

Exports of Agricultural Products as a Factor of Macroeconomic Stability in Serbia

Abstract: *This paper examines agricultural exports as a driver of Serbia's macroeconomic stability, focusing on the European Union (EU) as the main market, export structure, and gross value added (GVA). Results confirm agriculture's importance for foreign trade and GDP, but also highlight challenges such as volatility, low share of processed products, and strict EU standards. Modernization, higher processing levels, and integration into global value chains are essential for sustainable growth.*

Keywords: *agriculture, export, macroeconomic stability, European Union, gross value added, competitiveness*

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INTRODUCTION

Agriculture represents important sectors of the Serbian economy and plays a significant role in the country's economic development. Favorable natural conditions, fertile land, and a long tradition in food production enable the production of various agricultural products with considerable export potential. Therefore, the agricultural sector represents an important part of the national economy and a significant factor in the development of rural areas (Kovačević and Jeločnik, 2022).

In the context of globalization, international trade has become increasingly important for the development of national economies. Exports represent one of the key factors of economic growth, as they contribute to increased foreign exchange earnings, strengthening the competitiveness of the domestic economy, and improving integration into international economic flows. In this context, the export of agricultural products represents an important segment of Serbia's foreign trade and a significant source of foreign exchange inflows (EU in Serbia, 2025).

Agri-food products account for a significant share of Serbia's total exports, with cereals, fruits, and food industry products holding a particularly important position. Among the most important export products are maize, wheat, raspberries, and apples, which occupy a significant place on international markets. Through the export of these products, the agricultural sector contributes to reducing the trade deficit and strengthening the stability of the country's foreign trade balance.

However, despite its significant export potential, the Serbian agricultural sector also faces numerous challenges. The most important problems include a low level of product processing, underdeveloped logistics, farm fragmentation, and limited capacities for placing higher value-added products on international markets. As a result, a large share of exports still consists of primary agricultural products, while products with a higher level of processing have a smaller share in the overall export structure.

The competitiveness of agricultural products on international markets depends on various economic and institutional factors, such as product quality, production costs, logistics, and food safety standards. In modern international trade, marketing, product branding, and the development of e-commerce are becoming increasingly important, as they facilitate easier access to international markets and strengthen the market position of domestic products.

One of the important goals of Serbia's economic policy is the development of the agricultural sector and the increase of agricultural exports. The Draft Strategy for Agricultural and Rural Development of the Republic of Serbia for the period 2026–2034 envisages modernization of production, strengthening competitiveness, and increasing exports as important goals of agricultural development (Ministry of Agriculture, Forestry and Water Management, 2026).

The aim of this paper is to analyze the importance of agricultural exports for the macroeconomic stability of Serbia, as well as to examine the key factors influencing the competitiveness of the domestic agricultural sector on international markets.

RESEARCH METHODOLOGY

The theoretical part of the research is based on the study of literature related to international trade, agricultural economics, and the competitiveness of the agricultural sector.

The empirical part of the paper is based on the analysis of secondary statistical data obtained from relevant national and international sources, including publications of state institutions, reports on agricultural development, and databases related to foreign trade. The analyzed data include the value of agricultural exports, the export structure by product groups, and the most important export markets.

Descriptive statistical and comparative analysis methods were applied in order to identify the main trends in the export of agricultural products from Serbia during the observed period. The data are presented in the form of tables and figures to provide a clearer presentation of the research results.

The paper also applies the content analysis method, which includes the examination of relevant professional papers and strategic documents in the fields of agriculture and international trade. The combination of theoretical and empirical analysis enables the formulation of relevant conclusions regarding the importance of agricultural exports for the macroeconomic stability of Serbia.

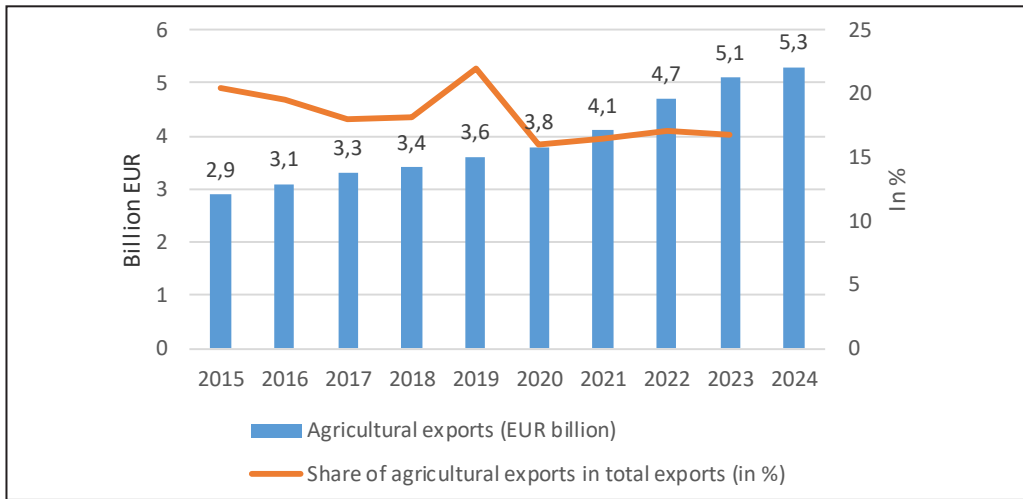
ANALYSIS OF THE SERBIAN EXPORTS OF AGRICULTURAL PRODUCTS

The agri-food sector plays a significant role in the country's overall exports and contributes to the stability of the foreign trade balance (Kovačević and Jeločnik, 2022). The movement of agricultural exports in Serbia over the period 2015–2024 is presented in the following Figure 1.

A continuous upward trend in the Serbian export of agricultural products can be observed throughout the entire period under review (Figure 1). Exports increased from approximately EUR 2.9 billion in 2015 to around EUR 5.3 billion in 2024, indicating an almost twofold increase in export values. The growth was gradual between 2015 and 2020 (from EUR 2.9 to EUR 3.8 billion), while its dynamics accelerated after 2020, particularly in the period between 2021 and 2022 (from EUR 4.1 to EUR 4.7 billion). The highest export values were recorded in the last three years of the analyzed period (2022–2024), suggesting a strengthening of the export performance of Serbia's agricultural sector. Overall, the trend is steadily upward, without significant declines, indicating increasing competitiveness and the growing importance of the agricultural sector in Serbia's foreign trade.

To assess the importance of the agricultural sector for Serbia's overall foreign trade and its contribution to the country's macroeconomic stability, it is also necessary to analyze the share of agricultural exports in Serbia's total exports. Data on the share of agricultural exports in Serbia's total exports during the period from 2015 to 2024 are presented in Figure 1.

Figure 1. Agricultural Export Trends in Serbia (2015–2024)



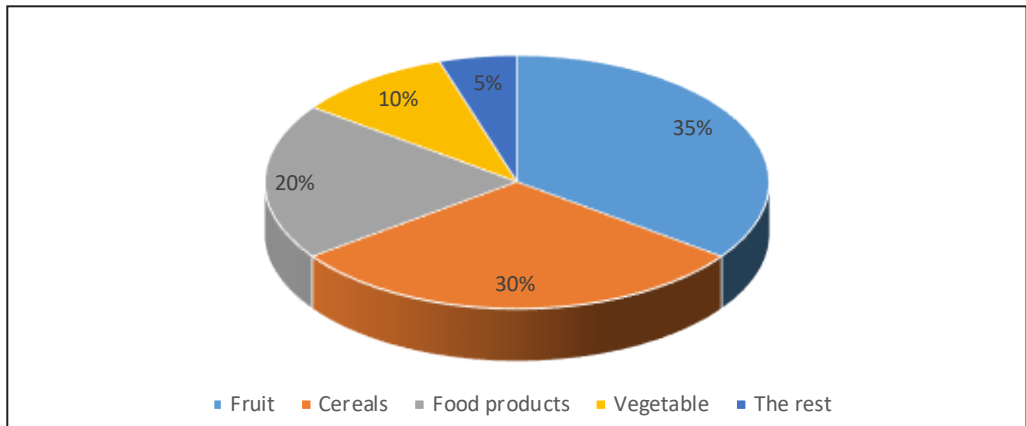
Source: Author's calculation based on data from the Statistical Office of the Republic of Serbia and available literature.

It can be observed that agricultural exports account for a significant share of Serbia's total exports throughout the observed period (Figure 1). The share of agricultural exports generally ranged between 15% and 22% of the country's total exports, confirming the importance of the agricultural sector for generating foreign exchange earnings and maintaining the stability of Serbia's foreign trade balance. It is particularly important that the agricultural sector maintained a relatively stable share in total exports even during periods of significant economic and market changes, indicating its important contribution to the country's macroeconomic stability. Such export dynamics confirm that agriculture plays an increasingly important role in generating foreign exchange earnings and contributes to the country's macroeconomic stability.

The structure of Serbia's agricultural exports indicates the dominance of cereals, fruits, and food industry products. Among the most important export products are maize, wheat, raspberries, and apples, which account for a significant share of Serbia's total agricultural exports.

The structure of agricultural exports by main product categories is presented in Figure 2.

Figure 2 shows that fruits account for the largest share of Serbia's agricultural exports, followed by cereals, while processed products and vegetables have a smaller share in the overall export structure. This relatively low share of higher value-added products indicates a limited level of development of the domestic agro-industry and an underutilized potential for generating additional value. Empirical evidence suggests that processed products account for approximately one quarter of total exports, while its dominant share is still made up of primary products at lower stages of processing and with lower added value (Živanović, 2019).

Figure 2. Structure of Agricultural Exports in Serbia (in %)

Source: Author's calculation based on available literature and statistical data.

Such an export structure has multiple negative implications. First of all, it reduces overall export profitability, as raw materials typically achieve lower prices on international markets, while also increasing vulnerability to price fluctuations and external shocks. At the same time, reliance on primary product exports constrains the development of the processing industry, slows technological progress, and limits employment opportunities in higher value-added sectors. An additional challenge is reflected in international competition, as Serbia competes in the segment of raw materials with significantly larger producers, where it cannot achieve a substantial advantage based on production scale. Therefore, a key development challenge lies in transforming the export structure toward a higher share of final and differentiated products, which would enhance resilience, competitiveness, and the long-term sustainability of the country's agricultural sector.

Fruit production plays a particularly important role in Serbia's agricultural exports. Serbia is one of the world's leading exporters of raspberries, while other fruit products such as apples, plums, and sour cherries also account for a significant share of exports. These products enjoy stable demand on international markets and represent one of the most important segments of agricultural exports (EU in Serbia, 2025).

In addition to fruit production, cereals – primarily maize and wheat – also make a significant contribution to exports. These products play an important role in regional and international trade, and their production is relatively stable compared to other agricultural sectors. However, cereal exports mainly consist of primary products with lower added value, which highlights the previously mentioned need for further development of processing stages and increased competitiveness.

The geographical structure of Serbia's agricultural exports indicates that the European Union represents its most important export market for agricultural products. In addition to the EU, a significant share of exports is directed toward countries in the region and other international markets. In general, signed trade agreements and the process of European

integration facilitate access to these markets and contribute to the growth of agricultural exports (AgroNews, 2025).

Despite the country's considerable export potential, the structure of agricultural exports reveals certain weaknesses. A large portion of exports consists of primary products with relatively low added value, while products with a higher degree of processing account for a smaller share. Such a structure limits the potential for increasing export revenues and highlights the need for the development of the food industry and greater investment in processing.

The competitiveness of domestic agricultural exports also depends on the development of marketing and modern sales channels. Product branding, promotion on international markets, and the development of e-commerce can contribute to a stronger market position of domestic products and increased export performance. These aspects are becoming increasingly important in the context of global competition and represent a key direction for the further development of the agricultural sector.

The development of marketing and distribution channels represents one of the key factors in improving the export of agri-food products in Serbia. Nikolić and Popović (2016) emphasize that efficient marketing channels play a crucial role in linking supply and demand, as well as in overcoming structural imbalances in the agricultural products market. At the same time, underdeveloped distribution and logistics systems, along with a large number of intermediaries, increase costs and reduce the competitiveness of domestic products on international markets. Contemporary approaches indicate that the development of integrated and efficient marketing channels, along with the professionalization of sales activities and the strengthening of producer organizations, represents a key prerequisite for increasing exports and enhancing the international competitiveness of Serbia's agricultural sector.

It can be concluded that the agricultural sector represents a significant segment of Serbia's foreign trade and an important factor of its macroeconomic stability. However, further development of agricultural exports requires improvements in the export structure, an increase in the level of processing, and the strengthening of competitiveness on international markets.

EXPORT OF AGRICULTURAL PRODUCTS FROM SERBIA TO EU COUNTRIES

The export of agricultural products from Serbia to the European Union represents a key segment of the country's agricultural foreign trade and accounts for a significant share of Serbia's total exports. The European Union has traditionally been the most important market for Serbian agri-food products, accounting for approximately 50% of the country's total agricultural exports. The value of agri-food exports to the EU market has recorded continuous growth during the observed period.

The main export categories to the EU market include fruits, cereals, and products with a lower level of processing, while in recent years a gradual increase in exports of processed products, such as frozen fruits, juices, and canned food, has also been observed. This

export structure indicates the importance of developing the food processing industry, marketing activities, and efficient distribution channels, as the competitiveness of domestic products on the EU market largely depends on product quality, standardization, and the organization of product placement.

Exports of agricultural products to the EU market face numerous challenges arising from strict quality and food safety standards imposed by the European Union, including HACCP and Global G.A.P. standards. These requirements involve additional investments in production, processing, and quality control, which may represent a limiting factor for small producers (EU in Serbia, 2025).

Competition on the EU market is extremely intense due to the presence of numerous producers from EU member states and other exporting countries. Besides price competitiveness, increasing importance is attached to product quality, packaging, standardization, and branding. Available data indicate that Serbia's agri-food exports have recorded stable growth, suggesting that the domestic agricultural sector is gradually strengthening its competitive position on the international market (Science–Industry Cooperation Council, 2024; Nova Ekonomija, 2025).

An important factor influencing exports is also the institutional framework, particularly trade relations between Serbia and the European Union. The Stabilisation and Association Agreement provides preferential access to the EU market and contributes to export growth, while simultaneously requiring the alignment of domestic production with European rules and standards (EU in Serbia, 2025).

In modern business conditions, digitalization and the development of e-commerce are becoming increasingly important. Modern distribution channels enable producers to gain easier access to the EU market, reduce distribution costs, and improve communication with customers, which may further contribute to export growth and strengthen the market position of domestic products.

It can be concluded that the export of agricultural products from Serbia to the European Union represents an important factor in the development of the domestic agricultural sector and a significant source of foreign exchange earnings. Further export growth will depend on increasing the level of processing, improving product quality, developing marketing activities, and efficiently adapting domestic production to the requirements of the European Union market.

MACROECONOMIC IMPORTANCE OF AGRICULTURE IN SERBIA

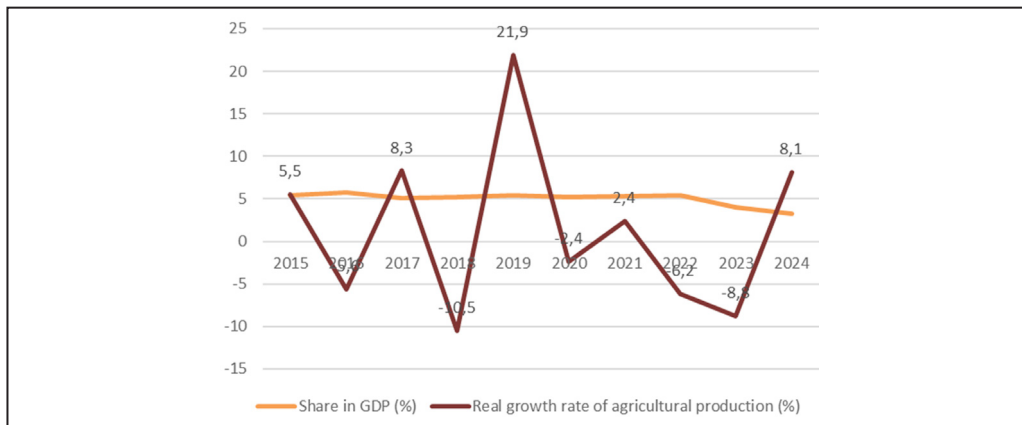
Agriculture represents one of the key sectors of the Serbian economy, not only in terms of food production but also regarding the overall macroeconomic stability. Its role is reflected in its contribution to gross domestic product (GDP), employment in rural areas, and the generation of foreign exchange earnings through the export of agri-food products (EU in Serbia, 2025). Therefore, the analysis of gross value added (GVA) in agriculture and its

share in GDP is of particular importance for assessing the overall economic position of this sector. The movement of gross value added in agriculture, its share in GDP, and growth rates over the period 2015–2024 are presented in Figure 3.

The growth rate refers to the real growth rate of agricultural production according to the data of the Statistical Office of the Republic of Serbia (Statistical Office of the Republic of Serbia, 2026). During the observed period, the share of agriculture in GDP ranged between approximately 3% and 6%, which confirms its importance in the structure of the national economy, while also indicating a certain level of instability. These fluctuations depend on climatic conditions, yields, and overall agricultural production, which directly affect the value of agricultural gross value added.

The movement of agricultural GVA shows pronounced variations throughout the observed period. The highest growth was recorded in years with more favourable agro-climatic conditions, while its declines are characteristic of years with less favourable weather conditions, such as droughts or other natural disasters (Statistical Office of the Republic of Serbia, 2026). Such trends indicate a high dependence of the agricultural sector on natural factors, which represents one of the main challenges for its further development.

Figure 3. Share of Agricultural GVA in GDP and Real Growth Rate of Agricultural Production in Serbia (2015–2024)



Source: Compiled by the author, based on data from the Republic Institute of Statistics, *Economic Accounts of Agriculture in the Republic of Serbia 2014-2024*.

Considering the presented growth rates, it can be concluded that agriculture in Serbia is characterized by pronounced volatility, with noticeable alternations between periods of growth and decline (Statistical Office of the Republic of Serbia, 2026). This instability may have a significant impact on overall economic stability and food security, particularly given the role of agriculture in food supply and exports. Despite this, agriculture remains one of the key pillars of the Serbian economy, with potential for further development through the modernization of production, increased efficiency, and a higher level

of product processing. Figure 3 illustrates the trend in the share of gross value added in agricultural production in the country's GDP, as well as its growth rate over the period 2015–2024, highlighting its pronounced volatility and sensitivity to climatic conditions, market disruptions, and changes in agricultural policy, which significantly influence overall macroeconomic trends in Serbia during the observed period. The graphical representation also indicates a slight decline in the share of agricultural gross value added in GDP, suggesting a gradual relative decrease in the importance of this sector within the overall economic structure of the country, despite its traditional significance.

Based on the above, it can be concluded that agriculture plays a significant role in Serbia's macroeconomic stability, but that its contribution is subject to considerable fluctuations. The further development of this sector requires investments in technology, improvements in risk management, and the strengthening of its market position in order to ensure greater stability and sustainable growth in the future.

CONCLUSION

Based on the conducted analysis, it can be concluded that agriculture represents an important factor of Serbia's macroeconomic stability, primarily through its contribution to foreign trade, foreign exchange earnings, and the country's gross domestic product. The research results indicate that the value of Serbia's agricultural exports recorded stable growth during the period from 2015 to 2024, increasing from approximately EUR 2.9 billion to around EUR 5.3 billion. At the same time, the European Union represents the most important export market for Serbian agri-food products, accounting for approximately half of the country's total agricultural exports.

The export structure is characterized by the dominance of primary agricultural products, particularly cereals and fruits, among which maize, wheat, raspberries, and apples occupy a prominent position. Although this export structure generates significant foreign exchange inflows, it also indicates an insufficient level of product processing and a limited share of higher value-added products in total exports. Therefore, the further development of the agricultural sector requires strengthening the food processing industry, increasing the level of product processing, and improving the competitiveness of domestic products on international markets.

The research results also indicate that the development of marketing, product branding, logistics, and modern distribution channels plays a significant role in increasing the competitiveness of Serbian agricultural products. Particular importance is attached to quality standardization and harmonization with European Union market requirements, as well as the development of e-commerce and modern logistics systems.

The analysis of macroeconomic indicators shows that agriculture has a significant but variable contribution to Serbia's gross domestic product. Fluctuations in gross value added and growth rates indicate a strong dependence of the sector on climatic conditions and

other external factors. Nevertheless, the agricultural sector remains one of the important pillars of the domestic economy and possesses significant potential for further growth and development.

Based on the above, it can be concluded that the further development of Serbia's agricultural exports depends on the modernization of production, an increased level of processing, improvements in product quality, and the strengthening of the international competitiveness of the domestic agricultural sector. These measures may contribute to more stable export growth, higher added value, and the long-term macroeconomic stability of the country.

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Izvoz poljoprivrednih proizvoda kao faktor makroekonomske stabilnosti Srbije

Apstrakt: Ovaj rad razmatra izvoz poljoprivrednih proizvoda kao pokretač makroekonomske stabilnosti Srbije, sa posebnim naglaskom na Evropsku uniju (EU) kao glavno tržište, strukturu izvoza i bruto dodatu vrednost (BDV) u poljoprivredi. Rezultati potvrđuju značaj poljoprivrede za spoljnu trgovinu i bruto domaći proizvod (BDP), ali ističu i izazove poput volatilnosti proizvodnje, niskog učešća prerađenih proizvoda i strogih standarda EU. Modernizacija, viši nivo prerade i integracija u globalne lance vrednosti predstavljaju ključne preduslove za održiv rast.

Ključne reči: poljoprivreda, izvoz, makroekonomska stabilnost, Evropska unija, bruto dodata vrednost, konkurentnost.

