

The Way Forward

VRSAC

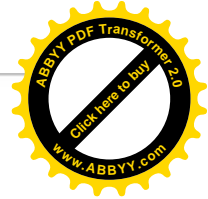
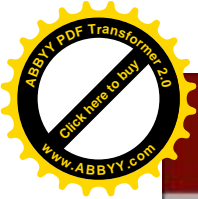
MUNICIPALITY

Belgrade, 05.03.2010.

*Presentee: Fresenius Medical Care Ltd.
Board of Directors*

*Presenter: Dejan Mak, MBA
Economic Development Coordinator*

**Local Economic
Development Office** 



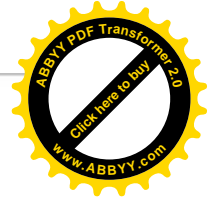
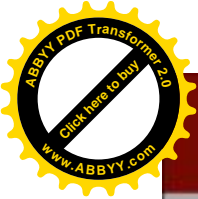
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SERBIA Key Facts

- » South East Europe, central Balkans; Time zone GMT+1
- » In the middle of SEE Free Trade Area with access to market up to 60 million consumers
- » FTA with the Russian Federation – access to market of 150 million consumers
- » 10 % corporate profit tax rate – among the lowest in Europe
- » 10-years corporate profit tax holiday for large investments





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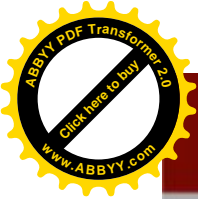


SERBIA Pharmaceutical Industry Facts

- » Projected annual market growth until 2012 – 8%
- » Comprised of nearly 50 companies
- » Intensive development of new drug forms
- » Export of Serbian pharmaceuticals are growing at an annual rate of around 25%
- » ISO quality standards and GPM standard
- » Average monthly net wage amounted to €390 in 2009

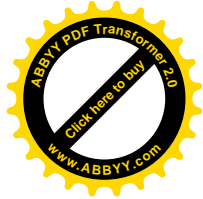
Major Players

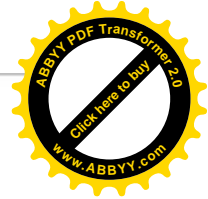
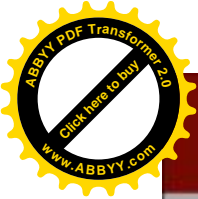
Company	Country	Plants in Serbia	Investment Value (EUR mn)
Stada	Germany	Vrsac	498
Actavis	Iceland	Leskovac	48
Pharmaswiss	Switzerland	Belgrade	3



VRSAC Key Facts

- » Favorable geo-strategic position
- » Only 85 km from Belgrade, Serbian capital
- » 14 km from Romanian border and access to EU market
- » 35 km from Danube by channel
- » 54.000 inhabitants in 24 settlements
- » Total area 800 km²
- » Continental climate:
Summer temperature 20,7 C°
Winter temperature 1,4 C°





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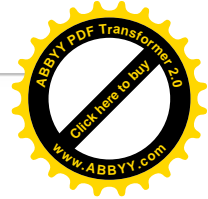
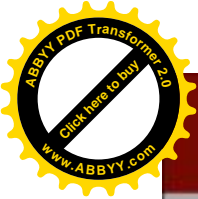
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VRSAC Key Facts

WORKFORCE AVAILABILITY

- » 13.500 Employed
- » 6.300 Unemployed
- » More than 60 pharmaceutical technicians per year
- » Available workforce niche for pharmaceutical industry
Total Vrsac Municipality – 350
Total (Vrsac, Plandiste, Alibunar, Bela Crkva) – more than 1000
- » Unemployment rate vs economically active population – 21%



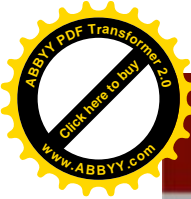
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VRSAC Economic Facts

- » Ranked 12 among 167 municipalities in Serbia and 1 in Vojvodina by net average wages € 390 in 2009
- » Sector average € 400 in 2009
- » Long Term Strategy for focusing E.D. on Pharmaceutical Industry
- » Regional center of dynamic economic activities
- » Competitive business environment
- » 557 Registered profit companies
- » SME sector share – more than 18% growth since 1990

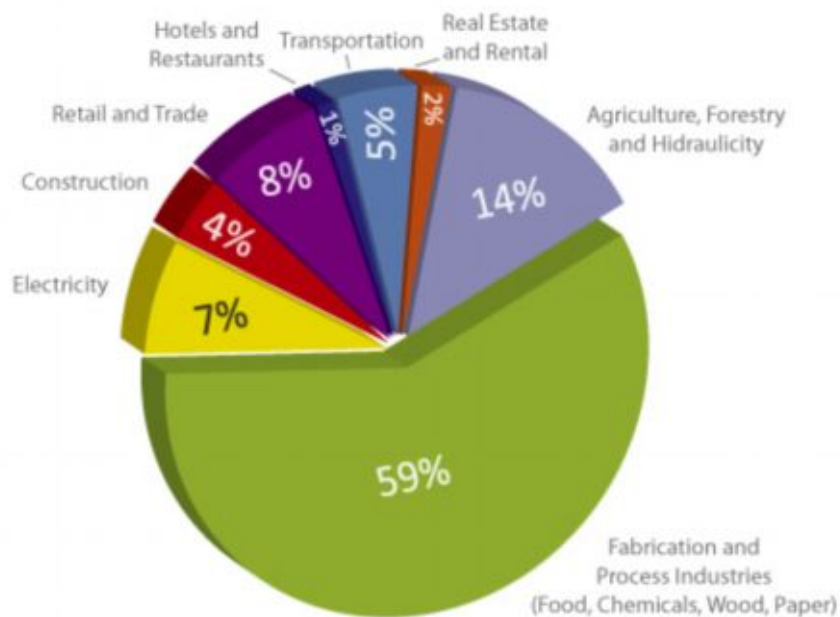


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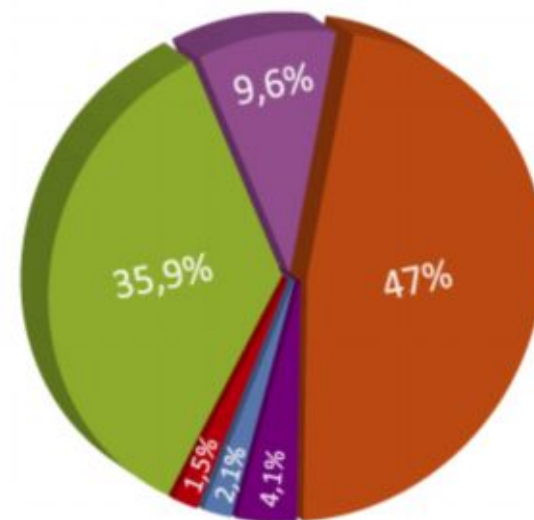
VRSAC Economic Facts

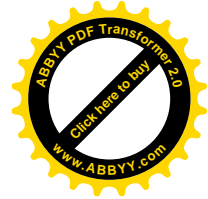
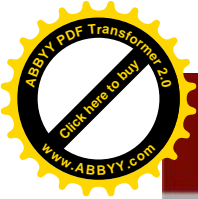


Pharmaceutical Industry holds more than 50% of total Municipal GDP share

Hemofarm Stada is a regional and national industry leader

- Pharmaceutical Company - Hemofarm
- Utility Company - 2. oktobar
- Confectionery Manufacturer - Swisslion
- Wine Producing Company - Vrsacki Vinogradi
- SME
- Hemofarm Founding Companies





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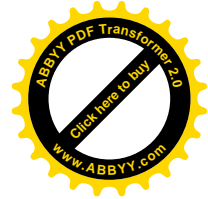
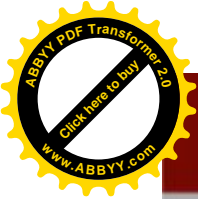
Industrial Technology Park



BRIEF HISTORY

- » Vrsac Municipality and Hemofarm Stada initiative from 2002
- » First ITP in Serbia ever
- » Feasibility Study done by MSPNE Program financed by EU in 2007 – 2008
- » Key LED Project in Local Sustainable Development Strategy
- » Infrastructure development in total amount more than € 3.5 million supported by: EU, USAID MEGA Program, Republic of Serbia, Province of Vojvodina
- » Infrastructure works opening ceremony in July 2009
- » Industrial Technology Park Vrsac founded by Vrsac Municipality in August 2009

Innovation Teamwork Partnership

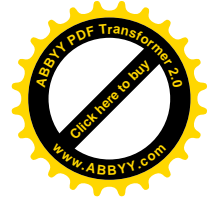
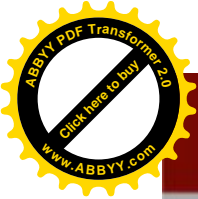


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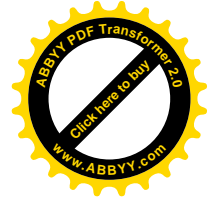
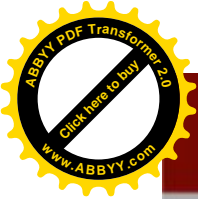
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Industrial Technology Park



Road:
M1.9 Belgrade – Vrsac – Vatin
Belgrade 85 km
EU Border 15 km
City Center 1.5 km

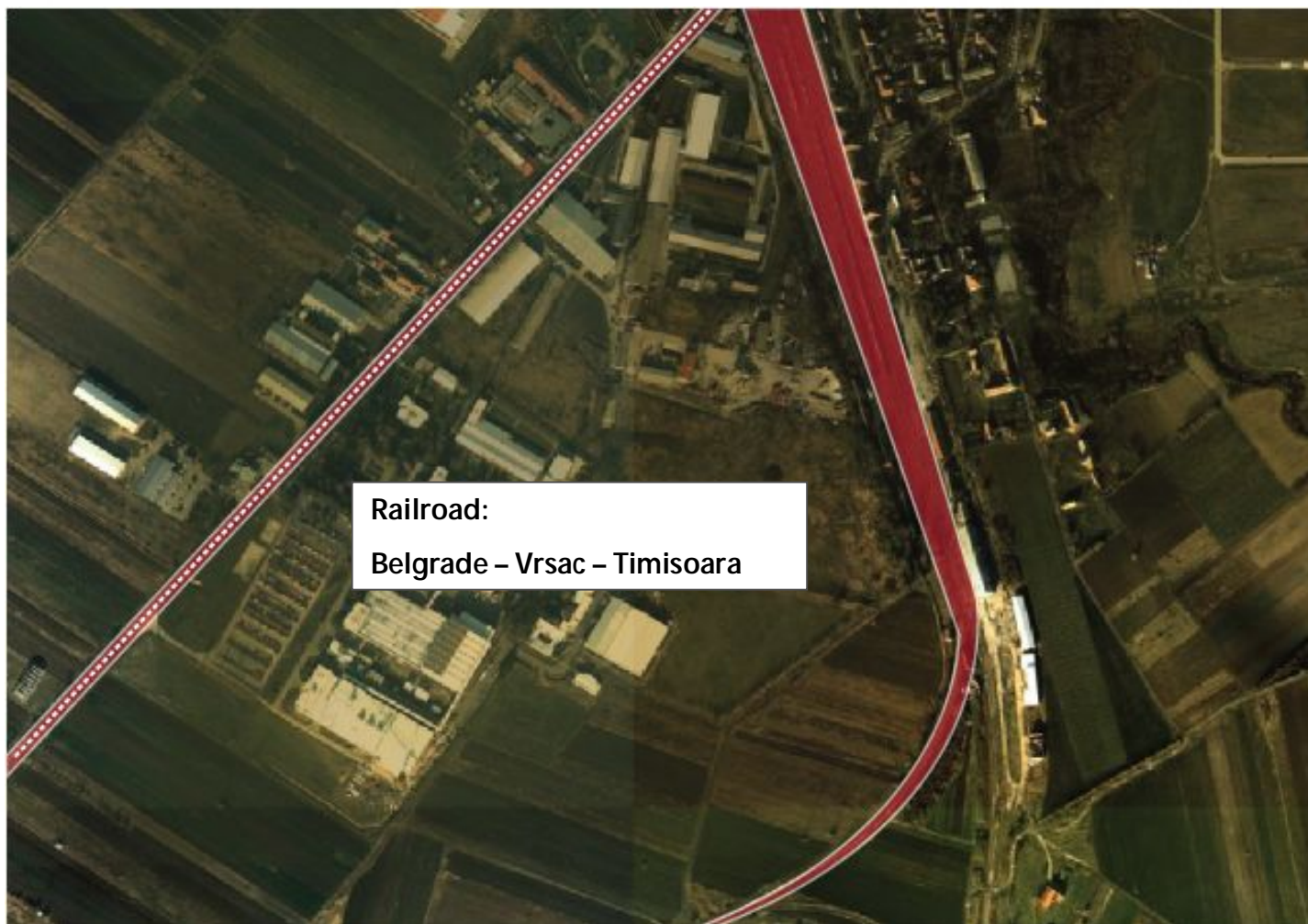


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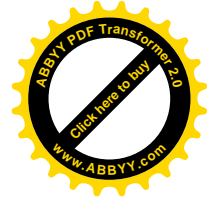
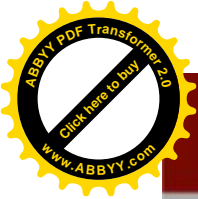
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Railroad:
Belgrade – Vrsac – Timisoara



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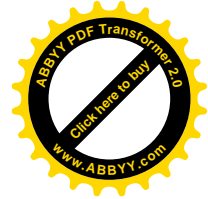
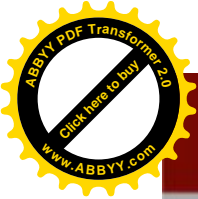
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Hemofarm 

HEMOFARM STADA

- » Size of investment € 498 million
- » The most expensive purchase in the 111 year old history of Stada
- » Platform for future development in Eastern Europe
- » Awarded for corporate social responsibility and Serbian exporter of the year



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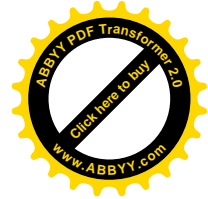
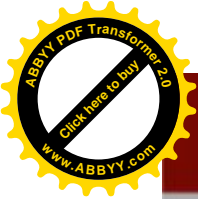
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ZANNINI EAST

- » Production of pharmaceutical packaging material
- » Joint venture established by Hemofarm Group and Company Grafica Zannini S.p.A. from Pisa, Italy in 2002
- » Total of € 3.1 million has been invested in the new factory



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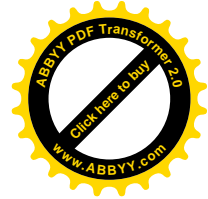
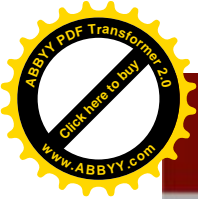


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OFFICINA GAME EAST

- » Founded in 2007 by LA-CO srl, Bologna
- » Precision engineering and production of electrical parts for pharmaceutical industry
- » Total investment: € 800.000



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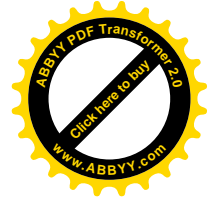
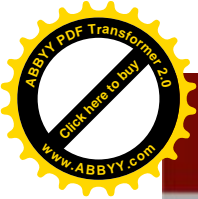


Industrial Technology Park



 **TECHNOLOGY PARK VRSAC**

 **Hemofarm**



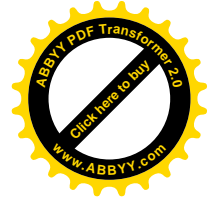
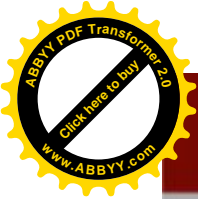
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Industrial Technology Park



ITP Total area 27ha



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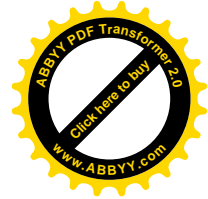
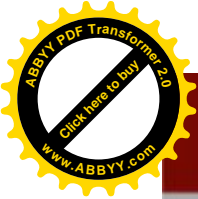
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ITP Phase 1 6ha

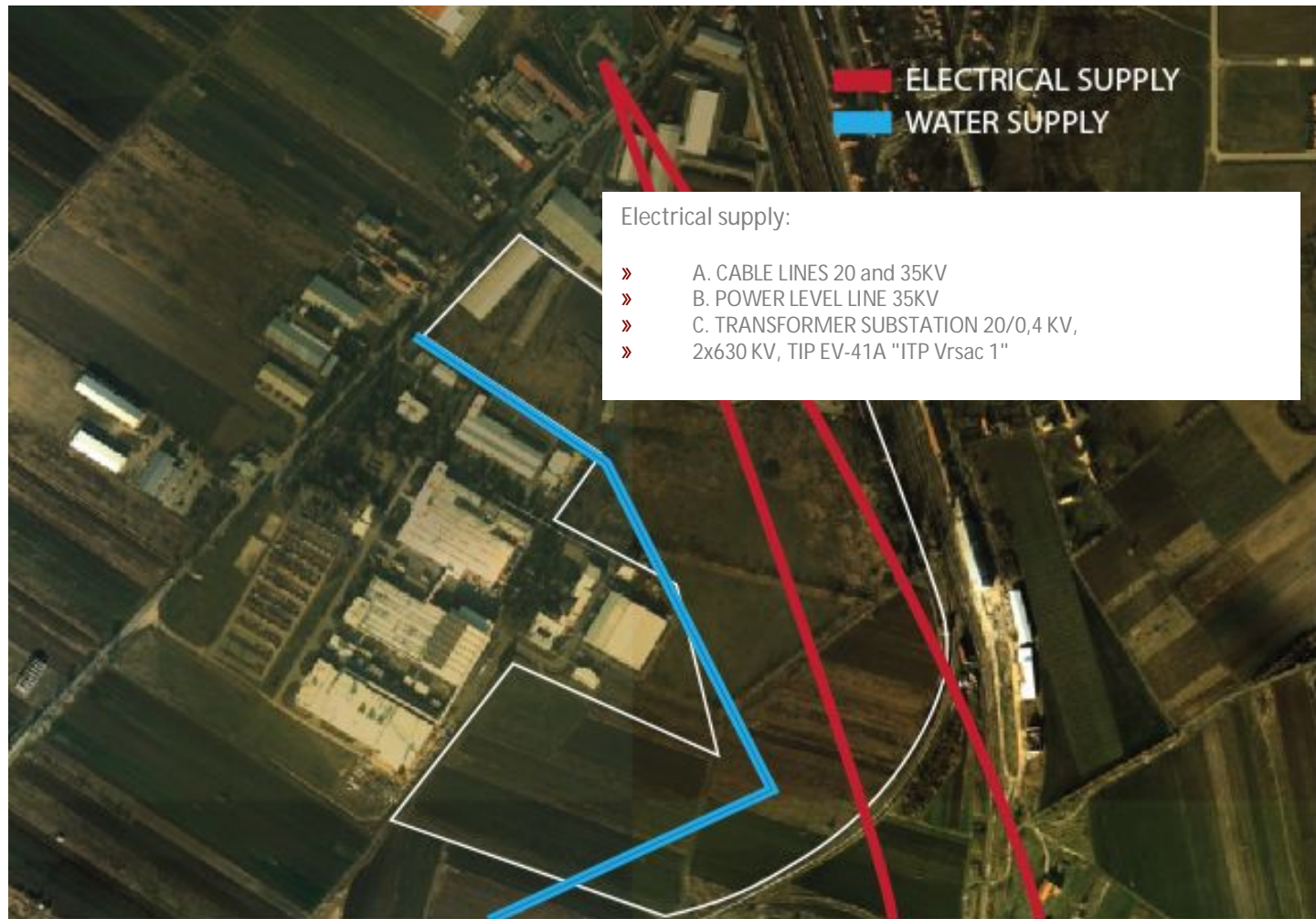


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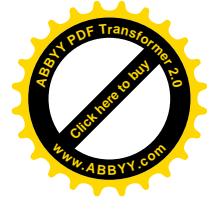
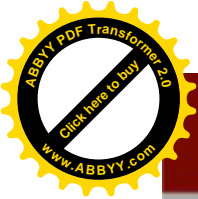
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 ELECTRICAL SUPPLY
 WATER SUPPLY

Electrical supply:

- » A. CABLE LINES 20 and 35KV
- » B. POWER LEVEL LINE 35KV
- » C. TRANSFORMER SUBSTATION 20/0,4 KV, 2x630 KV, TIP EV-41A "ITP Vrsac 1"



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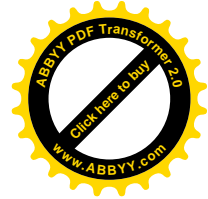
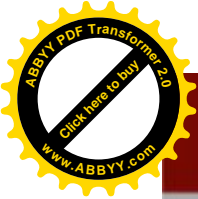
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 **Hemofarm Inženjering**

HEMOFARM INZENJERING

- » First ITP Tenant
- » Elements for "Clean Rooms" in pharmaceutical industry
- » Total investment: € 300.000
- » 1.400 doors per year for Hemofarm and Italian company Delta 2000



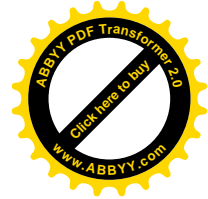
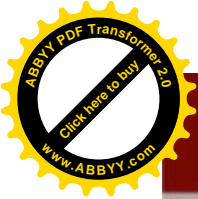
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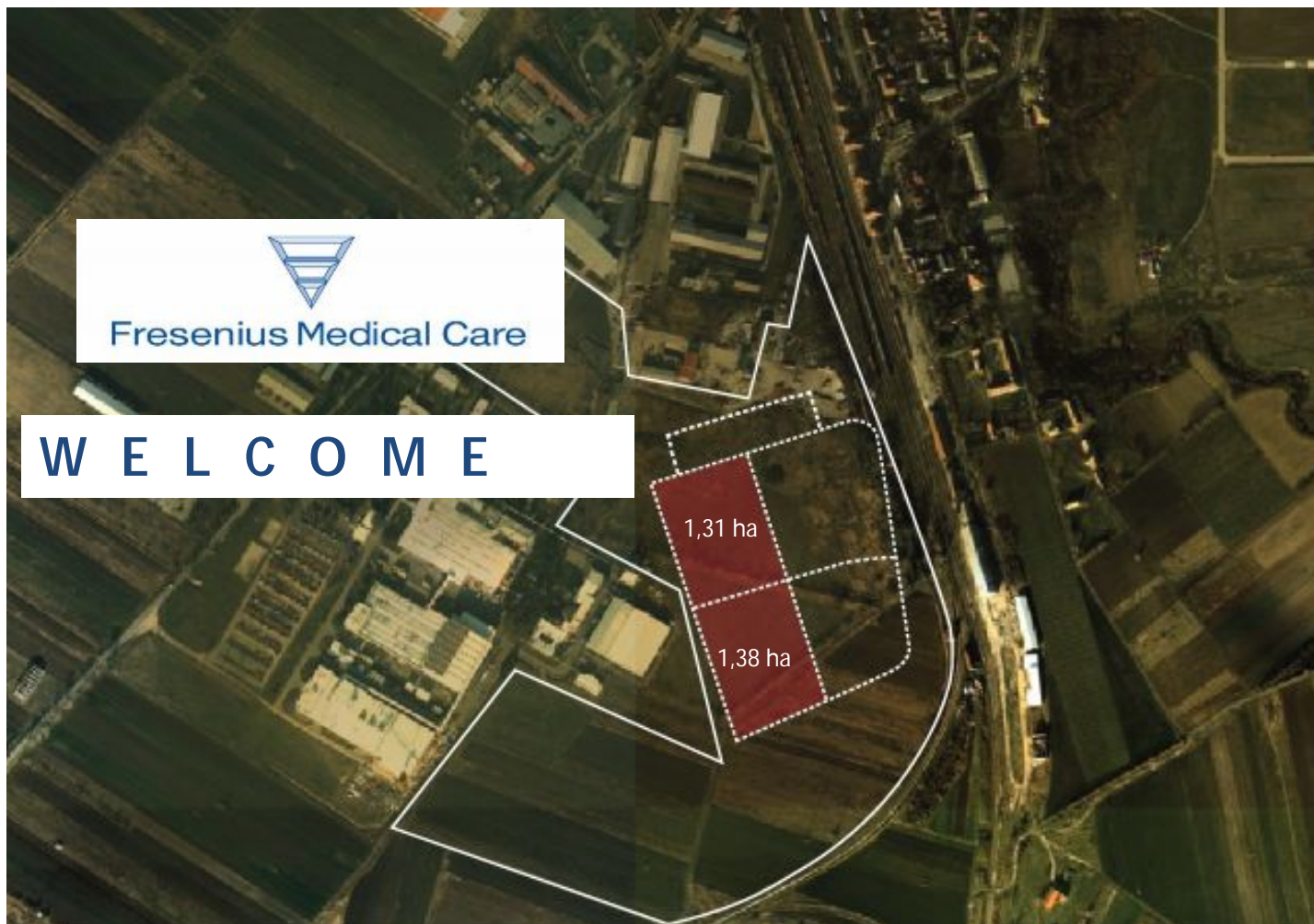


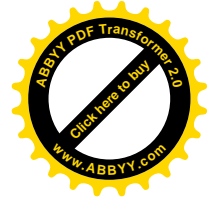
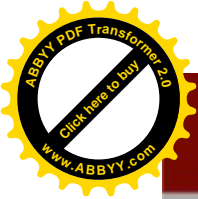
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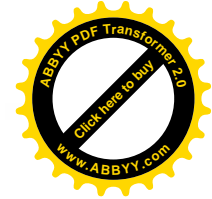
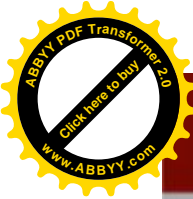
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TOMORROW

- » Center of Excellence for Pharmaceutical Industry
- » Business Incubator and Business Service Center
- » 700 – 1000 new jobs created until 2012
- » ITP Second phase development in 2010 – 2012
- » Rail Intermodal Terminal
- » High Way: Belgrade – Vrsac – Timisoara – Bucharest (Vrsac Bypass)

Innovation Teamwork Partnership



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Business Incentives

FINANCIAL INCENTIVES

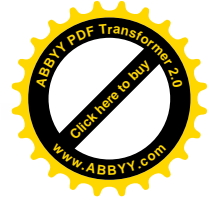
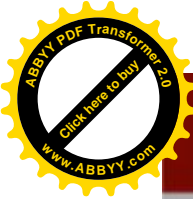
» Production: from € 2.000 up to € 5.000 state grant per new job created

EMPLOYMENT SUBVENTIONS

- » National Employment Service:
Grants for employment of up to 50 new workers
(€ 850 Vrsac Municipality)
- » Provincial Secretary for Work and Employment:
Grants for new employment (€ 1.000 - € 1.300)
Subventions for traineeship programs (€ 300 – € 400)

**VRSAC MUNICIPALITY EXCLUSIVE INCENTIVE:
Totally equipped land available for only € 6/m²**

For more information: www.siepa.gov.rs and www.vip.org.yu



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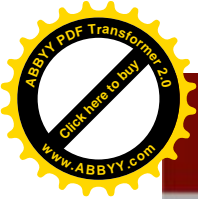
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Business Friendly Municipality

- » One Stop Shop
- » Municipal Urbanisam Department
- » Branch Office of Serbian Business Registers Agency
(Registration of Business Entities)
- » TP Municipal Founded Company and LED Office
(Business Consulting Services, Soft Incentives and Aftercare)

For more information: www.techpark-vrsac.com



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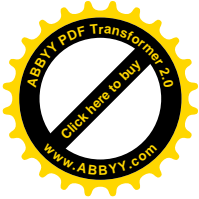
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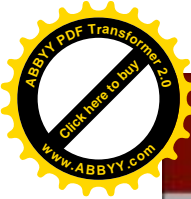


Why Vrsac?

TOP 10 REASONS TO INVEST

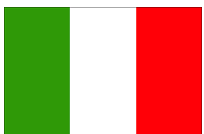
1. Favorable Geo-Strategic Position
2. Extensive Infrastructure Network
3. Center of Dynamic Economic Activity
4. Home of Hemofarm Stada
5. Qualified and Competitive Labor With a Developed Sense of Working Culture
6. Multilingual Population and Multinational Talent
7. Pro-Business Climate
8. Simplification of Legal-Administration procedure
9. Set of Measures Which Secure an Equal Treatment of Foreign Investors
10. Excellent Quality of Life





The Way Forward
Local Economic
Development Office >>>

Vrsac, Trg Pobede 1
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Success Stories Testimonials

“By taking over Hemofarm, we access other important markets in Eastern Europe. We do not integrate Hemofarm, but we work together to have effects of the economy of scale. Hemofarm is truly a pearl in which we will not only utilize the existing structure, but we also see Hemofarm as a platform for our further activities in Eastern Europe.”

Mr. Hartmut Retzlaff, the Chairman of the Stada Executive Board of Directors



“Serbia is a great opportunity for European businessmen. With the help of Italian government, and through investment support program, many Italian companies will soon find their way to Vrsac”

Mr. Flaminio Farnesi, President of Zannini Group

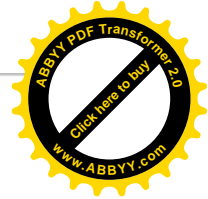
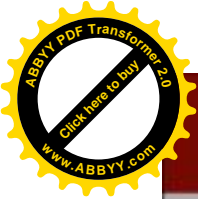


“The successful takeover of Hemofarm by STADA Group is a good example which may be an incentive for future German investors in Serbia. I was impressed by the fact that Hemofarm exports as much as 50 percent of its products. It has had, indeed, good business results even before joining with the STADA Group. The cooperation between STADA Group and Hemofarm is a good example of the cooperation between Germany and Serbia on the international market, and it is significant not only for good results of the company, but also for the economic development of both countries.”

Germany’s Ambassador to Serbia, Mr. Wolfram Maas



*Sources: www.hemofarm.com, www.stada.de, www.danas.co.yu



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Quality of Life

High Class Hotels



Wine Tourism



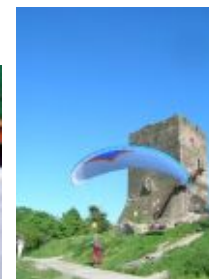
Delicious Food



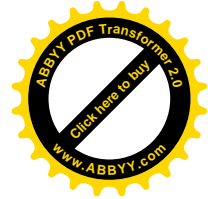
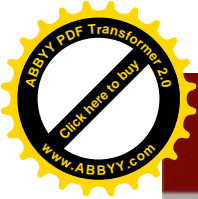
Excellent Health Care



Sport and Recreation



For more information please visit:
www.to.vrsac.com



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Economic Development Statement

Our Mission:

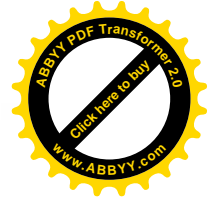
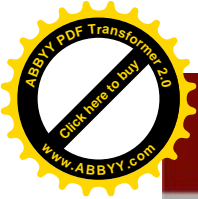
The mission of the Municipality of Vrsac Economic Development Department is to be responsible for attracting new investors and businesses to the municipality, for promoting the expansion of existing industry, for assisting small and minority-owned businesses, and for creating new and improved employment opportunities for all citizens in the Municipality of Vrsac.

Our Core Values:

INNOVATION

TEAMWORK

PARTNERSHIP



The Way Forward

Local Economic
Development Office >>>

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Welcome

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