Invest in Bujanovac!

We’ll succeed together!

Nesht Shaqiri
Office for Local Economic Development

October, 2008
This is where we are located - Bujanovac, Serbia

42° 28’ 0” N, 21° 46’ 0” E
A brief retrospective view of Serbia

- Geo-strategic location-south-eastern Europe, the cross-roads of Corridors 10 and 7
- A profit-free access to the market of 180 million consumers (SEE+ Russia)
- GDP per capita $5,764, growth rate 7.5% (2007)
- Average gross salary 485 EUR per month, productivity growth 13.5% (2007)
- $13.5 billion – overall in-flow of FDI since 2001
- Capital gains tax 10%, Value Added Tax (VAT) 8 to 18%
A brief retrospective view of Serbia

- Government incentive to investment projects – from 2,000 to 10,000 € for every new work place
- Place of largest greenfield investments in SEE, 2003-2006 (OECD)
- Foreign investors are treated in the same way as local ones, favorable taxes and incentives
- Telenor, Philip Morris, Mobilkom, US Steel, La Farge, Fiat
Europe, Serbia - furthest south
- Area- 461 km²
- Height above sea-level: 400m
- Climate: mild continental
Territory: 30% hilly and mountainous, 70% low-lying

<table>
<thead>
<tr>
<th>Territory</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brdo-planinski</td>
<td>70%</td>
</tr>
<tr>
<td>Ravniarski</td>
<td>30%</td>
</tr>
</tbody>
</table>

Distance from Bujanovac (in km):
- Belgrade: 360 km
- Priština: 90 km
- Skopje: 80 km
- Thessalonica: 280 km
- Sofia: 300 km
Market

- Municipality - 43,302 consumers
- Region – 500,000 consumers
- Serbia-7.5 million consumers or $42 billion
- Serbia, Kosovo, Macedonia and Bulgaria - 17 million consumers
- Profit-free export to the Russian and CEE markets - 210 million consumers
- Preferential terms and conditions for doing business with the US and EU
Human resources

Ethnic make-up of the population:
- 55% of Albanians
- 34% of Serbs
- 9% of Roma (2002 census)

Population capable of working 25,000
- Over 8,000 young people are being educated in primary and secondary schools
- Around 700 students are studying in Prishtina, Vranje, Niš, Belgrade, Skopje and Tirana. The municipality of Bujanovac earmarked 5 million dinars for awarding scholarships to 612 students
- 7,395 employed persons
- 5,338 unemployed persons
- Average monthly salary is 25,349 dinars

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The most important educational institutions:
- 10 elementary and 2 secondary schools
- Departments of economics, mechanical engineering, commerce, electrical engineering, catering industry, as well as a grammar school
Infrastructure

- Electric power supply from three 110/35/10 KW and two 35/10 KW sub-stations
- Mobile and landline telephony-full coverage
- The Internet- wireless, ADSL
- Water supply system – covers 80% of the territory
- Sewage system - covers 70% of the territory
Economy

Companies
- 795 registered companies
- 574 registered shops
- 35 manufacturing plants of various categories

Major industries:
food, non-ferrous metals, furniture, plastics, mining, tobacco-manufacturing, textiles, healthcare, civil engineering and public services


Banking:
Komercijalna Bank, Vojvodanska Bank, Intesa Bank, Meridian Bank, Alco Bank, Otp Bank
Investment possibilities

Socially-owned company “HEBA”
- A 30 year-long tradition in manufacturing mineral water and fruit juices
- Annual output - 40 million litters
- 530 employees
- Undergoing a privatization process

Bujanovacka Spa “VRELO”
- The oldest spa in the Balkans that has a unique location in Europe, as well as water, gas and mud with medicinal properties
- 220 beds in the in-patient clinic
- Undergoing a privatization process

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Greenfield investments

Area: 1,677 acres of land, zones 1,2 and 3 in municipal and private ownership
Location: Close to the city center, next to M1 and M25-3 highways
Purpose: Industrial production, services
Infrastructure: Partially completed

Connection:
- A regional road to Corridor 10
- M1 highway - from Belgrade to Skopje
- M-25-3 highway - from Bujanovac to Gnjilane
- Regional road 125 - from Bujanovac to Prohor Pčinjski
- A railway line – from Belgrade, through Niš and Skopje, to Athens
Taxes and incentives

- 10 years of tax exemption for large investments (~7.5 million euros and >100 employees)
- 5 years of tax exemption for concessions
- A reduction in capital gains tax by 20 to 80% of the value of investments in fixed assets
- The import of raw materials, semi-finished products, components and the equipment is exempt from customs duty
- Profit-free access to the Russian market (150 million people) – Serbia is the only country in the region that has concluded a FTA (Free Trade Agreement) with Russia
- Under the FTA, a profit-free access to the south-eastern European market (30 million people)
- Trade with the US and EU under preferential terms and conditions
Municipality as a partner

- Efficient administration
- Municipal service center
- The Bujanovac municipality’s Strategic Plan from 2007 to 2017, the UNDP MIR Program and CHF International
- Cooperation between the municipality of Bujanovac and the municipality of Lillehammer, Norway
- Office for the Local Economic Development
- Agency for Development of Bujanovac and Preševo

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## How to start a business operation

<table>
<thead>
<tr>
<th>No.</th>
<th>Permits necessary for constructing a new factory</th>
<th>Time necessary for obtaining permits</th>
<th>Local fees</th>
<th>Permit issuing institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Town-planning project</td>
<td>30 days</td>
<td>93,000</td>
<td>Town-planning department</td>
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<tr>
<td>2.</td>
<td>Document on town-planning requirements</td>
<td>7 days</td>
<td>13,500</td>
<td>-</td>
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<tr>
<td>3.</td>
<td>Approval of the construction</td>
<td>15 days</td>
<td>11,000</td>
<td>-</td>
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<tr>
<td>4.</td>
<td>Certificate for beginning the works (2000m2)</td>
<td>7 days</td>
<td>1,600,000</td>
<td>-</td>
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<tr>
<td>5.</td>
<td>Usage permit</td>
<td>15 days</td>
<td>10,500</td>
<td>-</td>
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</tbody>
</table>
Quality of life

Culture

• Community center
• City library
• Cultural clubs: Albanian, Serbian and Roma
Quality of life

Events:
• International Agricultural Fair

Types of tourism:
Health, religious, transit, mountain, hunting, recreational-picnic and manifestations-related tourism
The „ROZAFJA” Hotel
The „Kalaja e Ibishit” Hotel
Two outdoor swimming pools

Places to be visited:
St. Prohor Pčinjski Monastery - Quarters
The “Jezero” restaurant

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Call us up!

We shall succeed together! Bujanovac

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