

What is the European Union's problem with Russia's investments? Whether it is investing insufficiently, so they expect more, or what it is too much and it needs to be disabled, or fear that its investments will be so high in the future that it will jeopardize the interest of the Union's members.

Membership in the EU is not something that only stimulates economic growth, but it also involves the acceptance of European values, Brussels officials Johannes Hahn and Federica Mogherini reminded us, after the European Commission adopted the Enlargement Strategy in the Western Balkans.

And this "reinforces" the complaint that Russia is incomparably less economically present in Serbia compared to the EU, which is disproportionate to its impact on the region. It was "stuffed" by Hahn, that 75 percent of Western Balkans trade concerns for the EU. That is, small Austria has invested four times more than Russia in the region, he illustrated.

And over and over again. Summing up the results at the end of last year, Deputy Head of the EU Delegation to Serbia Oskar Benedict said that the EU is the main investor in Serbia. Investments from the EU make up 82 percent of all net foreign investment, which reached 15 billion euros over the past 15 years, Benedict said.

The ambassador of Russia in recent years also referred to Russia's investments in Serbia on several occasions, specifying that it exceeded \$4 billion. And that is, as he specified, real investments.

Triumphantly, the West reminded that, according to official data for 2016, Russia invested 80 million dollars in Serbia and the EU one billion and a half, although it would be fairer to say that one Russia invested 80 million, and 28 countries in the EU together billion and a half dollars.

Of course, the EU, made up of 28 of the most economically developed countries in Europe, will be the largest investor. And of course, any such comparison is unthinkable. To the extent it is unthinkable, it is only an example in every way that the most powerful state in the EU - Germany, which invested 1.8 billion dollars in Serbia last year, plus donated 1.6 billion dollars in support of development projects. So, a total of about 3.4 billion in comparison to the Russian's more than four billion of net investments.

In an interview with Sputnik, Economist Forum analyst Borislav Borović says he does not understand the remarks of EU officials who first show fears that "there is an impact of Russia to the region," and then estimates that "this presence cannot be compared with the impact and weight of the EU".

"What's the problem with Russia's investment? Whether that it is insufficiently investing, so it is expected more, or that it invests too much, and should be less, or that they are afraid

that its future investments will be too great and will endanger the economic interest of EU member states," Borović said.

He points out that when we look at these issues, we should not forget about some of the Russian investments that EU stopped, such as the South Stream gas pipeline, for example. It would bring two billion direct investments to Serbia and an additional between EUR 200 and 300 million annually from the transit annuity.

"It is widely known that Russian investments have posed different obstacles, from the financial to the energy sector. Thus, 'Zberbank' entered our market at the small door by buying German 'Folks Bank'. While the European Bank for Reconstruction and Development immediately, by automation, received a working permit in Serbia, the Eurasian Bank for Reconstruction and Development is still waiting on it by going through many obstacles", the economist illustrated the situation.

Nobody is denying that the EU, in total, is the largest foreign trade partner, and it is likely to be in the next years as well. And that is, he adds, quite alright, but it is not right that directives prevent the entry of non-EU investments, such as Russian or Chinese, up to the moment of verification of Chapter 30 on reserving the EU that talks about a common trade policy.

"I think that any restriction to Serbia in cooperation with countries outside the EU before the official entry into the Union is completely wrong and for Serbia financially harmful, especially in light of the fact that this entry into the long stick, is time-bounded, and politically conditioned by the renunciation of Kosovo and Metohija", said Borović.

He points to several important moments when analyzing foreign investments and what is underlined by this term. What Borović points out is exactly what explains why Ambassador Chepurin characterized Russian investments as real investments.

Namely, Borović reminds that the EU grants for reforms, which in the last 17 years amounted to three billion euros, really entered our country. Working on such projects, he said, he was aware that much of the money was coming back to EU companies that were assigned these reform assistance jobs. That is why it is necessary to say that those three billion euros did not enter Serbia, but the part immediately remained in the EU or later withdrew into EU companies, he says.

"The real picture of investments would be clear by analyzing their contribution to the budget of Serbia and especially the growth of our Gross Domestic Product. For example, Russian NIS, or 'Gazprom', invested 300 million euros last year only in the new plant 'Deep oil processing' at the Pancevo Refinery. And it is expected to invest another billion. NIS's contribution to the budget last year was more than 100 billion dinars, which is 2.7 percent

of the total budget. This is a huge percentage and it is the biggest contribution of a company to the state cashier, "said Borovic.

Therefore, it is precisely the contribution to the budget that shows the right picture of the investments, and that such an analysis would surprise many, as well as an analysis of how foreign investors are dealing with the profit in Serbia. Does it end up in Serbia for new investments and job creation, or, as he recalls, pulls into the queue, as foreign banks are doing first of all. This, he says, is widely known. Everything that is earned in Serbia, they get out of Serbia.

The next important thing when analyzing investments in Serbia are, according to state, subsidies.

When we look at companies in the light of subsidies from the state of Serbia, these are the ones from EU. Whether in the total balance of these investments, which are waved on all the bells, are reductions for subsidies, Borović is emphasizing more than asking.

"So, the story is quite political," he concludes, stressing that all cooperation should be enabled, without any restrictions on anyone, including Russia. It should be principled, economically oriented and it will be better for everyone, says Sputnik's interlocutor.