



INTERNATIONAL CENTER FOR  
FINANCIAL MARKET DEVELOPMENT



SECURITIES BROKER-DEALER  
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**Audit & Consulting**

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# *Setting-up a business in Serbia*

## Highlights

<p><b>€11 billion</b> – FDI in past 4 years alone; 150 new inward manufacturing investment projects in 2007, 2008 and 2009</p>	<p>Overall <b>labor costs</b> 40% lower than in CEE EU members</p>	<p><b>Fluency in English language</b> and educational profile <b>considerably higher</b> than most Eastern European countries</p>
<p>Overall <b>duty-free exporting</b> potential of almost <b>1 billion consumers</b> including <b>Russia, Turkey, SEE countries...</b></p>	<p>Serbia is ranked <b>3<sup>rd</sup> in the Manufacturing Index and No.7 for investment location in services</b> among attractive emerging markets by <i>PricewaterhouseCoopers EM20 Index 2008</i></p>	<p><b>Strategic geographic location</b> - major link between Europe and Asia; 2h duration of flight to anywhere in Europe</p>
<p>The place of <b>largest Greenfield Investments in SEE Region</b> (2004, 2005, 2006) by <i>OECD</i></p>	<p>Various <b>incentives for investment in fixed assets and employment of new staff</b> - Grants from EUR 2,000 up to EUR 10,000 per new job created</p>	<p>Low tax rates – <b>Europe’s second lowest CIT</b> at a <b>nominal rate of 10%</b> can be additionally decreased by tax incentives</p>
<p>A <b>10 year</b> corporate income tax holiday <b>for large investments</b></p>	<p>A <b>5 year</b> corporate income tax holiday <b>for concessions and investment in underdeveloped regions</b></p>	<p><b>Tax losses/credits</b> are available even after mergers, acquisitions and spin-offs</p>
<p><b>Accelerated depreciation</b> of fixed assets</p>	<p><b>Customs-free imports of equipment</b> based on foreign investment</p>	<p><b>Value Added Tax (VAT), salary tax and social insurance contributions</b> are <b>highly competitive</b> compared to Central and Eastern Europe</p>
<p><b>The National Investment Plan</b> projects EUR 1.7 billion investments into economy and infrastructure</p>	<p>“Serbia is <b>Number One Business Reformer in the World</b>” (<i>World Bank Doing Business 2006 Report</i>)</p>	<p><b>Belgrade</b> was selected as “<b>The City of the Future and Top FDI Location CEE-CIS Region</b>” in 2006/2007 by <i>Financial Times FDI magazine</i></p>

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## Setting up Business

Business registration is highly efficiently done at one place – with the Business Registration Agency. The registration procedure takes a maximum of 5 days, with the future possibility of an on-line registration. The Agency maintains a centralized electronic database of registered business entities, contracts on financial leasing, and pledges.

The Serbian Business Registration Agency's web site is [www.apr.gov.rs](http://www.apr.gov.rs).

### Company types

Company types in Serbia are similar to those in developed economies. The Company Law, effective as of 30 November 2004, introduced a great number of new solutions. The Law introduced a corporate governance framework which is principally in line with international practice. Principal intention of the lawmaker is to grant founders of a company more freedom with respect to their internal relations and relations of founders with the company.

Companies are defined as legal entities founded by individuals and/or legal entities on the basis of founding acts and for the purpose of generating profit.

The Company Law provides two types of corporations, the limited liability company and the joint stock company. As a result of the flexibility it offers, a limited liability company is almost regularly chosen by closely related companies and subsidiaries of foreign corporations.

#### Limited Liability Company (d.o.o.)

The business name of a limited liability company must include the abbreviation “d.o.o.”

Founders of the Limited Liability Companies can be legal entities or individuals that are responsible for debts and liabilities of the company up to the amount of their investment.

- ▶ the capital of a limited liability company is divided into stakes – these are not securities and are not listed and traded in an organized market;
- ▶ Maximum of 50 shareholders;
- ▶ Minimum capital requirement of 500 EUR (in RSD equivalent);
- ▶ a limited liability company is founded under the Memorandum of Association if there is more than one founder, and if it is founded by one founder under the Deed of Incorporation;
- ▶ members of a limited liability company are entitled to sign the Stakeholders Agreement in order to customize mutual rights and responsibilities to the needs of the company;
- ▶ the bodies of a limited liability company are: the General Meeting, the Director or the Board of Directors. The Internal Auditor or the Auditing Board are set up only if provided in the Memorandum of Association/Deed of Incorporation or Stakeholders Agreement;
- ▶ the General Meeting is authorized to pass a resolution on increase or decrease of capital.

A member's contribution to a Limited Liability Company may be made in money or in kind including past, but not future labour or services. The shares are freely transferable between the partners. A share may be transferred to a third party, in which case other members of the company and the company have pre-emptive rights.

#### Joint Stock Company (a.d.)

The business name of a joint-stock company must include the abbreviation “a.d

- ▶ a joint-stock company is a company founded by one or more legal entities/individuals;
- ▶ its share capital is divided into shares whose value may not be less than 5 EUR;
- ▶ a joint-stock company is founded under the Memorandum of Association if there is more than one founder, and if it is founded by one founder under the Deed of Incorporation;
- ▶ the company exists independently of its shareholders, obligations incurred through this legal form could not be enforced on the assets of a parent company;
- ▶ issued shares may be either common or preferred. Besides issued shares, a joint-stock company may have authorized shares. The number of authorized shares must be stated in the Foundation document;
- ▶ a shareholder of a joint-stock company is an individual or a legal entity inscribed as the owner in the record of ownership kept with the Central Registry of Securities;
- ▶ existing shareholders have the rights of pre-emptive purchase in respect of shares of new issue.

A joint stock company can be:

1. Closed Joint Stock Company (a.d.)

- ▶ Maximum 100 shareholders;
- ▶ Minimum capital requirement of 10,000 EUR (in RSD);
- ▶ Apart from and contributions in money or in assets, those of the shareholders in a closed joint stock company may be in form of labour and services.

2. Open Joint Stock Company (a.d.)

- ▶ Unlimited number of shareholders;
- ▶ Minimum capital requirement of 25,000 EUR (in RSD);

Open Joint Stock Company must have a General Meeting, the Board of Directors, the Executive Board and the company's Secretary. The listed open joint-stock company must also have an internal auditor or supervisory board or board of auditors;

Closed Joint Stock Company must have a General Meeting and either the Managing Director or the Board of Directors.

### **Insurance Joint Stock Company**

- ▶ Life Insurance – Minimum capital requirement is from 2 million EUR to 4 million EUR (in RSD);
- ▶ Non-life Insurance – Minimum capital requirement is from 1 million EUR to 4.5 million EUR (in RSD);
- ▶ Re Insurance – Minimum capital requirement is 4.5 million EUR (in RSD).

This type of business must also be registered as a Joint Stock. In addition to the regular documentation submitted to the Business Registration Agency, an operating license issued by the National Bank of Serbia is required.

### **Banks**

- ▶ Minimum capital requirement of 10 million EUR (in RSD).

This type of business must be registered as a Joint Stock. In addition to the regular documentation submitted to the Business Registration Agency, an operating license issued by the National Bank of Serbia is required.

### **Leasing Companies**

A Limited Liability or a Joint Stock Company can be used as a legal form for a leasing company. The National Bank of Serbia issues an operating license that is submitted to the Business Registration Agency with other necessary documentation.

### **General partnership (o.d.)**

- ▶ Two or more individuals;
- ▶ No minimum capital requirement;

In a General Partnership, partners may contribute in money or in kind, including past or future labor and services. All partners bear the unlimited liability for the obligations of the general partnership.

### **Limited partnership (k.d)**

- ▶ Two or more individuals;
- ▶ No minimum equity requirement;

A Limited Partnership is a company established for performing business activities within the framework of a mutual firm. In this form of a company, a general partner is jointly and severally liable for the obligations of a partnership, while a limited partner bears the risks and obligations only to the extent of his or her investment.

### **Business Association**

- ▶ Minimum capital requirement is set in accordance with the founding contract;
- ▶ Registration fee is 3,000 RSD.

### **Representative offices**

With this business type, a foreign mother company has to take over the responsibility for all obligations that may occur as a result of the representative office's performance. The office has to be registered with the Business Registration Agency.

A representative office cannot have the status of a legal entity, and may have one or more branches in Serbia.

The business activities of a representative office are restricted. It is authorized to perform preparatory activities regarding the conclusion of business contacts, but it is not authorized to conclude those contracts itself.

A representative office can be a contractual party only in the matters which concern their own needs (lease agreements, work contracts).

A representative office is not a taxpayer in respect of VAT and corporate income tax.

### **Company Branches**

The Company Law enables both domestic and foreign companies to establish one or more branches as their organizational parts.

A branch does not have a legal personality, but conducts business activities in the name and on the behalf of the company, in it may conclude and execute contracts.

A branch is a registered entity in accordance with the Law on Registration of Business Entities.

When registering a branch, the foreign head office needs to supply a certified statement whereby it assumes all obligations that may arise from a branch's business activities.

A branch is a taxpayer in respect of VAT and corporate income tax.

## Foreign investments

The Law on Foreign Investments, effective as of 26<sup>th</sup> of January 2002 defines the foreign investor as:

- a foreign legal entity with headquarters in a foreign country;
- a foreign individual;
- a citizen of Serbia with permanent or temporary residence abroad for a period of more than one year.

Foreign investors may conduct their business activities on the territory of Serbia under the same conditions as domestic investors (national treatment). The rights of foreign investors applicable at the moment of registration of foreign investment into the Companies Registry may not be restricted by subsequent amendments of laws and other regulations.

- ▶ The Law on Foreign Investments enables import of equipment (except for motor vehicles, casinos and entertainment machines) to be exempted from paying customs duties. According to this Law, the contribution of a foreign investor and assets of an enterprise with foreign ownership interest cannot be subject to expropriation or another measure with equal effect, except in the case when public interest is specified in the law or on the basis of the law and with compensation.

Foreign investments are protected by the Constitution, the Law on Foreign Investments, the Foreign Exchange Operations Law and the Law on Free Zones. The Law on Foreign Investments guarantees the following rights to the foreign investors:

- ▶ the restitution of investment, or the remainder of investment in case of premature termination, expiry or termination of the investment agreement, or dissolution of company;
- ▶ a share in equity and its restitution in case of dissolution of company;
- ▶ unrestricted transfer of profits abroad, restitution of investment and share in equity (also provided by the Foreign Exchange Operations Law) after all obligations towards the State are settled.

## Tax System

### VAT

The VAT rates are as follows:

- ▶ The standard VAT rate - 18% (for most taxable supplies);
- ▶ The lower VAT rate - 8% (for basic food stuffs, daily newspapers, utilities etc.).

In addition to these tax rates, there is a 0% tax rate with the right of deduction of the input VAT that applies to export of goods, transport and other services in direct relation with export, international air transport, etc. A 0% tax rate without the right of deduction of the input VAT applies to trading in shares and other securities, insurance and reinsurance, and the lease of apartments, business premises, etc.

The input VAT is the VAT calculated and paid by a taxpayer to its supplier on purchasing goods and services. The output VAT is the VAT that a taxpayer calculates and charges on goods and services provided to customers. A taxpayer can offset the input VAT against its output VAT. However, the input VAT paid on some products and services (such as cars, motorcycles, entertainment costs, home electric appliances) cannot be deducted against the VAT calculated on output.

VAT is payable at each stage of the turnover of goods and services, as well on the import of goods.

The taxable base is the fee for products and services sold, including customs duties, excise taxes paid, transportation and insurance costs or any other cost relating to the sale of goods and services.

Tax liability arises on the first day that any of the following events occur:

- ▶ The sale of goods and services;
- ▶ The collection of a fee, if the fee or a part of the fee has been collected prior to the sale of goods and services;
- ▶ The day on which customs duty is applied (in case of imported goods).

There are two reporting periods for the VAT:

- ▶ Each calendar month for taxpayers whose turnover in the previous 12 months was over RSD 20,000,000 (or approximately EUR 187,000) or who predict that turnover in the next 12 months will be above the RSD 20,000,000 threshold; or
- ▶ For taxpayers whose turnover is between RSD 2,000,000 and RSD 20,000,000 the reporting period is 3 months.

## Corporate Profit Tax

Corporate profit tax is paid at the uniform rate of **10%**. Non-residents are taxed only based on their income generated in Serbia. The taxable base is profit determined by adjusting the accounting profit as stated in the profit and loss statement and in accordance with IFRS, accounting legislation, and the provisions of the Corporate Profit Tax Law.

Capital gains are recognized for the purpose of corporate income tax assessment. Capital gains are generated by the sale or transfer of real estate, rights related to industrial property, as well as shares, stocks, securities and certain bonds.

Withholding tax is calculated and paid at the rate of 20% on various forms of income (dividends, shares in profits, royalties, interest income, capital gains, lease payments for real estate and other assets) by a non-resident.

## Personal Income Tax

The personal income tax rate is 12% for salaries, while other personal income is predominantly taxed at the rate of 10%.

Personal income tax is payable by individuals on different sources of income generated throughout the calendar year. The taxable income includes salaries, income from agriculture and forestry, income from self-employment, income from royalties and industrial property rights, income from capital, income from real estate and other income.

A taxpayer is a natural person, a resident of Serbia. A resident is a natural person who has a residence or business premises and personal interests in Serbia or spends at least 183 days over a period of 12 months in Serbia. Residents pay personal income tax on income earned both in the country and abroad, while non-residents are taxed with respect to their income generated in Serbia only.

In case of personal income tax on salaries, the person taxed is the employee, but the employer is responsible for calculating and paying personal income tax on behalf of his employees. The taxable base is the gross salary, which includes the net salary and social security contributions.

### **Salary Tax Exemptions**

A company who hires *new personnel* on a permanent basis is exempt from paying salary tax for the following:

- ▶ *apprentices* aged under 30 registered as unemployed by the National Employment Service and for disabled persons for a period of **3 years**
- ▶ persons *under 30* registered as unemployed for no less than 3 months by the National Employment Service and/or those *aged 45 or older* who have been registered as unemployed for no less than 6 months or receive salary compensations for a period of **2 years**

## Annual Income Tax

The annual income is subject to a 10% tax. The annual income tax is levied on the income earned by residents. Such income includes income received in Serbia and income earned worldwide. The annual income tax applies on the income exceeding the amount of 3 times the average annual salary for Serbian citizens. For non-Serbian citizens, the annual income is taxed if exceeding the amount of 3 times average annual salary in Serbia. The tax rate is 10% for the annual income below the amount of 6 times average annual salary, and 15% for the annual income above the amount of 6 times average annual salary.

## Property Tax

The rate of the property tax depends on whether the taxpayer maintains business accounts. For taxpayers who maintain business accounts, the rate is 0.40%. For taxpayers who do not maintain business accounts, the rate is progressive and depends on the tax base.

Property tax applies to immovable property where an individual has rights of ownership, usufruct, residence, utilization, time sharing right, a long term lease holding (for a period of longer than one year), and utilization of city, public or other state owned building land with an area of more than 10 acres. In this case, immovable property is considered land, residential and commercial buildings, office space, garages, buildings and recreational space.

Individuals or legal entities which hold any of the above-mentioned rights on immovable property in Serbia are subject to the property tax.

Tax base	Tax rate
up to RSD 6,000,000	0.40%
from RSD 6,000,000 up to RSD 15,000,000	RSD 24,000 + 0.8% for the amount above RSD 6,000,000
from RSD 15,000,000 up to RSD 30,000,000	RSD 96,000 + 1.5% for the amount above RSD 15,000,000
above RSD 30,000,000	RSD 321,000 + 3% for the amount above RSD 30,000,000

## Social Insurance Contributions

Both the employer and the employee pay social security contributions. The base for calculation of social security contributions is the gross salary. The minimum base for contributions is 40% of the average monthly salary in Serbia, while the maximum base is 5 times the average monthly salary.

Rates for mandatory social security contributions are:

- ▶ 11% for pension and disability insurance,
- ▶ 6.15% for health insurance, and
- ▶ 0.75% for unemployment insurance.

Country	Social Security Contributions Rate		
	Employee	Employer	Total
Serbia	17.9	17.9	35.8
Poland	18.71	17.23-20.12	35.94-38.83
Bulgaria	12.43	23.98-24.68	36.41-37.11
Croatia	20.0	17.2	37.2
Slovenia	22.1	16.1	38.2
Hungary	13.5	33.5	47
Czech Republic	12.5	35.0	47.5
Slovakia	13.4	34.4	47.8

Source: PriceWaterhouseCoopers

## Double Taxation Treaties

If a taxpayer earns profit by conducting business in another country and tax was paid on that profit, one is entitled to a tax credit on its company profit tax account in Serbia amounting to the already paid tax. A taxpayer who earns revenue enjoys the same right and pays personal income tax in another country, provided there is a Double Taxation Treaty with that country.

Serbia has signed 39 Double Tax Treaties.

Country	In effect as of	Country	In effect as of	Country	In effect as of
Albania	2005	France	1975	Moldova	2006
Austria	2010	Germany	1988	Netherlands	1982
Azerbaijan	2010	Ghana	2000	Norway	1985
Belarus	1998	Great Britain	1982	Pakistan	2010
Belgium	1981	Greece	1968	Poland	1998
Bosnia & Herc.	2004	Hungary	2001	Romania	1996
Bulgaria	2000	India	2007	Russia	1995
China	1997	Iran	2005	Slovakia	2001
Croatia	2004	Italy	1983	Slovenia	2003
Cyprus	1986	Korea	2001	Sri Lanka	1986
Czech Republic	2005	Kuwait	2003	Sweden	1981
Denmark	1981	Latvia	2006	Switzerland	2005
Egypt	1988	Macedonia	1996	Turkey	2006
Finland	1987	Malaysia	1990	Ukraine	2001

## Tax Holidays

Investment in fixed assets greater than RSD 800 million (approximately EUR 8 million) will facilitate the exempt from income tax for a period of **10 years** (starting from the first year in which a company reports taxable income). Besides, a company has to fulfil another requirement – engagement on an indefinite contract of at least 100 additional employees during the investment period.

Tax holidays for concession-related investing are granted for a period of up to **5 years** (starting from the completion date). No tax is due if income is derived before the day the concession investment has been completed.

**5-year** Corporate Income Tax holiday is available for investment in underdeveloped regions if:

- investment in fixed assets exceeds RSD 8 million, or roughly €80,000,
- the minimum of 80% of fixed assets are used in the main activity,
- at least 5 new employees are hired on an indefinite contract throughout the investment period, and
- 80% or more employees have a residence in the underdeveloped region

## Tax Credits

The amount of tax due can be reduced by **20%** of the amount invested in fixed assets for the respective tax period. This reduction cannot exceed 50% of the total tax liability and can be carried forward for a maximum period of 10 years.

A large number of sectors<sup>1</sup> are entitled to receive a tax credit in the amount of **80%** of the investment in fixed assets. The unused part can be carried forward up to 10 years.

For SMEs, tax credit of **40%** is granted for fixed assets investments in the current year and may not exceed 70% of the tax due.

A two-year tax reduction amounting to **100% of gross salaries** and related employee contributions is available for the employment of new workers.

Tax losses/credits are available even after mergers, acquisitions and spin-offs.

## Carrying Forward of Losses

The tax loss stated in the tax return can be carried forward and offset against future profits over a period up to 10 years.

## Free Trade Agreements

### CEFTA

The Central European Free Trade Agreement (CEFTA) is a trade agreement between countries in Central and South-Eastern Europe. This agreement is to replace the existing bilateral agreements and starting from 1 May 2007 will include the following countries: Albania, Bosnia and Herzegovina, Croatia, FYR Macedonia, Moldova, Montenegro, Serbia and the United Nations Interim Administration Mission in Kosovo. The agreement stipulates that no import customs shall be increased nor the new ones will be imposed other than those prescribed by the existing bilateral free trade agreements between parties of the Agreement. Also, the Agreement stipulates accumulation of products origin, meaning that products exported from Serbia are considered of Serbian origin if integrated materials are originating from any other CEFTA country, European Community, Iceland, Norway, Switzerland (including Liechtenstein) or Turkey, provided that such products have undergone sufficient processing (where the value added there is greater than the value of the materials used) in Serbia.

### FTA WITH RUSSIA

A free trade agreement with Russia signed in August 2000 makes Serbia particularly attractive to foreign investors and manufacturers. The agreement stipulates that the importing country regulates the rules of origin, in accordance with WTO principles, meaning that goods produced in Serbia with prevailing value added in Serbia are considered of Serbian origin, thus free of customs when entering Russian market. The list of products not covered by the duty free agreement is updated annually. The Agreement has recently (March 2009) been amended and the list of items excluded from free trade regime was further shortened. The accord is the first such agreement Russia has signed with any country outside the Commonwealth of Independent States.

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<sup>1</sup> Agriculture, fishing, yarn and textile manufacturers, clothing, leather goods, base metals, standard metal products, machinery and equipment, office and computer equipment, electrical machines and equipment, radio, TV and communications equipment, medical, precision and optical instruments, motor vehicles, trailers, semi-trailers and other means of transport, recycling, cinematographic and video production.

## EU

European Union's Stabilization and Accession Process has allowed Serbia exceptional trade measures, enabling export of all products originating from Serbia without customs and other fees, with exception of wine and baby beef. In addition, the EU Agreement abolished customs duties and quantitative limitations for import of Serbian textile products and guarantees to maintain the same policies in the future (based on the EU Autonomous Trade Measures). Using this strategy the Serbian export of mentioned products will become entirely free. In reciprocity, the Republic of Serbia obliges itself to gradually liberalize customs tariffs for import of EU textile products.

## Turkey

The agreement signed on June 1, 2009 will be implemented in accordance with an asymmetric trade liberalization model in favour of Serbia as of January 1, 2010. It will enable customs free export from Serbia to a 75 million Turkish market, while the reciprocity will be achieved in three phases until 2015.

## Belarus

The Agreement was signed on March 31, 2009 by the Serbian Deputy Prime Minister and Minister of Economy and Regional Development Mladjan Dinkic and Foreign Minister of Belarus Sergei Martynov. It provides for mutual removal of customs duty and other taxes except for sugar, alcohol, cigarettes, used cars, buses and tyres, which will continue to be subject to taxation.

## US

The trade with US is pursued under Generalized System of Preferences (GSP). The GSP program currently provides preferential duty-free entry for more than 4,650 products, including most manufactured and intermediate goods and selected agricultural and primary industrial products. Certain sensitive goods are not eligible for duty-free entry under GSP, which generally includes most textile products, leather goods and footwear. The list of eligible goods is reviewed and adjusted twice per year with input from U.S. industries.

## WTO

Serbia is not a member of the World Trade Organization, but is anticipating joining WTO before 2011.

## Investment Infrastructure

Using highly developed road connections, cost effective railroad, convenient air transport or utilizing 959 km of navigable rivers is simply your choice when employing Serbia as the logistics hub of Southern Europe.

## Free zones

Free Zones are specially fenced in and marked places in which commercial, industrial and service activities have various benefits.

Companies with production facilities located within the free zones aren't liable for VAT on imported goods. Fixed assets, machines, and construction materials can be imported duty free. Raw materials used for production of finished goods that are meant for export can be imported duty-free.

Goods that are imported from the zone into Serbian market are subject to standard customs procedures; however, if the goods are produced out of at least 50% domestic components, they are considered domestic goods.

Free zones may be founded and governed by either domestic or foreign companies. Earnings and revenues created within Free zone can be transferred to any country, including Serbia, freely without any prior permission and are not subject to any kind of taxes, duties and fees. Income generated through commercial activities in the Zones is exempted from value-added tax. The new Law on Free Zones is in preparation.

## Transport

As a logistics base, Serbia is a perfect place for a company to locate its operations if wanting to closely and most efficiently serve its EU, SEE or Middle Eastern customers. It borders the EU, at the Hungarian, Bulgarian and Romanian state line, offering a possibility of production outside the European Union. At the same time, businesses can enjoy all the benefits of working out in the EU, while being able to provide services and transport goods in projected and flexible time frames.

Furthermore, for its position on the geographic borderline between the East and West, it is very often referred to as a gateway of Europe. Also, two very important pan-European corridors, VII - River Danube and X - highway and railroad, intersect on Serbian ground providing excellent logistic connections with Western Europe and the Middle East. Thus, Serbia offers a great transport potential and has an extraordinary potential to become the logistic hub of the Southeastern Europe.



## Roads

By using highly developed road connections, a shipment from Serbia can reach even remotest parts of Europe, in less than 72 hours. Products can also move rapidly cross-country: the road network of the Republic of Serbia is 40,845 km (25,380 miles) long, out of which 415.7 km (257 miles) of highways with toll collection, 246.5 km (153 miles) of semi-highways with toll collection, 5,525 km (3,433 miles) of arterial roads, 11,540 km (7,171 miles) of regional roads, and 23,780 km (14,776 miles) of local roads.

## Railroad

Transport of goods via railroad is very cost effective and through Pan European Corridors X and VII, Serbia offers an access to all European destinations. As in many countries, the railway system in Serbia suffered due to lack of investments in previous years, but serious efforts have been made by the Government of Serbia in order to restructure and modernize railway network in Serbia. Serbian Railways has signed contracts with 43 international forwarding companies and due to that, "shuttle" container trains started using Serbian railways for pan-European transport. Also, the maximum spindle capacity of the Serbian railways system is 22.5 t. Finally, the priority for the next period is the development of multimodal transportation (transition from road to railway and river transportation).

## Air

Air transportation is the fastest and the most convenient way of transportation. Serbia can be reached by air using one of two available international airports in Serbia - Nikola Tesla Airport and Nis International Airport. An airport in Vrsac is currently being used only for domestic non-commercial flights, training and leisure aviation, while it is expected soon to be granted an international certification. Transportation by air to and from Belgrade is possible to almost every destination in the world, either directly or by layover.

<i>Duration of Flights</i>	<i>City</i>
Up to one hour	Bucharest, Istanbul, Ljubljana, Rome, Vienna, Zurich, Sarajevo
Up to two hours	Berlin, Düsseldorf, Frankfurt, Kiev, Milan, Munich, Paris, Prague
Up to three hours	London, Moscow, Stockholm, Amsterdam
More than three hours	New York, Toronto

## River

Serbia offers an outstanding potential when river transportation is concerned. A highly cost effective way of transport can be pursued on three rivers giving a total of 959 km of safe navigable routes. 588 km of the International River Danube, represents the most reliable navigable route that can be used for transportation throughout the year. In addition, artificial canals Rhine-Main-Danube, an international canal that allows barge traffic between the North Sea and the Black Sea, and Danube-Tisa-Danube create a network of routes providing access to all Danube basin countries. The Sava River links the following countries in the region: Slovenia, Croatia, Bosnia & Herzegovina and Serbia, and it is in the process of gaining the status of International Navigable Route.

### *Danube*

588 km of the International River Danube, represents the most dependable navigable route throughout the year. The Rhine-Main-Danube canal, completed in 1992, allows barge traffic between the North Sea and the Black Sea.

### *Tisa*

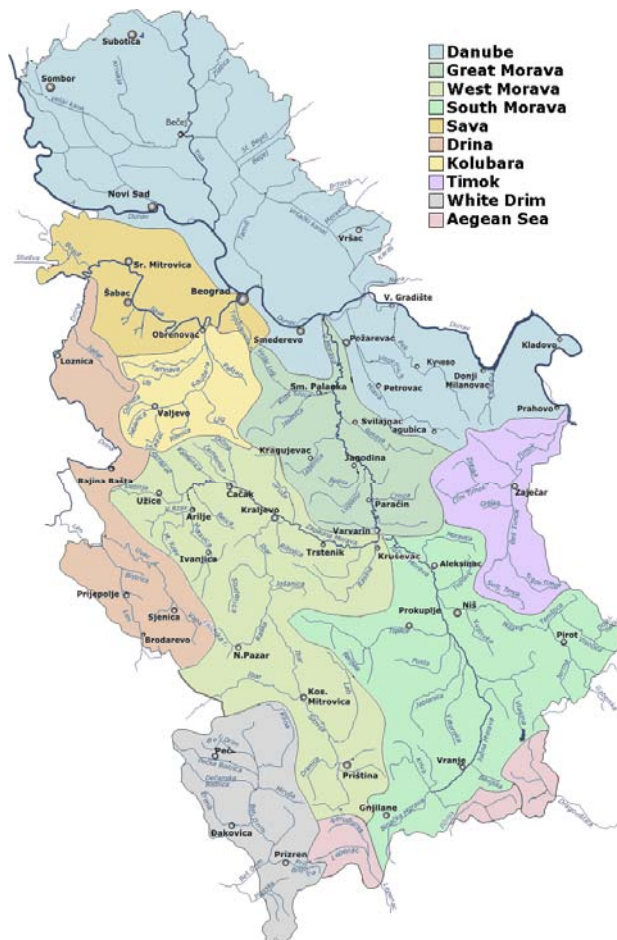
164 km of inter-state navigable passage on the river Tisa, with the network of the domestic channel Danube - Tisa - Danube totalling 600 km, has the potential to become an International Navigable Route of satisfactory level for use by all Danube basin countries.

### *Sava*

207 km of the river Sava provide excellent potential for transportation of goods in the Western Balkans. The river Sava links the following countries in the region: Slovenia, Croatia, Bosnia & Herzegovina (The Republic of Srpska) and Serbia. It is in the process of gaining the status of International Navigable Route.

## Ports

There are seven ports on the River Danube: Luka Apatin, Luka Bačka Palanka, Luka Novi Sad, Luka Beograd, Luka Pančevo, Luka Smederevo i Luka Prahovo. They can all be used for logistic purposes i.e. loading and unloading the cargo.



## Contact

If you need any further information, do not hesitate to contact us.



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