



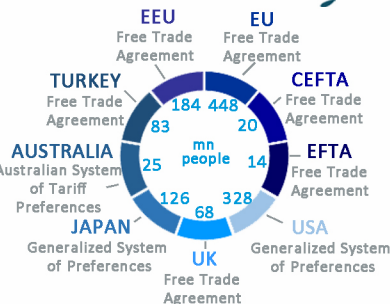
# SERBIA

YOUR NEXT INVESTMENT DESTINATION

## 1 GEOSTRATEGIC POSITION



Goods made in Serbia benefit from several Free Trade Agreements and Generalized System of Preferences which provide simplified placement on markets with **1.3bn people**



## SERBIA AT A GLANCE 2

- Territory: 88,499 km<sup>2</sup>
- Capital: Belgrade
- Population (2020): 7mn
- GDP (2020): €46,4 bn
- GDP pc (2020): €6,800 \*
- Currency: Serbian Dinar RSD
- Credit ratings: Fitch ratings: BB+/stable  
Moody's: Ba2/stable  
S&P: BB+/stable

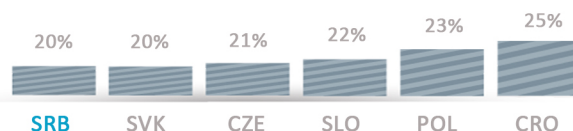


- RSD exchange rate (31-12-2020): EUR/RSD: 117.5802  
USD/RSD: 95.6637
- EU integration: - Serbia formally started negotiations to join EU on 21<sup>st</sup> January 2014  
- Opened 18 Chapters out of 35 and 2 closed

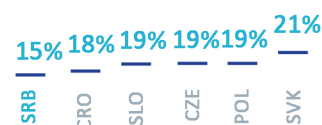
\*estimation

## 3 FAVOURABLE BUSINESS ENVIRONMENT

- ✓ Doing Business 2020 (World Bank) **44** position
- ✓ New liberalized labour law from 2014
- ✓ World leader by the number of new jobs created per capita (IBM Global Locations Trend 2017 and 2018)
  - 1 The first out of 94 countries in the world by the greenfield FDI performance Index (Financial Times)
- ✓ Functional infrastructure
  - transport energy telecommunications
- ✓ Low operating costs
  - The lowest cost of electricity and postal services in the region
  - Strongly motivated workforce
  - Competitive tax policy
- ✓ Value Added Tax



### ✓ Corporate Tax



### ✓ Average Gross 1 Monthly Salary (EUR), 2020



- Average Net Salary €510
- Total cost for employer (Gross 2) €750

## 4 ENCOURAGING INVESTMENT REGIME

- ✓ State level incentives
  - Funds awarded depend on:
    - level of development of municipality
    - size of the company
    - up to 7,000 EUR per job created
    - additional incentives for investing in fixed assets
    - additional incentives for labour intensive projects
  - ✓ Local government incentives
    - reduction or exemption of payment of certain local fees or charges
    - benefits for construction or lease of necessary facilities for investment
    - benefits for connecting to local infrastructure
  - ✓ Tax incentives
    - Available Corporate Income tax holiday for 10 years for certain investments
    - Treaties on avoiding double taxation with 59 states
    - Tax statement losses may be transferred to the account of the profit declared in the tax statement in future accounting periods (for up to 5 years)
    - Partial compensation of taxes and social contributions paid on salaries for employing unemployed persons

## 5 FREE ZONES

- Investors' benefits:
  - No customs and import duties for goods required for business operations
  - VAT exemptions for energy consumption, entry of goods or selling of goods and services within zones
  - Import and export of goods and services without any quantitative restrictions
- 15 free zones with over 200 companies and 35.0000 employees
- In 2018 the total value of exchanged goods and services within the zones reached €4.6bn
- FZ Piroć has been ranked twice on the list of the best free zones in the world ("Financial Times" 2017 and 2018)

# 6 HIGHLY QUALIFIED WORKFORCE

- University of Belgrade is ranked as one of Top 500 Universities ("Shanghai" list)
- Highly educated young workforce with around 50,000 university and college graduates, and 75,000 high school graduates every year
- Serbia is 15<sup>th</sup> among 88 countries in the world with high proficiency level of English ("Education First" list)



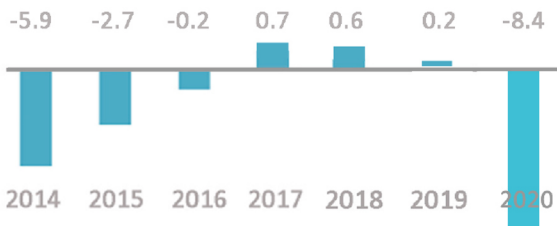
# 8 MACROECONOMIC BACKGROUND

## ✓ GDP GROWTH

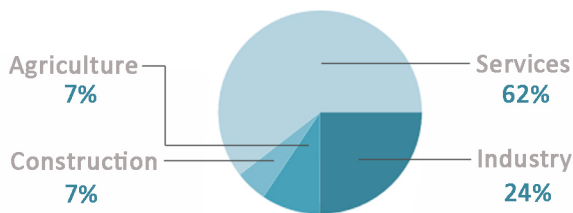


## ✓ RS BUDGET DEFICIT/SURPLUS

(in % of GDP)



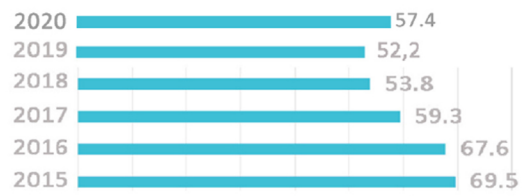
## ✓ GROSS VALUE ADDED STRUCTURE



# 9 NUMEROUS SUCCESS STORIES



# 7 PUBLIC DEBT



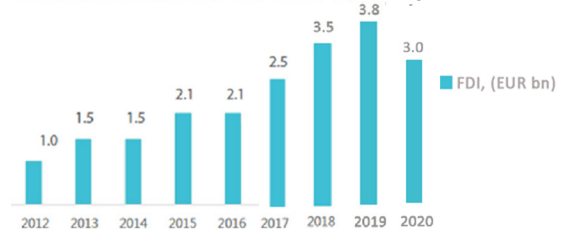
■ RS public debt (central government, as % of GDP)

## ✓ EXPORT-LED ECONOMY

Serbian exports of goods reached record high of €17bn in 2020

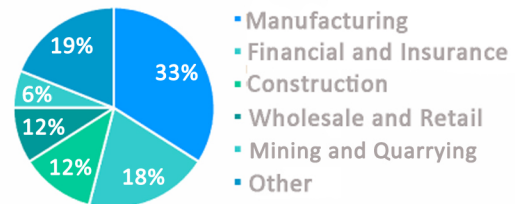
## ✓ €34bn ALREADY INVESTED

(cumulative Inward FDI since 2007)

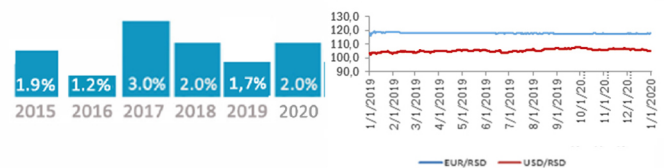


Note: NBS Projection

## ✓ WELL-DIVERSIFIED FDI PORTFOLIO



## ✓ LOW INFLATION AND STABLE FX RATE



# 10 CONTACT

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