

# WELCOME Zrenjanin OPEN

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## *Agro-Industrial Investment Opportunities*



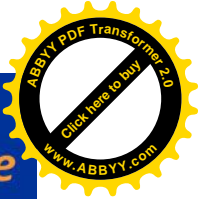
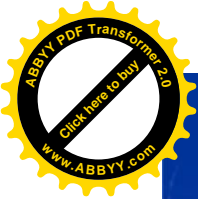
**Marija Harmat**

Deputy Head  
Department of Local  
Economic and Rural Development  
and Investments

[marija.harmat@grad.zrenjanin.rs](mailto:marija.harmat@grad.zrenjanin.rs)

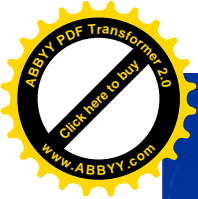
Belgrade, 5 March 2010





# Why Zrenjanin?

- Zrenjanin – an open progressive City
- Access to the major transport networks (road, rail, river, air transport)
- 100,000 ha of high quality arable land
- Industrial zones equipped with infrastructure
- Long agro-industrial and business tradition
- Highly qualified and experienced experts and labour
- Free Zone Zrenjanin – one of 4 in Serbia
- Organised support to investors
- Efficient and friendly administration

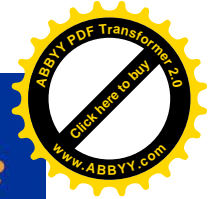
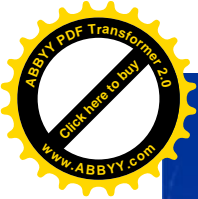


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# Where is Zrenjanin?



City	Country	(km)
Novi Sad	Serbia	50
Belgrade	Serbia	75
Timisoara	Romania	100
Szeged	Hungary	130
Zagreb	Croatia	400
Vienna	Austria	500
Roma	Italy	730
Berlin	Germany	1260



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# Why Serbia?

- ▶ **Favourable strategic position**
- ▶ **65 mil. consumers of South East Europe market**
- ▶ **Favourable tax rates**  
Corporate profit tax rate - 10%  
(vs Romania 16%, Hungary 18%-36%)  
VAT-18% (for food etc 8%)

- ▶ **Financial incentives**

[www.siepa.gov.rs/site/en/home/1/investing\\_in\\_serbia/investment\\_incentives/financial\\_incentives/](http://www.siepa.gov.rs/site/en/home/1/investing_in_serbia/investment_incentives/financial_incentives/)

- ▶ **Trade Agreements**

## **CEFTA**

[www.stabilitypact.org/wt2/TradeCEFTA2006.asp](http://www.stabilitypact.org/wt2/TradeCEFTA2006.asp)

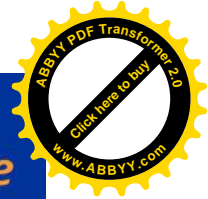
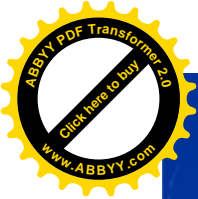
## **FRA Russia , preferential status EU, USA**

[www.siepa.gov.rs/site/en/home/1/importing\\_from\\_serbia/trade\\_regulations/](http://www.siepa.gov.rs/site/en/home/1/importing_from_serbia/trade_regulations/)

## **TURKEY, BELARUS /2009/ n e w**

<http://www.vip.org.yu/index.aspx?tabId=254&menutabid=179>





# About the City...

## ▶ **History**

- 1326 - first mentioned as Beckerek
- 1980s - one of the five most developed cities of ex-Yugoslavia

## ▶ **Today**

The largest city of Banat, area 1,326 km<sup>2</sup>  
Administrative, political, economic, cultural and health centre of the Banat region

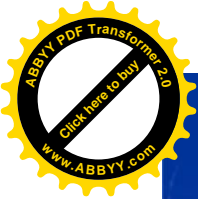
## ▶ **Population:**

Banat Region	700,000
City of Zrenjanin	140,000

## ▶ **4 official languages:**

Serbian, Hungarian, Romanian, Slovak  
More than 20 nations, developed national tolerance





# Traffic infrastructure

## ▶ Road network

### - Zrenjanin-Novi Sad

Regional road connecting to **E75** motorway

### - Zrenjanin-Belgrade

Regional road connecting to **E70** motorway

### - Zrenjanin-Timisoara

International road towards Ukraine, Moldavia and other ex-Soviet republics

## ▶ Begej river

A part of hydro-system waterway Danube-Rheine Mein to the North sea and Black sea

## ▶ Railway connections

Access to main east-west railroads

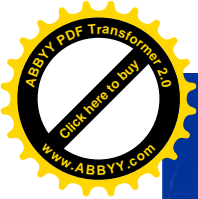
## ▶ Opportunities

A port to be constructed on the river Begej

## ▶ Airport "Zrenjanin"

The largest C class airport on the Balkans , to be reconstructed into a Regional passenger and cargo airport





# Economy

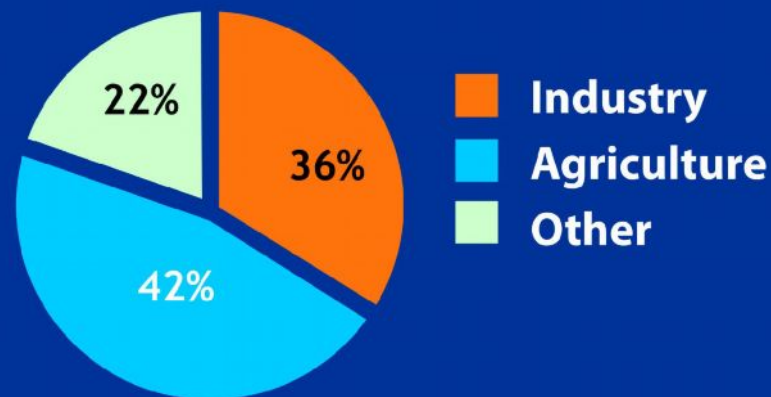
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## ▶ Long tradition in economy and business

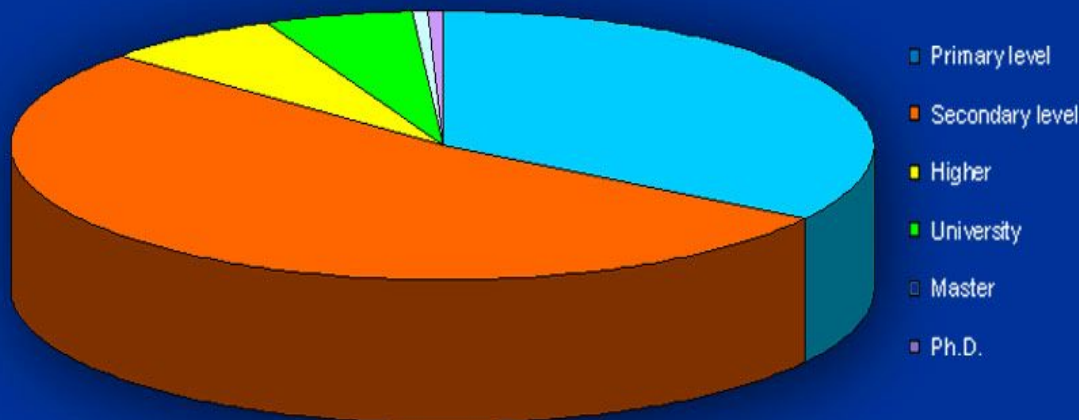
- 1745 – The first factory – brewery
- 1769 – Great Beckerek – a trade center

## ▶ The most significant branches of industry:

- Food industry
- Oil and natural gas production
- Textile industry
- Metal industry
- Chemical industry
- Traffic/Transport
- Civil engineering



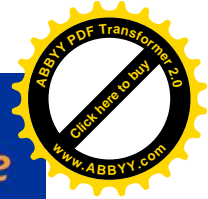
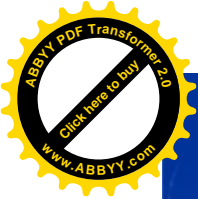
## Workforce



Unemployed 13,100

the average salary in 2009 in economy sector in Zrenjanin  
**280€-360€**

([www.webrzr.stat.gov.rs](http://www.webrzr.stat.gov.rs))



# Agro-Industrial Complex

## ► Advantages :

### Primary Agriculture Production

- 82.5 % of the total City's area is agricultural
- 100,000 ha of high quality of arable land
- favorable climate conditions
- high level of scientific and technical progress,
- highly qualified experts and skilled labour
- highly developed genetic potential of crop hybrids adjusted to local conditions
- developed Cooperative system

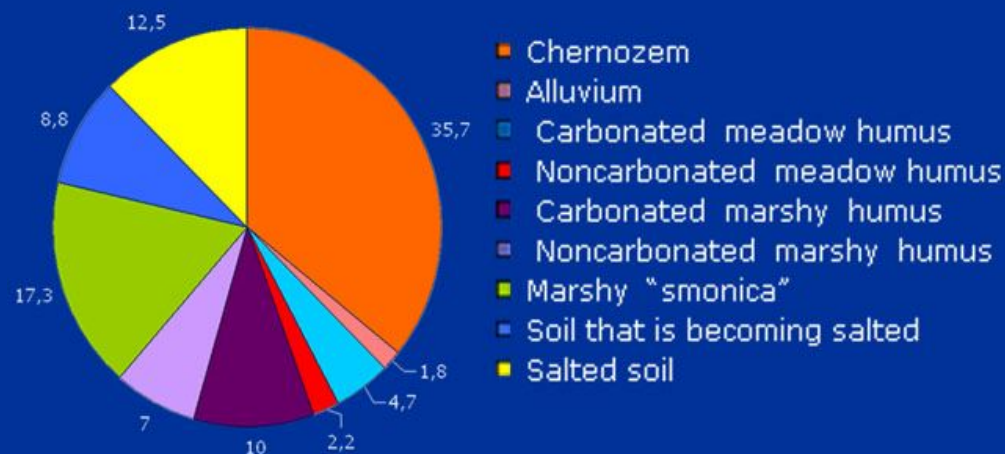
### Useful links

Poljoprivredna stručna služba Zrenjanin  
Agricultural Expert Service

[www.polj.savetodavstvo.vojvodina.sr.gov.rs](http://www.polj.savetodavstvo.vojvodina.sr.gov.rs)

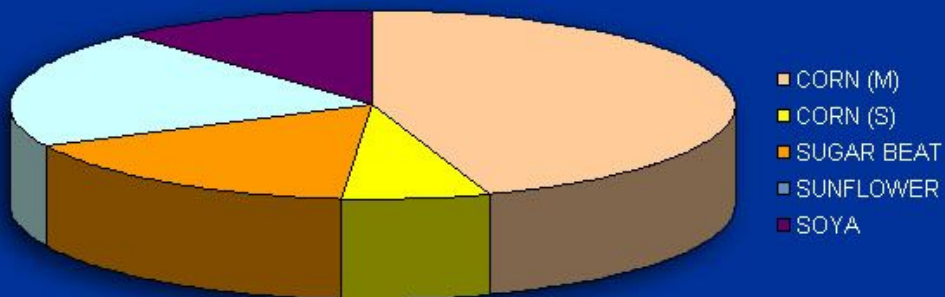
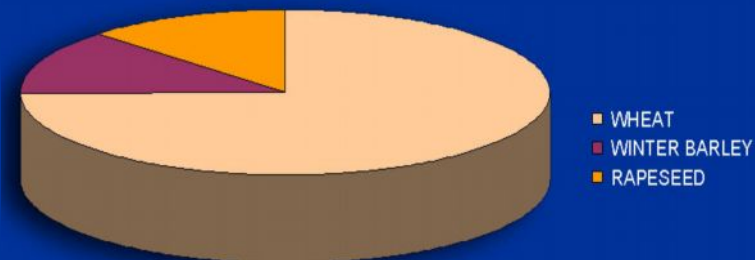
Poljoprivredni fakultet Novi Sad  
Faculty of Agriculture Novi sad

[www.polj.ns.ac.rs](http://www.polj.ns.ac.rs)



# Main Crops

CROP	SOWN (ha)					
	2008			2009		
	Agr. Enter.	Indiv. sector	TOTAL	Agr. Enter.	Indiv. sector	TOTAL
WHEAT	8.300	13.600	22.900	5800	10100	15900
WINTER BARLEY	1390	1200	2590	1250	1350	2600
REPESEED	1400	450	1850	1550	490	2040
<b>TOTAL:</b>	<b>11.090</b>	<b>15.250</b>	<b>27.340</b>	<b>8600</b>	<b>11940</b>	<b>20540</b>



Crop	Agricultural Enter.	Individual sector	Total
CORN (M)	8.700	27.800	36.500
CORN (S)	1300	-	1300
SUGAR BEAT	3.200	950	4.150
SUNFLOWER	4.000	8.000	12.000
SOYA	2.300	1.200	3.500
<b>TOTAL:</b>	<b>19.500</b>	<b>37.950</b>	<b>57.450</b>

# Agro-Industrial Complex

## Processing industry

### ► Advantages

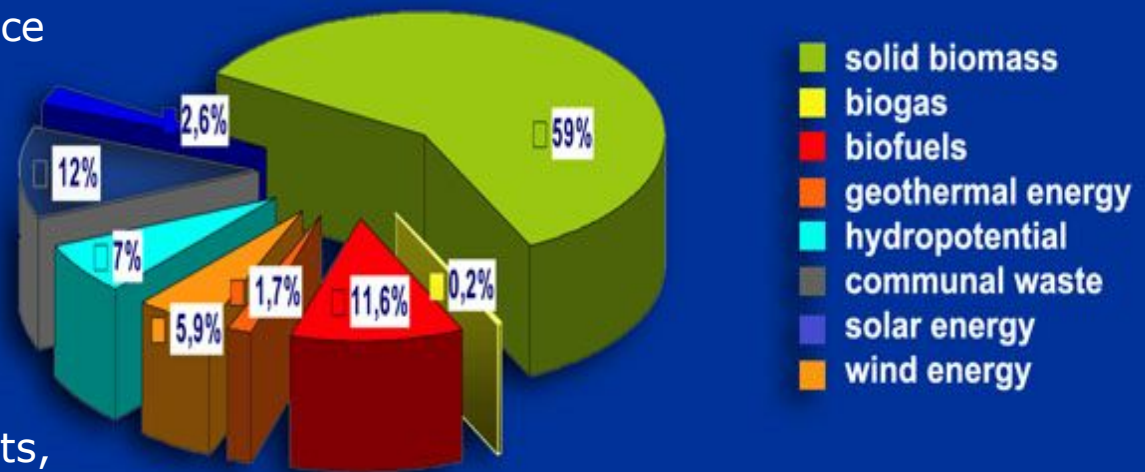
- high quality raw material
- long tradition and experience

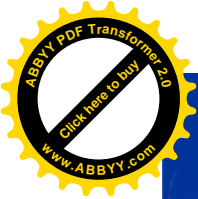
### ► Opportunities

- corn processing
- sugar production
- starch production
- leather processing
- organic food production
- processing of cattle products,
- production of fresh water fish

### ► Biomass

Useful link : [www.psemr.vojvodina.gov.rs/index.php?=-a](http://www.psemr.vojvodina.gov.rs/index.php?=-a) szbiomasa  
Milan Čežek – Perspektive održivog razvoja...





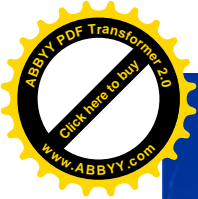
# A good practice of ...

- ▶ **Founded in 1938 as the Oil Factory Belgrade**
- ▶ **Since 2005 Dijamant operates within the Agrokor group from Zagreb (Croatia)**
- ▶ **The biggest producer of edible oil, vegetable fat and margarine in the Balkans**
- ▶ **Key supplier of all confectionaries on domestic market**
- ▶ **Closed production cycle with own raw material basis**

## **Dijamant A.D.**



**Address: Temišvarski drum  
14, 23000 Zrenjanin, Serbia  
Phone: +381 (0)23 551 050  
E-mail: [office@dijamant.rs](mailto:office@dijamant.rs)  
Web: [www.dijamant.rs](http://www.dijamant.rs)**



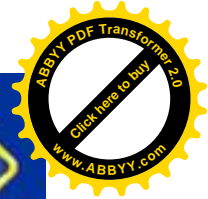
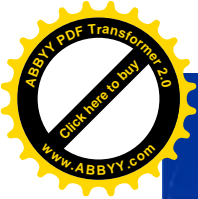
# Results, Plans and Expectations

## Key Events

### Year 2005 -2009 in brief

- ▶ Acquisition of Dijamant AD by Agrokor Group
- ▶ Appointment of new Managing Board
- ▶ Implementation of SAP R/3
- ▶ Acquiring an international Quality Standard ISO – 9001:2000 extended to HACCP
- ▶ Implementation of HALAL
- ▶ Total Investments: 50 mil. Eur /Plants and equipment/

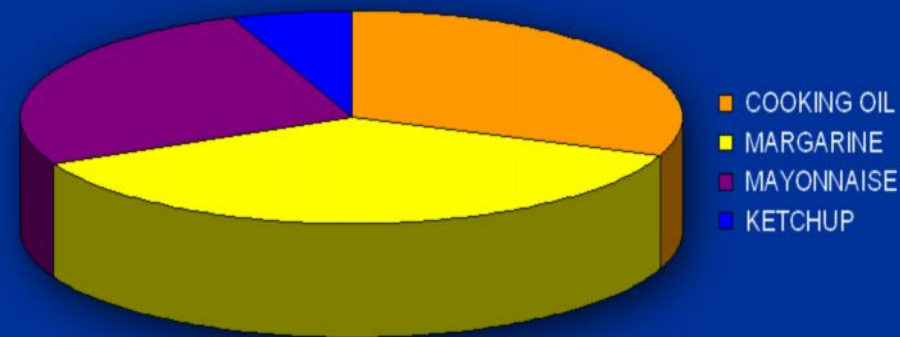




# Production, brands, Serbia market share

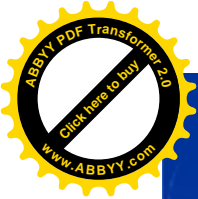
## A daily processing output :

- ▶ 700 t sunflower seed,
- ▶ 200 t refined oil,
- ▶ 250 t edible oil,
- ▶ 100 t vegetable fat,
- ▶ 65 t margarine,
- ▶ 19 t mayonnaise
- ▶ 10 t emulsifiers and additives for the bakery industry.



Serbia market share	O/N08	D08/J09	F/M09	A/M09	J/J09	A/S09	O/N09
COOKING OIL	46,30%	42,00%	42,20%	39,10%	38,30%	36,30%	32,30%
MARGARINE	55,00%	53,40%	53,90%	55,10%	55,50%	56,60%	57,40%
MAYONNAISE	39,60%	40,00%	41,30%	41,60%	41,10%	40,20%	38,10%
KETCHUP	8,80%	8,00%	7,30%	7,80%	9,30%	8,40%	8,00%

*Dobro jutro!*

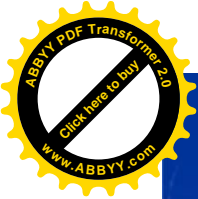


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# City Plan



**greenfield/brownfield locations**  
[www.zrenjanin.rs](http://www.zrenjanin.rs)

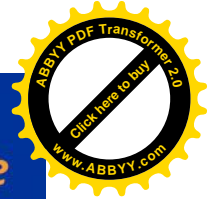
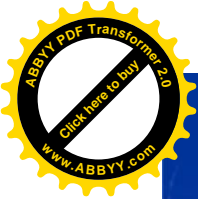


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# Industrial zone "Bagljaš-Elemir"



- 1 PHIWA-WALTER GROUP
- 2 FREE LOCATION
- 3 POMPEA
- 4 IN - MED
- 5 PECOCAR
- 6 BAPS-MEHLER AG
- 7 UM - ING
- 8 MAGNETRON
- 9 FULGAR
- 10 ARCADOM
- 11 SUPERNOVA
- 12 DRAEXLMAIER
- 13 DEMEX
- 14 GEZE



# Industrial zone "Southeast-Ečka"



**Area: 120 - 1100 hectares**



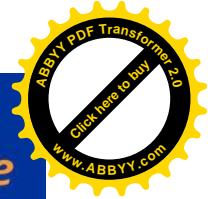
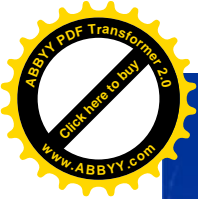
## ► Infrastructure

- 72 ha fully equipped, electricity, gas, water,
- Waste and atmosphere sewer , roads,
- Telecommunications and landscaping
- Possible Zone extension up to 1,100 ha

## ► Financial support by:

- European Commission /4 mil Eur/
- Government of Republic of Serbia
- Fund of Capital Investments of AP Vojvodina

Construction in progress to be finished by April 2010.



# Organised support for investors

## ▶ Department of Local Economic and Rural Development and Investments

- Special assistance in permits obtaining – 2009 Law on Construction and Planning
- Choosing of shape, size and position of construction site
- Infrastructure connection points according to investors plan

e-mail: [ledoffice@grad.zrenjanin.rs](mailto:ledoffice@grad.zrenjanin.rs)  
[investments@grad.zrenjanin.rs](mailto:investments@grad.zrenjanin.rs)

## ▶ Business Incubator

### Special incentive:

25% of total office space in BIZ  
Free of charge for new investors

[www.biz-zr.rs](http://www.biz-zr.rs)

## ▶ Free Zone Zrenjanin

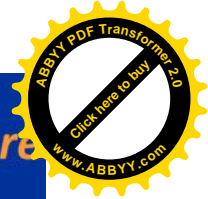
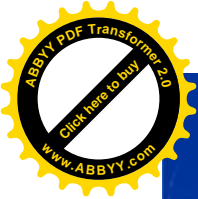
Free zone regime option in industrial zones

## ▶ BID Zone

Free Wireless Internet in the City centre

## ▶ Regional Chamber of Commerce





# Main Current Projects

## ▶ **Regulatory Reform**

Project: "Strengthening the competitiveness of the local level", 2007 by IFC - "International Finance Corporation" /the World Bank Group/ 198 formalities implemented for improving the business environment

## ▶ **NALED Certification**

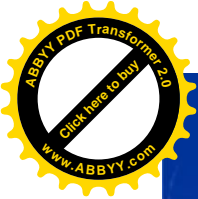
## ▶ **GIS** (Geographic information system)

## ▶ **CALL Center**

## ▶ **Zrenjanin By-pass**

6.5 km finished out of total 14 km





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# Awards for implemented investments

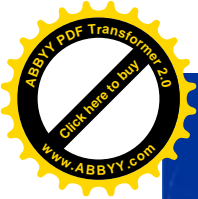
**2006 – "The most attractive town for investments in Serbia"**  
(USAID, SIEPA, Ministry for Foreign Economic Affairs and American Economic Chamber)

**2007 – "Municipality of Future – Promoting the best"**  
(Club of Business Journalists of Serbia, Centre for Small and Medium Enterprises Belgrade an "Agrobanka" a.d. Belgrade)

**2008 – Zrenjanin - "Doing business in South East Europe 2008 "**  
1. in Serbia  
2. in South East Europe (the World Bank)

**2008 – "Invest in Serbia 2008" – Winner**  
the best promotion of investment potentials MEGA programme, USAID)





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# Welcome to Zrenjanin

**[www.zrenjanin.rs](http://www.zrenjanin.rs)**

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