



«« Zrenjanin OPEN

The Right Place For Your Investments





Invest in Zrenjanin

Why Zrenjanin?

- Industrial parks equipped with infrastructure
- Access to the major transport networks (road, rail, river, air transport)
- Free Zone Zrenjanin one of four in Serbia
- Long industrial and business tradition
- Qualified and experienced labour
- Organised support and assistance to investors - **Business Incubator**
- Efficient administration
- Administrative, political, economic, cultural and health centre of the Region

Why Serbia?

- Favourable strategic position
- 65 million consumers on the market of South East Europe
- The lowest personal income tax rate - 12%
- Low corporate profit tax rate - of 10%
- VAT - the lowest rate:
 - 18%** (for most products)
 - 8%** (for food, daily newspapers, services...)
- A 10-year corporate profit tax holiday for investment over €7.5 million and 100 new employees
- Customs-free imports of equipment based on foreign investment
- Financial incentives
- Easy access to foreign markets
 - free trade agreement with Russia
 - market preferential trade status with **EU** countries and **USA**
 - free trade with the countries of South Europe (**CEFTA**)
- Special stimulating tax incentives for employing the younger than 30 and older than 45 years

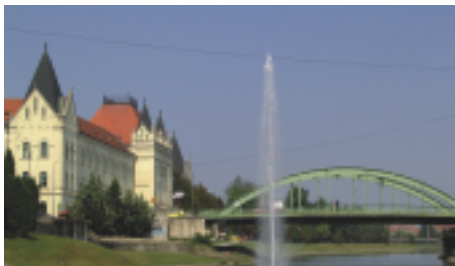
About the City... >>>

- The largest city of Banat
- Area 1,326 km²
- 20°23' east longitude and 45°23' north longitude
- Altitude 80m



The Coat of Arms of Zrenjanin City is stylized image of Assumption of Holy Mother of God, in the form which was established as the symbol of the city in 1769

- **140 000 inhabitants**
 - 85 000 in the City and
 - 55 000 in 22 villages
- **"Small Switzerland of Serbia":**
 - official languages: Serbian, Hungarian, Slovak and Romanian
 - more than twenty nations
 - developed national tolerance and good interhuman relations
- The only four river hub in Europe: the Begej, the Tisa, the Tamiš and the Danube
- 100 000 ha of high quality arable land



Sister Cities:

- Arad, Romania
- Bekescaba, Hungary
- Laktaši, Serbian Republic of Srpska
- Timisoara, Romania
- Trebinje, Republika Srpska, BIH
- Resitsa, Romania
- Teplice, The Czech Republic

Financial Incentives for Investors in Serbia >>>>

State grants are offered for Greenfield and Brownfield projects in all industries, except for trade, tourism, hospitality and agriculture. Eligible companies are those involved in manufacturing activities, internationally marketable services sector, and research and development.

Investment in manufacturing activities:

Available funds: from €2,000 up to €5,000 per every new employee;

The minimum investment amount: between €1 million and €3 million, depending on the unemployment rate in the municipality where the investment is made;

The minimum number of new jobs created: 50.

Investment in the internationally marketable services sector:

Available funds: from €2,000 up to €10,000 per every new employee;

The minimum investment amount: €500,000;

The minimum number of new jobs created: 10.

Investment in R&D:

Available funds: from €5,000 up to €10,000 per every new employee;

The minimum investment amount: €250,000;

The minimum number of new jobs created: 10.

Incentive funds of the Government of the Republic of Serbia were granted to two Italian investors -Fulgar and Pompea, in the amount of 740,000 EUR, i.e. 2,000 EUR per an employee for 370 new job posts in Zrenjanin.

www.siepa.gov.rs



Trade Regulations

Free Trade Agreement 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 and with prevailing value added in Serbia are considered of Serbian origin, therefore free of customs when entering the Russian market. The list of products not covered by the duty free agreement is updated annually, and it currently includes fresh and processed produce, poultry, sugar, chocolate, alcoholic beverages, soap, cotton, carpets, wooden furniture, household appliances, and motor vehicles. The accord is the first such agreement Russia has signed with any country outside the Commonwealth of Independent States.

EU Regulations

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, until 2008, liberalizes customs tariffs for import of EU textile products.

U.S. Regulations

A proclamation was signed granting Generalized System of Preferences (GSP) trade benefits to Serbia. GSP goes beyond Normal Trade Relations, or Most Favoured Nation, a status that the United States restored to Serbia in December 2003, as a support to the economic progress of the country.

Currently, the GSP program provides preferential duty-free entry for more than 4,650 products, including most manufactured and intermediate goods, 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.

Several Serbian companies already exporting to the United States will immediately benefit from this new status through duty-free entry of their goods to the U.S., making them more price competitive on the U.S. market.

CEFTA

The Central European Free Trade Agreement (CEFTA) is a trade agreement between countries in Central and South-Eastern Europe that has replaced bilateral agreements between the countries in the region: Albania, Bosnia and Herzegovina, Croatia, FYR Macedonia, Moldova, Montenegro, Serbia and the United Nations Interim Administration Mission in Kosovo. It is in effect as of 26th July 2007 and provides companies that operate in Serbia an opportunity to reach a 30 million people market free of customs and boundaries.

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.

Benefits of the "FREE ZONE ZRENJANIN"

1. Import and export of goods and services in and out of the zone is free.
2. Raw materials imported and designated for the production of the goods marked for export are free of taxes and other custom fees.
3. Imported equipment, machines and building materials are not subject to taxes and other customs fees.
4. Zone users are able to freely utilize foreign funds generated by conducting business in the zone.
5. Rights of the Zone users established by the Free Zone law can not be infringed upon by other regulations.
6. Importing of all goods into the Zone is free of all customs fees. Goods from the Zone can be distributed in the local market with appropriate payment of duties and customs fees. If for the production of the goods in the zone any domestic components are used, later the Customs fees are levied only for the components that have been imported.
7. Import and export into the Zone is completely free; there are no contingents, import and export permits or other limitations on international trade. Goods imported from the zone into the local market are subject to standard import regulations, but if the content of the goods is minimum 50% domestic, such goods will be considered domestic.
8. Goods from the Zone can be temporarily moved to the other parts of the domestic territory for remanufacturing, retooling, repairing, quality control, marketing etc which presents a great opportunity for establishing cooperation with the local industry.
9. Free transfer of profit generated by business activities in the Zone.
10. Expropriation is not allowed in the Zone.
11. Users of the Zone can rent, buy or build up business, manufacturing or storage buildings and facilities.

The free Zone Zrenjanin is one of four free zones in Serbia

Conducting business activity in the Free Zone significantly reduces the costs up to 40%

An example of the savings by conducting a business in the Free Zone

Calculated on the import and export of	€ 1,000,000 value of goods.
Savings in VAT -	€ 180,000
Savings in the Customs fees -	€ 200,000
TOTAL SAVINGS	€ 380,000 (annual salary for 80 employees)



Organised Support to Investors

Centre for Investment Coordination

- All licences and permits within legal minimal period of time
- All types of assistance available (finding accommodation, renting office space, cars, telephone and internet connections, liaising with relevant institutions and organizations...)

Free Wireless Internet in the City centre

Zrenjanin is the first city in Serbia and one among a few in Europe where in the main street you can have a free access to Wireless Internet.

Business Incubator

Business Incubator Zrenjanin, BIZ is the company founded with the intention to support start-up companies. BIZ organises trainings and education seminars for its residents, supports them in business plan making, marketing, market research, assistance in creating technical and other documents, obtaining necessary certificates etc. Business Incubator Zrenjanin is located at the attractive location in the very centre of the City. The residents of BIZ can be the following entities:

- Start-up companies in IT field which are provided with free equipped office for use,
- Start-up companies in other than IT field at the first stage of their business activity can use BIZ offices until they move into their own

The German company Draexlmaier, among others, used the services of BIZ.

Contact:

Bojan Ljutić- director

Kralja Aleksandra I Karađorđevića 2 (IX floor of Vodotoranj building)
23000 Zrenjanin, Serbia

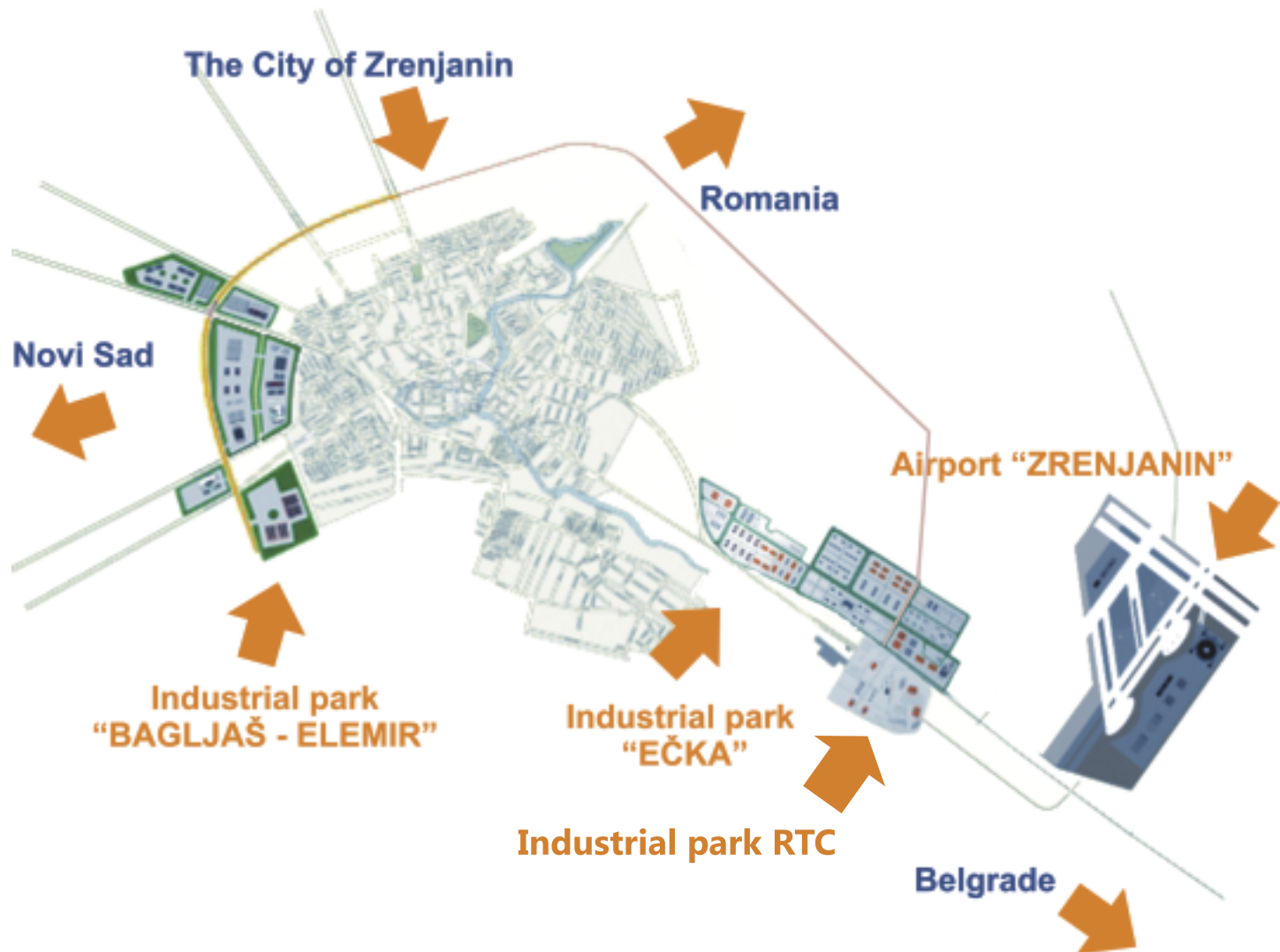
phone: +381 23 512 260

fax: +381 23 512 264

e-mail: inkubator@biz-zr.co.rs

www.biz-zr.rs

MAP of City Including Industrial Zones >>>>



Industrial Zone Bagljaš-Elemir



Location designation: industrial zone

Location user: City of Zrenjanin

Area: 20 ha + 60 ha

Infrastructure: the Location is equipped with necessary infrastructure

Advantages of the Location: regional road Zrenjanin-Novı Sad, the possibility of working in the regime of Free Zone Zrenjanin, proximity of the city transit motorway (bypass).



3 POMPEA



3 POMPEA



9 FULGAR

Industrial Zone EČKA >>>



European Agency
for
Reconstruction

Data about the location

Location designation: industrial zone/industrial park

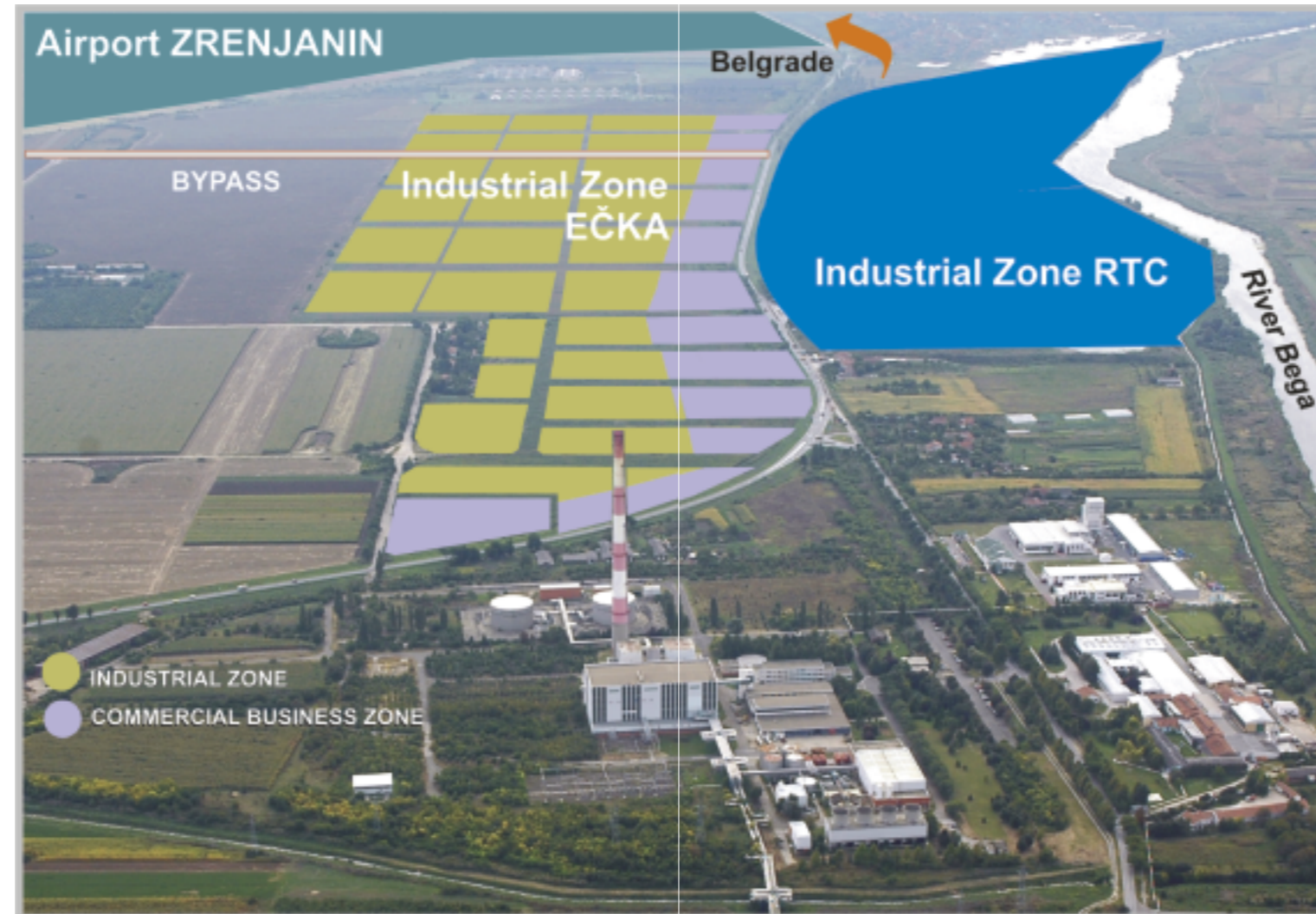
Location user: City of Zrenjanin

Area: 120 ha + 1,100 ha

Infrastructure: the Location is equipped with primary infrastructure

Advantages of the Location: proximity of the port on the Begej and regional road Zrenjanin-Belgrade, the possibility of working in the regime of Free Zone Zrenjanin, proximity of the city transit motorway (bypass) and Airport Zrenjanin.

The equipping of the Industrial Zone Ečka is financially supported by European Commission Delegation /ex European Agency for Reconstruction/.



<<< Industrial Zone RTC



Data about the location

Location designation: industrial zone/industrial park

Area: 120 ha

Infrastructure: There are infrastructure connections at the Zone bordering line

Advantages of the Location: proximity of the port on the Begej and regional road Zrenjanin-Belgrade, the possibility of working in the regime of Free Zone Zrenjanin, proximity of the city transit motorway (bypass) and Airport Zrenjanin

Contact: Vojvodina put Zrenjanin
Ž. Zrenjanina 75, 23000 Zrenjanin
+381 23 536 249
office@vojvodinaput-zr.rs

Airport Zrenjanin >>>

Airport Zrenjanin Complex is spreading on the land area of 1,100 hectares. The existing airport is located on the infrastructure of the old German airport built in 1941, at the time biggest in the South East Europe. The airport is the biggest "C" class airport in the Balkans region with the supporting infrastructure for air traffic of small passenger and cargo planes with load capacity less than 7 tons. In May 2007 Zrenjanin Airport gained license for passenger and cargo traffic from Civil Air Traffic Directorate. The Detailed Regulation Plan is prepared for 300 hectares.

Dominant present infrastructure elements:

- Grass runway 1250m x 80m,
- 3 Hangars,
- Airport building including reception room and other facilities,
- Well,
- Electricity substation,
- Parachute area,
- Oil cisterns and gas stations,
- Concrete runway 1850m x 60m not in use,
- Roll track system not in use.

Contact:

Sabo Ištvan Manager of Flying
+381 63 535 742

Dragan Antonijev Acting Director
+381 63 812 63 17
adeckazr@yahoo.com



Flight distance to European cities:

City	Country	Distance
Belgrade	Serbia	63 km
Timisoara	Romania	77 km
Budapest	Hungary	258 km
Zagreb	Croatia	340 km
Vienna	Austria	440 km
Rome	Italy	745 km
Athens	Greece	865 km
Zurich	Switzerland	938 km
Moscow	Russia	1675 km



◀◀◀ Airport Zrenjanin

Vision of Airport "Zrenjanin"

Mission:

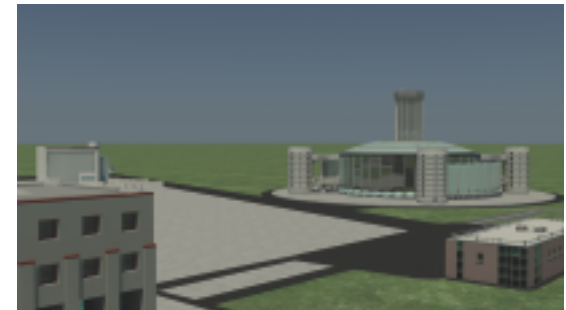
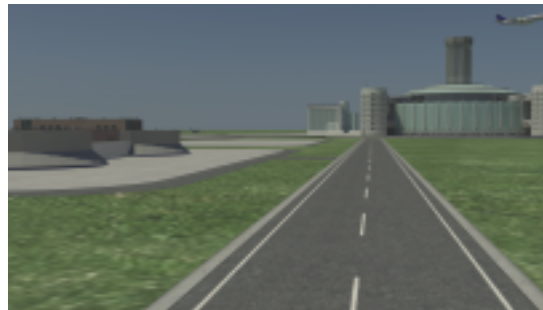
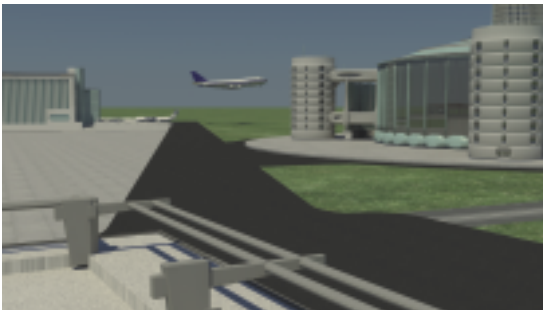
To provide Air Transport facilities & services to/from Zrenjanin

Vision:


To establish Zrenjanin as the regional cargo hub and moderate capacity passenger traffic airport

Why to invest in Airport Zrenjanin?

- favourable location,
- elementary infrastructure,
- excellent weather conditions for air traffic,
- ideal for small cargo and passenger planes,
- opportunity for starting low-cost flights from Serbia,
- increasing number of investments flow of goods and people,
- 24/7 Customs and duty personnel on-site
- preferable business and investment background.



Major Investors in Zrenjanin >>>>

	<p>Pompea (Italy) Manufacturing of underwear and hosiery www.pompea.com</p>		<p>Phiwa Walther Group (Germany) Warehousing and supermarkets</p>
	<p>Pecocar (Holland) Production of construction panel elements www.pecocar.nl</p>		<p>Magnetron doo (Serbia) Trade business centre</p>
	<p>LK Armatur (Sweden) Mechanical metal processing www.lkarmatur.se</p>		<p>Alpin (Serbia) Production of tools www.alpin.rs</p>
	<p>UM ING doo (Serbia) Production of auxiliary equipment for oil industry www.um-ing.com</p>		<p>Bongrain Europe Sas Mlekoпродукт (France) Production of milk www.bongrain.com www.mlekoпродукт.com</p>
	<p>GR System (Italy) Production of electronics</p>		<p>CINOS / SCHOLZ AD (Germany) Metal processing/secondary raw materials www.cinos.rs</p>
	<p>Fulgur (Italy) Manufacturing of polyamide and polyester yarns www.fulgur.com</p>		<p>Mehler BAPS (Germany) Production of ballistic equipment www.m-v-s.de</p>
	<p>Jovanović doo (Serbia) Construction material, warehousing and trade www.jovanoviczr.com</p>		<p>HomeInvest (Serbia) Construction www.homeinvest.rs</p>



Major Investors in Zrenjanin



Agrokor-Dijamant (Croatia)
Processing of sunflower
and oil production
www.agrokor.hr www.dijamant.rs



Contenta (Italy)
Textile fiber and yarn production
www.pompea.com



Kolpa San (Slovenia)
Production of bathroom equipment
www.kolpasan.si



Bomex (Serbia)
Shipyards
www.bomex.co.rs



Future Biotec LTD (Germany)
Production of synthetic diesel



Arcadom (Hungary)
Commercial park
www.arcadom.hu



IN-MED (Serbia)
Pharmaceutical industry



Supernova (Austria)
Commercial centre
www.m2.co.at



Mercurius Group Begej (Holland)
Shipyards
www.mercurius-group.nl



Draexlmaier (Germany)
Production of parts in
automotive industry
www.draexlmaier.de



Demex (Serbia)
Construction



Gomex (Serbia)
Ware distributive centre and sale
www.gomex.rs



Geze (Germany)
Mechanics and automatics
www.geze.de

Your company logo

Current Investments >>>

Project "Lake II"

- Attractive recreation and swimming area
- The only recreation water centre in Serbia that will have complete water filters, primary and secondary, providing water of drinking category
- Planned activities
 - Water sport and recreation including Aqua park
 - Construction of parking lots, children playgrounds, beaches and green areas
 - Construction of commercial-business facilities
- Location: close to City centre
- Area 3.5 ha





Current Investments

New Sport Hall

- Location: Karađorđev trg, next to the Sport Hall built in 1960 and stadium
- Grounds for basketball, handball and other team sports,
- Hall covering more than 7,000 square meters,
- For 3,000 spectators
- Nearby locations attractive for restaurants, hotels, shopping centre



Contact:

City of Zrenjanin

Trg slobode 10, 23000 Zrenjanin

Autonomous Province of Vojvodina e-mail: gradonacelnik@zrenjanin.rs

Republic of Serbia

Tel: +381 23 564 585; + 381 23 511 963

Fax: +381 23 534 115; + 381 23 511 962

investments@zrenjanin.rs

ledoffice@zrenjanin.rs



www.zrenjanin.rs

