



PRIVREDNA KOMORA SRBIJE
CHAMBER OF COMMERCE AND INDUSTRY OF SERBIA

THE REPUBLIC OF SERBIA

YOUR NEXT INVESTMENT DESTINATION



PRIVREDNA KOMORA SRBIJE
CHAMBER OF COMMERCE AND INDUSTRY OF SERBIA

SERBIA AT A GLANCE

- Form of Government: Parliamentary Republic
- Capital: Belgrade
- Currency: Serbian Dinar RSD
- Territory: 88,499 km²
- Population: 7.1 million
- GDP (2017): €36.8bn
- GDP pc (2015): €5,226
- Middle exchange rate (as of 31-03-2018):
 - EUR/RSD: 118,38
 - USD/RSD: 96,08
- EU integration:
- Serbia formally started negotiations to join EU on 21st January 2014
- Opened 12 Chapters out of 35 and 2 closed
- Credit ratings:
 - Fitch Ratings: BB
 - Moody's: Ba3/ stable
 - S&P: BB-/stable
- Moody's increased credit rating of Serbia to Ba3/stable
- Dun & Bradstreet (D&B) credit rating agency:
 - Serbia has moved upward into moderate-risk country group
- World Bank's Doing Business list (2018) – 4th positions

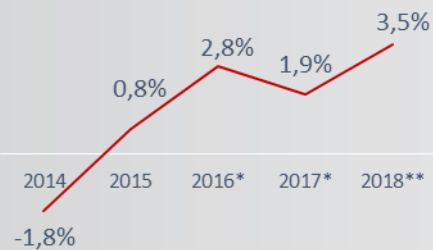




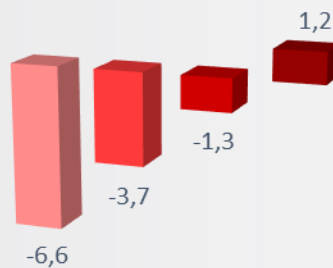
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MACROECONOMIC BACKGROUND

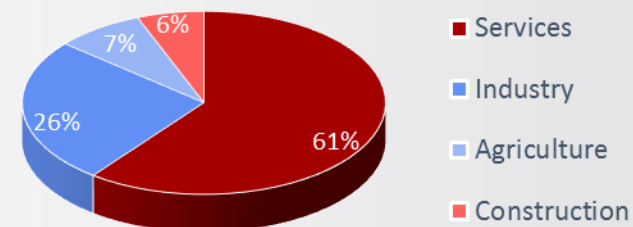
STABLE GDP GROWTH



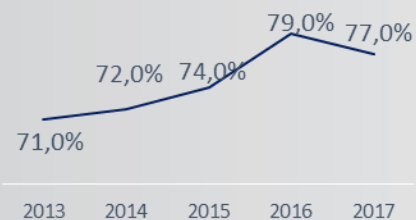
CONSOLIDATED FISCAL RESULT (% GDP)



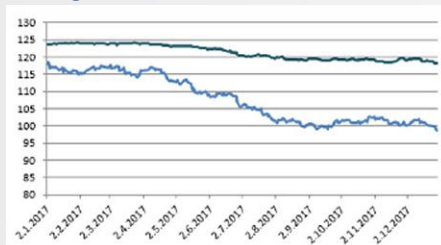
GROSS VALUE ADDED STRUCTURE 2015



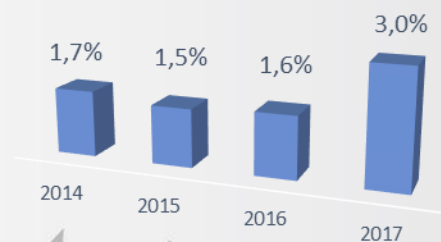
EXPORT-LED ECONOMY



STABLE FAX RATE



LOW INFLATION



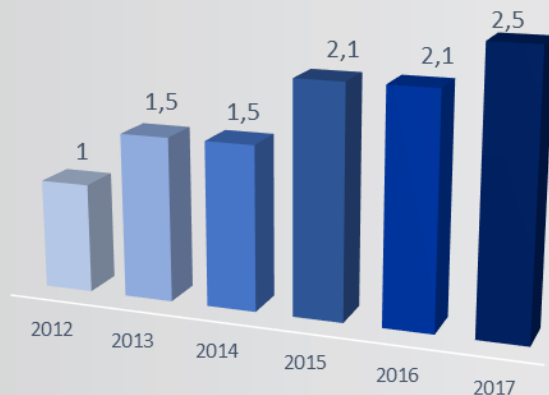


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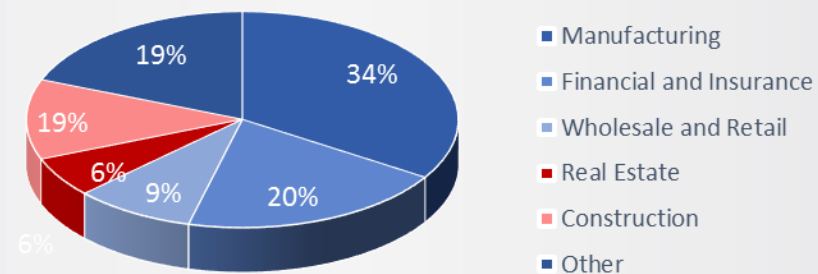
SUCCESS IN ATTRACTING FDI

€24 bn ALREADY INVESTED

(cumulative inward FDI since 2007)
FDI, net (EUR bn)



WELL-DIVERSIFIED FDI PORTFOLIO





ENCOURAGING INVESTMENT REGIME

STATE LEVEL INCENTIVES ARE AWARDED FOR INVESTMENT:

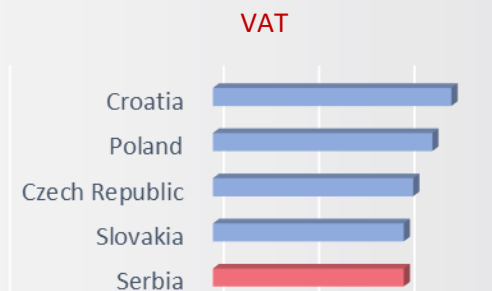
- of special purpose
- applied to Public Invitation

FUNDS AWARDED DEPEND ON:

- level of development of municipality
- size of the company
- up to 7,000 EUR per job created

TAX INCENTIVES

- Available Corporate Tax holiday for 10 years for certain investments
- Treaties on avoiding double taxation with 58 states
- Tax statement losses may be transferred to the account of the profit declared in the tax statement in future accounting periods (for up to 5 years)
- Partial compensation of taxes and social contributions paid on salaries for employing unemployed persons





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FREE ZONES AND CLUSTERS

- There are 14 free trade zones with 262 companies
- Total value of exchanged goods and services within the zones reached €4.9bn in 2017
- No customs and import duties for goods required for business operations
- VAT exemptions for energy consumption, entry of goods or selling of goods and services within zones
- Import and export of goods and services without any quantitative restrictions
- Two free zones are on the list of 34 best free zones in the world
- ("Financial Times" 2014 - FZ Pirot and FZ Zrenjanin)



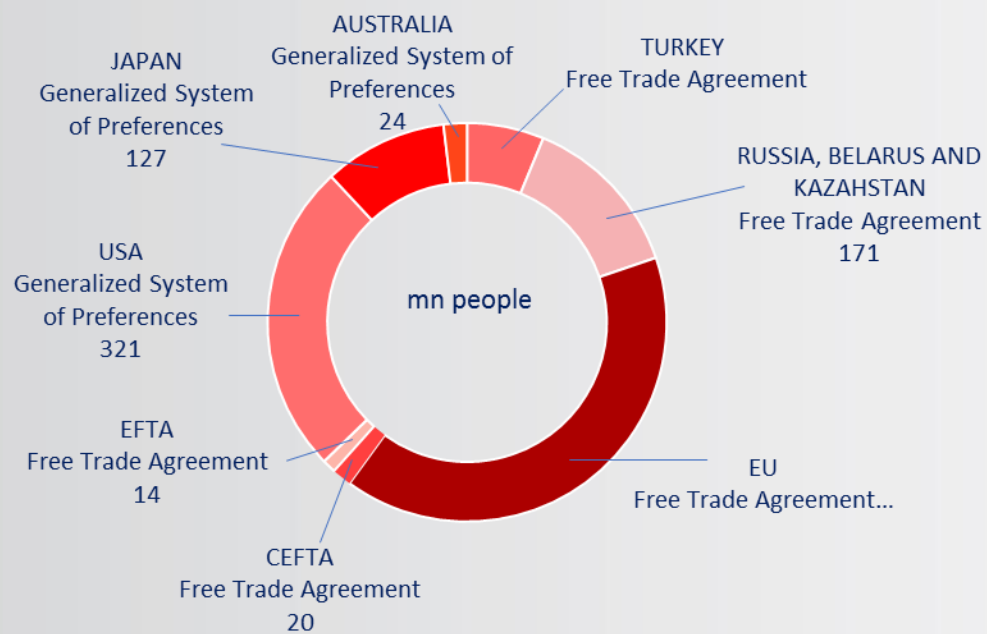
- Strong suppliers from Serbia
- More than 500 companies
- Main clusters that operate in Serbia are from ICT, automotive, textile, metalwork, wood and construction industry





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FREE TRADE AGREEMENTS



Goods made in Serbia benefit from Free Trade Agreements and GSP, placement to markets with more than 1.3bn people



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HIGHLY QUALIFIED WORKFORCE



University of Belgrade is ranked as one of Top 300 Universities "Shanghai List,,



Dual education



Highly educated young workforce with around 50,000 university and college graduates, and 75,000 high school graduates every year



Top quality technical education at both high school and university level



Over 100,000 registered unemployed hold university degree



Young graduates speak other languages, primarily German, French, Italian and Russian



High proficiency level of English language, in 2017, "Education First,, list
Serbia is ranked as 16th among 72 countries in the world

Serbia is the best ranked country in the region

59.07	Serbia
58.72	Hungary
58.14	Romania
57.34	Slovakia
56.79	Bulgaria
56.17	Bosnia and Herzegovina



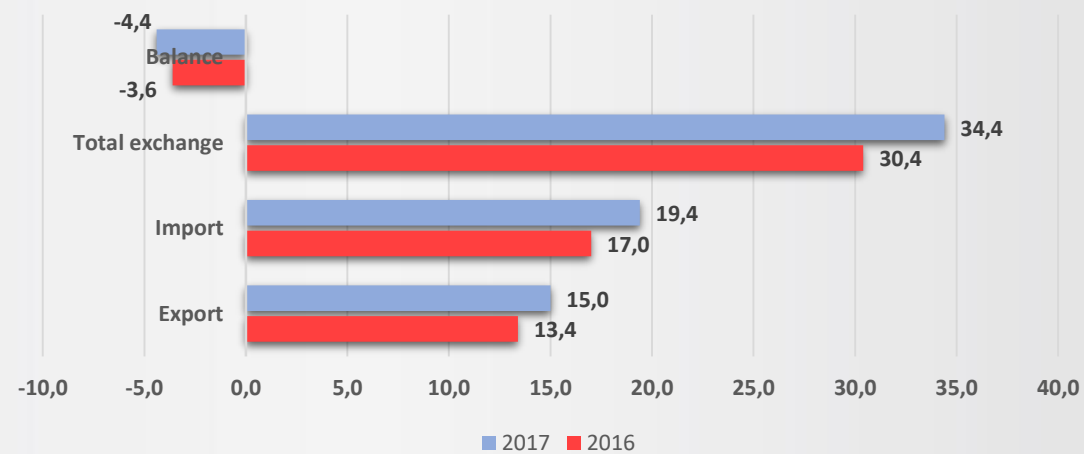
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SERBIAN FOREIGN TRADE WITH THE WORLD

SERBIAN FOREIGN TRADE WITH THE WORLD

Billion/ EUR	2016	2017	Growth index
Export	13,4	15,0	112.0% ↗
Import	17,0	19,4	113.7% ↗
Total exchange	30,4	34,4	113.0% ↗
Balance	-3,6	-4,4	120.2% ↗

Exptot/Import (Bn / Eur)

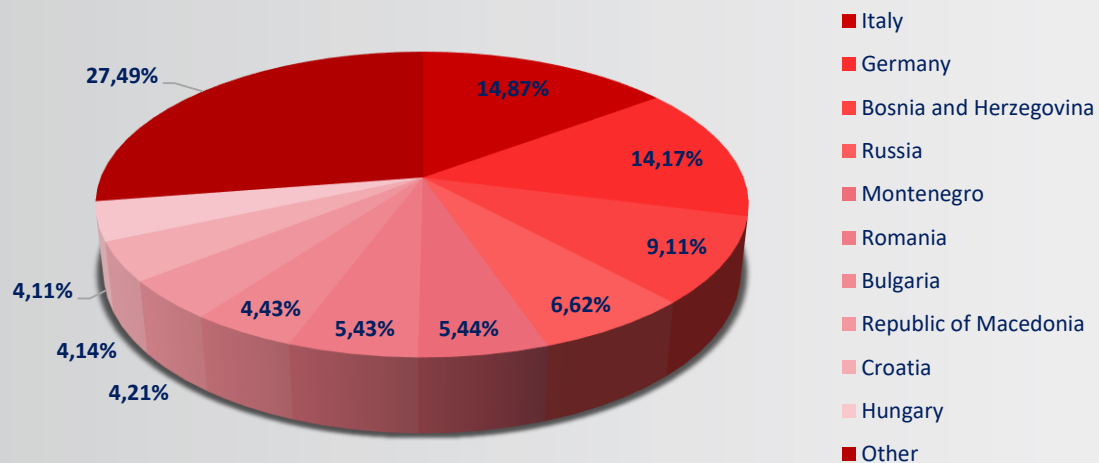




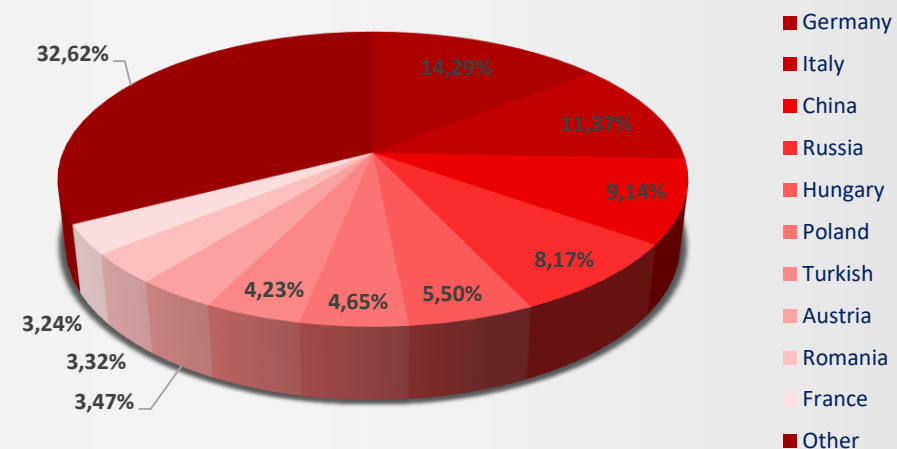
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SERBIAN FOREIGN TRADE WITH THE WORLD

Participation in total export in 2017



Participation in total import in 2017

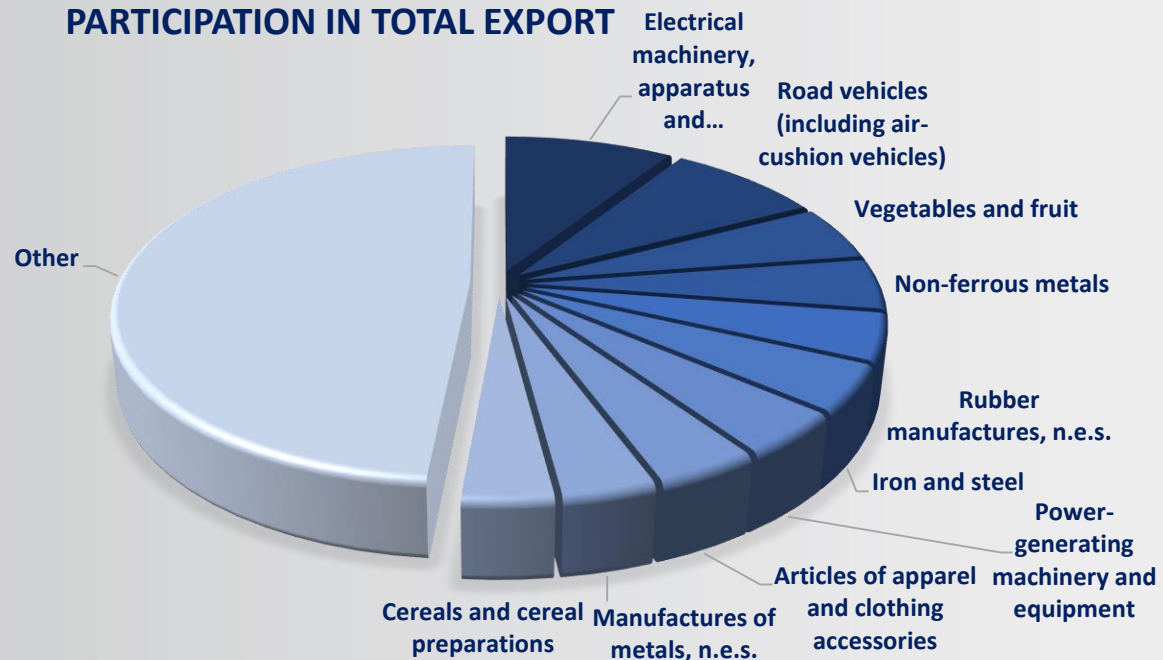




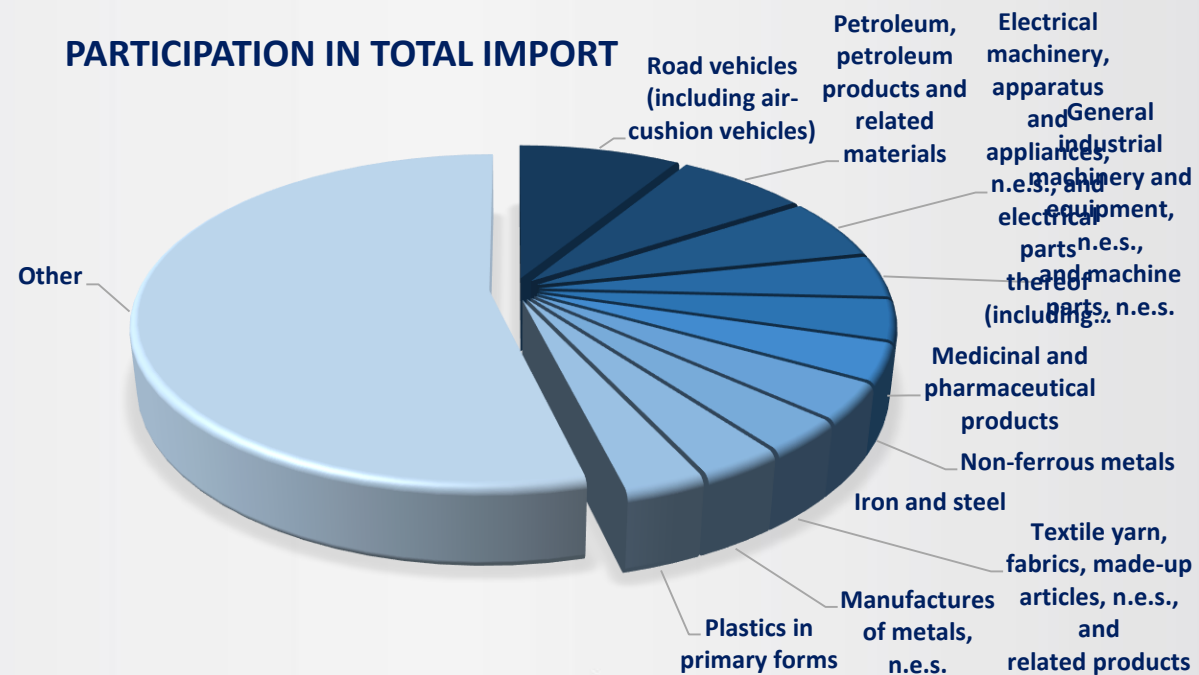
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SERBIAN FOREIGN TRADE WITH THE WORLD

PARTICIPATION IN TOTAL EXPORT



PARTICIPATION IN TOTAL IMPORT





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MAIN SECTORS FOR POTENTIAL COOPERATION



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AGRICULTURE AND FOOD INDUSTRY

LIVESTOCK BREEDING AND PROCESSING OF LIVESTOCK PRODUCTS



Live animals
(headcount– 2017 – heads)

•Cattle	about 899 th.
•Sheep	about 1.7 mil.
•Poultry	about 16.34 mil.



Meat production
(tons)

•Beef	71,000
•Mutton	30,000
•Poultry	95,000



- Sector of primary milk production includes between 18 and 20 thousand farms
- Serbia has 792,000 beehives and in 2015, it produced the record 12,200 tons of honey
- Great potential for a larger number of beehives - over 1.2 mil.

PRODUCTION OF MAJOR CROPS IN 2017

Maize	4.02 mil. tons	Soybean	461 th. tons
Wheat	2.28 mil. tons	Plum	330 th. tons
Sugar beet	2.56 mil. tons	Apple	379 th. tons
Sunflower	541 th. tons	Raspberry	110 th. tons

SERBIA



1. Biggest world producer of raspberries



2. Second biggest world producer of plum



3. Third biggest soybean producer in Europe



4. Tenth biggest world exporter of maize

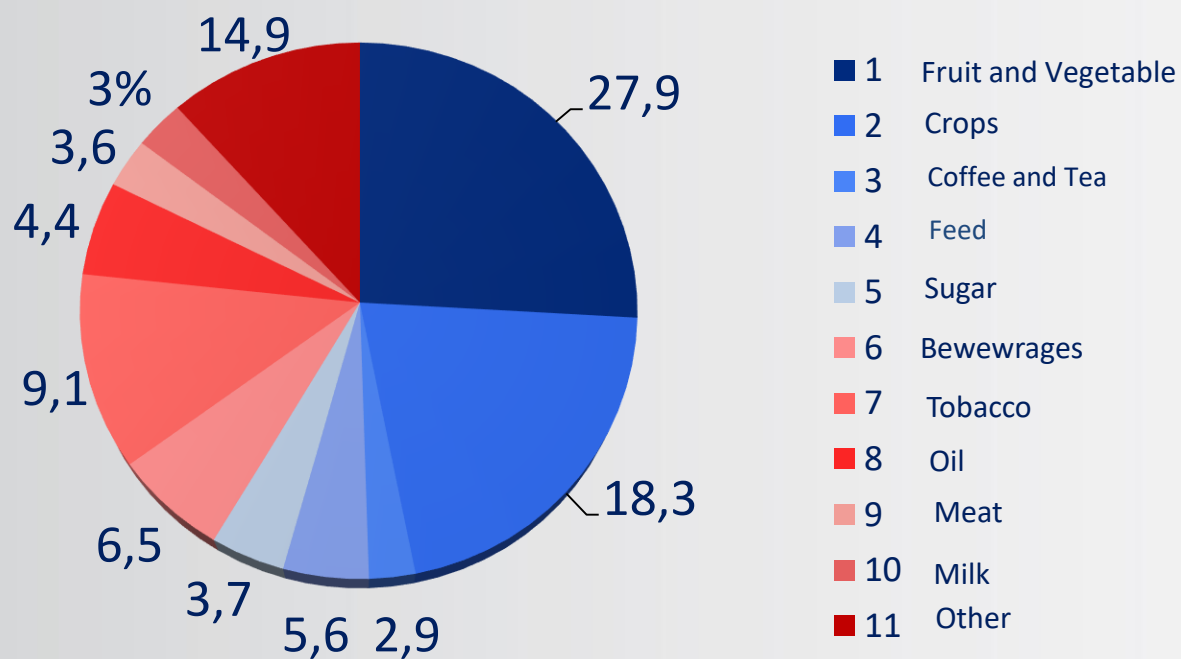


5. Biggest apple exporter to the Russian Federation



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STRUCTURE OF AGRICULTURE EXPORT 2017



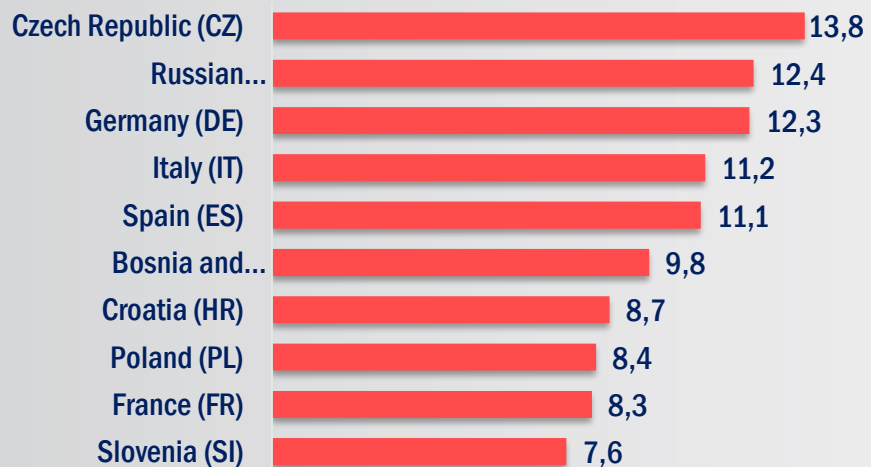
Incentives for investments above 2 ml EUR in agriculture and
min 25 new job created



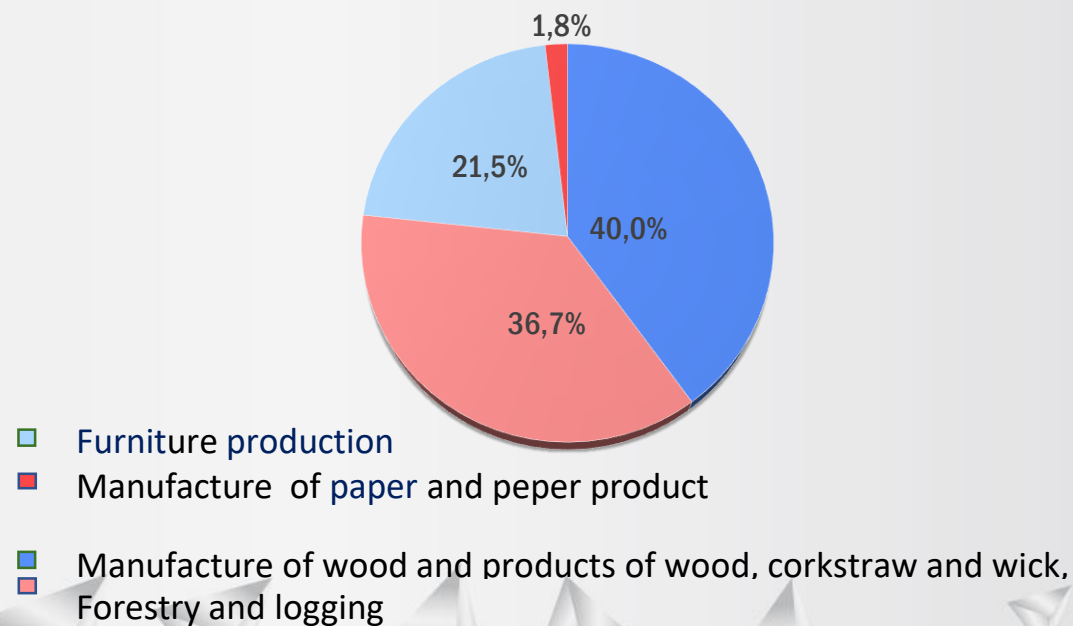
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WOOD AND FURNITURE INDUSTRY

Export of furniture, wood and paper products by
country, Q1- 2018 (in mln EUR)



Export structure, 2017.





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TEXTILE, CLOTHING, LEATHER AND FOOTWEAR INDUSTRY

- Textile and leather manufacturing industry account for 8-9% in the total export of the Republic of Serbia
- In 2017, export was 1.3 billion USD, which is 15% higher than in 2016
- Export of socks had the largest share (267 billion USD)
- Upon the large number of new established companies in 2017/18, Serbia will have new increase of export by 10-15 %, and reach export level of 1.5 billion USD.

UNITED COLORS
OF BENETTON.

CALZEDONIA

F Edil
torrentini

Fulgar

GEOX

Comprom plus

FALKE

ILARY

JEANCI

pompea

Real Knitting

GOLDEN LADY®

Texbaltic

FDI IN SERBIA 2000-2017

Country	Name of company	Municipality in Serbia	Jobs created
Turkey	1. Jeanci	Leskovac, Krupanj, Niš, Vranje, Kraljevo, Kragujevac	9,155
	2. Aster Tekstil		
	3. Weibo Group		
	4. Taypa Tekstil		
Italy	1. Benetton Serbia	Niš, Zrenjanin, Apatin, Sremska Mitrovica, Valjevo, Subotica	4,323
	2. Pompea		
	3. CALZEDONIA		
	4. East West		
	5. Verdi Fashion		
	6. Fulgar 3		
Germany	FALKE	Leskovac	1,395
Belgium	BLOCKX 2	Bojnik	700
Croatia	Comprom Plus	Ruma	300
Slovenia	Startex	Pančevo	264
Netherlands	VNB Knitting Serbia	Leskovac	68
China	Bestresources International	Čuprija	62
Total:			16,327

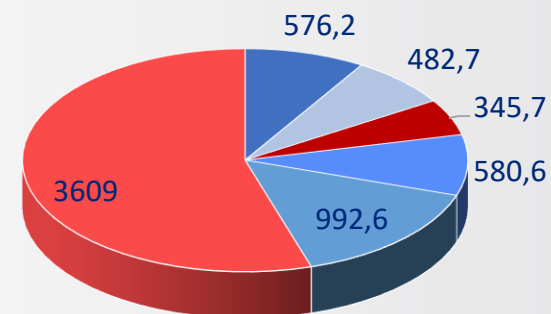


METAL AND ELECTRICAL INDUSTRY / EXPORT - IMPORT

- Total exports in 2017 for the metal, electrical, metal and metallurgical sector was 6.58 billion EUR, while imports in the same period was 6.56 billion EUR.
- Foreign trade **surplus** in 2017 for this sector was 25.1 million EUR and showed significant growth compared to the previous year, when the deficit amounted to € 238.4 million.

2016	No of companies	No of employees
Production of metal products, except ammunition and devices	1711	37 496
Production of electronic and optical devices	296	2 811
Production of non-specified machines and equipment	709	11 762
Production of electrical equipment	416	12 247
Manufacture of motor vehicles, trailers and semi-trailers	203	26 710
Production of basic metals	174	11 724
Production of other means of transportation	84	1 720

Export 2017 (mln EUR)



- Raw iron and steel production
- Copper production
- Manufacture of weapons and ammunition
- Manufacture of electric motors and generators
- Production of motor vehicles
- Other



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METAL AND ELECTRICAL INDUSTRY

Metal Mines in Serbia

- RTB BOR – *copper, gold, silver, lead, zinc*
- RUDNIK, Rudnik – *lead, zinc, copper, silver*
- GROT, Kriva Feja – *lead, zinc*
- VELIKI MAJDAN, Ljubovija – *lead, zinc*
- LECE, Medvedja - *lead, zinc, gold, silver*
-

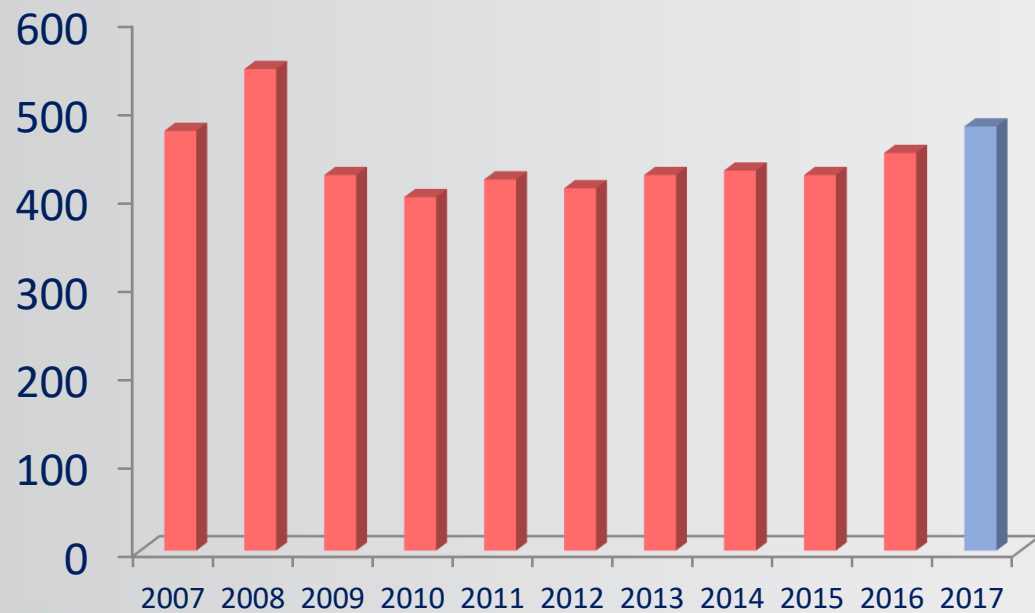
- Fastest growing industry sector – Government committed to increasing GDP contribution from mining from 2% to 5% by 2020.
- Until 2020, 7 new mines will be opened.
- Competitive royalty rates are between 1% and 5%



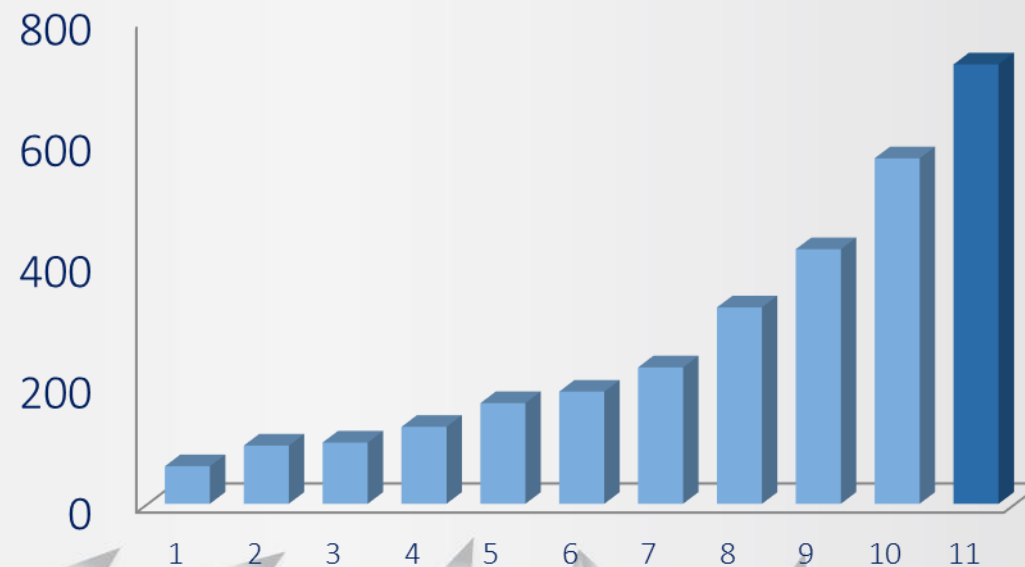
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POTENTIAL OF IT SECTOR

VALUE (million EUR)



EXPORT OF IT SERVICES 2007-2017





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POTENTIAL OF IT SECTOR

FOREIGN IT COMPANIES IN SERBIA

- **Microsoft** - opened in Serbia its fifth global development center already in 2005
- **Asseco** - one of the leading IT companies in CEE acquired a Serbian banking software development company - employs around 500 engineers
- **DMS** made the best software solution for energy distribution and entered a joint venture with Telvent (nowadays Schneider Electric)
- Other key global players such as **SKF Group, Adobe, Oracle, Google, HP, SAP, IBM, Siemens, Intel, Cisco, NCR Corporation, Telenor, Erickson, Privax, Endava, Vast, Execom** established their development centers in Serbia or outsource services to local IT companies



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POTENTIAL OF IT SECTOR

PRODUCTS OF IT INDUSTRY

- Gaming and gambling solutions
- Energy management solutions
- eHealth solutions
- Geo location solutions
- Smart environment protection solutions
- Smart garbage collection solutions
- Smart city parking solutions
- IoT solutions

AREAS OF POTENTIAL COOPERATION

- Design of integrated circuits
- Sensors/MEMS
- Embedded software
- WSN
- Middleware/platform
- Industry solution
- Cloud computing
- Intelligent application



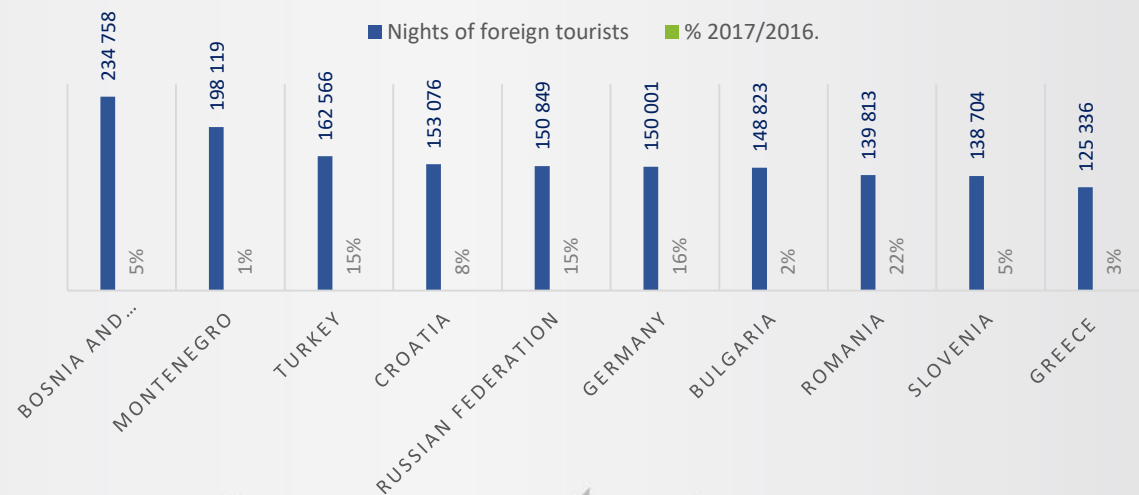
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TOURISM AND CULTURE

In 2017, the Republic of Serbia visited in total: **3,085,866 tourists**, which is **12% more** than in 2016, of which are foreigners: 1,497,173 (+ 17% / 2016), or **49%** of the total number of guests.

Places	No of Nights of foreign tourists	% 2017/2016.
Belgrade	1,691.817	+ 19 %
Novi Sad	231.340	+ 2 %
Zlatibor	132.188	+ 10 %
Kopaonik	104.991	+ 18 %
Vrnjacka Banja	98.343	- 6 %
Kragujevac	48.448	+ 20 %
Subotica	45.049	+ 5 %
Banja Koviljaca	33.011	+ 2 %
Gornja Trepca	19.115	+ 18 %
Banja Palic	18.800	+ 9 %

FOREIGN TOURIST NIGHTS SPENT BY COUNTRIES





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TOURISM AND CULTURE

- Rising number of foreign tourists call for new hotels, in all categories.
- Potential investments in 3*hotels in Belgrade, no hotels around airport
- Lack of family entertainment parks



Potential for long-term growth of tourism in the period 2016-2026 according to World travel and tourism council: Serbia is 60th out of 184 countries, Slovenia 106th and Hungary 113th.



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SPAS AND SPECIAL HOSPITALS FOR REHABILITATION

- Total capacity of Spas available for privatisation is about 4,000

Spas for privatisation	Location	Special hospital for	Number of beds
NIŠKA BANJA	Niš	cardio-vascular and rheumatic treatment	560
BANJA KOVILJAČA	Loznica	rheumatic, joint and spinal diseases	420
BANJA BUJANOVAC	Bujanovac	rheumatic, conditions after injuries	191
GEJZER, SIJARINSKA BANJA	Medveđa	rheumatism, arthrosis, spondylosis	277
MERKUR, VRNJAČKA BANJA	Vrnjačka Banja	diabetes, conditions after hepatitis	708
RIBARSKA BANJA	Kruševac	orthopedic, skeletal-joint diseases	510
SOKOBANJA	Niš	aerosol therapy, physiotherapy	530
VRANJSKA BANJA	Vranje	rheumatology, neurological diseases	120
ZLATIBOR	Zlatibor	thyroid and metabolic diseases	350
TERMAL	Vrdnik	orthopedic, skeletal-joint diseases	254



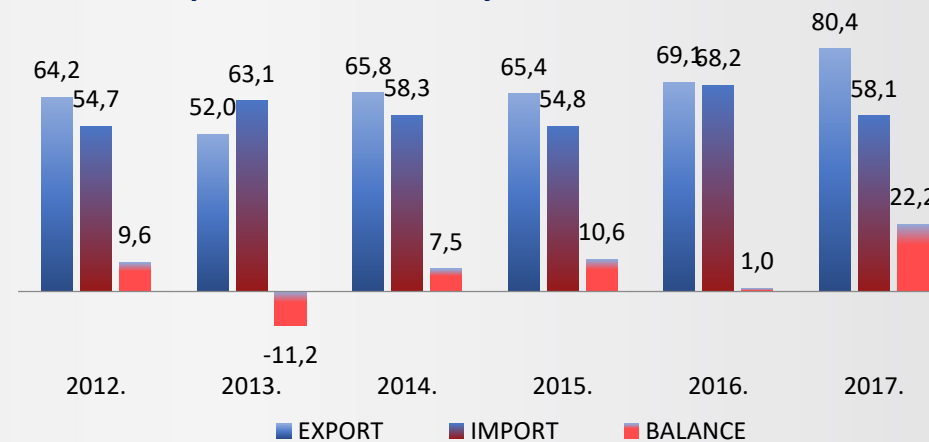


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CREATIVE INDUSTRY

- The creative industry sector in Serbia has recorded a stable growth of 4.6 percent annually in the past three years
- Has a revenue of 4.7 billion euros, which is 13.5% of GDP of Serbia, with 31.835 companies in 2016
- It employs 4% of Serbian citizens
- Has strong export potential, with over 25% of export growth annually and one of the fastest growing segments of the Serbian economy.
- Governmental support through new state regulations (financing)

Foreign trade in the creative industry in the period 2012-2017. year, in million EUR





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CREATIVE INDUSTRY

Structure of exports in the creative industry, by groups of activities,
in 2017 (%)





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CREATIVE INDUSTRY

New Regulation on incentives of the Government of the Republic of the Serbia:

- „**Regulation on incentives to investors to produce** an audiovisual work in the Republic of Serbia entered into force on August 27, 2015. In accordance with the Regulation, incentive funds are allocated to the investor, as non-refundable, by returning 20% of the eligible costs incurred in the Republic of Serbia, in order to stimulate economic activities related to audiovisual production, through increasing employment, as well as promoting the potential of the Republic of Serbia in this activity, its infrastructural, production and service activities. **In 2016, a total of 2,731,879.8 EUR was paid (for 9 projects).“ Incentives provided in 2017 - 3,296,611.8 EUR.**



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CCIS was established in 1857.

CCIS has been serving the Serbian economy and businesspeople more than 160 years.

CCIS is a member of most international chamber associations: – ICC, Eurochambre, ASCAME, Forum AIC, BSEC, ABC, CEI BC...

Good communication and cooperation with all relevant state institutions and local governments.

There are 16 regional chambers of commerce on the local level.

CCIS is the right place for investors to acquire necessary information and assistance in order to successfully implement their investment projects.





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INTERNATIONAL ECONOMIC RELATIONS DIVISION OF CCIS

MISSION

To assist domestic companies participating in foreign trade, but also to facilitate access to the global market in interaction with partners through:

- Business networking (exchange of trade missions, expos, state committees, business forums, conferences, multilateral organizations)
- Education and seminars
- Information on foreign trade movements from the corners of products, countries and groups of countries
- Operational "real time" support for members
- Publications

- Services:

1. Info sheet on foreign trade of a particular partner country;
2. How to operate on the market of a particular country or group of countries;
3. Event „Suppliers’ Days“;
4. The position of the product on the global market;
5. Highlight on systemic changes and risks in specific markets;
6. Quarterly, semi-annual and annual foreign trade fact sheet;
7. Magazin "Roadmap“;
8. Magazin "Exporter“.



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