



# ŠABAC

YOUR RELIABLE PARTNER

GUIDE FOR INVESTORS



# Welcome to Šabac...

**Miloš Milošević**  
Mayor of Šabac



*...City of great potentials, long tradition in industrial production and a spirit that supports progress and novelties.*

*Šabac is a reliable partner for those who want more and can do better, for those who are ready to work hard but also wish to earn a lot. To our future partners we offer large complexes of developed land, efficient proceedings for acquiring construction permits, as well as professional assistance in realizing your ideas in the best possible way.*

*Šabac is a business and industrial center, but also a city of beautiful streets and parks, cultural events, sports manifestations and fairs, which has been continuously developing since 2000.*

*The city aspires to novelties, but carefully preserves its cultural and architectural heritage.*

*Šabac is your reliable partner.*



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# Briefly on Serbia

## Geographical position

South East Europe, center of the Balkan Peninsula; time zone **GMT + 1**.

Geo-strategic position at the crossroads of Pan-European **Corridors 7 and 10**, a major link between Europe and Asia.

## Market

**7.5 mil** consumers in Serbia.

**180 mil** consumers in SEE and Russia, with duty-free access.

## Economy

Currency – Serbian Dinar (RSD), inflation rate **10 %** (2007).

GDP per capita **\$ 5.764**, growth rate **7,5 %** (2007).

## Human Resources

**700.000** university or college graduates, **42 %** of the population speaks English.

**485 EUR** per month – average gross salary (2007).

## Investments

**\$13.5 billion** – total inflow of FDI since 2001, average growth rate **87 %**.

National treatment of foreign investors, advantageous taxes and incentives.





# SABAC IN FOCUS

## ŠABAC IN FOCUS

Award winner in 2008 for consistently practicing the Law on free access to information of public importance.

**17 MILLION**

of consumers easily accessible markets of Serbia, Croatia and BiH

**CORRIDOR 10**

the river Sava with access to the Danube – good traffic connections

**435 EUR**

monthly gross salary

**12%**

of the working age population has a university or college degree

**80 YEARS**

of industrial production, tradition in trade and agriculture

**921 ha**

of land – Industrial Zone of the national significance

**77%**

of arable land, rich with geothermal springs

**27%**

annual City budget growth rate

**50%**

of the City budget is invested into infrastructure development

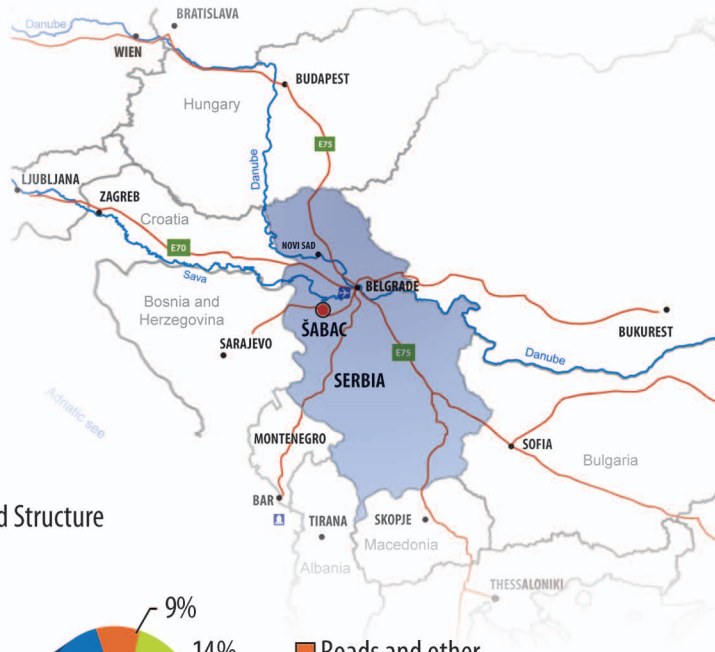
**ISO 9001:2000**

Certificate – good and efficient administration

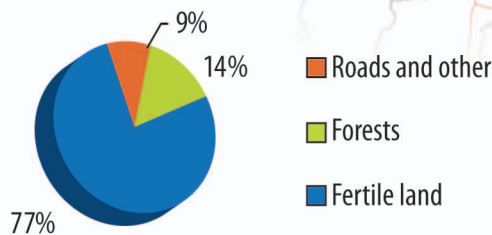
# Location

## Geographical position 44°46'N, 19°46' E

Europe, North West part of Serbia, at the bank of the international river Sava, close to borders with Croatia and Bosnia and Herzegovina.



### Land Structure



## Territory

**795 km<sup>2</sup>** - fertile plains dominant in the North (75 m altitude), hilly Southern and South Western parts (up to 700 m altitude).

## Climate

Moderate continental, pleasant with a clear distinction between 4 seasons .

- **The coldest month—January,** average temperatures ranging from **-4 °C** to **+3 °C**.
- **The warmest month—July,** average temperatures ranging from **+14°C** to **+27 °C**.
- **Precipitation – annually 614 mm.**

| Proximity to Šapca (km) |     |
|-------------------------|-----|
| BiH                     | 35  |
| Croatia                 | 40  |
| Belgrade                | 82  |
| Budapest                | 381 |
| Vienna                  | 600 |
| Prague                  | 885 |

# Market

Šabac is an administrative and economic center of the Mačva Region with **340 thousand consumers**. Šabac has **123 thousand inhabitants**.

It is possible to export duty free from Serbia and Šabac to South East Europe and Russia (**total of 180 mil consumers**).

In geographical terms, Šabac is the closest to the markets of Croatia and BiH.

Also, preferential trade conditions are established with the EU and USA.

| Access to markets (mil of consumers) |       |
|--------------------------------------|-------|
| City of Šabac                        | 0,123 |
| Mačva Region                         | 0,340 |
| Serbia, Croatia, BiH                 | 17    |
| CEFTA                                | 30    |
| Russia                               | 150   |

# Human resources

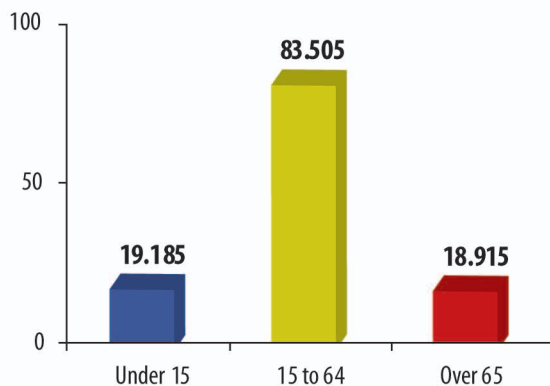
## Working potentials

Working age population (15-64 years old) is 83.505, which amounts to 68% of total population. 13.922 of people with working ability are unemployed and are actively seeking employment. The number of unemployed is decreasing by 4,5% annually (2003-2008).

## Employment per sectors

| Industry branches                             | Employment (in percent) | Gross salary (EUR) |
|---|-------------------------|--------------------|
| Healthcare and social services                | 11,68%                  | 385                |
| Education                                     | 9,66%                   | 342                |
| Real estate                                   | 3,38%                   | 280                |
| Financial services                            | 1,13%                   | 647                |
| Traffic, warehousing and shipping             | 10,11%                  | 223                |
| Hotels and restaurants                        | 0,67%                   | 123                |
| Wholesale and retail                          | 16,31%                  | 207                |
| Construction                                  | 4,28%                   | 234                |
| Energy, gas and water                         | 2,77%                   | 411                |
| Processing industry                           | 29,86%                  | 305                |
| Ore and stone extracting                      | 0,08%                   | 592                |
| Agriculture, forestry, waterpower engineering | 2,50%                   | 195                |

## Age structure of population



Men and women are equally represented.

Average age is 39,7 – one year less than the national average in Serbia. Sectors with the longest tradition employ the largest number of people – processing industry and trade:

## Education

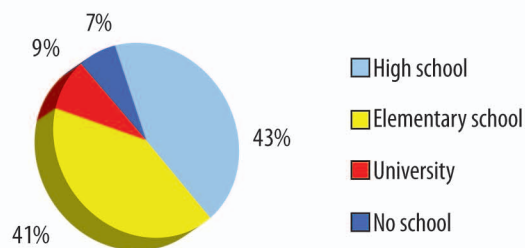
There are 13 elementary schools, 8 secondary and 3 colleges in Šabac (agricultural, chemical and pedagogical).

Education profiles: economists, chemical engineers, agricultural engineers, technicians, laboratory technicians, medical workers, caterers, salesmen, craftsmen, teachers.

Educational institutions are introducing new programs and practical trainings according to investors needs.

More than 10.000 inhabitants of Šabac have graduated from college or university. 52% of the population older than 15 have graduated from high school or two-year college.

## Education structure – population of over 15 years of age



The majority of the unemployed population has graduated from high school (62%), while 6% of them have graduated from university of two-year college.

National Employment Service finances retraining, additional training and other seminars in order to assist the unemployed, as well as to meet investors' needs.

## Work force cost

Average gross salary in 2007 amounted to €434, which is €50 less than the national average. 13,5 % is the average growth rate of the gross salary for the past 5 years.

# Infrastructure

## Road network

Total length of roads within the City of Šabac is 463 km. Main and regional roads are 100% asphalt coated, as well as more than 60% of local roads.

- **Highways: E70 (Belgrade-Zagreb), part of Corridor 10, is 24 km away from Šabac, connected by a regional road.**
- **Main roads: M19 (connection to Bosnia Herzegovina), M21 (connection to Corridor 10, Croatia and Romania).**

2 railroads pass through Šabac:

- **Šabac – Corridor 10, 35 km, C3 category, 20 tons.**
- **Šabac – Zvornik (BH), 69 km, A category, 16 tons.**

Belgrade international airport is 60 km away from Šabac.

River traffic is conducted via the Sava, a navigable river connected to the Danube (Corridor 7). An international port is planned to be constructed in Šabac.

## Utility infrastructure

Šabac's comparative advantage is its wealth in water resources – potable, underground, geothermal and mineral water. Water supply network covers 90% of total city territory, while sewage network covers around 70%.

## Electricity, gas and heating

The town is supplied with electricity from a transformation station (220/110 kV), whose capacities are adequately meeting the needs of both domestic and industrial consumers. Gas supply network coverage is 100%. Its capacities are about 14,000 individual households. The project that will allow geothermal water to be used for heating is currently being prepared.

## Telecommunication

Both mobile and land line coverage of the city is 100%. All switchboards are digitalized. The City of Šabac owns all optical cable networks within the city. Internet connections are established by means of ADSL, wireless and cable network (1536/192 kb speed).



## 4.500 businesses (3.200 entrepreneurs) operate in Šabac, approximately. Invest safely.

Private property is a dominant form of ownership. 94,6% of businesses are small, 4,2% are medium sized, and 1,2% are large companies.

The most developed industries are as follows:

- chemical
- pharmaceutical
- metal works
- mechanic
- food
- civil engineering and building materials
- lumber processing and upholstery
- textile

Šabac is the city of long-lasting trade and industrial tradition, as well as of quality and developed handicrafts.

Financial services are provided by 29 domestic and foreign banks and 6 insurance companies.

The most important foreign investors are:

**US Steel,**  
**Aliance One Tobacco,**  
**Interex,**  
**Stada,**  
**Alas International,**  
**Intercell,**  
**Mercator**







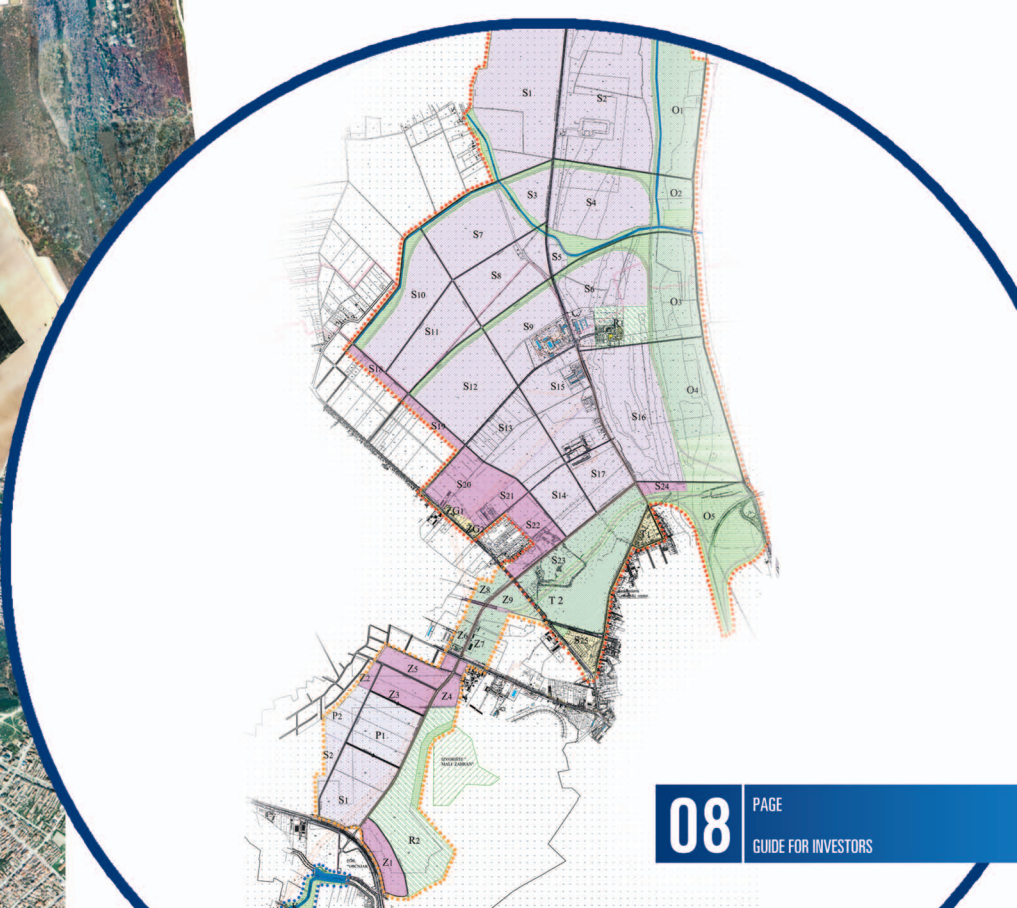
## North-West Industrial Zone

**Size:** 921 ha, out of which 600 ha is owned by the City. Investor is allowed to choose the position and size of parcel to fit its needs. Terrain is flat.

**Location:** 3 km away from the city center, next to the main road M19, 24 km away from Corridor 10.

**Infrastructure:** the City provides the investor with all required infrastructure (water supply, sewerage, gas, high-voltage power supply, access road). Detailed Regulation Plan envisaged the construction of industrial railways leading to the Industrial Zone.

**Price:** north section - €6,6 / m<sup>2</sup>, west section - €7,83 / m<sup>2</sup>, 99 years lease. Investors obligation is to start to use the land for intended purpose within 5 years.



# Incentives for Investors

Local authorities are committed to the creation of a business friendly environment as stipulated by Šabac Local Economic Development Strategy.

The City of Šabac is the first Serbian city to meet the ISO 9001:2000 standards for quality management, meaning efficient administration and satisfied clients.

Local Economic Development Office provides free services to existing and potential investors in all project implementation phases.

Geographic Information System ([www.sabacgjs.org](http://www.sabacgjs.org)) enables investors to get visual presentation and all the necessary data on actual locations.

Šabac is one of the founders of the Regional Center for SME Development.

## Taxes and Incentives

- ✓ **Among the lowest tax rates in Europe: profit tax- 10 %, VAT – 8 to 18 %.**
- ✓ **10 years of profit tax exemption for major investments (€7.5 millions and over 100 new jobs).**
- ✓ **Financial grants between €2.000 and €10.000 per new job according to the type of investment.**
- ✓ **Tax reduction up to 80 % of investment in capital assets.**
- ✓ **Duty-free import of raw materials, semi-products, components and equipment.**

# Tourism

Šabac hosts many annual events such as **Šabac Summer Music Festival, October Art Exhibition, International Swimming Marathon, Horse Races, Rose Festival, Šabac Fair and “Civijada”**.

Important cultural institutions in Šabac are the Šabac Theater, National Museum with 15.000 exhibits, Šabac Library with more than 300.000 books, Cultural Centers and the City Hall with its permanent exhibition of paintings.

Favorite excursion sites are Cer Mountain and city beach on the Sava River. The city is proud of its XV century fortress located on the bank of the Sava and the pedestrian zone in Gospodar Jevremova Street which was awarded in 2007 as the most beautiful street in Serbia.

Šabac is the city with development potentials of various forms of tourism:

- **Events**
- **Excursions** – numerous churches and monasteries in or near Šabac,
- **Rural tourism** – nature, ethno villages and house lots from XIX century,
- **Hunting tourism** – Cer Mountain and in the vicinity of the Sava and the Drina rivers,
- **Transit tourism** – due to the vicinity of important transportation routes,
- **Nautical** – particularly, due to construction of Sava Marina.

Šabac has 3 hotels, but due to constant growth of visits and intensive development of the city, new investments in hotel business are expected.

*Šabac is famous for its good spirit and optimism, always lively and restless.*



## **City of Šabac**

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