



SIEPA

Serbia Investment and Export Promotion Agency

# INVESTING IN SERBIA 2013

## PRESENTATION OUTLINE

About Serbia

Economic Indicators and Trends

Foreign Investments In Serbia

Technical Education and Workforce

Logistic and Trade

Tax System

Financial Incentives

About SIEPA

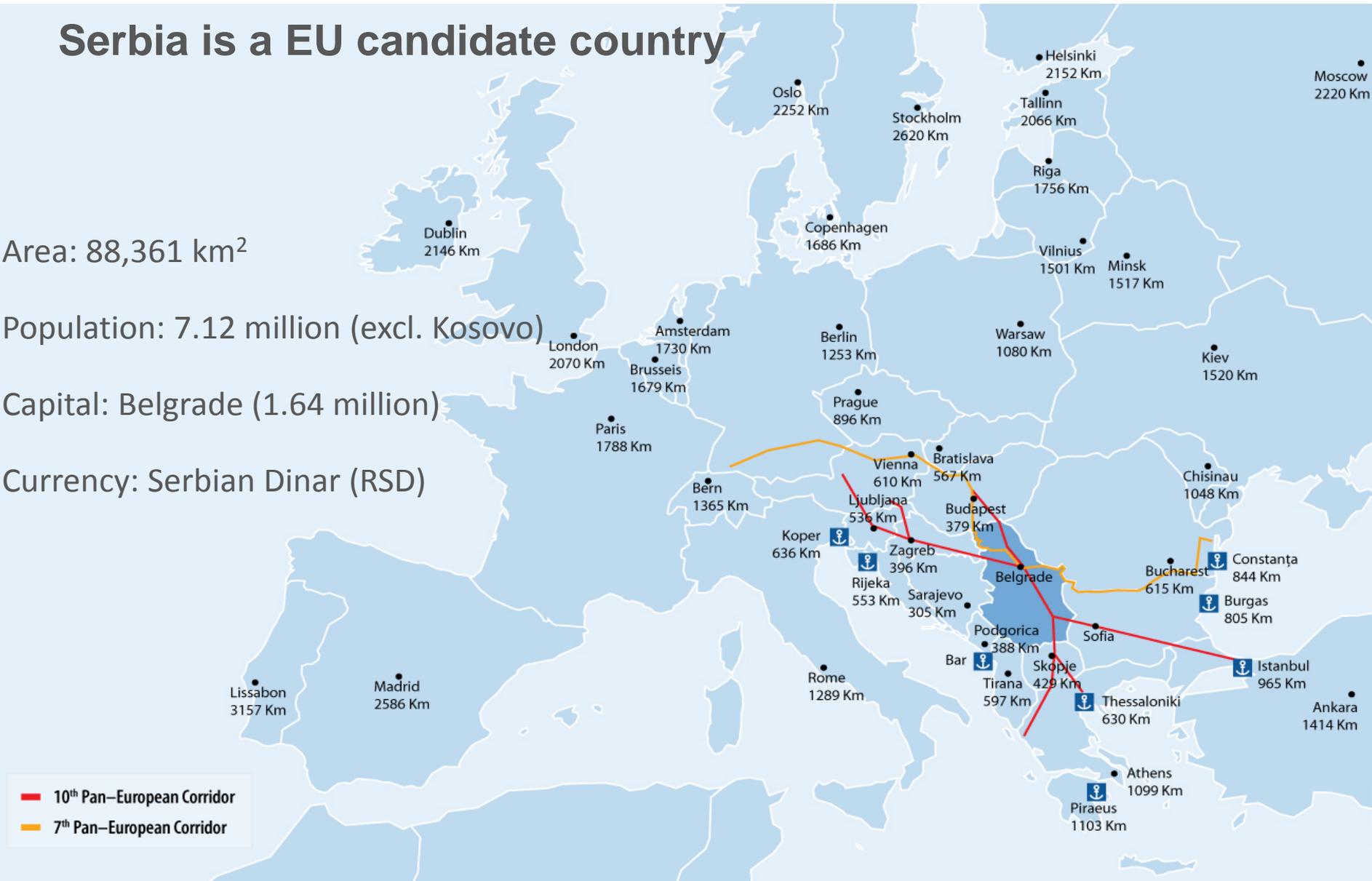
# Serbia is a EU candidate country

Area: 88,361 km<sup>2</sup>

Population: 7.12 million (excl. Kosovo)

Capital: Belgrade (1.64 million)

Currency: Serbian Dinar (RSD)



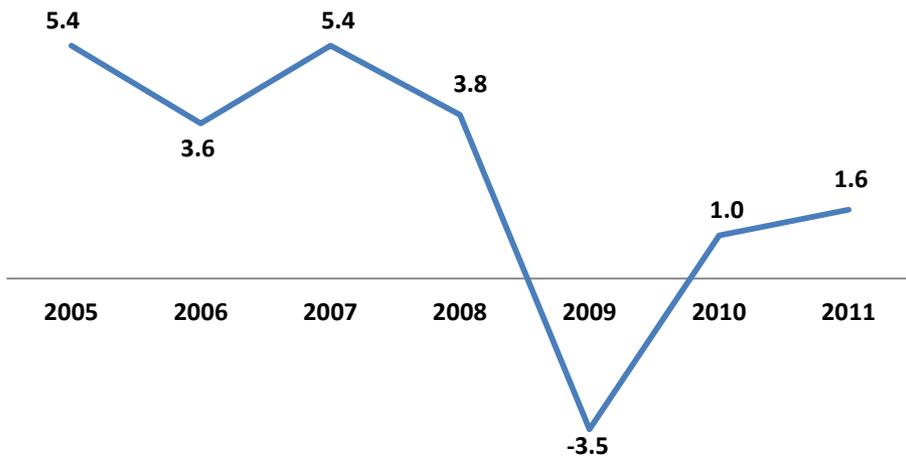


- The Stabilization and Association Agreement (SAA) with EU signed in April 2008;
- SAA ratified by EU parliament in January 2011;
- EU candidate status in March 2012;
- Trade interim agreement with EU since 2009;
- Visa liberalization for Serbian citizens since December 2009;
- In process of WTO accession;
- Law on Foreign Investments adopted in 2002 – equalizing all rights of domestic and foreign investors

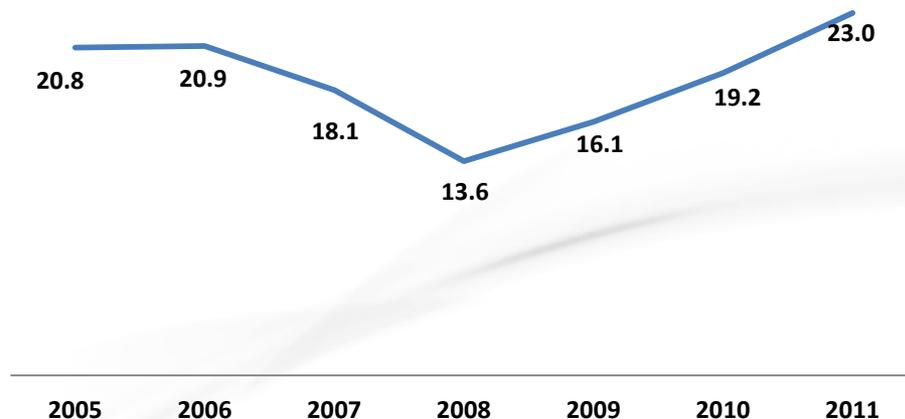
	2005	2006	2007	2008	2009	2010	2011	2012
<b>GDP growth rate (%)</b>	5.4	3.6	5.4	3.8	-3.5	1.0	1.6	-2.0
<b>Unemployment rate (%)</b>	20.8	20.9	18.1	14.0	16.6	19.2	23.7	I-X 25.5
<b>FDI (€ million)</b>	1,303	4,234	2,848	2,434	1,810	1,139	2,236	I-IX 1,556
<b>Inflation (%)</b>	17.7	6.6	11.0	8.6	6.6	10.3	7.0	12.2
<b>Export (€ million)</b>	3,608	5,102	6,432	7,429	5,961	7,393	8,441	8.836,8
<b>Import (€ million)</b>	8,439	10,463	13,951	16,478	11,504	12,622	14,250	14.782,3

Projected by Serbia Ministry of Finance, National Bank of Serbia, World Economic Outlook Database and International Monetary Fund

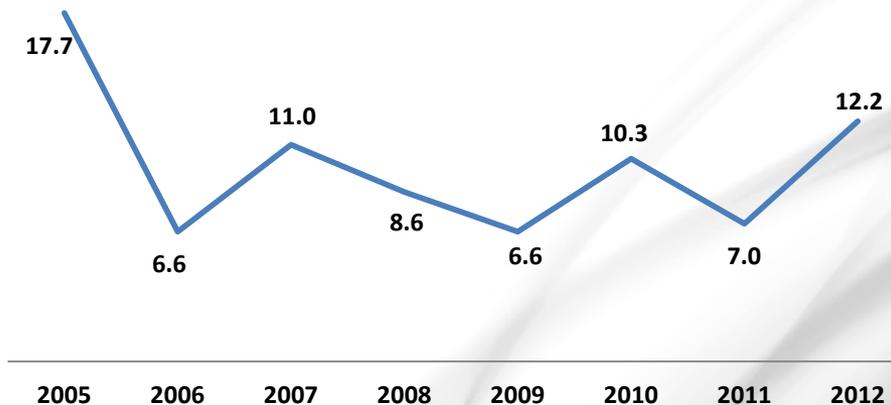
## GDP growth rate (%)



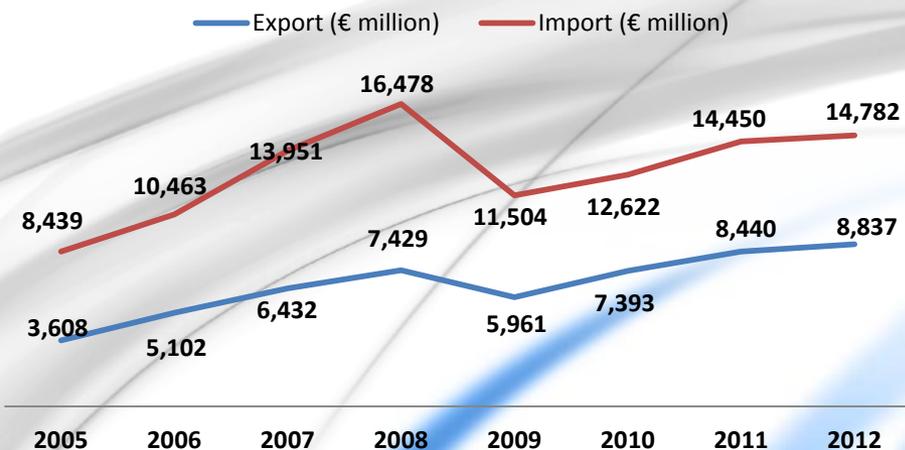
## Unemployment rate (%)



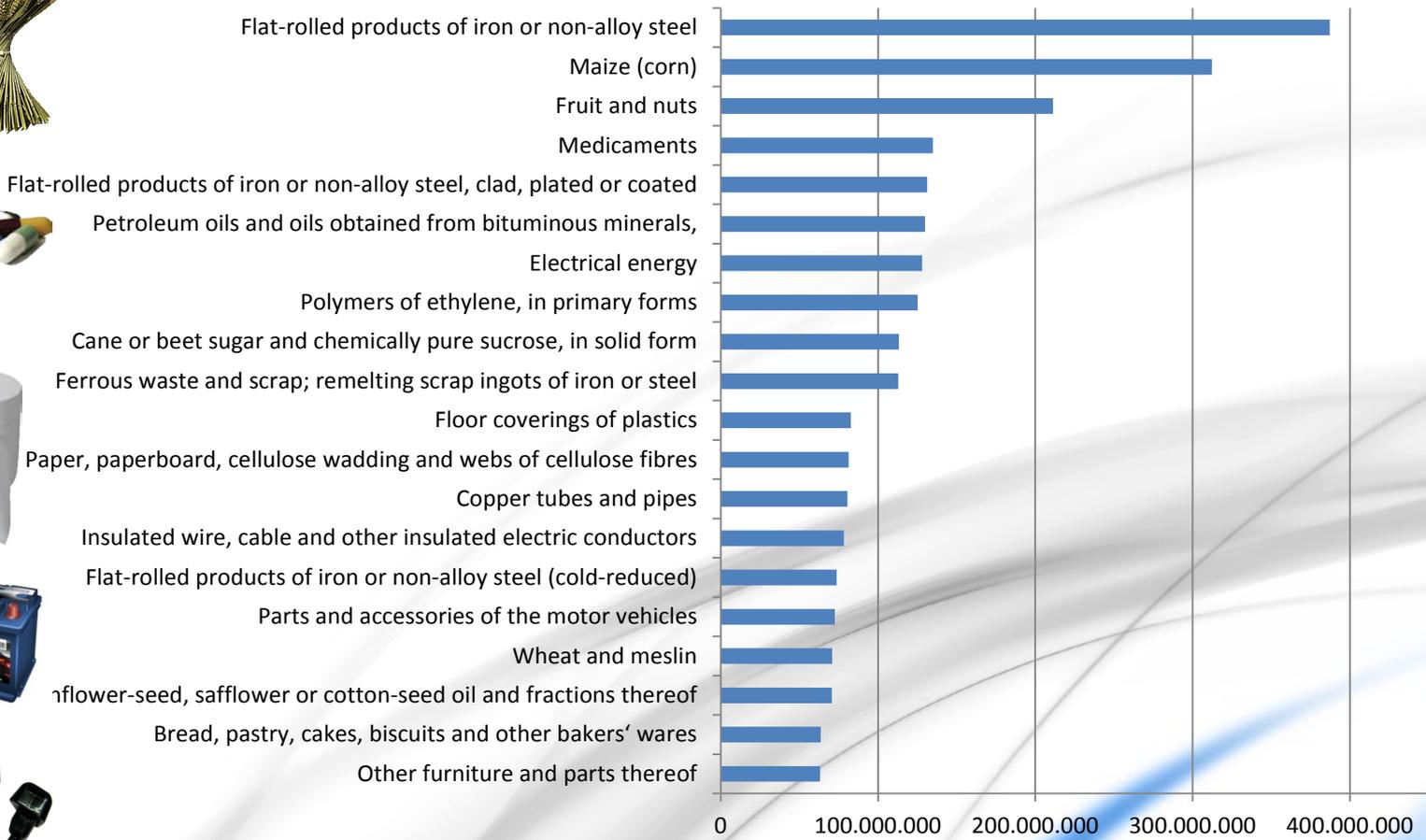
## Inflation (%)



## Import and export (mill EUR)



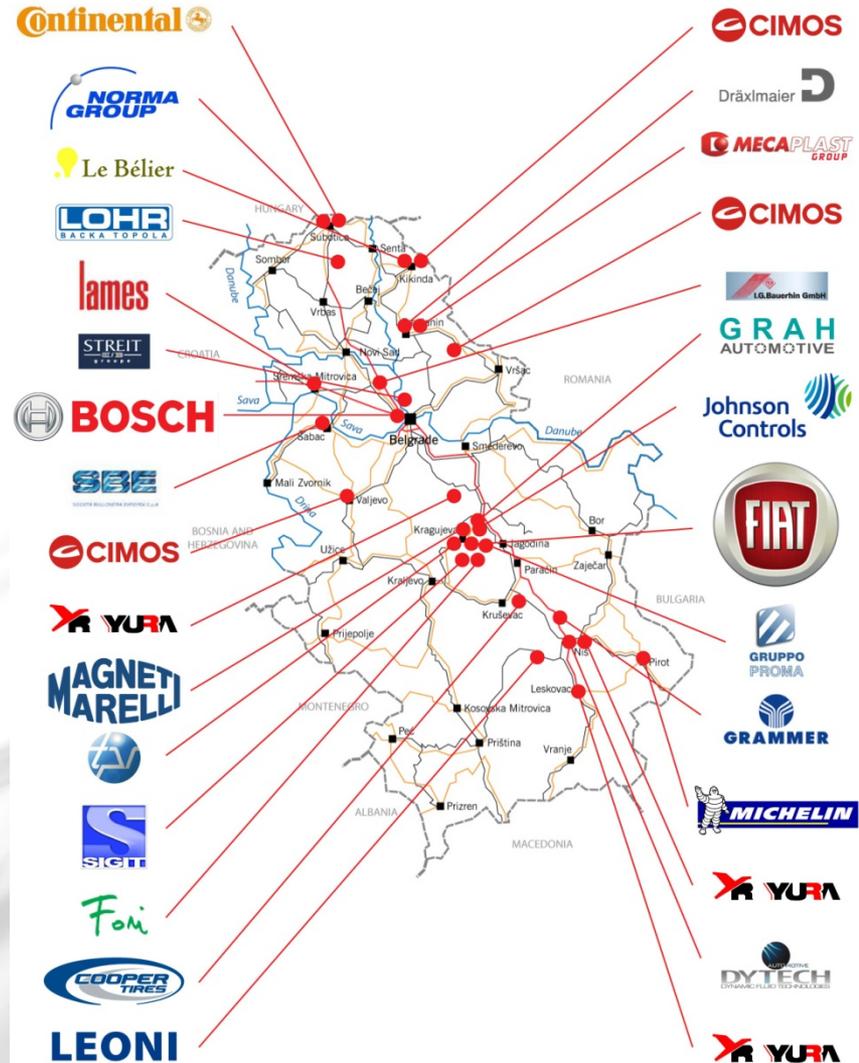
Serbian Top Export Sectors 2011



# TOP INVESTMENT SECTORS - AUTOMOTIVE

## Largest Investors in Automotive Industry

- More than 1.4 billion euros of FDI,
- In two years automotive products will become Serbia's top export item,
- More than 70 years of tradition,
- Experienced, educated and inexpensive labor,
- Available labor,
- Well developed infrastructure.



## Largest Investors in Food Industry

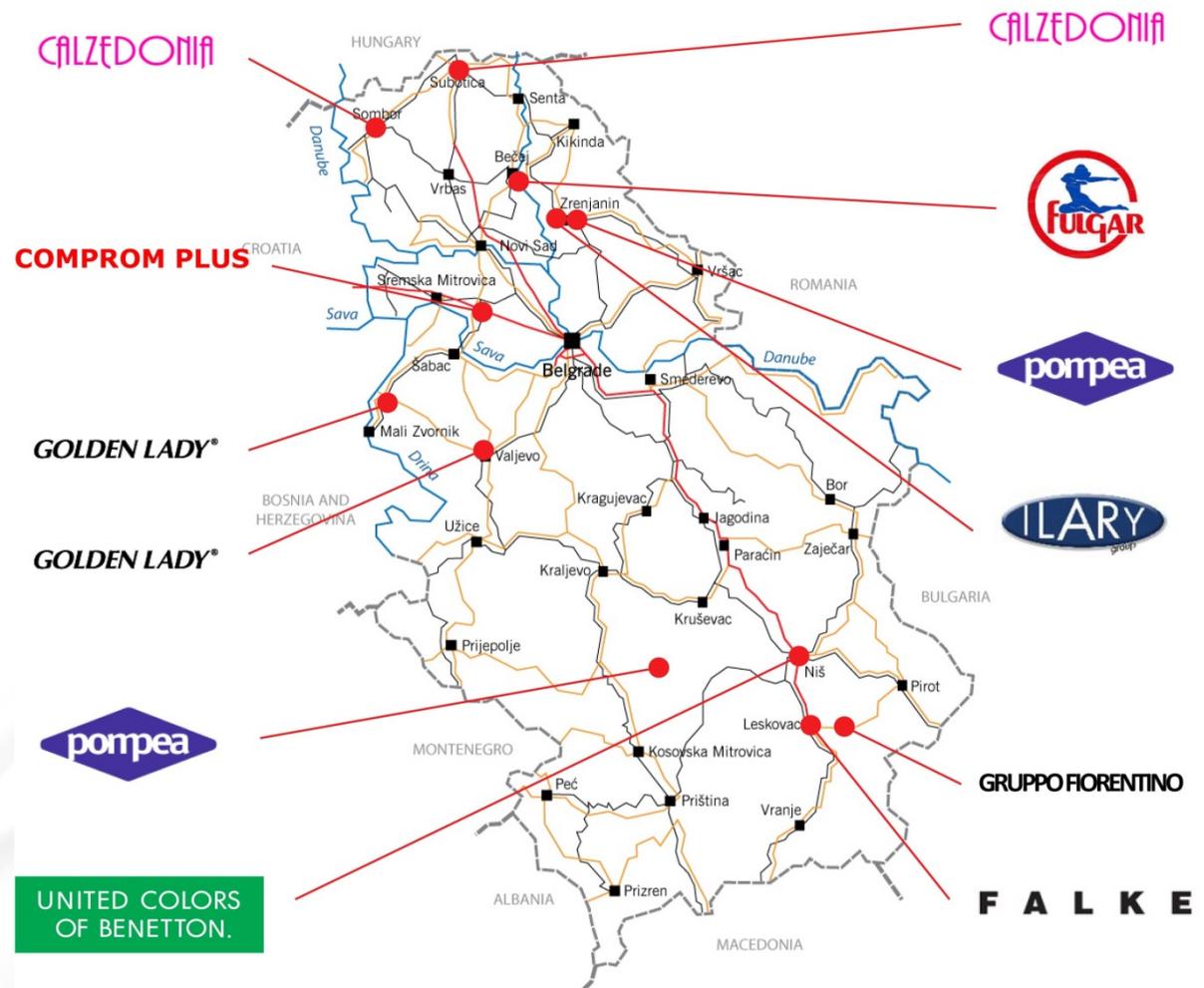


- Second largest FDI sector in Serbia (after Financial),
- More than 2.6 billion of euros of FDI,
- Excellent agricultural land – also opportunity for investments in primary production,
- Over one third of world's raspberries are grown in Serbia,
- Excellent position to cover SEE market,
- Excellent conditions to serve Russian market.

# TOP INVESTMENT SECTORS - CLOTHING

## Largest Investors in Clothing Industry

- One of Serbia's top exporting sectors,
- Abundant supply of experienced labor,
- Salaries in Serbia provide for cost effective production,
- Available brownfield locations.



# TOP INVESTMENT SECTORS - ELECTRONICS

## Largest Investors in Electronics Industry

**SIEMENS**

**dunkermotoren**  
advanced motion solutions

**ATB**  
Technology in Motion

**Mühlbauer**  
High Tech International

**EAT•N**

**gorenje**

**Panasonic**

**gorenje**

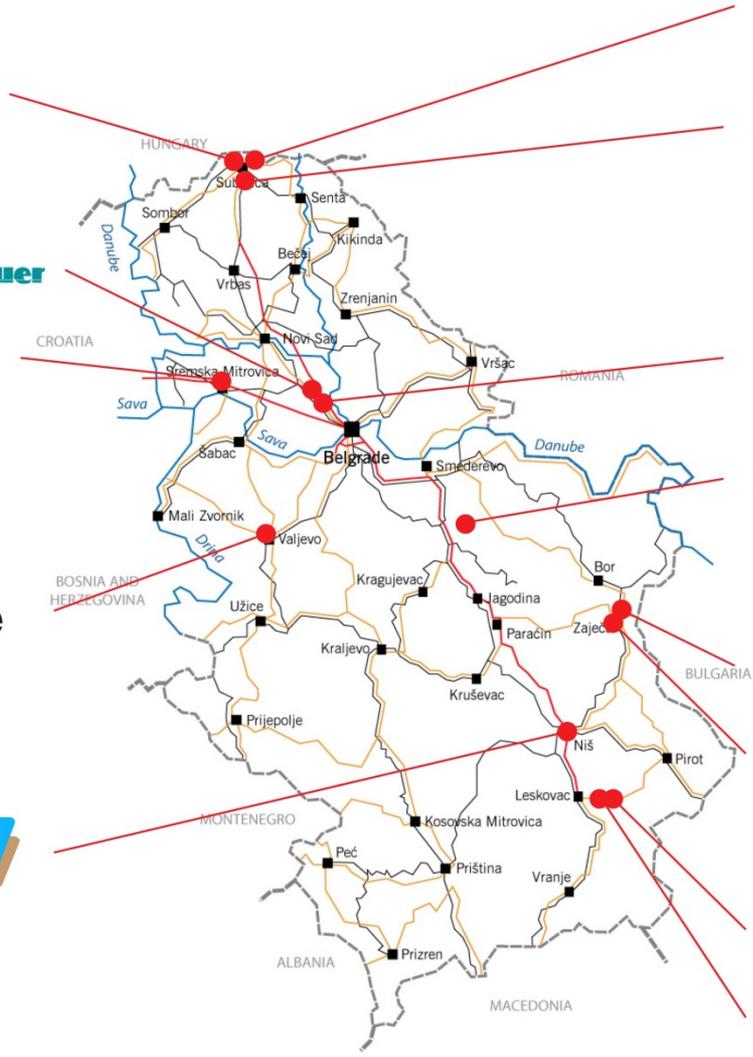
**TF Kable**  
TELE-FONIKA Kable S.A.

**gorenje**

**SHINWON**

**ELRAD**  
International d.o.o.

**gruner**



- One of sectors of strategic importance for Serbia,
- A sector with long tradition but only recently re-developed by entry of brands as Siemens, Eaton, Panasonic and Gorenje,
- State is investing in development of innovation technical parks,
- Strong university centers in Belgrade, Nis and Novi Sad.



Faculty of Technical Sciences  
Novi Sad



Faculty of  
Traffic and Transport Engineering  
Belgrade



Faculty of Technology and Metallurgy  
Belgrade



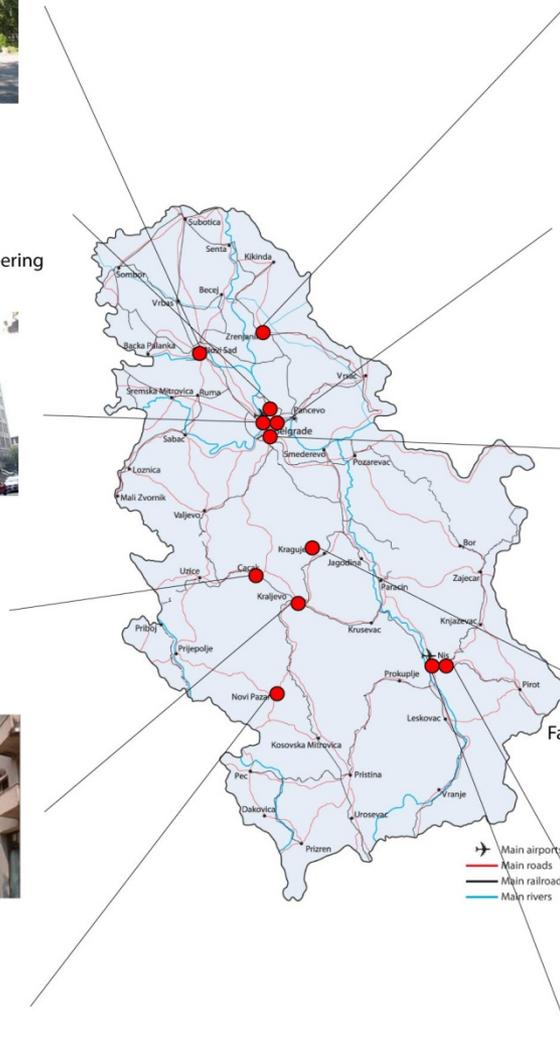
Technical Faculty  
Cacak



Faculty of Mechanical Engineering  
Kraljevo



Technical Faculty  
Novi Pazar



Technical Faculty "Mihajlo Pupin"  
Zrenjanin



Faculty of Electrical Engineering  
Belgrade



Faculty of Mechanical Engineering  
Belgrade



Faculty of Mechanical Engineering  
Kragujevac



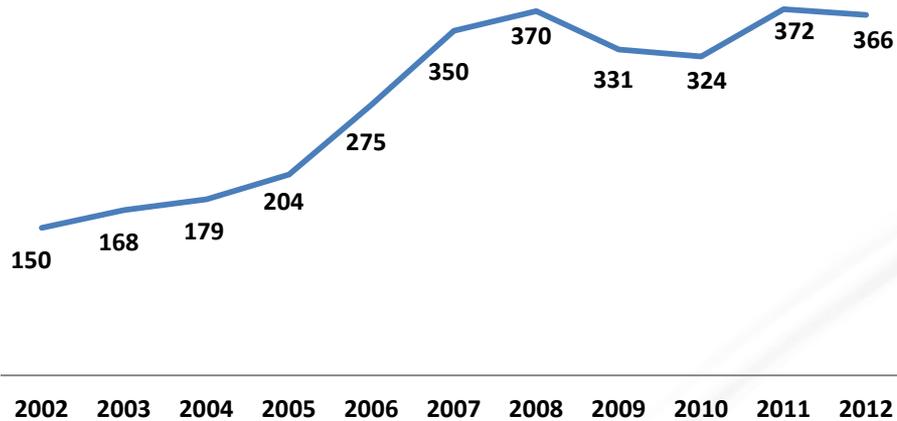
Faculty of Mechanical Engineering  
Nis



Faculty of Electronics Engineering  
Nis



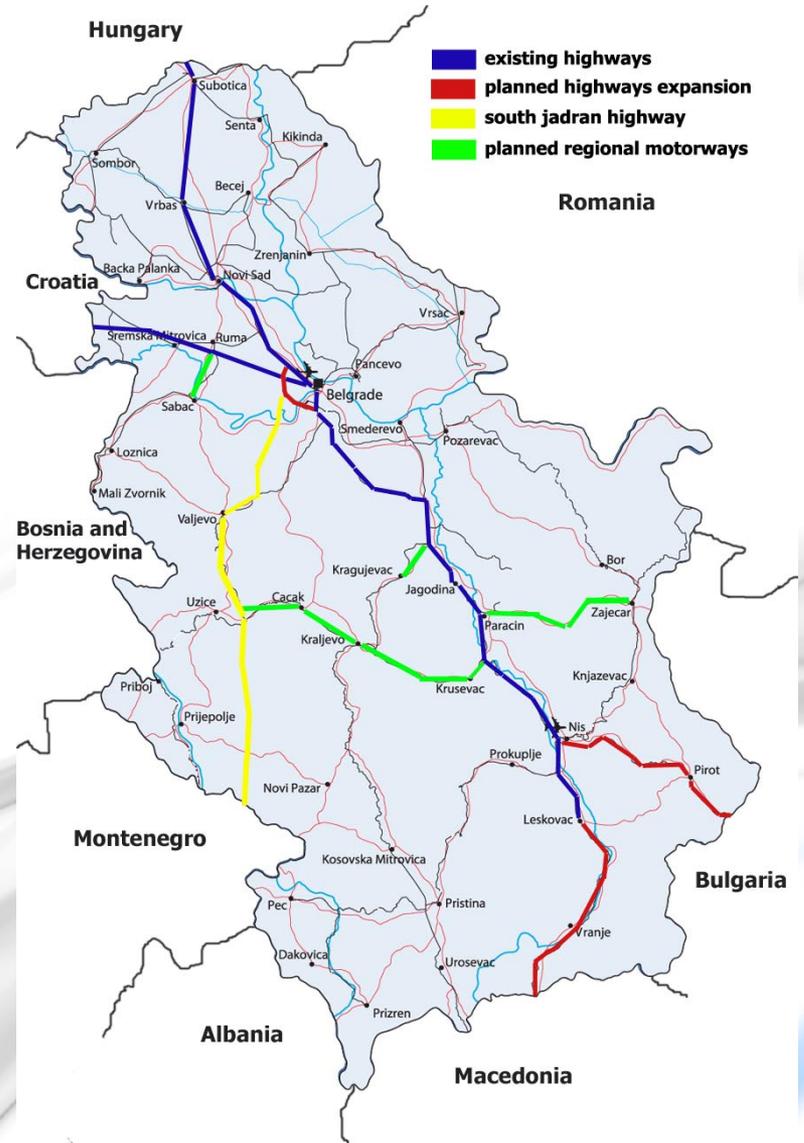
## Average net salary (EUR)



Typical monthly salaries:	Net:	Total:
Minimal salary:	184 €	303 €
Average blue collar salary	250 €	412.5 €
Average white collar salary	550 €	907.5 €
Working week:	40h	
Overtime:	8h/week 4h/day	
No. of shifts:	max 3	
Utilities:		
Electricity cost:	0.05 €/kWh	
Gas cost:	0.42 €/m <sup>3</sup>	
Water cost:	0.2 €/m <sup>3</sup>	
Building:		
Average rent cost:	5 €/sqm	
Average building cost:	400 €/sqm	



# DEVELOPMENT OF ROAD INFRASTRUCTURE





European Union



EFTA



Russia



Kazakhstan



CEFTA



Turkey



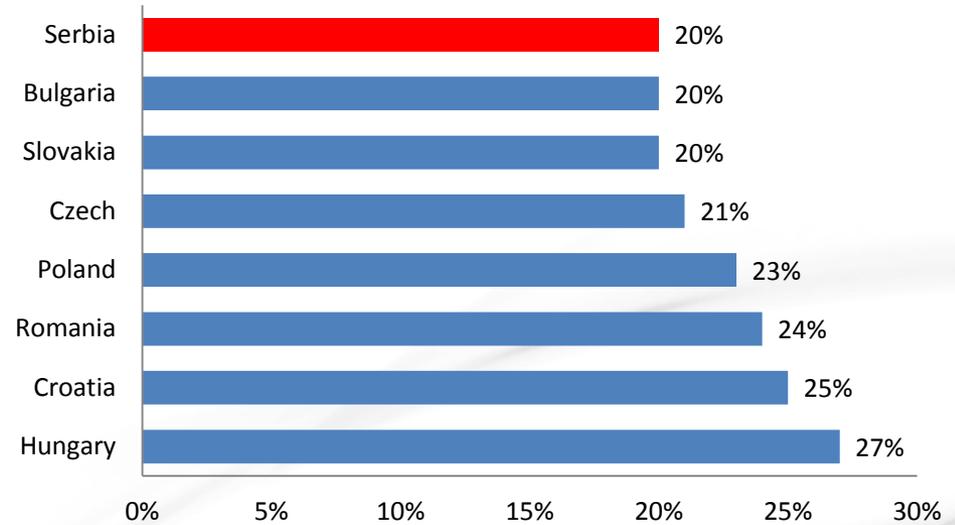
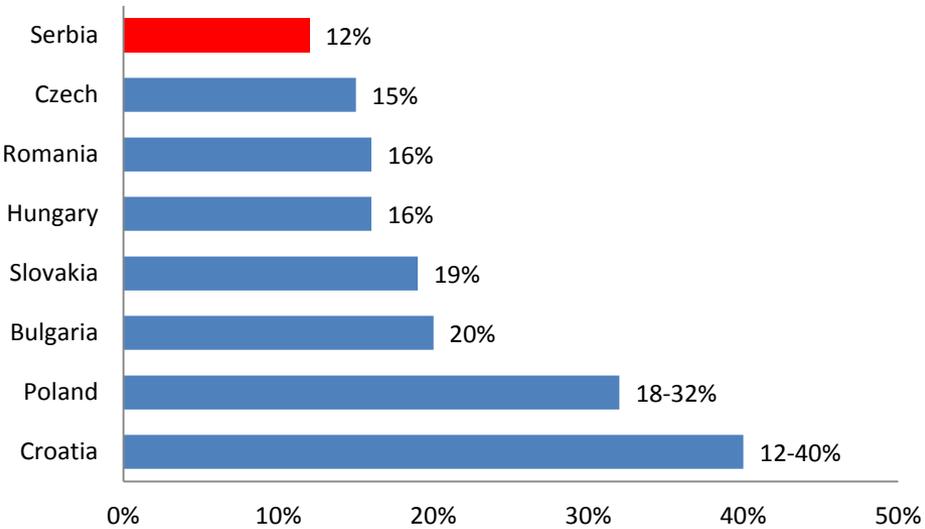
Belorussia



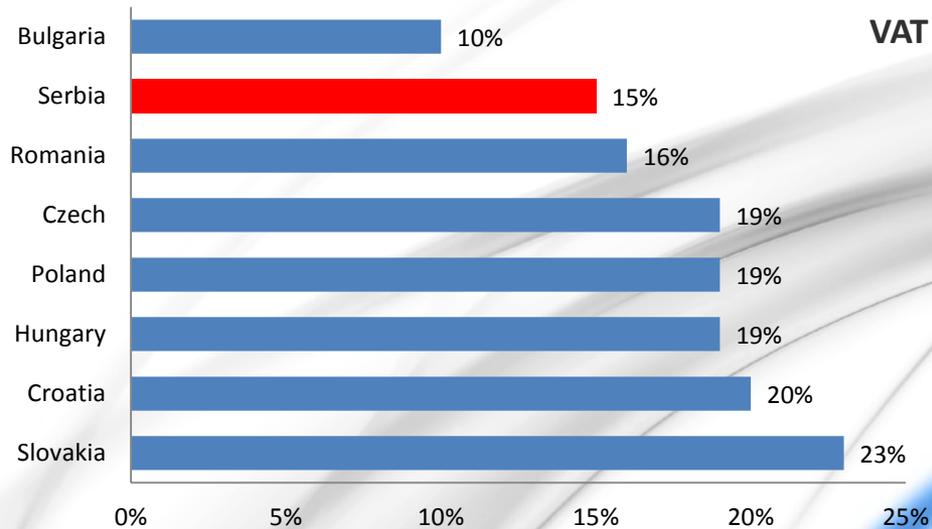
USA –  
preferential  
trade

**0% - import duties; 0% - export duties**

# MOST ATTRACTIVE TAX SYSTEM IN EUROPE



## Salary Tax

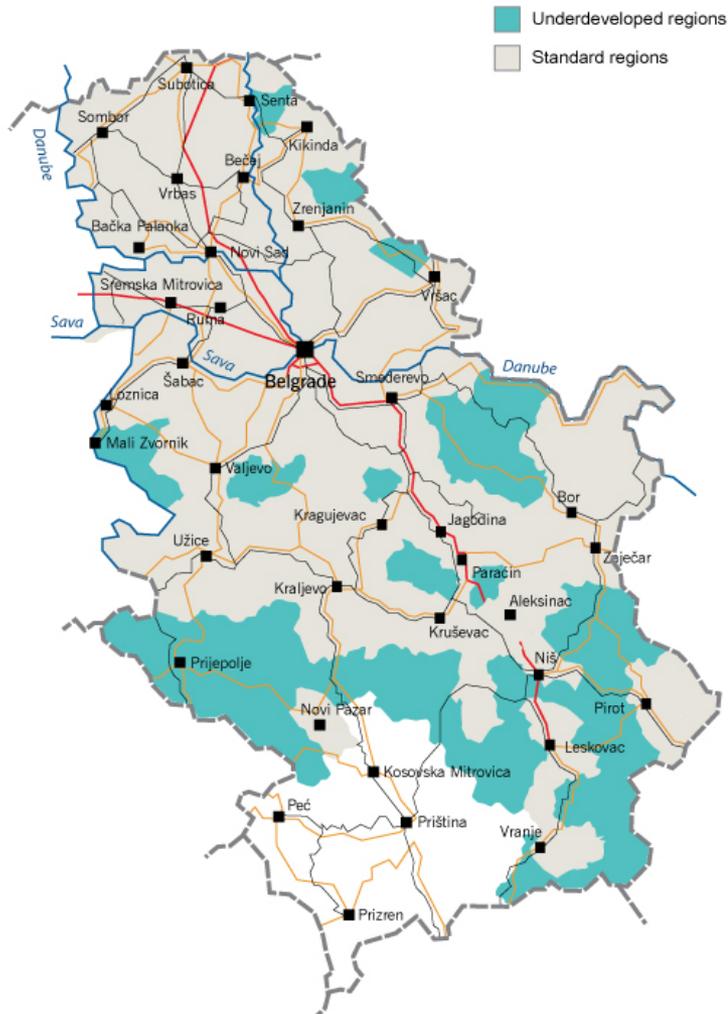


## VAT

## Corporate Profit Tax

Serbia Investment and Export Promotion Agency

Tax:	Rate:	Recurrence:	Possible incentive:
Corporate Profit Tax	15%	yearly	10 year holiday (investments over 8.8 million euro and 200 new jobs) or 20% or 40% of investment value as tax credit
Withholding Tax (for dividend, shares in profits, royalties, interest income, capital gains, lease payments for real estate and other assets)	20%	yearly	lower rate of 10% or 5% according to double taxation agreement
VAT	20% - standard 8% - lower rate	monthly	import VAT return import VAT exempt in free trade zones
Property Tax	up to 0.4%	yearly	varies by municipality
Absolute Rights Transfer Tax	2.5% - other property except stocks and bonds	at purchase of property	
Salary Tax	12%	monthly	3 - year holiday for hiring apprentices 2 - year holiday for hiring unemployed workers
Annual Income Tax	10% - for annual salaries between 3 and 6 x average 15% - over 6 x average salary	yearly	
Pension and disability insurance	11%	monthly	3 - year holiday for hiring apprentices 2 - year holiday for hiring unemployed workers
Health insurance	6.15%	monthly	3 - year holiday for hiring apprentices 2 - year holiday for hiring unemployed workers
Unemployment insurance	0.75%	monthly	3 - year holiday for hiring apprentices 2 - year holiday for hiring unemployed workers



## Standard-scale projects:

### Requirements:

- 1 million EUR investment – standard regions or
- 0.5 million EUR investment – underdeveloped regions
- 50 new jobs created

### Benefit:

4,000 to 10,000 EUR per new job created

## Large-scale projects:

### Requirements:

- 50 million EUR investments – all regions
- 300 new jobs created

### Benefit:

grant up to 20% of investment value

Investment  
Promotion



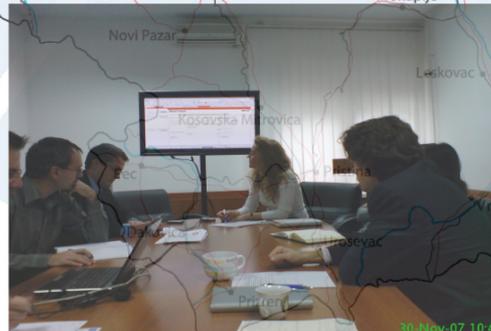
Project  
Aftercare



Information  
Provision



Location  
Advisory



Project  
Management



-  Main airports
-  Main roads
-  Main railroads
-  Main rivers

The largest database of industrial and service locations in Serbia – [www.serbia-locations.rs](http://www.serbia-locations.rs)



LOCATIONS - SIEPA INVESTMENT LOCATIONS DATABASE - Mozilla Firefox

http://serbia-locations.rs/locations/

LOCATIONS - SIEPA INVESTMENT LOC...

Projects Investments Suppliers **Locations** Municipalities Users vitez.investicija

Add new location | Upload

SIEPA Locations database

LOCATION NAME	TOTAL LAND AREA (m <sup>2</sup> )	BUILDINGS AREA (m <sup>2</sup> )	NUMBER OF BUILDINGS	MODEL OF TRANSFER	LAND PURPOSE
Slobodna Zona Sabac Sabac Mačvanski okrug Zapadna Srbija	440000	19329	3		
Zastava Elektro - SOLD Pača Sumadijski okrug Centralna Srbija	31837	9210	3		
"Inkol" - SOLD Leškovac Jablanički okrug Južna Srbija	14146	7911	7		
21 Oktobar Kragujevac Sumadijski okrug Centralna Srbija	86081	40971	10		
Aerodrom Surčin (Beograd) Okrug Grada Beograda Grad Beograd	243300	0	0		
d.o.o. ARDIMA 1990 Kruševac Rasinski okrug Centralna Srbija	14695	6379	5		

Done

Start

LOCATIONS - SIEPA IN...

1:00 AM

Filter Locations by:

Keyword

All locations types

All municipalities

All districts

All regions

All models of transfer

All land purposes

All zones

Total land area from [ ] to [ ] m<sup>2</sup>

Total buildings area from [ ] to [ ] m<sup>2</sup>

SEARCH

PREVIEW

PRINT DOC

PRINT PDF



The largest database of Serbian industry – [www.serbia-suppliers.rs](http://www.serbia-suppliers.rs)



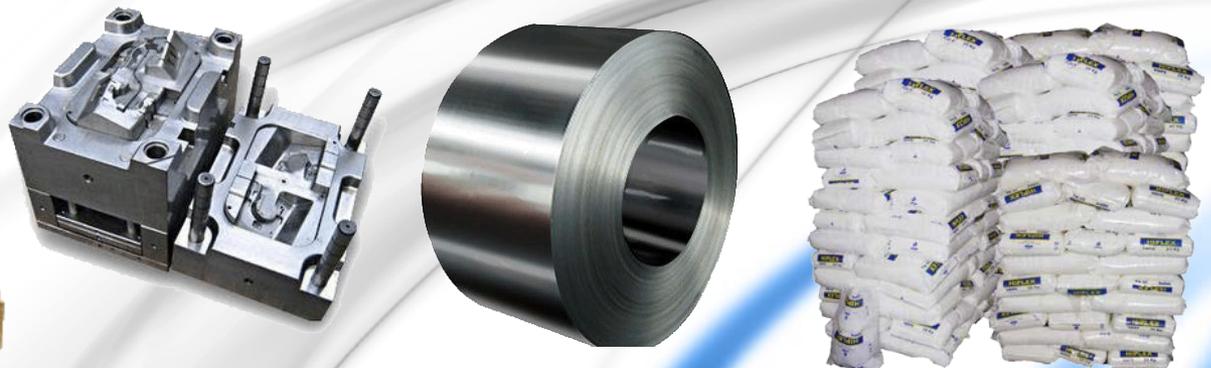
Screenshot of the SIEPA Database of Suppliers website. The page displays search results for the query "(FIELD Sectors CONTAINS 'Automotive industry /')". Two supplier entries are visible:

21. OKTOBAR D.P.		
<b>Registration #:</b> 7631600	<b>Contacts:</b> Mr. Ivan Mirkovic 381 (0) 34 334 588 iv21okt@sunset.rs	<b>E-mail:</b> iv21okt@sunset.rs
<b>Address:</b> Dragoslava Srejevica 56, 34000, Kragujevac, Central Serbia	<b>Web:</b> www.21oktobars.rs	<b>Certification:</b> ISO 9001

SINTER A.D.		
<b>Registration #:</b> 7219652	<b>Contacts:</b> Mr. Borivoje Vukomanovic 381 (0) 31 592 208 bvuk@sinter.co.rs	<b>E-mail:</b> svuk@sinter.co.rs
<b>Address:</b> Miosa Obrenovica 2, 31000, Uba, Western Serbia	<b>Web:</b> www.sinter.co.rs	<b>Certification:</b> ISO 9001

The screenshot also shows the website's navigation menu, search bar, and browser interface.





SIEPA

Serbia Investment and Export Promotion Agency

# Thank you for your attention!

**SERBIA INVESTMENT AND EXPORT PROMOTION AGENCY**

3, Vojkoviće St.

11000 Belgrade, Serbia

Phone: +381 11 33 98 550

Fax: +381 11 33 98 814

E-mail: [office@siepa.gov.rs](mailto:office@siepa.gov.rs)

[www.siepa.gov.rs](http://www.siepa.gov.rs)