SERBIA – YOUR BUSINESS PARTNER
Experiences From Serbia

"Members of the Foreign Investors Council, generally speaking, share positive experiences from operating on Serbian market. Geographic position makes Serbia attractive for investors to locate its operations and have easier access to different markets in the region. Also, Serbia introduced pillars of market economy, and can offer relatively stable macro-economic and political environment, even in the times of global crisis. Apart from this, the regulatory framework is to large extent harmonized with EU regulations. At the same time, the Government needs to more decisively implement adopted regulations and improve doing business conditions. Too much "red tape", lack of transparency and consistency in law application as well as corruption remain key issues that need to be resolved."

Costin Borc
President of the Foreign Investors Council

"Several factors continue to favor Serbia among countries in the region in regard to advantages for attracting foreign capital, especially its central geographic position. Another important factor is market size, as well as free trade agreements opening the door to the markets of the CEFTA countries, Russia and the EU. It has been repeatedly emphasized that investments in the sectors where Serbia has competitive advantages, primarily energy, agriculture and ICT, should be facilitated. In that respect, existing financial and tax incentives for new investments are significant, especially for large companies and projects.

The progress of Serbia on the road to European integration is also important, bearing in mind that Serbia’s European prospects are a key factor in attracting foreign direct investments and as an important element of the mechanism for continuing vital economic reforms. What has to be taken into account is the fact that Serbia has a new Government that has already announced reforms in the area of fiscal policy. These changes, combined with continuous improvement of the business climate through structural reforms, can certainly represent a solid foundation for continuously improving the position of Serbia as an investment destination in the upcoming period."

Miloš Đurković
President of the American Chamber of Commerce in Serbia (AmCham)

"Investments, as generators of economic and business growth in every country, have numerous positive effects – from reducing unemployment, to increasing productivity and competitiveness of the business sector in the global market, to improving living standards. Coca-Cola Hellenic entered the Serbian market 15 years ago, acquiring IBP Belgrade, this was the largest foreign investment in former Yugoslavia at the time. Since then, our company has invested more than EUR 200 million in Serbia. Last year, the Coca-Cola System contributed to the Serbian economy with EUR 25 million of direct added value, or 0.08% of the GDP; it allocated EUR 3 million for taxes, or 0.06% of the total tax revenue. One employment in our System relates to 13 indirect employments in the wider economy.

If Coca-Cola’s local operations were substituted by imports, the Serbian economy would suffer a loss of EUR 51 million in added value, and a loss of more than 2,700 jobs.

With the view to the achievements of foreign investors and local companies, the task of the new Government of Serbia is to continue building a stable business-friendly environment. Business and trade representatives see room for introducing measures to improve the business climate, such as aligning legislation with EU regulations, simplifying administration and cutting the red tape. After a decade and a half of successful operations in Serbia, Coca-Cola Hellenic believes that these and other measures will contribute to faster economic growth of the country and increased competitiveness, as well as stronger position of Serbia on the map of attractive investment destinations."

Ramon Weidinger
General Manager of Coca-Cola Hellenic Serbia

2013.
To establish Serbia as a country recognizable by its investment potential, market economy, open borders, a
country prepared to be competitively integrated into the European mainstream, represents the national interest
of the Republic of Serbia. These are the foundations on which the Chamber of Commerce and Industry of
Serbia, as a leading business association of Serbian entities, bases its essential commitment. The strate-
gic objectives of the Chamber of Commerce and Industry of Serbia are to actively strengthen the economic
development of the country, boost exports and foreign direct investments, heighten the competitive edge of the
Serbian economy, further the development of entrepreneurship and promote Serbian economy as a respecta-
ble destination to invest in.

The activities of the Chamber of Commerce and Industry of Serbia are primarily directed toward the represen-
tation of the interests of its members striving to create open, stimulating and prosperous business climate.

Representing the members’ interests in this way is particularly important in circumstances when the business
environment is facing the challenges of economic activities depression on global scale which is on internal
plan made more complex by transition challenges on one hand and challenges of adapting to economic crite-
ria for the EU membership on the other.

Chamber of Commerce and Industry of Serbia supports the domestic economy and investors also by offering
a wide range of information, promotion and consulting services. To represent and promote Serbian business,
natural and human resources in the country and abroad, provide foreign investors with the information on
requirements and possibilities of conducting business in Serbia, are the important tasks of the Chamber of
Commerce and Industry of Serbia.

The granted EU candidate status to Serbia would enhance business reliability and stability of business in Ser-
bia, and that is a signal for investors that Serbia is moving in the right direction to strengthen competitiveness
and predictability of business environment.

The Chamber of Commerce and Industry of Serbia and chamber system in Serbia have 156 long tradition. The
developed chamber network and the representative offices abroad are the guarantee for the effective applicati-
on of all mechanisms of support to the economy and business community.

The long–term aim of the Chamber of Commerce and Industry of Serbia is clear enough—stable and strong
economy, improvement of business and investment environment, higher living standards of its citizens and
development of Serbia. Constant progress and many examples of good practice are the best guarantee for
success.

Welcome to the Chamber of Commerce and Industry of Serbia!

Mr Željko Sertić
President of the Chamber of Commerce and Industry of Serbia
“Republic of Serbia is a state of Serbian people and all citizens who live in it, based on the rule of law and social justice, principles of civil democracy, human and minority rights and freedoms, and commitment to European principles and values”.

### General Data

<table>
<thead>
<tr>
<th><strong>Location:</strong></th>
<th>Southeastern Europe, central part of the Western Balkans</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Geographic coordinates:</strong></td>
<td>44 00 N and 21 00 E</td>
</tr>
<tr>
<td><strong>Territory:</strong></td>
<td>99,269 million square kilometers</td>
</tr>
<tr>
<td><strong>Population:</strong></td>
<td>7.2 million (the data for AP Kosovo and Metohia excluded)*</td>
</tr>
<tr>
<td><strong>Borders with:</strong></td>
<td>Hungary, Romania, Bulgaria, Macedonia, Albania, Montenegro, Bosnia and Herzegovina and Croatia</td>
</tr>
<tr>
<td><strong>Capital city:</strong></td>
<td>Belgrade, circa 1.6 million inhabitants</td>
</tr>
<tr>
<td><strong>Cities above 100,000:</strong></td>
<td>Novi Sad, Niš, Kragujevac, Priština, Subotica</td>
</tr>
<tr>
<td><strong>State organization:</strong></td>
<td>Parliamentary Republic</td>
</tr>
<tr>
<td><strong>Official language:</strong></td>
<td>Serbian</td>
</tr>
<tr>
<td><strong>National currency:</strong></td>
<td>RSD – dinar</td>
</tr>
<tr>
<td><strong>Time zone:</strong></td>
<td>GMT+1</td>
</tr>
</tbody>
</table>

### Resources

| **Road network:** | 40,845 kilometers |
| **Railway network:** | 4,092 kilometers |
| **Navigable rivers:** | Danube –588 km, Sava–207 km and Tisza–164 km |
| **International airports:** | Belgrade, Niš and Priština |
| **Agricultural land:** | 5.7 million ha |
| **Coal reserves:** | 20 billion tons |
| **Petrol and gas reserves:** | 20 million tons oil equivalent |
| **Hydro potential:** | circa 27,000 GWh |
| **Mineral and Thermo mineral waters:** | 700 springs, out of which 360 are recognized |
| **Geological reserves:** | copper – 2.8 billion tons, antimony – 9 million tons, magnesite – 41 million tons, fireproof and ceramic clay – 190 million tons |
| **Nature Conservation:** | 125 protected plant and 428 animal species |
| **National Parks:** | the Fruška Gora Mountain, Đerdap, Tara, Kopaonik, Mountain Šara |
| **Biosphere reserve:** | Golija Mountain |

*Sources: Statistical Office of the Republic of Serbia*
between the East and the West

in where 16 Roman emperors were born

of great people and big achievements
A country of champions

rich in tradition and modern in future path

of glorious past and great prospects

SERBIA

a country with future
In 2001–2011 GDP recorded the annual growth rate by 3.3%, in spite of the fact that in 2009 it recorded for the first time in this century a moderate drop by 3.5% due to the negative effects of the global crises.

Services were the main generator of growth: trade, transport warehousing and communications, financial mediation, PTT services and telecommunications. In addition, certain contribution to economic growth was provided by agriculture and processing industry.

The economic growth contributed to the improvement of the standard of living of population since the GDP per capita in 2011 was bigger for 2.5 times when compared to 2001.

Until 2010, there were visible changes in the structure of Serbian economy towards services. In 2011, a drop in share of services in the economic structure of the country was recorded, and now services account for 62.1% (or 66.9% including construction industry).
**Inflation**

The stabilization policy, focused on reduction of inflation, has been the basis of economic reforms in the transition period.

In 2011 the consumer prices increase (CPI) amounted to 7%. Target inflation rate for 2012-2014 stands at 4%±1.5 p.p.

Inflation measured by consumer prices index in the period 2008–2012 and central values of targeted inflation for the period 2009–2012 (annual growth in %)

Average net earnings in Serbia, per year (EUR)

Source: On the basis of data provided by the Statistical Office of the Republic of Serbia

**Labour force structure**

1. College and university degree – 21.6%
2. Secondary education – 72.4%
3. Elementary school and without any education – 6%

**Labour force structure by economic sectors in 2011**


**Earnings**

Average annual net income growth rate in the period 2001–2011 stood at about 10%.

Real net wages were increased from about 100 EUR in 2001 to 360 EURO in 2011 i.e. for about 3.6 times.

**CHALLENGES**

- Improvement of economic competitiveness
- Strengthening of innovation capacity and industrial modernization
- Improvement of export structure
- Development of infrastructure
- Creation of new jobs
- Reform of the public sector
- Creation of incentive investment climate
In the period 2001–2011, the total Serbian foreign trade increased 3.5 times.

Export value increased 4.4 times – from 1.9 billion to 8.4 billion EUR.

Import value increased 3 times – from 4.8 billion to 14.4 billion EUR.

Export/import coverage ratio increased from 40% to 59.3%.

Major foreign trade partner to Serbia in 2011 was the European Union, with 57.6% of total Serbian commodity export, and with 55.6% of total Serbian commodity import.

Commodities export and import in the period 2004-2011 (in million EUR)

Export structure by activity classification in 2011

<table>
<thead>
<tr>
<th>Category</th>
<th>2011 Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other machinery and devices</td>
<td>4.6</td>
</tr>
<tr>
<td>Electrical devices</td>
<td>6.2</td>
</tr>
<tr>
<td>Rubber and plastics</td>
<td>6.5</td>
</tr>
<tr>
<td>Chemicals and chemical products</td>
<td>6.5</td>
</tr>
<tr>
<td>Agricultural products, hunting and services</td>
<td>7.9</td>
</tr>
<tr>
<td>Food products and beverages</td>
<td>14.8</td>
</tr>
<tr>
<td>Basic metals</td>
<td>16</td>
</tr>
<tr>
<td>Other</td>
<td>37.5</td>
</tr>
</tbody>
</table>

Source: Statistical Office of the Republic of Serbia
Dynamic export growth represents the result of the positive effects of the privatization process and restructuring of companies, signed FTAs and overall transformation of the economic system into the market economy.

Significant strategic objective in the forthcoming period will be even more dynamic growth of exports and further narrowing of the foreign trade deficit.
Serbia has favorable natural conditions for the development of a variety of agricultural products: cereals, industrial plants, grapes, fruits and vegetables, seeds and planting material, medicinal herbs, and livestock.

Primary agricultural production enabled the development of food processing industry: confectionary, vegetable oils industry, sugar industry, breweries, juices production, vegetables processing industry, production of flour, meat, etc.

### Agricultural production in Serbia (in thousands tons)

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>2,095</td>
<td>2,068</td>
<td>1,630</td>
<td>2,076</td>
</tr>
<tr>
<td>Maize</td>
<td>6,158</td>
<td>6,396</td>
<td>7,207</td>
<td>6,480</td>
</tr>
<tr>
<td>Barley</td>
<td>344</td>
<td>303</td>
<td>244</td>
<td>279</td>
</tr>
<tr>
<td>Oats</td>
<td>96</td>
<td>74</td>
<td>68</td>
<td>71</td>
</tr>
<tr>
<td>Rye</td>
<td>14</td>
<td>13</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Sugar beet</td>
<td>2,299</td>
<td>2,798</td>
<td>3,325</td>
<td>2,822</td>
</tr>
<tr>
<td>Sunflower</td>
<td>454</td>
<td>378</td>
<td>378</td>
<td>378</td>
</tr>
<tr>
<td>Soya bean</td>
<td>351</td>
<td>349</td>
<td>541</td>
<td>441</td>
</tr>
<tr>
<td>Potato</td>
<td>844</td>
<td>898</td>
<td>887</td>
<td>892</td>
</tr>
<tr>
<td>Wine (1000 hl)</td>
<td>1,542</td>
<td>2,210</td>
<td>2,363</td>
<td>2,326</td>
</tr>
<tr>
<td>Milk (mil.l)</td>
<td>1,534</td>
<td>1,515</td>
<td>1,462</td>
<td>1,472</td>
</tr>
<tr>
<td>Butter</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Cheese</td>
<td>21</td>
<td>22</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>Beef and baby beef</td>
<td>99</td>
<td>100</td>
<td>96</td>
<td>100</td>
</tr>
<tr>
<td>Pork</td>
<td>266</td>
<td>252</td>
<td>269</td>
<td>280</td>
</tr>
<tr>
<td>Mutton</td>
<td>23</td>
<td>25</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>Poultry</td>
<td>76</td>
<td>80</td>
<td>84</td>
<td>88</td>
</tr>
<tr>
<td>Meat-total</td>
<td>464</td>
<td>457</td>
<td>472</td>
<td>492</td>
</tr>
</tbody>
</table>

Source: Statistical Office of the Republic of Serbia

### Foreign trade exchange in agricultural and food products in the period 2006-2011 (in million USD)

Source: Statistical Office of the Republic of Serbia

### Agriculture Structure for 2011

Source: Statistical Office of the Republic of Serbia

### Export structure in agriculture for 2011

Source: Statistical Office of the Republic of Serbia
The European Union market absorbs one half of total agricultural export of Serbia. The second ranking markets for Serbia are countries from the region, members of multilateral trade agreement CEFTA. As the only country in the region, Serbia enjoys favourable conditions to access the market of the Customs Union, consisted of the Russian Federation, Belarus and Kazakhstan, which facilitates greatly the marketing of agricultural produce. The Serbian agriculture has non-customs treatment on the market of Turkey.

Trade agreement between Serbia and the EU has started to be mutually applied since February 2010. This fact enables free access for Serbian product on a very big and demanding market which is being very much used. In trade with the EU, Serbia has preferential status for export of 8,700 tons of baby beef, 63,000 hectoliters of wine and 180,000 tons of sugar.

The Generalized System of Preferences granted by the USA, enables tariff-free export of Serbian agricultural and food products to the US market.

Priority objective of Serbian agriculture is to increase general level of competitiveness, finds new markets, adapt to rules and standards of the EU and WTO, conquers new know-how and technologies that will change the existing structure of agriculture and be ready to meet competition on local and international market.

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**Fruškogorski bermet**, sweet wine served at Maria Tereza’s Court, ajvar from Leskovac and honey from Homolje mountains are domestic products with protected indication of geographical origin at international level in 27 countries of the world.

Apart from these, 50 other products and localities are registered at national level in the Serbian Intellectual Property Office: prosciutto and bacon from Uzice, kulen from Srem, sausages and salamis, sausage from Požarevac, herbal tea from Rtanj, cheese from Homolje, Riesling wine from Banat, Ružica wine from Jagodina, wine from Kosovo, caviar from Kladovo, a number of mineral waters, barbeque meat from Leskovac, duvan čvarci (a variant of pork rinds) from Valjevo, cabbage from Futog, raspberries from Arilje, rugs from Pirot, damask from Bezdan and wool knitted garments from Sirogojno.
Energy sector in the Republic of Serbia includes exploitation of local primary energy potentials (coal, crude oil, natural gas, renewable sources of energy), import of primary energy potentials (primarily crude oil and natural gas), production of electricity and thermal energy generation, exploitation and processing of coal, exploitation and processing of crude oil, as well as transport and distribution of energy and energy products to end users.

Energy system of the Republic of Serbia consists of:

- Crude oil sector which includes exploitation of domestic crude oil and natural gas reserves, import of crude oil, transport and processing of crude oil, production, import/export and distribution (sale) of crude oil derivates and lubricants
- Natural gas sector includes import and distribution of natural gas to end users
- Coal sector including open, underground and under-water exploitation of coal, its processing and sale for supply to end user
- Electric energy sector including generation of electricity in thermal plants, thermal plants for heating and hydro power plants, electric energy transmission and supply to end users through electricity distribution systems
- City thermal energy plants system includes production and distribution of thermal energy for heating to end users in 58 towns and municipalities of the Republic of Serbia
- Renewable energy sector includes production of energy from renewable sources: solar energy, wind energy, small water flows energy, biomass and geothermal energy

Main energy indicators in Serbia

Electric power is generated in eight thermal power plants with the total installed capacity of 5,171 MW, nine hydro power plants with fifty power generators with total installed capacity of 2,831 MW and three thermal–heating power plants comprising 6 power blocks with the total installed capacity of 353 MW.

Electricity transmission is carried out at 400, 220 i 110 kV in total length of 9,998 km which also includes 95 high voltage transmission stations with 187 transformers with total installed power of 18,622 MVA.

Structure of primary energy production by sources of energy

![Energy Production Pie Chart]

Source: Energy balance of the Republic of Serbia for 2012

Centralized supply of thermal energy exists in 58 cities throughout Serbia, whereas total installed thermal capacity of boilers is 6,597 MWt.

Exploitation of crude oil reserves and natural gas are at the level of 20 Mtoe, while the geological reserves are estimated at near 60 Mtoe.

Refined crude oil processing has been operated in two refineries: Oil Refinery Pančevo and Oil Refinery Novi Sad of total capacity 7.3 million tons of primary processing annually.
Gas pipeline of Serbia consist of gas transportation system with capacity of 16 million m³ of gas/day, in the length of 2,258 km and working pressure of 16-75 bar, gas distribution system in the length of 14,299 km, with working pressure of 4-16 bar and over 252 thousand connectora and underground gas storage Banatski Dvor with operating capacity of 300 million, and projected capacity of 800 million m³ of gas.

Total geological coal reserves are estimated at 20 billion tons, out of which 68% accounts for balance and 32% for off-balance coal reserves.

Total energy potential of renewable sources of energy (RER) is assessed at over 4.30 Mtoe per year, as follows: biomass: 2.7 Mtoe; wind: 0.19 Mtoe; MHE: 0.60 Mtoe; solar: 0.64 Mtoe and geothermal: 0.20 Mtoe.

With the Introduction of “Feed in” tariff in 2010 a period of better utilization of the renewable sources of energy has started. Until today, a number of electricity generation projects were realized from renewable sources of energy with the total installed capacity of 19 MW: MHE- 9 MW, biogas-2.7 MW, wind 0.5 MW, combined cycles 6.7 MW and from solar energy 0.093 MW.

**Energy Development Strategy**

- Modernization and revitalization of the existing hydro power plants, Derdap II and hydropower plants on Lim, and modernization and revitalization of the following hydropower plants is currently carried out: Derdap 1, Bajina Bašta and Zvornik
- Construction of electric–power facilities of the TPP Kolubara B, capacity of 2x350 MW; TPP TENT B3, 700 MW; T–HPP Novi Sad, 400–500 MW; TPP Kostolac, 500–600 MW
- Refurbishing and improvement of the electricity distribution network and investments in the IT and telecommunication network, the construction of new transformer substations and power landlines
- Gas pipeline “South Stream”, total length of about 1,500 km and the capacity of over 60 billion m³ of gas per year
- Capital construction of the second stage of the underground gas storage Banatski Dvor and construction of a new underground gas storage Itebej
- Rehabilitation of gas line system for natural gas transport and further extension of distributive gas network in Serbia
• Privatization process and restructuring of the economy are entering the final phase and are expected to be ended by the 30th of June 2014.

• During the 2001-2011, industrial production recorded an average growth rate by about 0.7% per year.

• Production growth is influenced by processing industry, which is the dominant sector of the domestic industry.

<table>
<thead>
<tr>
<th>Industrial Production</th>
</tr>
</thead>
</table>

**Production dynamics in industry for 2003-2011 (%)**

- 2003: -2.8%
- 2004: 6.6%
- 2005: 0.6%
- 2006: 4.2%
- 2007: 4.1%
- 2008: 1.4%
- 2009: 2.5%
- 2010: 2.1%
- 2011: -12.6%

Source: Statistical Office of the Republic of Serbia

• Major products in industrial production structure: food products, beverages and tobacco, metal products and chemical products, energy, rubber and plastics. These industries will maintain dominant position in the coming years.

**Structure of industry by sectors in 2010**

<table>
<thead>
<tr>
<th>Industrial sectors</th>
<th>Share in percents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining</td>
<td>7.6</td>
</tr>
<tr>
<td>Production of food products</td>
<td>18.6</td>
</tr>
<tr>
<td>Beverages production</td>
<td>5.4</td>
</tr>
<tr>
<td>Production of tobacco products</td>
<td>1.4</td>
</tr>
<tr>
<td>Production of textiles</td>
<td>1.2</td>
</tr>
<tr>
<td>Production of garments</td>
<td>2.5</td>
</tr>
<tr>
<td>Leather and leather products production</td>
<td>1.0</td>
</tr>
<tr>
<td>Wood processing and production of wooden products</td>
<td>1.2</td>
</tr>
<tr>
<td>Production of paper and paper products</td>
<td>2.7</td>
</tr>
<tr>
<td>Reproduction of audio and video records</td>
<td>1.8</td>
</tr>
<tr>
<td>Production of coke and oil derivates</td>
<td>3.7</td>
</tr>
<tr>
<td>Production of chemicals and chemical products</td>
<td>3.2</td>
</tr>
<tr>
<td>Production of basic chemicals</td>
<td>3.5</td>
</tr>
<tr>
<td>Production of rubber and plastic products</td>
<td>5.0</td>
</tr>
<tr>
<td>Production of other nonmetal mineral products</td>
<td>4.6</td>
</tr>
<tr>
<td>Production of basic metals</td>
<td>1.3</td>
</tr>
<tr>
<td>Production of metal products excluding machines</td>
<td>7.0</td>
</tr>
<tr>
<td>Production of computers, electronic and optical devices</td>
<td>1.6</td>
</tr>
<tr>
<td>Production of electric equipment</td>
<td>2.8</td>
</tr>
<tr>
<td>Production of non listed machines and equipment</td>
<td>2.3</td>
</tr>
<tr>
<td>Production of motor vehicles and trailers</td>
<td>1.3</td>
</tr>
<tr>
<td>Production of other transportation vehicles</td>
<td>0.5</td>
</tr>
<tr>
<td>Production of furniture</td>
<td>1.9</td>
</tr>
<tr>
<td>Other processing sectors</td>
<td>0.9</td>
</tr>
<tr>
<td>Repair and equipment assembly</td>
<td>0.3</td>
</tr>
<tr>
<td>Electricity and gas supply and air conditioning</td>
<td>16.7</td>
</tr>
</tbody>
</table>

Source: Statistical Office of the Republic of Serbia
Construction and Building Industry

Construction sector is one of the driving forces of the economic development of Serbia since it engages over 40 business activities.

Construction industry encompasses construction works that include building construction, civil engineering construction, hydro construction and specialists’ trade work and finishing off operations, building materials industry, design and spatial planning, housing cooperatives, investors of the Government agency for infrastructure and other structures building, geodetic surveying and cadastres, institutions engaged in urbanism, educational institutions, professional associations, institutes and other.

Participation share of construction industry according to different parameters in 2011

- In export: 5.5
- In total GDP: 4
- In total number of employees: 6
- In total number of companies: 10

Source: Statistical Office of the Republic of Serbia

Construction works carried out abroad encompass a wide range of services including research, studies and projects as well as building of individual and complete objects.

The development of the construction sector during the period of extensive investment construction has induced the development of quite a large number of well organized and significant producers of construction materials. Building material industry includes stone extraction, gravel and sand extraction, stone cutting, shaping and processing as well as production of brick, tile, cement, lime, gypsum, products made of concrete, etc. According to analysis, the price share of the construction material in the construction works participates on average with circa 35%–40%.

“The bridge across Ada is a unique in the world in its category. This is the biggest bridge in the world with one pylon which is high 200 m and wide 46 m. The bridge is also unique because it is asymmetric, i.e. pylon is placed in the middle of the bridge. Therefore, the bridge had to be made of different materials. The back span of the bridge is 250 m and it is made of 12 concrete segments from the side of Cukarica, whereas the main span of the bridge is made of 19 steel segments. All these are connected with the pylon by 20 pairs of cables the total length of which is 1000 km which is a distance between Belgrade and Istanbul. A story about the bridge was broadcasted by Discovery Channel proving that this bridge was ranked among most important bridges in the world.”

Source: Belgrade Land Development Public Agency
Serbia has systematically defined the support to the development of an innovative society and the creation of the modern and knowledge-based economy of Serbia. The regulations relating to innovations and intellectual property, have been harmonized in line with the EU legislation and thus provide the conditions for the creation, development and application of innovations and new technologies, what encourages the improvement of applicable ideas in industry and attraction of foreign investors.

The latest report of the Global Innovation Index published by the World Intellectual Property Organization and INSEAD, in collaboration with Knowledge Partners, Alcatel – Lucent, Booz and Company and Confederation of Indian Industry (CII), discloses that Serbia is ranked the seventh according to the efficiency of application of innovations and has been estimated as a country of high potentials in that sector.

In April 2011 the nine students from the University of Belgrade won first place in the European Commission’s "Sustainable energy week 2011” competition in Brussels, with their Strawberry tree – public solar charge for mobile devices. The Strawberry energy (the real name of this student organization) triumphed in the competition of 309 projects and beat the companies like Toyota, General Electric and Renault.
Protection and improvement of working and living environment, rational and ecologically acceptable exploitation of raw materials, preservation of nonrenewable natural resources, improvement of environment protection systems, reduction of pollution (air, water, soil, wastes, noise, radiation, etc.) and pressure on environment as a whole represent the priorities of the Strategy of Sustainable Development of Serbia.

Economic potential of the environment protection sector in Serbia is increasingly recognized both by domestic and foreign investors. Investments into clean technologies, energy efficiency, development of new and ecologically acceptable and innovative products and investments in recycle plants for products that after use become special wastes will enable increased employment, business competitiveness and improved quality of life of the citizens.

The Lafarge Invention Award competition held on the 5th of January 2011 in France involved 104 best projects from over 80 varied countries, where three technologies from Serbia entered the finals. On that occasion, out of ten finalists the technology "Panel construction system with permanent internal isolation" was announced the winner in its category.

Green economy and investments into environment can become one of the strategic directions for the development of the Serbian economy in future. It is a big opportunity for new employment and drawing of financial resources from pre-accession funds of the EU with the aim to build the sustainable system of environment protection.
The Republic of Serbia has a well developed transport infrastructure. Being at the crossroads of two big European Corridors in the Southeastern Europe (road Corridor X and waterway Corridor VII), Serbia is the transit country of commodities and passengers carried from Asia to Central Europe.

**International corridors**

![Map of the Republic of Serbia with international corridors](image)

**Transport of goods and passengers by mode of transport in 2011 (%)**

![Bar chart showing transport modes](image)

- **Passenger transport**: 90.5
- **Goods transport**: 51.1
- **Railway**: 19.7
- **Road**: 20.6
- **Air**: 7.8
- **River**: 1.7
- **Pipeline**: 0

Source: Statistical Office of the Republic of Serbia

**Road Transport**

Road network of the Republic of Serbia is 40,845 km long, encompassing:
- 5,525 km (14%) of main roads (498 km highways)
- 11,540 km (28%) of regional roads
- 23,780 km (58%) of local roads

Road network covers:
- 498 km of highways with toll collection
- 136 km of semi–highways with toll collection
Railway Transport
In the Republic of Serbia, railway transport is effectuated on 4,092 km of railway tracks, out of which 1,196 km are electrified. In 2011, Serbian Railways, the national railway company of Serbia, transported 6,123,000 passengers and 12,620,000 t of cargo, with 417 traction units.

Air Transport
Air transport in the Republic of Serbia is carried out through three international airports located in Belgrade, Niš and Priština. In 2011, 1,285,000 passengers and 2,220 t of goods were transported by air transport.

Inland Waterway Transport
Inland waterway transport is effectuated along two international rivers and one interstate river and a canal system accounting for the total length of circa 1,680 km
- The Danube River 588 km
- The Sava River 207 km
- The Tisza River 164 km
- The Danube–Tisza–Danube Canal 604 km

Serbia has ten international ports, nine of which are located on the Danube River and one on the Tisza River, while two national ports are on the Sava River.
Trade

Trade is an important branch of the economy of the Republic of Serbia, and it has an irreplaceable role in the process of integrated market economy development. The trade policy of the Republic of Serbia is based on the following:

- Integrated connectedness of trade and the entire economic system
- Unity of the commodity trade, market and trade
- Free movement of goods and services
- Efficient implementation of the policy of competition protection and consumers protection
- Commitment to intensive modernization and strengthening of competition in trade, along with:
  - Elimination of the commercial barriers to entrance to the market
  - Liberalization of urban building criteria for development of the trade network
  - Protection of small and medium-sized enterprises
  - Development of trade representative offices

The trade sector in Serbia is in the expansion stage. The market share of large multinational companies is constantly growing, and Serbia is becoming an important trade centre in the region of the South Eastern Europe. The strategic directions of Serbian trade include the preparations for structural harmonization for accession of Serbia to the EU.

The percentage share of trade in different segments in 2011:

- In GDP of Serbia – 11.7%
- In the number of employees – 19.8%
- In total revenues – 37.27%
- In total profit – 26.3%

The most important companies dealing with retail trade, with the largest number of shops and the highest turnover: DELHAIZE SERBIA, MERCATOR-S, IDEA, VEROPOULOS, DIS, UNIVEREXPORT, GOMEX, TP KVIN, AMAN, ANGROPREMOT, LILLY, DM.

**Foreign investments into trade in Serbia, in 2011**

<table>
<thead>
<tr>
<th>Company</th>
<th>Country of origin</th>
<th>Activity</th>
<th>Type of investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delhaize Group</td>
<td>Belgium</td>
<td>Trade – retail trade</td>
<td>Takeover</td>
</tr>
<tr>
<td>METRO Cash&amp; Carry</td>
<td>Germany</td>
<td>Trade</td>
<td>Greenfield</td>
</tr>
</tbody>
</table>

Source: Serbian Investment and Export Promotion Agency (SIEPA)

Total foreign direct investments in the trade sector in 2011 stood at 953.5 million EUR.

The largest turnover was recorded in the sale of the following products: foodstuffs, pharmaceutical products and motor vehicle fuel, and their share in the total turnover of the Republic of Serbia was more than 60%.
IT Sector

IT market trends in Serbia (in million EUR)

Source: National Bank of Serbia

Export of services (in million USD)

Source: National Bank of Serbia

Services export structure

Distribution 45%
System Integrators 38%
Embedded 4%
Programmers 13%

Analysis of IT industry in Serbia

<table>
<thead>
<tr>
<th>Strength</th>
<th>Weakness</th>
</tr>
</thead>
</table>
| Environment | • High–Tech export  
• Serviceable patents  
• Number of phone lines  
• Quality of scientific and research institutions  
• Electricity generation  |
| Readiness (Absortion quality) | • Monthly business phone subscribers  
• Monthly private phone subscribers  
• Quality of mathematics and scientific education  
• Quality of public/state schools  |
| Use | • Internet bandwidth  
• Cell phone subscribers  |
| • Nonconformity of ICT regulations with global ones  
• Strength of the local competition  
• Sophistication of the finance market  
• Availability of state–of–the–art technologies  |

• Level of personnel education  
• Sophistication of buyers  
• Importance of ICT for the future of the state  
• Technology adoption on the company level  
• Foreign technology licensing diffusion  
• Government success in ICT promotion  
• Availability of government on–line services
Tourism

The share of tourism and hospitality sector in the GDP of the Republic of Serbia amounts to about 3% while in the total exports of goods and services its share is up to 9%.

Number of arrivals and overnight stays of foreign tourists by year

Source: Statistical Office of the Republic of Serbia

Mountain tourism – The mountains in Serbia that have been declared national parks represent natural tourist resources: Tara, Kopaonik, Fruška Gora and Šara Mountains. Along with the immense potential for skiing, hunting, fishing and summer recreation, the tourism potential of these mountains also includes villages with health food and ecological environment. The mountain tourism in Serbia has enormous potential. More than 50% territories of Serbia are hilly and mountainous areas, and all major mountain centres are on the altitude of 1,000 to 2,500 meters.

Spa tourism – Numerous mineral springs and favourable locations of the spas, along with the tradition dating back to the period of the Roman Empire are the important features of the Serbian tourism. With 300 mineral springs and thermo mineral waters and circa 40 spas: Vrnjačka Banja, Banja Koviljača, Sokobanja and Niška Banja. Serbia ranks among the richest areas in spas in Europe.

Source: National Bank of Serbia

Foreign currency inflow – tourism (in mill. USD)
Tourism on the rivers and lakes – the Rivers Danube, Sava and Tisza provide for good hunting, fishing and sailing tourism. In addition, there are natural reserves and archeological sites dating back to the ancient epochs and the Middle Age. The National Park Đerdap, together with the archeological site Lepenski Vir, are very appealing to tourists. Serbian natural and artificial lakes: Borsko, Bovansko, Paličko, Vlasinsko and Gružansko are convenient for water sports and represent a heaven for the nature lovers.

Hunting and ecotourism have been developed owing to numerous rich and equipped hunting grounds for small and large game in 20 regional parks and 120 nature reserves. Many plant and animal species are registered as protected natural rarities, while Obedska bara, Ludoško lake, Stari Begej – Carska bara and Đavolja Varoš are on the UNESCO list of world’s natural resources.

Rural tourism enables staying in ecologically preserved nature with health food, and enjoying the hospitality of rural population. In the same time, rural tourism contributes to preserving and upgrading of the authentic rural environment.

Rich cultural heritage - The medieval complex of monuments, the Monasteries Sopoćani and Studenica, Gračanica, Visoki Dečani, Church of the Mother of God of Ljeviš and the Patriarchate of Peć, as well as the remains of Felix Romuliana, Palace of Galerius are under the UNESCO protection and invaluable cultural and historical wealth of Serbia.

Tourism in big towns includes business, congress, event and youth tourism, and other kinds of tourism that are developed in bigger town centres.

In 2011 CNN ranked Novi Sad among the 50 best summer destinations in the world, and EXIT festival among the 5 top international festivals.

Transit tourism is developed predominantly along the main roads: the highway, the Ibarska road, the transiting road through Belgrade.

Events are an inseparable part of the tradition of our people, but also a powerful weapon for arousing interest of tourists in organized visits to the events. Every year, a great number of events are held in Serbia – more than 1,000. Some of them are: Vukov sabor, Dragačevo Trumpet Festival, EXIT Festival, Carnival in Vrnjačka Banja, Belgrade Beer Fest, Kustendorf Festival, Haymaking on Rajac, Sailing down the River Ibar (Veseli spust), Homolje Motives, Barbecue Festival, Ljubičevu Horse Games, Belgrade Marathon, Belgrade Boat Carnival, Days of the Tisa Blossom, Nishville.
The financial services market in Serbia comprises: business banks (32), insurance companies (28), leasing companies (17), stock exchanges (1) and broker–dealer companies (35). In addition, there are 6 voluntary pension fund management companies and 6 investment fund management companies, which manage 9 voluntary pension funds and 20 investment funds.

The financial system is stable owing to the supervision performed by the National Bank of Serbia and the Securities Commission.

Ownership structure of the banks in Serbia

- Foreign majority ownership: 8
- Majority ownership of domestic entities: 3
- Majority or minority ownership of the Republic of Serbia: 21

Source: National Bank of Serbia

The banking sector still has a dominant role in the Serbian financial system, with the share of 92% in the balance sheet total. The market is dominated by the banks with foreign capital. The largest share in the total assets of the foreign banks accounts for the banks owned by the shareholders from Italy and Austria, followed by those from Greece and France.

Market concentration with the banking sector is lower than in the region, but it exists. Observed by the balance sheet total amount, five banks with the highest balance sheet total have the market share of 47%, and 10 banks have the share of 72%. The banking sector has a high average capital adequacy ratio and it is adequately capitalised.

The share of the insurance sector in Serbia in the balance sheet total is about 4%, and it comprises 28 insurance companies. 24 insurance companies deal exclusively with insurance, whereas 4 are engaged in reinsurance. From among the companies dealing with insurance, seven are engaged in life insurance, eleven are engaged only in non–life insurance and six deal with both life and non–life insurance.

Observed by the capital ownership structure, 21 insurance companies are in majority foreign ownership and 7 are owned by domestic shareholders.
Small and Medium-Sized Enterprises

The accelerated development of the SME sector and its turning into a significant segment of the economy, is among more important results of the transit economy of Serbia. In 2010 out of the total 319,044 enterprises, the entrepreneurial sector makes up 99.8% (318,540 enterprises). The SME sector generates 66.4% of the employed (814,585), 65.3% of turnover (RSD 4.678 billion), 55.9% of GVA (RSD 817,4 billion) and recruits 52.6% investments of non-financial sector in 2010.

The SMEs sector recruits 45.4% of the total employment, 43.9% of total investments, then it realises 44.5% of export, 52.3% of import, and generates 63.3% of foreign trade deficit of the economy of Serbia and participates in the GDP with near 33%.

In the structure of the SME sector observed by volume, the most numerous are micro enterprises (306,669), while the small and medium-sized enterprises (11,871) are dominant in accordance with all indicators observed (52.7% the employment rate, 59.9% the turnover, 60.6% the GVA, 73.7% the export and 74.9% the import).

The strategy for the development of competitive and innovative SMEs sector in the period 2008 – 2013 is the overall and permanent monitoring of the SMEs sector in the Republic of Serbia, through the Action Plan for the implementation of the adopted Strategy, being supported by 29 institutions. In addition, the SMEs sector has been in the EU implementation process since 2003. After the report on small enterprises carried out in accordance with the EU Treaty, the Small Business Act has been commenced to be implemented, while by the end of this year the EU will pass the Action Plan for the Entrepreneurship 2020. This procedure involves the synergy of institutions, special coordination of the related ministries, institutions, agencies and the Chamber of Commerce and Industry of Serbia.

Activities of the Chamber of Commerce and Industry of Serbia in terms of SME sector:
- Representing the interests of the SMEs sector – SME Forum
- Implementation of the SMEs developing policy in the aspect of national and European documents
- Project activities
- Providing services to the SMEs and education
- Implementation of the mechanism for SMEs development: clusters, business incubation, start-up, women entrepreneurship and etc.

### SMEE profitability by sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>32.8</td>
<td>36.1</td>
</tr>
<tr>
<td>Trade industry</td>
<td>32.5</td>
<td>40.9</td>
</tr>
<tr>
<td>Processing</td>
<td>33.6</td>
<td>36.5</td>
</tr>
<tr>
<td>Construction</td>
<td>40.4</td>
<td>44.8</td>
</tr>
<tr>
<td>Transport</td>
<td>35.9</td>
<td>38.1</td>
</tr>
</tbody>
</table>

Source: Ministry of Finances and Economy
Level of Investments in Serbia

Since 2001, a growing trend recorded with FDIs, with the variations characteristic for all European countries in transition, due to the specific institutional environment and attraction of FDIs through the privatization process, and negative impact of the global economic crisis.

Foreign direct investments in Serbia during 2003–2011 (net amount, in millions USD)

<table>
<thead>
<tr>
<th>Year</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value (in millions USD)</td>
<td>1,071</td>
<td>796</td>
<td>1,440</td>
<td>4,286</td>
<td>2,004</td>
<td>2,362</td>
<td>1,771</td>
<td>1,510</td>
<td>2,142</td>
</tr>
</tbody>
</table>

Source: National Bank of Serbia

Investment Structure by Activity

Observed by activity, and according to data for 2011, the biggest amount of foreign investments was placed in the sector of whole sale and retail trade (788 million USD in absolute amount), then in processing industry (421 million USD), financial sector and insurance (222 million USD), and real estate business (138 million USD).

Foreign direct investments by Activity 2011

- Wholesale and retail trade: 21%
- Processing industry: 11%
- Finance and insurance: 7%
- Real estates: 5%
- Construction industry: 4%
- Information and communication: 3%
- Construction industry: 10%
- Mining: 1%
- Other: 0%

Source: National Bank of Serbia
Twenty largest investors into Serbia, in the period 2001–2011

<table>
<thead>
<tr>
<th>Company</th>
<th>Country of origin</th>
<th>Activity</th>
<th>Investment amount (mill. EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telenor</td>
<td>Norway</td>
<td>Telecommunications</td>
<td>1,602</td>
</tr>
<tr>
<td>Gazprom Neft- NIS</td>
<td>Russia</td>
<td>Energy</td>
<td>947</td>
</tr>
<tr>
<td>Fiat Group</td>
<td>Italy</td>
<td>Car industry</td>
<td>940</td>
</tr>
<tr>
<td>Delhaize</td>
<td>Belgium</td>
<td>Retail trade</td>
<td>933</td>
</tr>
<tr>
<td>Stada - Hemofarm</td>
<td>Germany</td>
<td>Pharmaceuticals</td>
<td>650</td>
</tr>
<tr>
<td>Mobilkom – VIP Mobile</td>
<td>Austria</td>
<td>Telecommunications</td>
<td>633</td>
</tr>
<tr>
<td>Philip Morris DIN</td>
<td>USA</td>
<td>Tobacco industry</td>
<td>630</td>
</tr>
<tr>
<td>Banca Intesa</td>
<td>Italy</td>
<td>Banking</td>
<td>508</td>
</tr>
<tr>
<td>Eurobank EFG</td>
<td>Greece</td>
<td>Banking</td>
<td>500</td>
</tr>
<tr>
<td>Raiffeisen bank</td>
<td>Austria</td>
<td>Banking</td>
<td>500</td>
</tr>
<tr>
<td>Salford Investment Fund</td>
<td>Great Britain</td>
<td>Food</td>
<td>500</td>
</tr>
<tr>
<td>StarBev- Brewery Apatin</td>
<td>Czech Republic</td>
<td>Food</td>
<td>487</td>
</tr>
<tr>
<td>CEE / BIG shopping centers</td>
<td>Israel</td>
<td>Real estate</td>
<td>470</td>
</tr>
<tr>
<td>Agrokor</td>
<td>Croatia</td>
<td>Food</td>
<td>450</td>
</tr>
<tr>
<td>National Bank of Greece</td>
<td>Greece</td>
<td>Banking</td>
<td>425</td>
</tr>
<tr>
<td>Mercator</td>
<td>Slovenia</td>
<td>Retail trade</td>
<td>413</td>
</tr>
<tr>
<td>U. S. Steel</td>
<td>USA</td>
<td>Metal</td>
<td>280</td>
</tr>
<tr>
<td>Credit Agricole</td>
<td>France</td>
<td>Banking</td>
<td>264</td>
</tr>
<tr>
<td>Fondiaria SAI</td>
<td>Italy</td>
<td>Insurance</td>
<td>220</td>
</tr>
<tr>
<td>Lukoil</td>
<td>Russia</td>
<td>Energy</td>
<td>210</td>
</tr>
</tbody>
</table>

Note: the above data are findings from the survey carried out by SIEPA and they include both realized and planned investments. The Agency will not be held responsible for eventual incorrect data.
Leading Foreign Investors in Serbia

In the period since 2001, four fifths of the total FDI in the amount of 20 billion USD came from the EU countries, which indicates a very significant role of the European investors in the so far period.

Advantages of Investing in Serbia

- Favorable geographic position, owing to which any shipment can reach any location in Europe within 24 hours
- Possibility of duty free export of about 4,650 products to USA
- Highly educated and cheap labor force
- Restructured and stable financial system
- Simple procedures for a company start-up and registration
- Simple procedures for foreign trade transactions and foreign investments
- Several free trade agreements have been signed, ensuring supply of goods to nearly 800 million consumers:
  - In March 2012 Serbia was granted the candidates status by the EC
  - CEFTA
  - Agreement with the EFTA members
  - Autonomous trade preferences granted by the EU in December 2000, and implementation of the Interim Trade Agreement with the EU started in February 2010
- Agreement with the Russian Federation, Belarus and Kazakhstan
- Agreement with Turkey
- Negotiations on free trade agreement with Iran initiated

Favorable Tax Regime

- Tax rate on personal income of 12%
- Corporate profit tax rate of 10%
- VAT rate:
  - general – 20%
  - special – 8%

Comparative regional review of VAT rates in 2012 (%)

Source: National agencies for foreign investments and promotion of export
Investment Incentives

Comparative regional review of the corporate tax rates in 2012 (%)

- National treatment for foreign investors
- In case of concession investment, the concession undertaking company is exempt from corporate profit during the 5 years from the day of the contracted completion of the entire concession investment
- Corporate profit tax holiday for large investments in the period of 10 years (investments exceeding 800 million RSD, i.e. approximately 8 million EUR and more than 100 new jobs created)
- Corporate profit tax holiday, proportionately to investment value, for investments into the regions of special interest for the Republic of Serbia, in the period of five years, subsidies and tax benefits for creating new jobs
- Import of equipment based on the investment by the foreign subject is exempt from customs duties, while for a number of raw materials the lower tariffs are in force
- The Republic of Serbia has signed Double Taxation Treaties with 50 countries

Source: National agencies for foreign investments and promotion of export
SUPPORT TO INVESTORS IN SERBIA

Foreign investments

Foreign investor, legal or physical person, may:
• Establish own company (up to 100% ownership)
• Buy shares of the existing company
• Get a permit (concession) for exploitation of natural resources, property in the public domain or operate in the activity of general interest in compliance with the law
• Get a permit for B.O.T – build, operate and transfer for a particular object, facility or installation as well as for infrastructure and communications objects
• Acquire any other ownership right granted to a foreign investor that allows the execution of business interests

Financial incentives

<table>
<thead>
<tr>
<th>Projects for which the resources are approved</th>
<th>Projects of special importance</th>
<th>Big investment projects</th>
<th>Medium investment projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources amount</td>
<td>Up to 17% of total investments amount</td>
<td>Up to 20% of total investments amount</td>
<td>Up to 10% of total investments amount</td>
</tr>
<tr>
<td>Minimum amount of investments</td>
<td>200 million EUR</td>
<td>50 million EUR</td>
<td>50 million EUR</td>
</tr>
<tr>
<td>Minimum number of new jobs</td>
<td>1,000</td>
<td>300</td>
<td>150</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Direct Investments</th>
<th>Production sector</th>
<th>Services intended for international trade</th>
<th>Strategic projects in the field of tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in the 4th group of local selfgovernance communities and devastation areas</td>
<td>4,000 – 10,000 EUR per each new job</td>
<td>4,000 – 10,000 EUR per each new job</td>
<td>4,000 – 10,000 EUR per each new job</td>
</tr>
<tr>
<td>Investments in the 1, 2 and 3 group of local selfgovernance communities</td>
<td>In the entire territory of the Republic of Serbia</td>
<td>In the entire territory of the Republic of Serbia</td>
<td>In the entire territory of the Republic of Serbia</td>
</tr>
<tr>
<td>Resources amount</td>
<td>1,000</td>
<td>300</td>
<td>150</td>
</tr>
<tr>
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<td>Minimum number of new jobs</td>
<td>1,000</td>
<td>300</td>
<td>150</td>
</tr>
</tbody>
</table>
Stakes and guaranteed rights of a foreign investor

• The stake of a foreign investor may be: foreign convertible currency, in kind, intellectual property rights, securities and other property rights, RSD that can be transferred abroad (including the reinvestment of profit), converted receivables into share or shares of debtor. Contributions in kind must be expressed in money
• Guaranteed rights of foreign investors are:
  • Legal security – foreign investor enjoys full legal security and protection concerning the rights granted by virtue of investment, which cannot be narrowed by subsequent regulative and legal amendments
  • Free foreign payment transactions
  • Right to profit transfer

Investments into free zones

Free zones are physically enclosed and marked parts of the territory of the Republic of Serbia, where production and service activities can be performed. This is the land fully equipped with infrastructure, on which the additionally guaranteed and stimulating business regime is applied.
• Indirect benefits – land offered under prices lower than the market prices

• Direct benefits
  • Import and export of goods and services into and out of a free zone are unlimited
  • Import of raw materials and semi-manufacturers for goods intended for export is duty free, and exempt from VAT and other import dues
  • Import of equipment, machines and building material is duty free, and exempt from VAT and other import dues
  • Import and export of goods and services into and out of a free zone are free, i.e. there are no quotas, import or export licences, or any other restrictions in foreign trade
  • Goods from the free zone can be temporarily transferred from the free zone to the domestic market, and vice versa, with the purpose of finishing (processing, lohn operations, working, installation, repair, quality control, marketing presentation, etc.)
  • Stimulating measures of the local self-government are possible

It is possible to perform all business activities, other than retail trade, in eleven free zones – Pirot, Subotica, Novi Sad, Zrenjanin, Šabac, Kragujevac, Užice, Smederevo, Jug, Kruševac and Svilajnac.
CHAMBER OF COMMERCE AND INDUSTRY OF SERBIA

History

- 1857 – First business association under the name of “Trade Board”
- 1870 – Establishment of trade boards in Šabac, Smederevo, Valjevo, Kragujevac, etc.
- 1910 – Establishment of the Chamber of Industry, Chamber of Commerce and Workers’ Chamber
- 1931 – Chambers defined as public-legal organizations and advisory bodies of the state administration
- 1945 – 1962 – Establishment of branch chambers
- 1962 – Dissolving of branch chambers and establishment of a single Chamber of Economy
- 2001 – Reform Law on Chambers of Commerce and Industry
- 2009 – Amendments to the Law of Chambers of Commerce and Industry

Vision

The Chamber of Commerce and Industry of Serbia is the national leader in the promotion and protection of interests of the economy of Serbia.

Mission

- Improvement of business environment
- Stimulation of competitiveness
- Profitability of enterprises
International activities

Membership in international organizations
• International Chamber of Commerce (ICC)
• European Association of Chambers of Commerce and Industry (the Eurochambres)
• Association of Balkans Chambers of Commerce and Industry (ABC)
• Association of Mediterranean Chambers of Commerce and Industry (ASCAME)
• World Federation of Advertisers (WFA)
• National Petroleum Committee of Serbia within the World Petroleum Council (WPC)
• Regional initiatives:
  • Organization of Black Sea Economic Cooperation (BSEC)
  • The Danube Strategy of the EU and Republic of Serbia
  • Forum of the Adriatic and Ionian Chambers of Commerce

Membership of the CCIS associations in international organizations
• Group of Pharmaceutical Wholesalers of the Association of Trade in the European Association of Pharmaceutical Wholesalers (GIRP)
• Association of Private Security in the Confederation of European Security Services (CoESS)
• Association of Textile Industry in the European Apparel and Textile Confederation (EURATEX)
• Association of Transport and Telecommunications:
  • International Organization for temperature-controlled transport (TRANSFRIGOROUTE INTERNATIONAL)
  • World ATA Carnet Council
  • International Association of Road Transport (IRU)
  • International Federation of Freight Forwarders Associations (FIATA)
• Association of Communal Activities in the European Federation of National Associations of Communal Activities (EUREAU)
Activities

Representing its members’ interests
Representing and protection of interests of its members before the state bodies and institutions, in the field of economic system, development and economic policies.

Public powers
Issuing of documents based on public powers stipulated in the law: certificates supporting goods in import/export (Form–A, END–USER certificates, etc), freight forwarding certificates FIATA, TIR and ATA carnets, issue of certificates confirming that certain goods are not produced in the country, certificates of financial standing, mediation in amicable solutions to financial restructuring of companies, control and certification of private security services.

Issue of Qualified Electronic Certificates
It ensures safe e–business, lower costs, simplified procedures and higher work efficiency to companies and businesspeople.

Promotion of the economy
Promotion of the Serbian economy in the country and abroad, by organizing participation in fairs and exhibitions, and through other forms of communication.

Business information
Dissemination of timely and high quality information to its members and other interested parties on current economic trends, business environment, drafting of regulations, business standards, and new technologies, and also the information from the Chamber’s database.

Improvement of international economic relations
It provides information to its members in order to find business partners abroad and connect them; improves bilateral and multilateral relations.
Consulting services
It provides and organizes professional assistance to its members: legal consulting in implementation of the regulations (status law, labor law, foreign trade and foreign exchange operations, customs tariffs, tax system), consulting in quality management system, making web-presentations, introduction and protection of innovations, setting up business.

Business training
It organizes lectures, professional seminars, specialized courses and other forms of training aimed at continuous improvement of professional competences and business skills of employees.

Fostering good business practices and business ethics
It establishes and promotes the rules of good business conduct and adopts relevant codes (Business Ethics Code, Corporate Governance Code, etc.).

Courts and the Court of Arbitration at the CCIS

Court of Honor, as an independent and autonomous body, makes decisions in the procedure against business entities for breach of good business practices and ethical rules.

Permanent Elected Court (Arbitration), as an independent and autonomous body, makes decisions on resolution of commercial disputes between the Chamber members, based on their previous or subsequent agreement to accept its jurisdiction. The arbitral decision is final and binding as the final ruling of the court of law.

Foreign Trade Court of Arbitration is an independent and autonomous body for conciliation and settlement of disputes arising out of international business relations, in cases under its authority.
Single chamber system of Serbia comprises the national chamber – Chamber of Commerce and Industry of Serbia, two Provincial Chambers (Vojvodina and Kosovo and Metohija), Belgrade Chamber of Commerce and Industry and sixteen Regional Chambers of Commerce and Industry (Kikinda, Kragujevac, Kraljevo, Kruševac, Leskovac, Niš, Novi Sad, Pančevo, Požarevac, Sombor, Sremska Mitrovica, Subotica, Užice, Valjevo, Zaječar and Zrenjanin). Representing the entire economic sector, the network of chambers of commerce in Serbia is the broadest influence base for the creation of economic policy and legal framework for the business environment.
On account of promoting the export, attracting the investments and internationalizing the economy of Serbia, the Chamber of Commerce and Industry of Serbia has its representative offices in Vienna, Brussels, Frankfurt, Kiev, Milan, Moscow, Paris, Podgorica and Zagreb.