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AGRICULTURE AND TOURISM IN SERBIA

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Abstract

In Serbia on the area of 4.1 million hectares of arable agricultural land from 15 to 20 million t of agrarian produce has been produced annually in the value of near 5.5 billion dollars. In 2009 the food export amounted to 1.94 billion dollars. Higher food production with the development of rural tourism is possible to be realised if in the rural development of Serbia would be invested 1.5 billion dollars and the region would be made known the territory without the GMOs. It is of extreme importance since 10 percent of the inhabitants in the EU or 50 million of them are for this kind of food. Thus Serbia might double its food production for three years now and its value would be seven billion dollars and in 2030 the export value would be nine billion dollars. The agriculture and tourism in Serbia are not strategic economic branches. If it would have been invested in the agriculture Serbian villages would have stopped disappearing since one fourth of near 4 600 of them is on this path.

Key words: *agriculture, healthy food, tourism and spas.*

Introduction

Food production stability of the country, production of raw materials (for the purpose of other economic branches, trade exchange with the world, social, demographic and other aspects) determine manifold importance of the agriculture in Serbia. According to it might be concluded that the agriculture, with the following activities (food and other industries) participates in the creation of the gross domestic product of Serbia, which from year to year reaches up to 30 percent and participates in the total export of the country with 25 percent!

For example, the agriculture in Serbia annually produces on average from 15 to 20 million t of varied agrarian produce in the value of 5.5 billion dollars. Apart from the annual drop in the live stock fund of two percent, total of 450.000 t of meat

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has been produced and launched on the market. An inhabitant annually consumes 43 kilograms of meat, mostly pork meat near 289.000 t whose consumption goes beyond 21 kilograms per capita. The production and consumption of the beef meat should be increased too because less than 100.000 t has been produced and only four kilograms has been consumed annually per capita. In addition, 20.000 t of mutton and 75.000 t of poultry meat has been produced annually. Now it is important to increase the number of the beef cattle because the EU annually is short of near 700.000 t of baby beef.

Serbia has permission to export 8.875 t of baby beef to the EU market annually, but in 2007 it only exported 2.200 t, in 2008 this number was only 1.700 t, and finally in 2009 only 900 t! The main reason is that there is not enough beef cattle! For example, in 1990 Serbia exported 30.000 t of baby beef to 40 countries. If we would have had enough quantities of the baby beef for the export it would secure the export from Serbia to the EU from 30.000 to 50.000 t for the next three to five decades. The current reduced livestock cattle in Serbia annually produces 1.5 billion liters of milk. In addition, in Serbia the production of wheat amounts on average 1.8 million t, of maize six million t, of potatoes one million t. Serbia produces more than 400.000 t of sugar and exports up to 200.000 t and 220.000 t is for domestic consumption and stocks. Apart from it, Serbia disposes of near 200.000 t of vegetable oil and thus near 700.000 t might be exported, then 600.000 t of plums, more than 220.000 t of apple, near 420.000 t of grape....

In 2009 the food export from Serbia was worth 1.94 billion dollars and import was worth near 1.3 billion dollars. In 2010 the export value is expected to reach two billion dollars while the import will be up to 1.5 billion dollars. However, the analysis of this export value indicates that even 62.5 percent goes to the inherited market of the former Yugoslavia, then to the CEFTA countries and the EU. There is something else: the export of raw materials for food production is our sorrow! We do export raw materials, for example, near 1.4 million t of maize annually and later on import final products (fatted cattle from Macedonia). This agrarian policy is not good and leads to the long-term crisis in the food production.

Therefore, Serbia did not do much to return its products to the former markets all around the world neither conquered the new ones. Serbia's chance lies in the non-aligned countries. It is near 170 countries with 1.7 billion of inhabitants or consumers where the annual turnover of HALAL food amounts to 650 billion dollars. Today in these countries the ministerial position are held by the people who got an education in the former SFRY which is a great chance for Serbia. The food production for the export will enable the usage of industrial capacities. They are built for the needs of the former SFRY and are used only from 15 to 80 percent.

If the Serbian Government would proclaim agriculture and tourism for the strategic activities and Serbia for the region without the GMOs, the production of food would be higher. This requires the investment of one billion dollars at least which would double the value of its production (which in 2009 amounted to near 5.5 billion dollars). If so, the food production would meet the domestic demand, reserves and the export value would be more than two billion dollars. By 2020 the development would record a substantial growth rate up to 10 percent. Thus the domestic demand would be

satisfied at higher level and the foreign exchange income would be six billion dollars. If Serbia would continue with such development pace in 2030 the export value would reach 10 billion dollars. Instead of the current 778.000 farms by 2020 Serbia would have near 350.000 commercial farms with average area size up to 15 hectares. Other small farms would have important natural production and consumption and production for the development of tourism. Then we would have the special purpose production of food for tourism (domestic and international). If it is widely known that the EU has near 500 million of inhabitants (ten percent or 50 million of them said that they want to consume the food without the GMO) then it is a good opportunity for Serbia to produce and launch such food on this market. We should not forget the fact that such food is more expensive for 30 to 50 percent than the usual food. This kind of food might be exported from Serbia and used by tourists. If we would do so, we would thus earn the foreign exchange currency on the domestic market. Serbia would become well-known brand worldwide and the agriculture would become an important business.

Powerful name needed!

The agriculture is the activity which might help Serbia create its well-known product or brand which will be competitive at the global market. The domestic brand has to be protected in accordance with the global quality standards. The Serbian Diaspora might help Serbia to launch its products on the global market which is new 4.5 million consumers at all continents! The Diaspora could be a bridge with other countries and transformer of new technologies, business experiences and guarantee for foreign investors and buyers. The capital of the Serbian Diaspora is estimated at near 60 billion dollars and if only ten percent of its capital would be invested in Serbia its economy would be recovered! This is the reason why Serbia need the powerful name on its way to the creation of its well-known brands. It has to be said that right now it is difficult to define what Serbia's real brand is. It has to be something good, well-known on the market, beautiful, often expensive and with popular name. A successful brand has to be unique, imperishable, persuasive and of good quality. Our brand has to bear **Made in Serbia** trademark when it comes to the food for the consumption by tourists.

For the tourists worldwide as well as for those visiting Serbia the most real chance to become the Serbian brand have the following products: water, raspberry, plum, plum brandy, wine, ham, cheese, cream, tobacco-cracklings, mushrooms, smoked ham from Zlatibor mountain, sour milk, burek, sudzuk, mutton, cabbage from Futog, kid's meat. There are 18 products in Vojvodina bearing „**Best from Vojvodina**“ trademark.

Tourists are interested in waters and in Serbia there are near 400 mineral springs since this production is in connection with certain regions. Only ten of them are being used.

It has been estimated that the foodstuff could be sold in the value of 500 million dollars annually on the Western market only. If only two million of Serbian people would have spent per 200 dollars monthly on our food it would save the economy of Serbia from the lethargy. If the products would be offered to the so-called „Serbian

houses“ they would buy the products and protect themselves and their identity. It would be a wise and quite return of Serbian products on the global market.

Global references

The Republic of Serbia is dominantly rural country. Near three fourth of the territory are the regions on which near half of the inhabitants live (it has circa 7.5 million of inhabitants). The Global Tourist Organization suggested that Serbia should develop the rural and spa tourism. It is not without reason. Serbia has very favourable geographic position, good climate, rich fauna and flora, wealthy culture and tradition.

Annually some 1.500 different tourist manifestations are organized in Serbia. The development of tourism and visits of tourists from all around the world would create the real picture of Serbia.

Therefore, the data showing that more than 70 percent of people starving from hungry are living in the rural areas does not refer to Serbian villages since the most visited and popular manifestations are those celebrated in the name of: bacon, sausage, bean, barbeque, cheese, cabbage and etc. All these products require new marketing approach. It is important to highlight that they are coming from Serbia where there are not GMOs, that they are prepared in the traditional recipe.

If one rural household in Serbia would have two double rooms and would be rented to foreign visitors 200 days annually for 20 euro for one full board, the income would be 16 000 euro. We have to take into consideration that a major part of expenses goes for food and beverage which our farmer makes by himself. If only 10 percent of households would deal with tourism it would be additional income for Serbia in the amount of 1.6 billion euro annually! A great number of villages in Serbia possess spas too. A number of households is getting bigger and bigger year in, year out and there are 600 of them dealing with this kind of tourism.

A country of spas

On the territory of Serbia there are near 70 spa and climate sites and near 400 hundreds of mineral or thermal springs. Thanks to this wealth Serbia could be given the name – country of spas. If Serbia would have used this wealth in tourism it would consume the food in its best way. It would be of great advantage because the food would not be exported as raw material but as the product from the advanced processing phase. These spas and other rural tourism capacities in Serbia are not used at their maximum. (There are near 4 600 villages without the Kosovo and Metohia Province).

The historical data and archaeological researches indicate that the Roman people were the first who started visiting spas on the territory of Serbia. Upon the wars in Dacia, Roman legionaries and veterans had come to spas “to be cured, and

to get rest". Archaeological relics proved that the Romans visited spas. For example, in the middle of the bed of Crni Timok river running down Gamzigrad Spa there are baths where the Romans had bathed. It happened that even the Roman Czar Gallery who erected beautiful building Felix Romuliana had come to have a bath here. During the authority of the Nemanjić dynasty, people visited spas. The Nemanjićs, who were wise people, had taken their wives to the spas in order to show to the princesses from Byzantine, Hungary and France what Serbia has. After the reign of the Nemanjićs, Serbia was under the Ottomans. Nevertheless, despite of not being free the Serbian people had remembered the locations of thermal springs.

Crisis in tourism

In 2008 the spas in Serbia were visited by 366.098 guests and thus were realised 2.36 million of overnights. In the European bulletin 2009 Serbia is the only country mentioned as the country which in the first seven months of the previous year with 371.463 visits of foreign guests recorded a growing rate by seven percent more if compared with the same period in 2008. In the category of towns the foreign guests in that period have realised in Belgrade 501.228 overnights which is by three percent more in relation to the same period of the previous year. On the second place in the category of towns takes Novi Sad with 23.316 foreign guests. The greatest number of visits was recorded in the „queen of spas“ Vrnjačka Spa, then in Sokospa, Niška Spa, Arandjelovac, Mataruška Spa, Spa Koviljača, Prolom Spa, Gornja Trepča Spa, Vranjska Spa...

The international guests mostly visited Vrnjačka Spa and in the previous year 122.289 international guests visited this spa.

However, the global economic crisis which hit Serbia influenced the development of tourism too. Thus, in Serbia in the first seven months 2010 there were total of 747.349 domestic guests, which is by 10 percent less if compared to the same period of the previous year, while there were 366.222 international guests, which is by one percent less than it was in the last year. In 2010 the income of tourism is expected to reach one billion dollars.

They had furtively bathed and drunken mineral remedial water there. At the beginning of the 19th century Serbian people had raised the mutiny against the Turks and in the second half of the same century Serbia was released and started to recover. The spas were recovered and reconstructed in accordance to those from Europe. Some Serbian spas were of high rank because the eminent gentlemen bathed in them. At that time such were spas and their guests. The spas in Serbia were improved a lot between

two world wars. It is interesting that then there were more guests in Vrnjačka Spa than in Dubrovnik although it was known as elite tourist destination. Branislav Nušić sang a song: “Sokospa, Soko Town rejuvenates you” It is true. Ivo Andrić used to say that it was enough to spend three weeks or 21 days in Sokospa and you could work the whole year. These examples depict and illustrate the opinion that spas refresh people and reduce the stress at these modern times. The health of the guests in spas is being improved through the wellness centers.

Privatization in tourism

When it comes to the privatization in tourism in Serbia, all hotel-tourist enterprises have been sold via auction in the following spas: Mataruška, Bogutovačka, Soko, Koviljača, Bukovička. The privatization of the Fontana hotel in Vrnjačka Spa has been annulled and new privatization process is expected to be carried out again. Gornja Trepča near Čačak is an example of good privatization. It is reconstructed and five times more money invested in. In 2009 total of 3.2 billion RSD was allocated from the budget to tourism sector.

After the WWII in Yugoslavia and in Serbia the most important was the so-called working class of people. The spas were turned into health resorts devoted to the working class. And what then happened? The guests reflected the spas. The spas were poor. During the authority of Tito the politicians spent their holidays on the Adriatic Sea. The spas were neglected and left to deteriorate. Upon the latest wars conducted on the territory of Serbia the spas went through transition. From 2000 and onwards the spas started recovering and the opinion on them changed. They were not any more just the health resorts, sanatoriums, but people started visiting them to refresh their body and soul. As the best example may serve the data that in 2008 the number of overnights increased by 11 percent and in some places more than by one hundred percent!

However, the global economic crisis hit tourism in Serbia too. According to the data obtained from the Republican Statistics Office, in Serbia in the period January – July 2010 there were ear 1.1 million tourists which is by seven percent less in relation to the same period, but the reduction mostly refers to the number of the domestic guests. In the first seven months 2010 in the country stayed 747.349 domestic guests which is by 10 percent less if compared with the same period of the previous year. On the other hand, there were 366.222 international guests which is by one percent less than it was in the same period of the last year. The domestic tourists mostly stayed in the main administrative centers (133.697), spas (177.601), on the mountains (202.505) and in other tourist destinations (202.967). The international guests in Serbia visited main administrative centers (230.748), other tourist destinations (83.499), mountains

(24.556). In the period January – July 2010 it was realised 3.6 million overnights, which is by 15 percent less in relation to the same period. Out of total number of overnights the domestic tourists realised near 2.8 million or 15 percent less if compared to the same period of the previous year and the international guests realised 780.927 overnights or 13 percent less in relation to a year ago. Observed by the number of overnights, the domestic guests mostly stayed in spas (40 percent), and on the mountains (30 percent), while the international guests stayed in the main administrative centers (60 percent) and other resorts (20 percent). The highest number of overnights in the first seven months 2010 when it comes to the international guests realised the guests from Bosnia and Herzegovina (81.690), and the least number of overnights was realised by the tourists from Austria (25.338).

There is still a lot to be done. As soon as the Law on tourism was adopted which is harmonized with the Global Tourist Organization, new Law on spas should be adopted as well. Serbia is for the European standards in spas, but everything is realised slowly. Yet, it is being realised! One example of it is an offer of the spa from Kanjiza, which goes like this: „a room with a view on Europe“! Apart from spa and rural tourism Serbia has the food on the offer for tourists. Everything the nature offered to a man would be used up in a proper way and it would increase the food production. The food will be sold to the international and domestic tourists and thus the economic cycle of agriculture, good food – brands and tourism would be closed. In addition to the spas where people go for the remedy, recreation, rest the question why would an international or domestic guest like to visit nicely arranged villages? We should say here that the idea of tourism appeared due to the necessity of people from the developed countries and cities to find a food relaxation. A man got tired of unnatural way of living in towns and thus he needs to be a part of the unpolluted environment, to be on the places where the climate is pleasant, accommodation terms are favourable and where they could see culture, historical monuments and etc. The forecasts that in 2020 in the world there will be 1.6 billion international tourists annually, which is an increase of over 100 percent in relation to 2003!

Conclusion

The Global Tourist Organization suggested that Serbia should develop its rural and spa tourism, highlighting that these are ideal conditions for its development. Now Serbia could offer eco-tourism and spas, which is a substantial resource of the inflow of foreign exchange currency. In the end of the working week a tired man needs to spend time in the green environment, to listen to gurgle of a clear stream and to breathe in fresh mountain air. All this could be found in a village or spa. It is necessary that the agrarian policy – makers realise that the agriculture and tourism are developing chances of Serbia. The agriculture produces food and through its sale in tourism you could turnover money and make a profit. Therefore, it means that these two branches have to become the strategic branches, which will give full contribution to the development of the country. They do depend on each other and could not exist without each other. The

production of healthy food and the development of spa and rural tourism is the long-term opportunity for Serbia on the global market. At the same time, the development of agriculture and tourism might stop leaving of the young from villages and could enable the return of those who are left without a job during the transition. To return to a village does not mean becoming a pauper, but dealing with the agribusiness.

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