, rich lithium deposits, and substantial foreign investments from companies like Rio Tinto, ElevenEs, and InoBat.
- **Growth Opportunities:** The projected growth of Serbia's EV market, expected to reach €16.2 million in 2024 with a 12.61% annual growth rate through 2028, underscores the increasing demand, supported by government incentives and expanding infrastructure.
- **Challenges:** Despite these advancements, Serbia lacks a comprehensive national strategy for EV and battery production, and environmental concerns related to projects like Jadar must be addressed to ensure sustainable development.
- **Path Forward:** With a more coordinated strategic focus, Serbia has the potential to lead in Europe's green transition and become a key contributor to the global EV supply chain.



# Thank you for your attention

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