



RAS



Why Invest in Serbia

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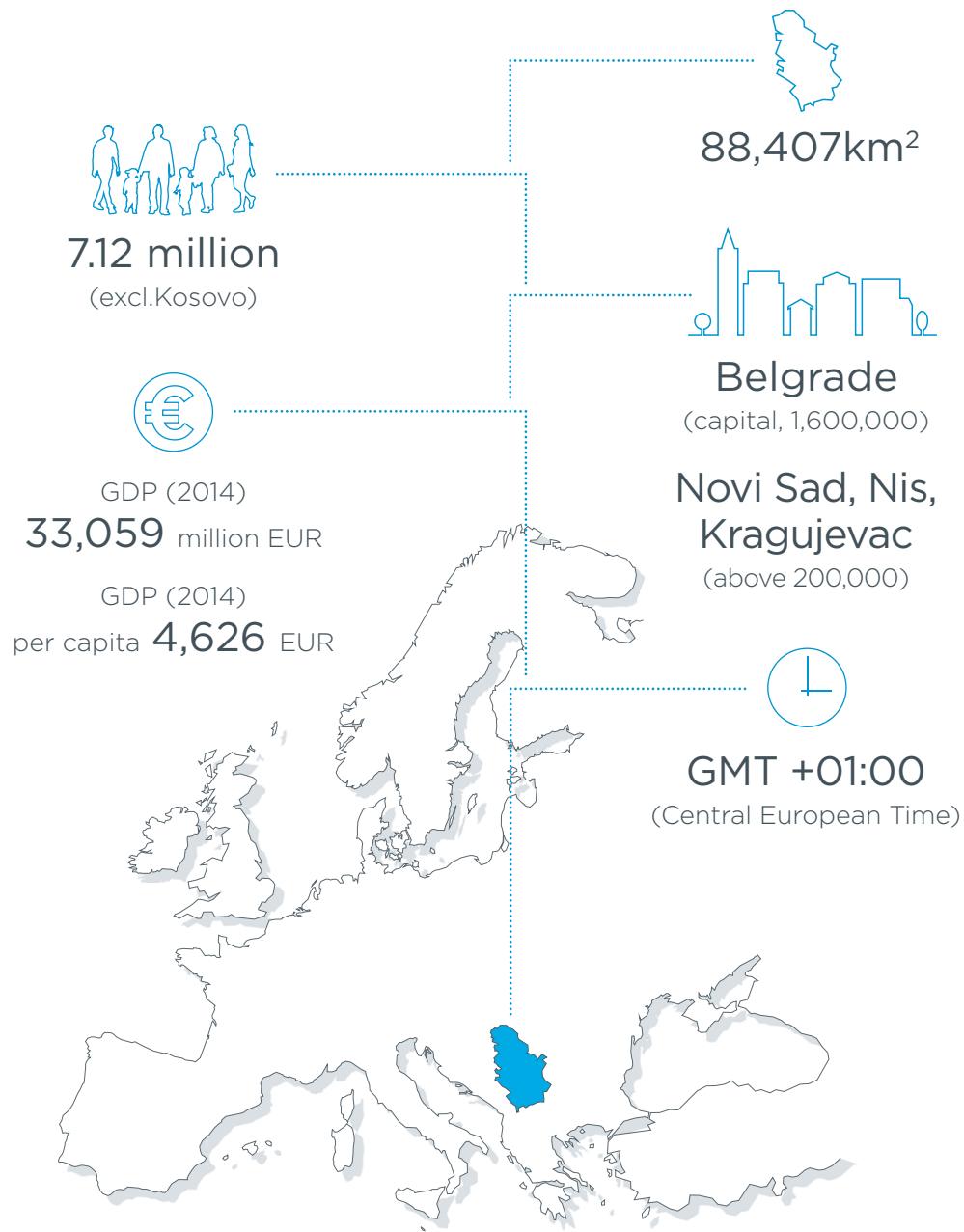
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Welcome to Serbia!



I have been nothing but impressed by Serbia - a hidden gem to the business world.

Jeff McCroskey, VP Services, Europe, NCR



Serbia has continued its path toward EU membership: **EU negotiation process officially started**, ready for accession by 2020.

Serbia has regained its position **as the top investment destination country in the world**, measured by the number of jobs relative to the size of the population.*

*According to IBM Global Location Trends 2014 report, IBM Institute for Business Value

Serbia is the only country outside of the Commonwealth of Independent States that **has a Free Trade Agreement with Russia.**

On WB Doing Business List, Serbia moved up by 32 places in 2016, and is now ranked 59th globally.

Belgrade was named a City of the Future in Southern Europe.

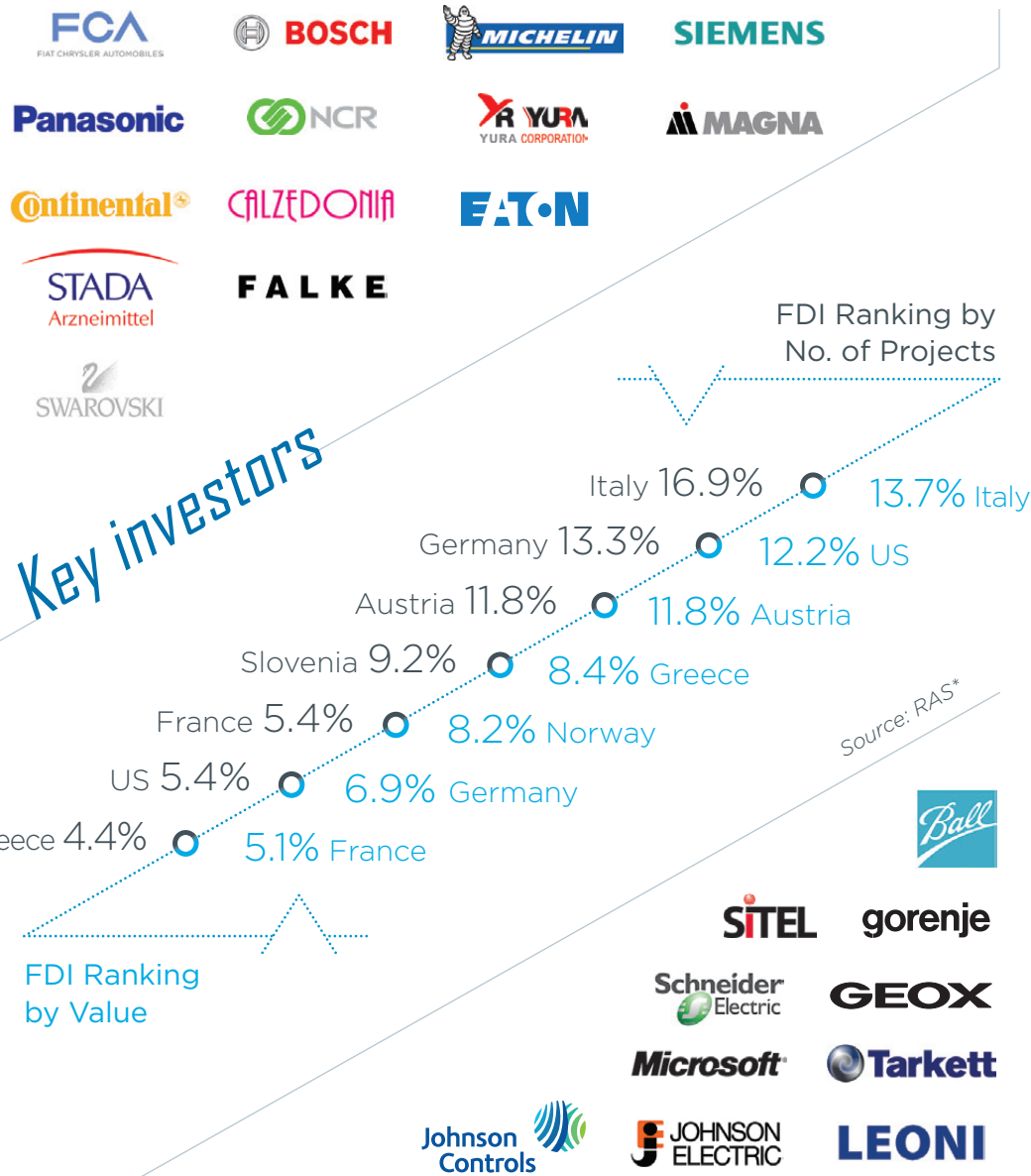
by Financial Times



The business environment is stable, and it offers transparent market conditions, which creates a good starting point for our business growth in a long run.

Marco Aspesi, VP Corporate Transformation at SR Technics Group

Join the Pool of the Successful

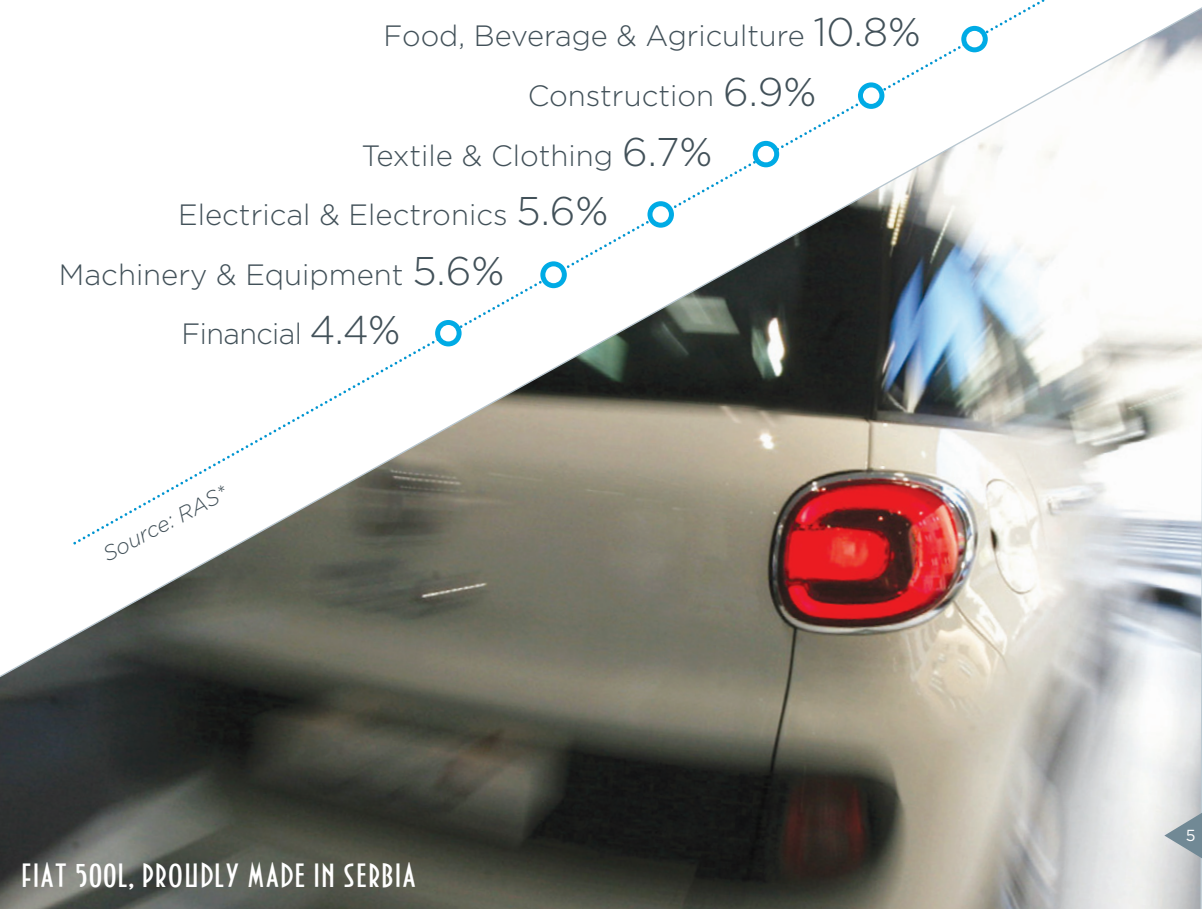
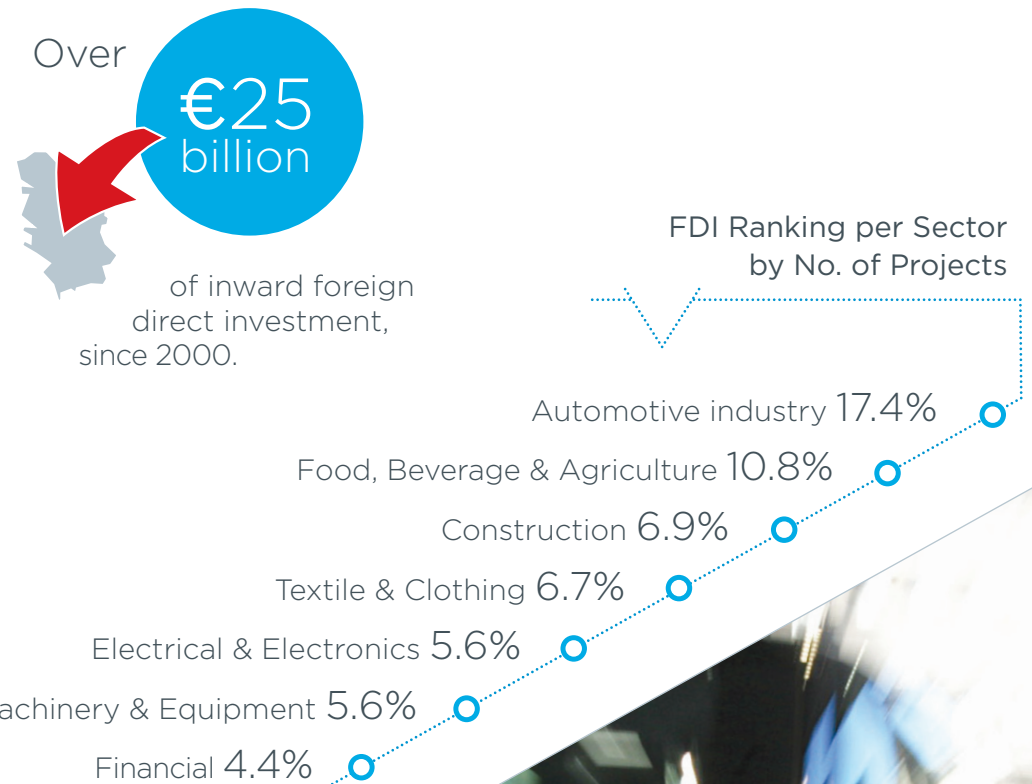


* RAS database includes almost 400 foreign investment projects and tracks all investment types in the manufacturing and service sector, excluding portfolio investments. Data are based on the research that was done according to the country of origin of the investor company.

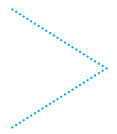


Serbia continued to show strong results for the third year in a row, as the next wave of preferred locations for companies in Europe.

IBM Global Locations Trends 2014 Report



FIAT 500L, PROUDLY MADE IN SERBIA



Why Invest in **Serbia?**



The attractiveness of the location, logistics advantages, availability of skilled workforce, and a very good support of the Government of the Republic of Serbia and the local community are the main reasons why the Bosch Group decided to invest in the municipality of Pecinci and the Republic of Serbia.

.....
Mrs. Jovanka Jovanovic, General Manager of Robert Bosch Serbia



We saw Serbia as a country with good strategic position, adequate infrastructure and great human resource potential. Being at a unique position in the European market, Serbia offers diverse possibilities and, above all, high quality workmanship.

.....
Mrs. Silvia Vernetti - Blina, Director FCA Serbia



1

Availability of High Quality Labor

2

Competitive Operating Cost

3

Customs Free Access to 1.1bn Consumers

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Financial Benefits and Incentives

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Optimal Geographic Location

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Proactive and Supportive Government

1 Availability of High Quality Labor

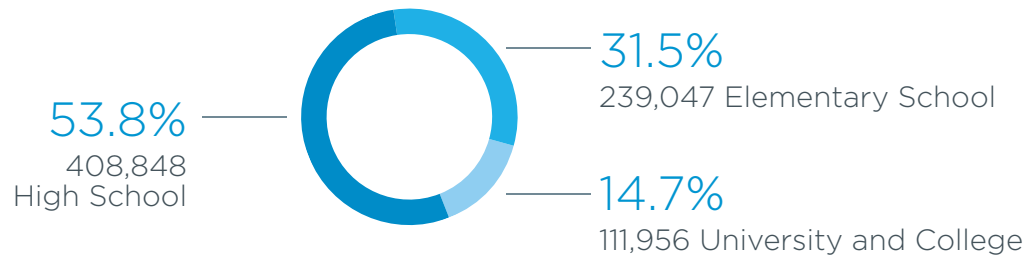


This initiative demonstrates our confidence and trust in Serbia, its industry, management competence and the skill of its workers.

Mr. Sergio Marchionne, CEO, FCA



The Structure of Unemployed by Level of Education



Schneider Electric recognized the knowledge, innovation and experience of young engineers in Serbia and invested resources in the DMS from Novi Sad, which is now a global center of Schneider Electric research, development and production of software for optimal management of electricity distribution.

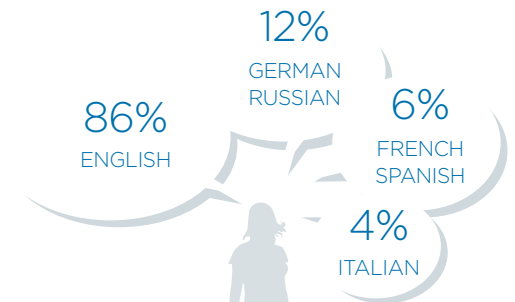
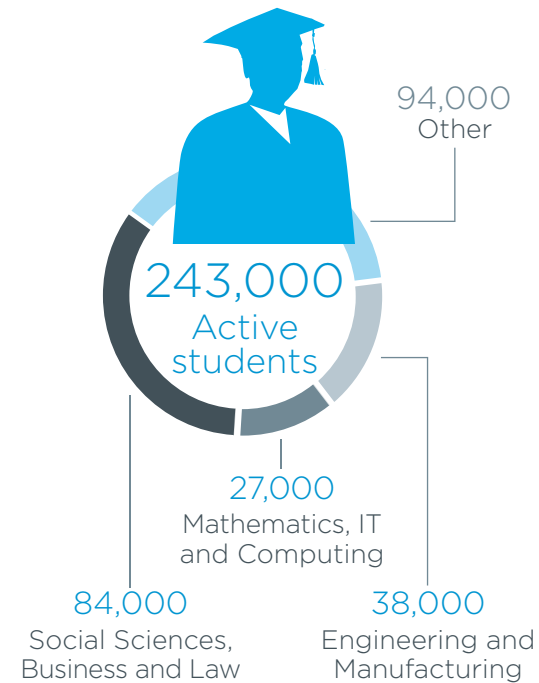
Mr. Dragoljub Damljanovic, General Manager, Schneider Electric Serbia



BPE Belgrade employs local workforce in all segments of operation, not only in the production process. We have created one of the world's best teams in the industry; our employees now take on central functions, provide support to the head office, as well as to other factories in the group worldwide.

Mr. David Banjai, Former Ball Packaging Europe Belgrade General Manager

5 University Centers across the Country

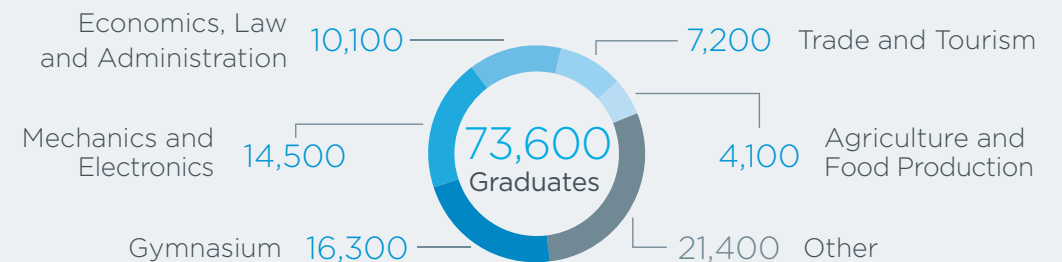


Source: InfoStud, indication of knowledge of languages, based on 100K+

Serbia was ranked **4th** out of the 76 countries in Business English proficiency by BEI*.

*Business English Index, Global English Corporation, 2012

506 High Schools across the Country

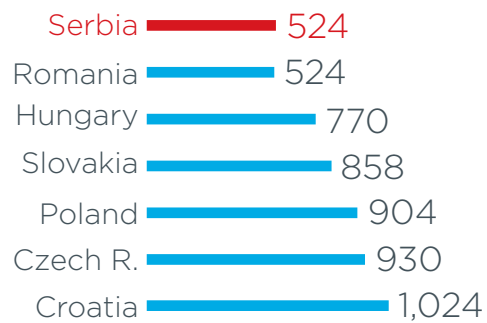


Source: Statistical Office of the Republic of Serbia / School Year 2013/2014

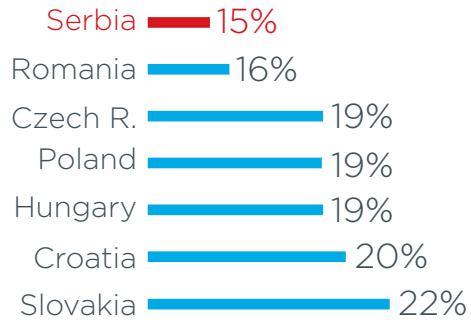
2 Competitive Operating Costs

According to EUROSTAT, Serbia has the lowest costs of electricity, gas, other fuels and landline telephony among 37 European states.

Average Gross Monthly Salary (EUR)



Corporate Profit Tax



Source: The Vienna Institute for International Economic Studies, 2015

Cost Savings vs EU-28 Average

Labor



Electricity, Gas and Other Fuels



Transport Services

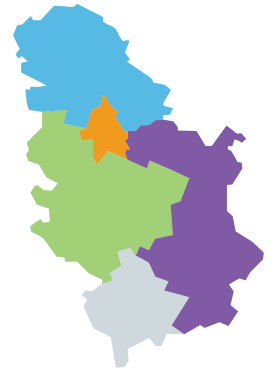
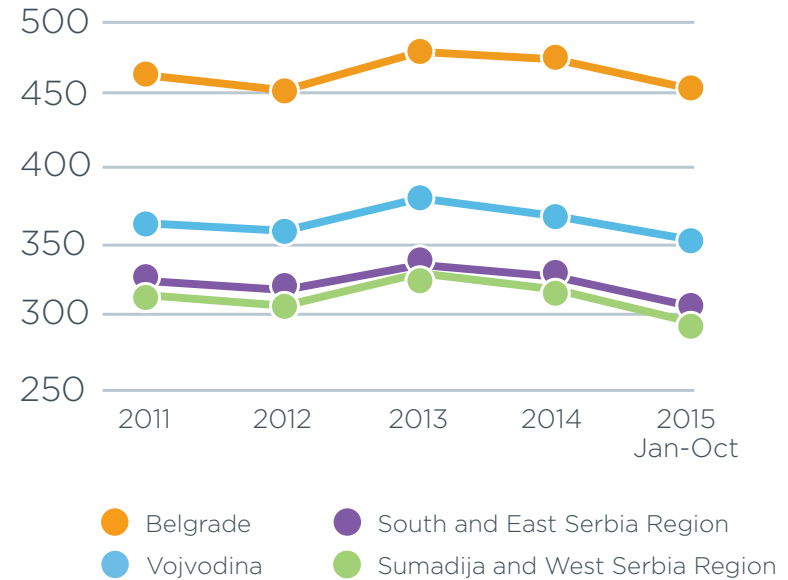


Office Space Rental



Source: EUROSTAT, CBRE, 2015

Average Net Salary by Regions (EUR)



Source: Statistical Office of the Republic of Serbia



Old Build 1-2.5€/m²
New Build 3-5€/m²

Industrial Facility Lease Cost



200-400€/m² Average Building Cost



0.067 €/kWh



0.6-1.3 €/m³



0.038-0.042 €/m³

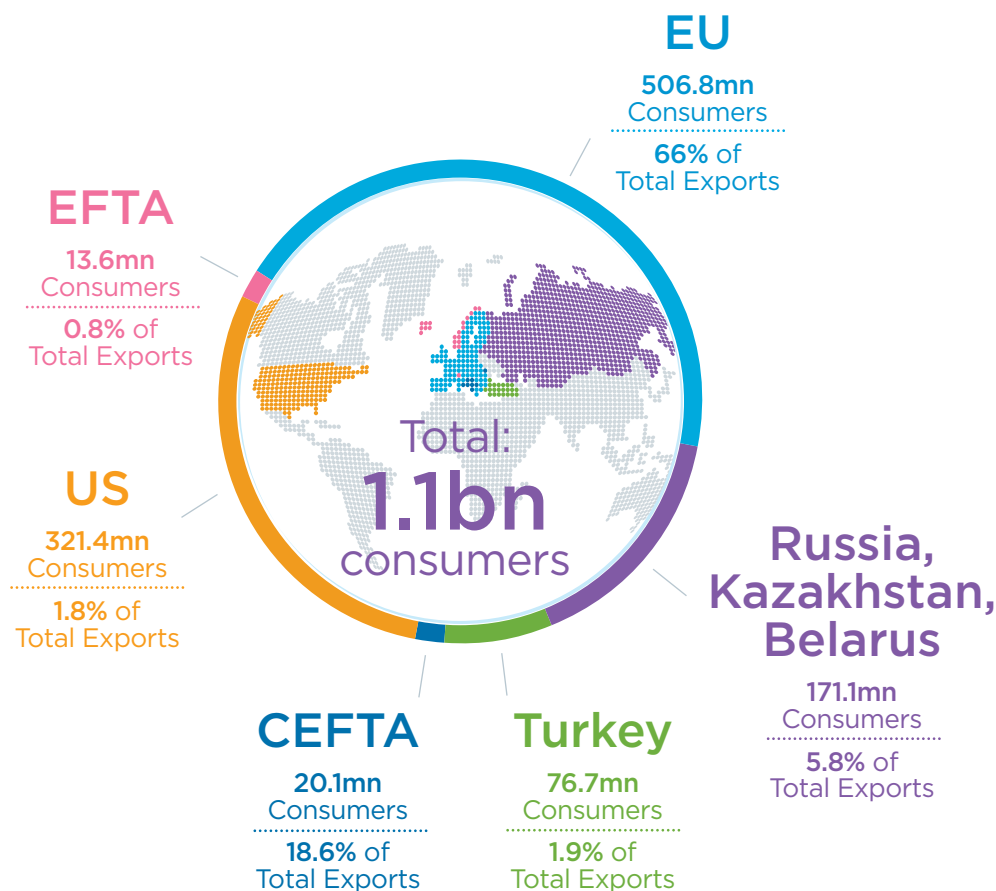
Source: RAS

3 Customs Free Access to 1.1bn Consumers



The existence of educated and skilled workforce, incentives to investors, and the free trade agreements with the Russian Federation and Turkey, as well as developed infrastructure and favorable geographical position were the key factors for Grundfos investment to Serbia.

Jim Toft Nielsen, General Manager, Grundfos Serbia



4 Financial Benefits and Incentives

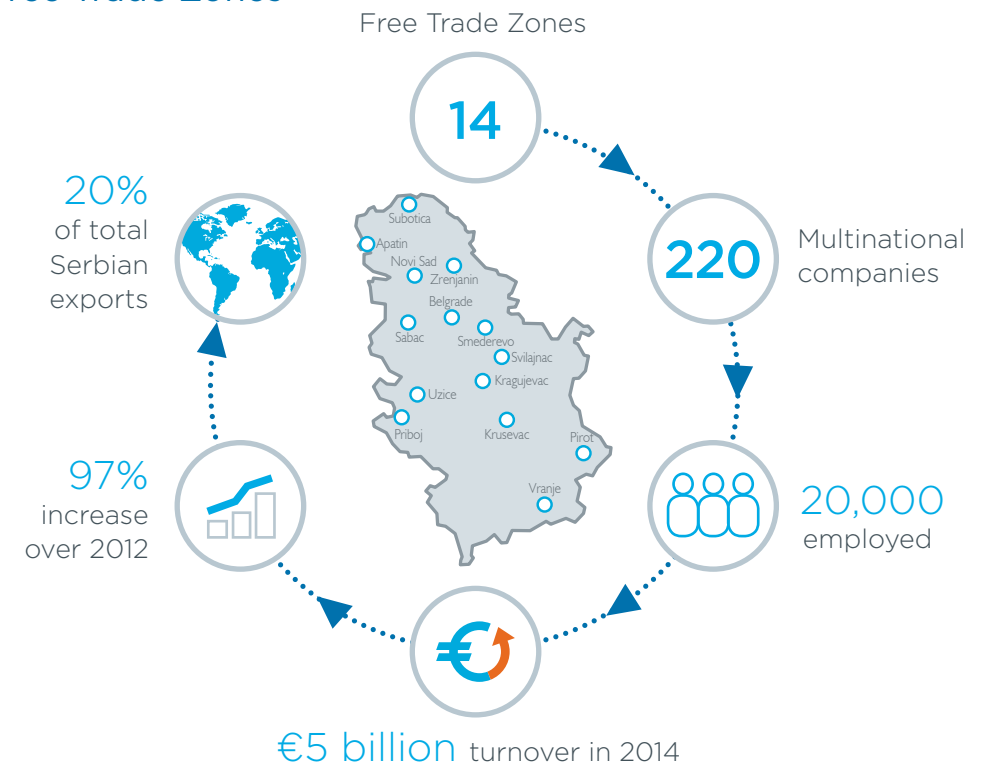
Financial Incentives

To offset initial capital investments and ease the start-up of business endeavours, the Government of Serbia offers financial support for Greenfield and Brownfield projects in manufacturing, and the services sector which may be subject to international trade.

Tax Incentives

A 10-year Corporate Profit Tax Holiday is available for investors who hire more than 100 employees and invest more than 8.5 million euros (1 billion RSD). Tax holiday begins once the company starts making a profit.

Free Trade Zones

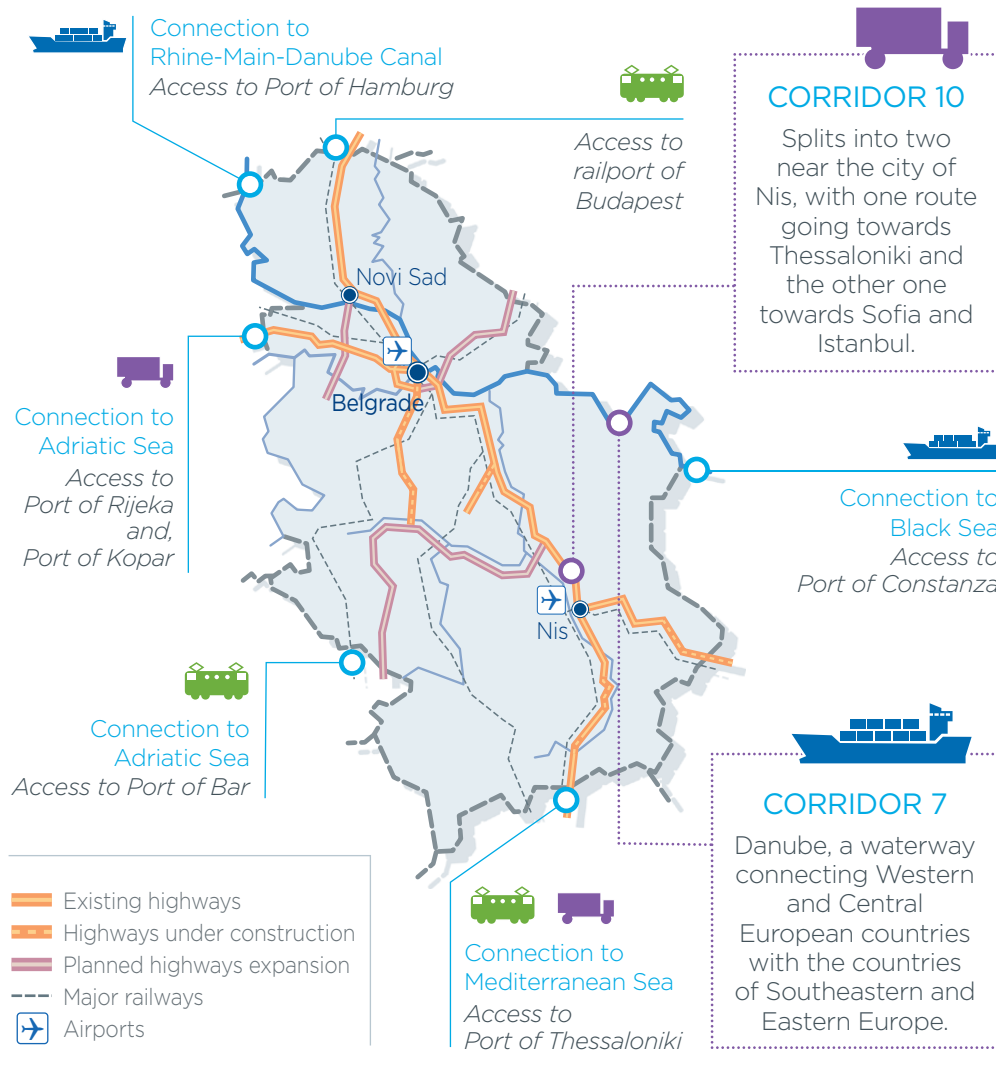


Construction material, energy, transport and fuels cost free of VAT

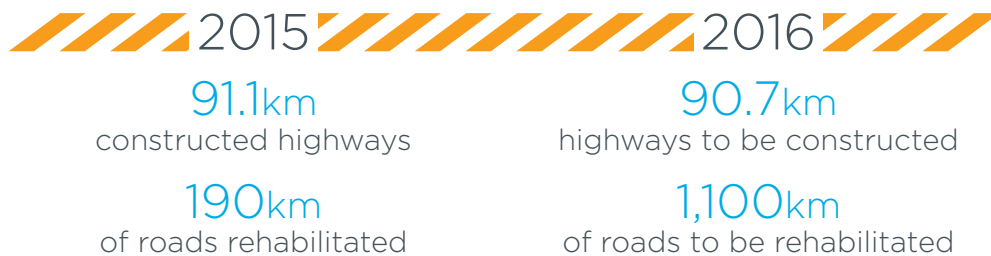


No custom duties (raw materials, equipment, construction materials)

5 Optimal Geographic Location



Investments into infrastructure continue to be one of Government's top priorities

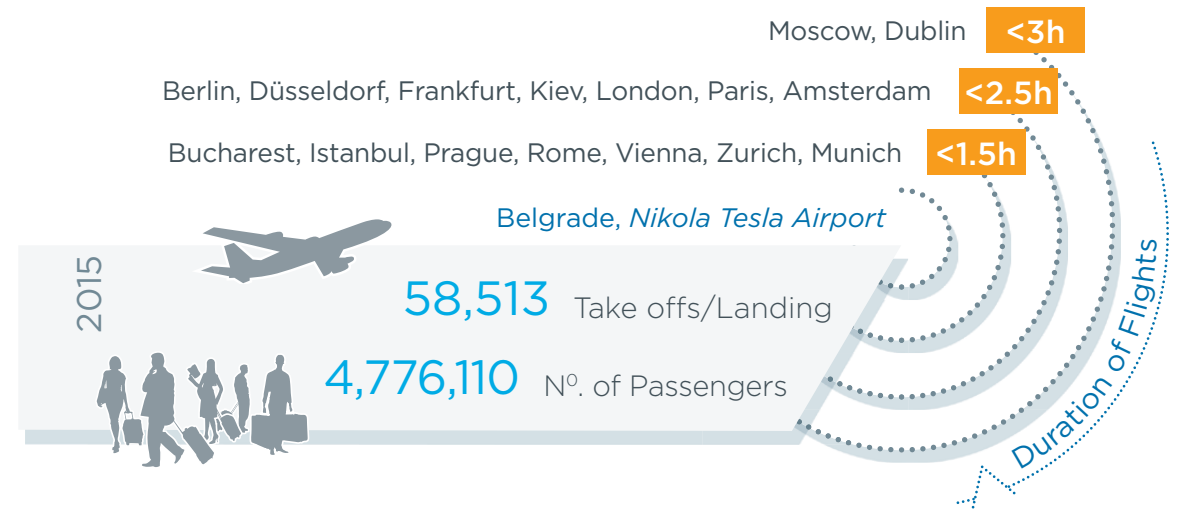


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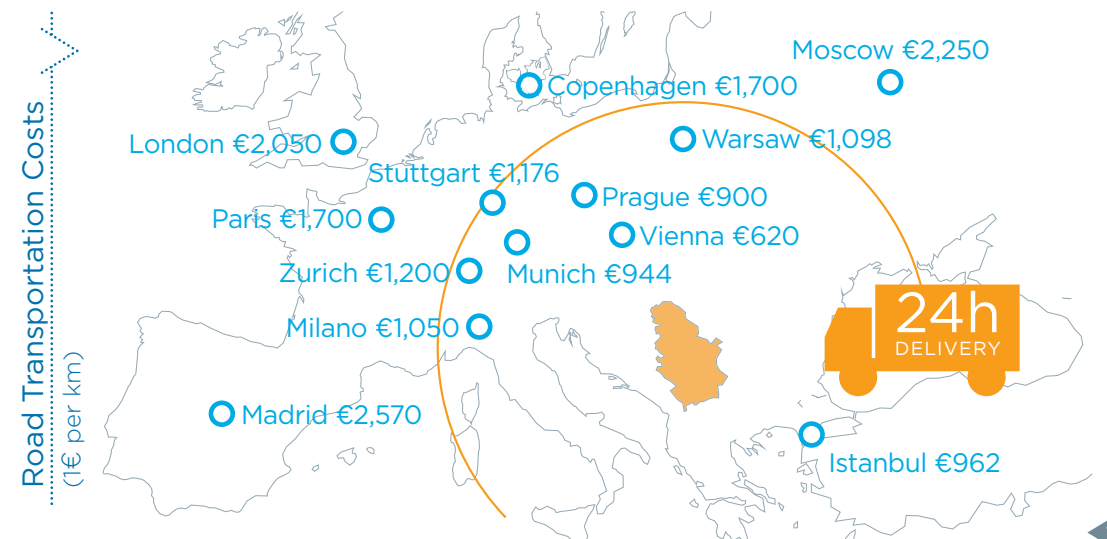
The existing infrastructure, speed of issuance of building permits, administrative procedures and existing transport corridors and logistics, provide solid and stable business environment, similar to the business environment in the EU.

Mr. Zivko Topalovic, CEO, ContiTech Fluid Serbia (Continental AG)

Getting to Serbia is easier than ever!



Stay close to your customers



6 Proactive and Supportive Government

”

The Serbian government has also moved ahead with an ambitious economic and structural reform agenda which will contribute to a more attractive business environment: restoring growth, improving competitiveness and creating new jobs.

.....
Mr. Johannes Hahn

European Commissioner for European Neighborhood Policy and Enlargement Negotiations

The Government of the Republic of Serbia is committed to developing a stable and predictable business climate by continuing the implementation of overarching reforms, fiscal consolidation aimed at reducing the national debt, improvement of regional cooperation, investments into infrastructure, and reform of the educational system.

Over the past year, the Government has improved the business climate by changing the following laws:



- Labor Law
- Privatization and Bankruptcy Law
- Planning and Construction Law
- Law on Investments

A Government work group composed of high level officials has been formed to lead the effort of further improving the business climate in Serbia.

”

There is no bigger happiness or a greater cause than the fight for a modern Serbia.

.....
Aleksandar Vucic, Prime Minister of the Republic of Serbia



RAS

Serbian Development Agency (RAS) offers a wide range of services on behalf of the Government of the Republic of Serbia, including support of direct investments and export promotion, and leads the implementation of projects with the aim of improving Serbia's competitiveness and reputation in order to support the economic and regional development.

As a newly established agency, RAS builds upon the knowledge of the former Serbian Investment and Export Promotion Agency (SIEPA) and National Agency for Regional Development (NARD) and brings improvements required to meet the needs of a modern economy.

RAS will serve as a one-stop-shop for both domestic and international companies with a single goal of building a strong and sustainable economy, and increasing the quality of life for the people in Serbia.

Serbian Development Agency (RAS)

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