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Kikinda





Geographic information, population and industrial background

The town of Kikinda is the regional centre of the North Banat area. It is situated at 45.84° N, 20.45° E. The North Banat District is in the outermost north-eastern part of the Republic of Serbia on the junction of the borders of Serbia, Hungary and Romania, and it is spread across the area of 2.329 km². There are 50 populated places in this area with the total number of 147.770 inhabitants. The biggest town and the centre of the district is Kikinda. According to the 2011 National Census, the total population of the town of Kikinda is 59.453, which includes the town, nine villages and two hamlets. The average age of residents in the municipality of Kikinda is 42, 4 years.

Population by age and sex in the town of Kikinda and its surrounding villages

Town	Sex	Total	0–4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85 and over	Adult population	Average age
Kikinda	Total	59453	2545	2844	2807	3424	3699	3811	3813	3931	3874	4348	4770	5087	4714	2709	2880	2260	1273	664	49221	42,4
	М	29102	1305	1436	1458	1757	1942	2001	2016	2011	1984	2129	2349	2503	2303	1212	1201	855	450	190	23842	40,8
	w	30351	1240	1408	1349	1667	1757	1810	1797	1920	1890	2219	2421	2584	2411	1497	1679	1405	823	474	25379	43,9





Export-oriented area

The economy of Kikinda has the longest tradition in industry of all the municipalities in the North Banat District, and the oldest companies, which are still active, were founded way back in the middle of the 19th century, while the first joint venture in former Yugoslavia was in Kikinda, in 1979, between Foundry "Kikinda" and General Motors, for manufacturing of automotive parts for Opel. The Government of the Republic of Serbia, Republic of Serbia Free Zones Administration, Customs Free Zone Subotica and the town of Kikinda reached a Decision on March 2016 to open a Customs Free Zone in Kikinda, an area of 43 ha. Kikinda's economy has been export-oriented towards Western Europe for decades. The North Banat District has developed agriculture, mechanical engineering, chemical, building materials, food processing and small-scale industries. This area is very rich with raw energy materials: oil, gas, thermal and mineral waters. Arable land in the District covers 204.224 ha, out of which ploughland occupies 176.177 ha.

			Regio	nal Chamber o	of Commerce a	nd Industry Kik	inda	
		I-XII 2010.	I-XII 2011.	I-XII 2012.	I-XII 2013.	I-XII 2014.	I-XII 2015.	I-VIII 2016.
Export		159.291.150	140.967.382	123.503.105	135.670.405	149.623.949	174.899.703	117.671.839
Import	اء[52.910.946	62.476.899	58.513.685	63.436.801	66.135.200	68.014.374	40.146.421
Total	€	212.202.096	203.444.281	182.016.790	199.107.206	215.759.149	242.914.077	157.818.260
Balance		106.380.204	78.490.483	64.989.420	72.233.604	83.488.749	106.885.329	77.525.418
Index		326,0	247,6	301,1	225,6	211,1	226,2	293,1





The biggest foreign companies in Kikinda

Foreig	gn investors
Le Belier Gropup – France metal industry Le Bélier	Mecafor – France metal industry Mecafor products
Cimos Gropup – Slovenia metal industry	Zoppas – Italy electrical industry Zoppas Industries Heating Element Technologies
Agrocor – Croatia Agriculture AGROKOR	ASA – Austria collection and recycling of waste • A·S·A·
Gigraphix – Italy toners and cartridges for PC printers	Gaspromneft – Russia oil and gas
EMMEPI – Italy textile industry	Agroltalia – Italy Agriculture





Transport infrastructure

The State Road No. 13 passes through Kikinda. There is 60 km from Kikinda to the highway A1 (E75). We have an international road border crossing with Romania (Nakovo - Lunga), only 10 kilometres away from the town and we are located about 65 kilometres from Hungary. The cross border with Romania has a custome terminal, where a logistic centre for multimodal transport will be made in near future. One of the transport benefits is a pier on the Channel Danube -Tisa - Danube, which provides the ability to transport goods by water. Also, Kikinda have a railway network with Subotica, Belgrade, and with Jimbolia - Timisoara in Romania. A few kilometers from the city, on the State Road No. 13, there is a sport airport for small planes and helicopters.

International border crossings to EU nearby Kikinda	Distance from Kikinda
Nakovo – Lunga, The international road border crossing to Romania	10 km
Srpska Crnja – Jimbolia, The international border crossing to Romania	35 km
Kikinda – Jimbolia, The international railroad border crossing to Romania	In town
Horgos – Röszke, The international road border crossing to Hungary	75 km
Djala – Tiszasziget, The international road border crossing to Hungary	65 km

The Kikinda railroad has a long tradition, for the Szeged – Kikinda - Timisoara railroad track was built as early as in 1857, and it is still functioning, but only at the Timisoara-Kikinda route. The main railroad tracks in the area of the municipality of Kikinda satisfy the standards of EU regarding the transportation of goods weighing 20 tons per axis. The railroad station of Kikinda is the international railroad border crossing to Romania. A considerable part of the goods transportation from Timisoara in Romania towards Croatia, Slovenia and Italy is done using this course through Kikinda.

The area of Kikinda also has waterway traffic with piers on the Danube-Tisa-Danube canal in Kikinda. The pier of Kikinda on the Danube-Tisa-Danube canal has the capacity of 100.000 do 500.000 tons of bulk freight and its own ships with the capacity of 1000 tons. The waterways from Kikinda are:

- From Kikinda to the dam on the Tisa in Novi Bečej 47 km;
- * From Kikinda, over the dam on the Tisa in Novi Bečej to the Hungarian border near Szeged, 48+66 = 114 km.

Sports Airport in Kikinda: Flying airplanes as a sport, plane sailing and helicopters and parachute jumping. Authority of the meteorological and flight department from Batajnica (Belgrade). The altitude of the airport: 81m.a.s.l. The air field is 900m x 30m in length, direction of drag is 14/32: 138°/318°, ARP coordinates (by the WGS-84 system): N 45° 46' 02,5" and E 20° 25' 14,9". The nearest airport for civilian traffic is in Timisoara - Traian Vuia (90 km), and in Belgrade – Nikola Tesla (150 km).





Education in Kikinda

	Technical School Kikinda – Number of graduate students in the 2015 / 16 school year is 182
	Educational profile ELECTRICAL ENGINEERING
1.	Computer Electronics Technician a four-year education
2.	Automotive Electronics Technician a four-year education
3.	Telecommunications Electronics Technician a four-year education
4.	Heating and Cooling Mechanic a three-year education
5.	Networks and Systems Electrical Fitter a three-year education
	Educational profile IT, MECHANICAL ENGINEERING AND METAL PORCESSING
1.	Computer Aided Design Technician a four-year education
2.	Computer Control Technician a four-year education
3.	Auto Mechanic a three-year education
4.	Welder a three-year education
	Educational profile TRAFFIC
1.	Road Traffic Technician a four-year education
2.	Motor Vehicle Driver a three-year education



	Educational profile	Number of graduate students in a school year			
	Educational profile	School year 2014/15	School year 2015/16		
1.	Medical Nurse (a four-year education)	36	0		
2.	Pharmacy Technician (a four-year education)	0	35		
3.	Architectural Technician (a four-year education)	21	17		
4.	Environmental Protection Technician (a four-year education)	29	30		
5.	Biotechnology Technician (a four-year education)	27	26		
6.	Food Technician (a four-year education)	13	25		
7.	Food Products Manufacturer (a three-year education)	16	0		

School of Economics and Trade Kikinda						
	Edward and anglia	Number of graduate students in a school year				
	Educational profile	School year 2014/15	School year 2015/16			
1.	Economic Technician (a four-year education)	30	30			
2.	Financial Administrator (a four-year education)	30	30			
3.	Sales Technician (a four-year education)	24	24			
4.	Trader (a three-year education)	0	30			
5.	Tourism Worker (a four-year education)	30	0			

	Grammar School "Dušan V	asiljev" Kikinda			
	Educational modile	Number of graduate students in a school year			
	Educational profile	School year 2014/15	School year 2015/16		
1.	Science-Mathematics Course (a four-year education)	120	120		
2.	Socio-Linguistics Course (a four-year education)	120	120		

Important notice:

- ✓ Schools may establish a new profile in accordance with the requirements of the companies
- ✓ National Employment Service organizes and finances retraining and training for companies
- ✓ There are several faculty departments in Kikinda for economy, management, mechanical engineering, high school for teachers

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Area of the town of Kikinda – labour forces in Area of 40 kilometres: Nova Crnja, Čoka and Novi Bečej

The town of Kikinda, Number of unemployed persons – age and qualifications August 2016
Registered with the National Employment Service

Level of education	Tot	W 2.269 703 75 409 737 1 96 74
	Total	W
Total	4.529	2.269
I level of education	1.552	703
II level of education	201	75
III level of education	1.018	409
IV level of education	1.201	737
V level of education	15	1
VI-1 level of education	145	96
VI-2 level of education	104	74
VII-1 level of education	284	168
VII-2 level of education	8	5
VIII level of education	1	1

Age	Tot	al
,,,,,,	Total	W
Total	4.529	2.269
15-19	201	80
20-24	430	213
25-29	463	240
30-34	493	291
35-39	540	313
40-44	539	305
45-49	527	274
50-54	548	293
55-59	532	218
60-65	256	42

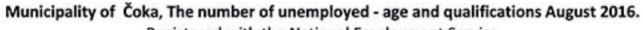


Municipality of Nova Crnja, The number of unemployed - age and qualifications August 2016. Registered with the National Employment Service

Level of education	Total	al
	Total	W
Total	1.635	780
l level of education	841	417
II level of education	31	21
III level of education	319	91
IV level of education	367	207
V level of education	1	0
VI level of education	38	21
VII-1 level of education	38	23
VII-2 level of education	0	0

Age	Tot	Total			
7.60	Total	W			
Total	1.635	780			
15-19	88	38			
20-24	187	95			
25-29	174	81			
30-34	172	91			
35-39	165	83			
40-44	171	100			
45-49	201	102			
50-54	209	107			
55-59	166	62			
60-65	102	21			

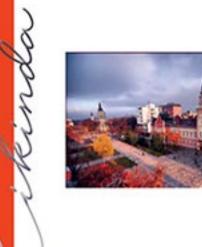




Registered with the National Employment Service

Level of education	Total			
	Total	W		
Total	1.174	583		
I level of education	588	283		
II level of education	23	12		
III level of education	262	115		
IV level of education	250	142		
V level of education	3	1		
VI-1 level of education	11	9		
VI-2 level of education	9	4		
VII-1 level of education	28	17		
VII-2 level of education	0	0		

Age	Tota	Total			
	Total	W			
Total	1.174	583			
15-19	43	18			
20-24	95	38			
25-29	111	72			
30-34	123	74			
35-39	142	89			
40-44	138	82			
45-49	146	64			
50-54	177	83			
55-59	131	55			
60-65	68	8			





Age	Total			
7.65	Total	W 1.235		
Total	2.491			
15-19	110	51		
20-24	268	126		
25-29	290	168		
30-34	285	158		
35-39	283	163		
40-44	313	142		
45-49	247	135		
50-54	289	148		
55-59	280	125		
60-65	126	19		

Level of education	Total			
	Total	W		
Total	2.491	1.235		
l level of education	1.192	596		
II level of education	111	33		
III level of education	545	214		
IV level of education	481	285		
V level of education	7	3		
VI level of education	74	49		
VII-1 level of education	79	53		
VII-2 level of education	2	2		



Number of employed persons by age in the town of Kikinda in 24.09.2016.

Age	Men	Women	Total	%
Up to 20	26	29	55	0,37
20 - 25	393	242	635	4,30
25 - 30	647	560	1207	8,19
30 – 35	972	841	1813	12,30
35 – 40	1045	954	1999	13,56
40 – 45	1118	960	2078	14,10
45 - 50	1167	907	2074	14,07
50 - 55	1198	1076	2274	15,43
55 – 60	1128	744	1872	12,70
Over 60	550	179	729	4,94
Total	8.244	6.492	14.736	100,00

Structure of employees by level of education in 2016

Level of education	Men	Women	Total	%
I level of education	1.313	778	2.091	14,18
II level of education	819	253	1.072	7,27
III and IV level of education	1.000	1.038	2.038	13,83
V level of education	10	7	17	0,11
VI-1 level of education	123	312	444	14,10
VI-2 level of education	10	21	31	0,21
VII-1 level of education	289	404	693	4,70
Unknown level of education	4.671	3.679	8.350	56,66
Total	8.244	6.492	14.736	100,00

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Salaries in Kikinda

Monthly salaries in 2015 in RSD	Serbia		AP Vojvodina		North Banat District		The town of Kikinda	
	gross	net	gross	net	gross	net	gross	net
January	54.208	39.285	51.619	37.344	45.119	32.513	43.824	31.475
February	58.992	42.749	58.218	42.186	50.759	36.717	50.892	36.688
March	59.141	43.121	57.568	41.975	50.682	36.814	50.123	36.469
April	62.532	45.605	62.610	45.857	54.945	40.105	53.205	38.970
May	60.487	43.964	57.202	41.543	50.542	36.515	46.758	33.630
June	61.302	44.583	58.556	42.576	53.368	38.664	54.036	39.088
July	62.687	45.601	61.274	44.560	52.892	38.392	50.717	36.982
August	61.538	44.630	59.476	43.104	57.471	41.577	57.166	41.401
September	60.503	43.925	57.786	41.848	52.748	38.245	51.424	37.280
October	60.767	44.124	58.331	42.318	53.412	38.679	53.150	38.543
November	60.913	44.166	59.775	43.304	54.512	39.432	53.149	38.456
December	70.763	51.485	69.006	50.009	64.625	46.703	57.776	41.872

1 € ≈ 123, 60 RSD

Monthly salaries in 2016 in RSD	Serbia		AP Vojvodina		North Banat District		The town of Kikinda	
	gross	net	gross	net	gross	net	gross	net
January	55.763	40.443	52.094	37.771	47.153	34.132	45.588	33.007
February	61.279	44.450	58.708	42.567	52.048	37.727	51.690	37.468
March	63.029	45.870	60.566	44.045	53.158	38.516	52.032	37.677
April	67.464	49.249	68.946	50.643	56.319	40.818	55.548	40.185
May	60.520	43.951	57.212	41.378	53.451	38.828	51.476	37.412
June	64.019	46.450	62.157	45.154	55.757	40.417	56.976	41.246
July	63.699	46.280	61.247	44.438	54.538	39.482	54.167	39.197
August	62.474	45.286	60.277	43.672	55.437	40.149	55.533	40.205

1 € ≈ 124 RSD 12 ikinda investment potentials Kikinda investment



Customs Free Zone in Kikinda

Free zones are special areas within the customs territory of the Republic of Serbia. Goods placed within these areas are free of import duties, VAT and other import charges. Goods for export can also be put in free zones. The free zones are mainly a service for traders to facilitate trading procedures by allowing fewer customs formalities.

Performing services is allowed under the Free Zone Industrial Park, as well as commodity production, finishing operations, goods and raw materials and semi-finished products storage, banking operations and financial transactions, insurance and re-insurance (R.I.) dealings, tourist and other services, and all kinds of economic and business operations which do not interfere with – and pollute nature.

Facilities allowed by the Free Zone Law:

- * Imports of goods and services into the zone, as well as exports of goods and services from the zone are free.
- Imported raw materials and semi-finished products set aside for export, are exempt from duty and other import duties.
- * Imported equipment, machines and construction materials are exempt from duty and other taxes.
- * No value added tax (VAT) on any of the activities within the free zone.
- User of the zone facilities can freely manage foreign currency, which is achieved by business operations in the zone.
- Beneficial interests of the zone users are established by FZ Law and they cannot be reduced by any other regulation.
- * Imports of goods into the zone are duty free. Goods from the Zone can be placed on the home market at the customs clearance and other taxes. If the goods entering the customs area of Serbia are produced within the Zone, or exposed to manipulation at domestic ingredients' sharing, duty is paid according to the rate of foreign ingredient within the goods.
- * Imports to the Zone and exports from the Zone are completely free. I.e. customs quotas, import or export permissions, or other foreign-trade exchanges are not used; the goods imported from the Zone to the home market are liable to regular import system but if the home ingredient amounts minimum 50% of the aggregate value, such goods will be considered domestically produced.
- * The goods from the Zone can be temporarily put in the rest of the home territory or they can be brought to the Zone for the finishing operations (processing, finishing, treatment, repairing, quality controls marketing presentations...), which enable possibilities of connecting with the domestic economy.
- Transfer of the profit achieved by the different activities in the Zone is free.
- Expropriation is not allowed in the Zone area.
- * Users of the Zone facilities are able to rent, buy, or build themselves the production storages or office buildings.

Free Zones can include:

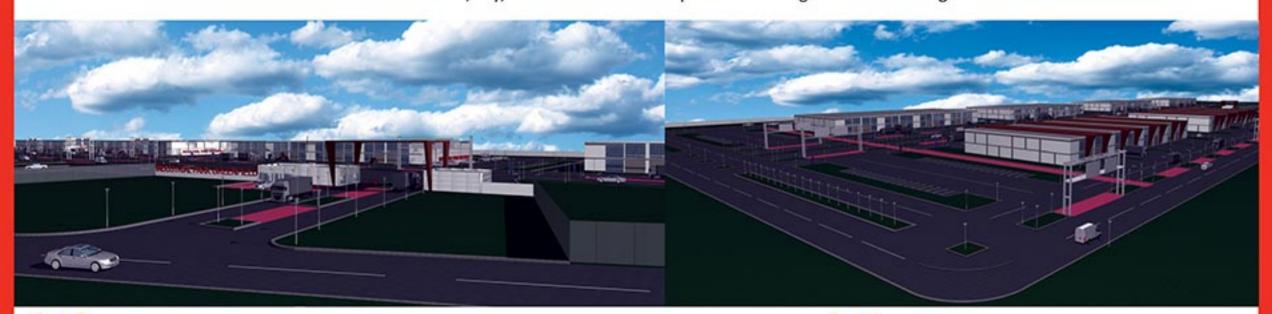
- open and closed storage areas for lease
- offices for lease
- loading and unloading of goods
- other customs services

To obtain the status, your enterprise needs to:

- Submit a signed request to the Free Zone, with a short indication of purpose, on the future activities.
- Include the photocopy of the judiciary registration of the firm.
- After the short evaluation of the request, those concerned can sign a contract with the Free Zone and immediately start operating under the advantages
 that the Free Zone offers.

Imports of goods and services into the zone, as well as exports of goods and services from the zone are free. Imported raw materials and semi-finished products set aside for export, are exempt from duty and other import duties. Imported equipment, machines and construction materials are exempt from duty and other taxes. No value added tax (VAT) on any of the activities within the free zone. User of the zone facilities can freely manage foreign currency, which is achieved by business operations in the zone.

Beneficial interests of the zone users are established by FZ Law and they cannot be reduced by any other regulation. Imports of goods into the zone are duty free. Goods from the Zone can be placed on the home market at the customs clearance and other taxes. If the goods entering the customs area of Serbia are produced within the Zone, or exposed to manipulation at domestic ingredients' sharing, duty is paid according to the rate of foreign ingredient within the goods. Import to the Zone and export from the Zone are completely free. I.e. customs quotas, import or export permissions, or other foreign-trade exchanges are not used; the goods imported from the Zone to the home market are liable to regular import system but if the home ingredient amounts minimum 50% of the aggregate value, such goods will be considered domestically produced. The goods from the Zone can be temporarily put in the rest of the home territory or they can be brought to the Zone for the finishing operations (processing, finishing, treatment, repairing, quality controls marketing presentations...), which enable possibilities of connecting with the domestic economy. Transfer of the profit achieved by the different activities in the Zone is free. Expropriation is not allowed in the Zone area. Users of the Zone facilities are able to rent, buy, or build themselves the production storages or office buildings.



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Greenfield locations



New Industrial Zone "Rasadnik"

GENERAL INFORMATION FOR CONSTRUCTION according to the General Plan of the Town of Kikinda ("Official Gazette of the Town of Kikinda", no. 4/2010)

- ✓ Cadastral lots nos. 21456/1 (surface 7.815 sq. m), 21456/2 (surface 1.546 sq. m), 21457/1 (surface 200.295 sq. m), 21457/2 (surface 10.042 sq. m), 21457/3 (surface of 763 sq. m), and 21458 (surface 5.565 sq. m) Total area of 226.026 sq. m. Owner: the town of Kikinda. This area can be enlarged by the cadastral lot no. 21271 (surface 51.075 sq. m) the owner of which is the Republic of Serbia. With enlargement, the total area is 277.101 sq. m.
- The maximum allowed index of utilization of the building plot in the work area with plateaus and roads is 2.1. The maximum permitted level of building lot is 70%.
- ✓ It is part of Customs Free Zone "Subotica" Ltd. territory in Kikinda
- ✓ It has a connection with the State Road No. 13
- ✓ Zone is near the international railway with the possibility for a separate track
- ✓ The pier on the Danube Tisa Danube Canal is one kilometre away
- It continues the process of the preparation of the Detailed regulation plan, and next year other works on infrastructure equipment will start: roads and power stations
- ✓ Until November 2016 gas pipeline will be completed

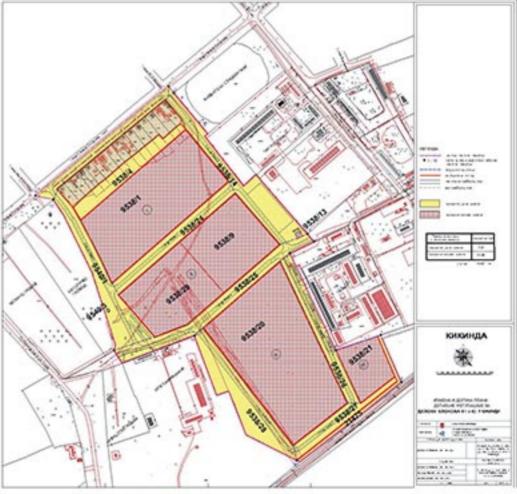


Agro-industrial Zone - Subzones 1, 2

- ✓ Subzone 1: total 3,2 ha cadastral lot 9538/1 in cadastral municipality Kikinda
- ✓ Subzone 2: total: 3,3 ha cadastral lots 9538/9 and 9538/29 in cadastral municipality Kikinda
- ✓ Subzone 4: total: 7.000 sq. m cadastral lots 9538/21 and in cadastral municipality Kikinda
- ✓ Location possess a complete infrastructure: access roads, electricity, gas, phone, internet, water, sewer
- ✓ This is part of Free Customs Zone "Subotica" Ltd. territory in Kikinda
- ✓ Ownership: the town of Kikinda
- ✓ It is on the transit route around the town
- ✓ The starting price for the previously sold land was 6 euros per square meter and the town of Kikinda is ready to negotiate the price depending on the value of the investment and the number of people who would work there







Part of the former military camp in Kikinda, Blocks 58 and part of 59/1

- √ The total area of 35 ha cadastral lots 5323, 5324,5325 and others in cadastral municipality Kikinda
- ✓ Ownership: the town of Kikinda
- ✓ Locations possess a complete infrastructure: electricity, gas, phone, internet, water, sewer, access roads in camp
- ✓ This area is on the transit route around the town
- ✓ According to the Plan of detailed regulation there are following usable areas:

 \checkmark A = 9,42 ha

✓ C = 10,70 ha

 $\sqrt{D} = 7.14 \text{ ha}$



ПЛАН ДЕТАЉНЕ РЕГУЛАЦИЈЕ ЗА БЛОК 58 И ДЕО БЛОКА 59/1 У КИКИНДИ ПРОСТОРНА ОРГАНИЗАЦИЈА, ПОДЕЛА НА ФУНКЦИОНАЛНЕ ЦЕЛИНЕ И ЗОНЕ DEMONSTRATION OF THE PROPERTY зони первох комплекси (окслужне дохитности) DEFICIE FORMUME - TWAN Y BANKLALIK KOMTREKCA SONI CEKINGATHOLIK TETUJUATHOLIJESATHOCTA САОБРАЗАЈНА ИНОРАСТРУКТУРА DIVIDITIFE HACEBOOK CASIFFANAHALE 20/20/20/20/20 HAMAN COPOBONINA довго под пустиодном знатигом - rhwerys obnidata rhtwe

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Part of "Auto kuća" - former "Opel" warehouse

- ✓ Cadastral lot 10732/1 in Kikinda where the total area is 7044 sq. m, with a hall of 1000 sq. m.
- ✓ Ownership by the town of Kikinda
- ✓ Combination brownfield and greenfield locations
- ✓ Locations possess a complete infrastructure: access roads, electricity, gas, phone, internet, water, sewer and heating system.





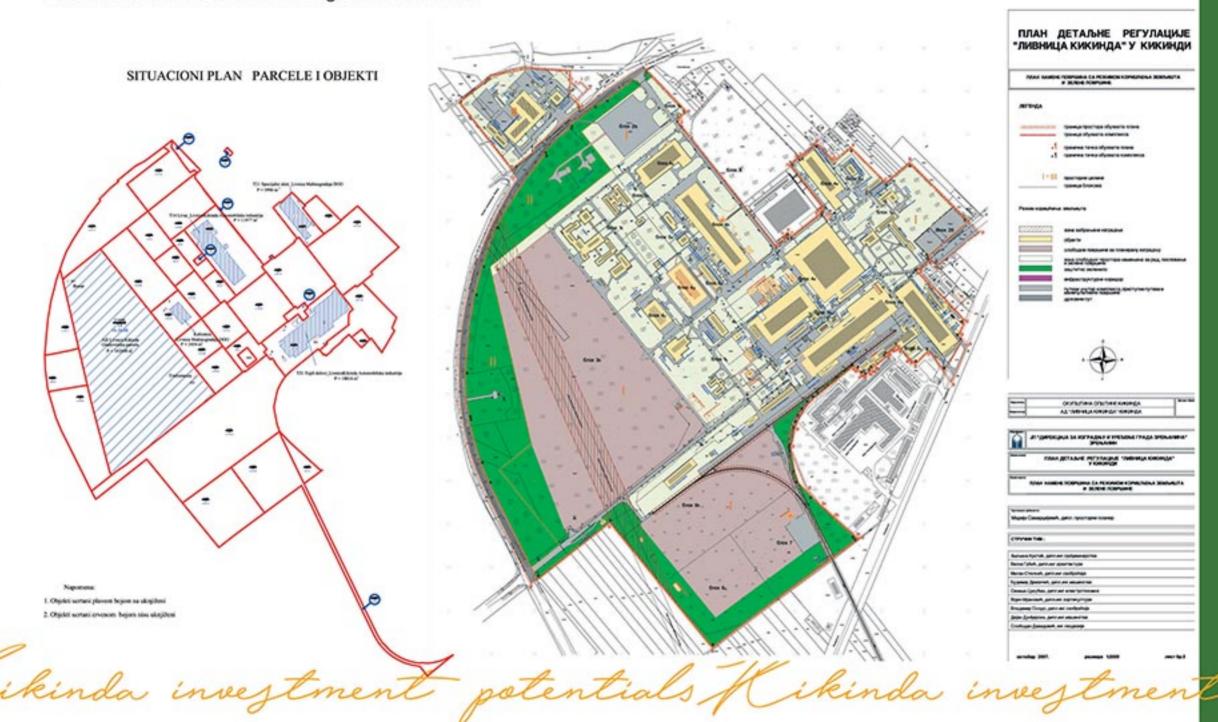
Company "Graditelj" Kikinda

- ✓ Construction Company "Graditelj" has several buildings and halls of various surfaces which are intended for rent or sale.
- ✓ This complexes provides a variety of options for different types of production.
- ✓ It is located at the exit of Kikinda near the State Road No. 15, in the old industrial zone. Address: Put za pristanište bb, Kikinda.
- ✓ The total area is 259.412 sq. m and there are halls surface from 1.200 to 2.450 sq. m.
- ✓ Private ownership
- ✓ Locations possess a complete infrastructure: access roads, electricity, gas, phone, internet, water, sewer and heating system.



Block 46 Industrial zone - Livnica "Kikinda" ("Cimos Group")

- ✓ Industrial zone on 25 ha possess a complete infrastructure: gas, electricity power of 92 megawatts, with access roads, phone, internet, water, sewer.
- ✓ Ownership: Livnica "Kikinda" a member of "Cimos Gropup" Kopar Slovenia.
- ✓ Situated on State Road No. 13 to Belgrade and Novi Sad.



Public utility company "Kikinda" field

- ✓ The favorable location in relation to the settlement.
- ✓ Location possess a complete infrastructure: access roads, electricity, gas, phone, internet, water, sewer
- ✓ Parcel no.1045/1 takes 19.122 sq.m.
- ✓ Situated on State Road No. 13
- ✓ Ownership by town of Kikinda.



Block 9 The tota

The total area of 94 ha

Undeveloped land – public ownership by the Municipality of Kikinda 32 ha and 21 ha of private property

Area of the Old Lake is 1, 2924 ha, and the total water area is approximately 6, 81 ha

- ✓ Water temperature of the thermal springs is from 76 ° C to 93 ° C
- ✓ The complex is ideal for investment in waterland, spa, wellness and sport facilities.
- ✓ Around the lake is a canal for fishing
- ✓ Children's playground, camping tables and grills, benches, mini golf, jogging track...
- ✓ Indoor swimming pools: Water polo 25m x 33m x 2 m and for swimming 10m x 14m x 0,4m 0,8 m
- ✓ Outdoor swimming pools: Olympic 25m x 50m x 2 m, medium size 25m x 20m x 1,2 m and small 12m x 12m x 0,4 m
- ✓ Courts: for futsal (artificial grass), two for volleyball, four for basketball, two for handball ...
- ✓ Two football stadiums with one athletic track; six tennis courts: with slag and fast surface.
- ✓ Hostel accommodation in the Sports complex "Jezero" for 100 persons. The rooms are double, triple and quadruple, with air conditioners, cable TV, internet
- ✓ Training sports camps for junior and senior teams
- ✓ Also there is part for greenhouses production. Plots for greenhouses are occupying 66.728 sq. m and it is owned by the town of Kikinda (C.M. Kikinda-No.1077/8, 1077/11, 1077/14, 1077/15, 1077/16, 1077/17, 1077/18, 1077/20, 1077/21, 1077/22, 1077/23, 1077/24)





Location for fishponds

Locations in villages C.M. Idoš, C.M. Sajan, C.M. Bašaid.

- ✓ Fishponds can be built on certain cadastral agricultural land, such as: grasslands, swamps and marshes.
- ✓ Construction of ponds is conditioned by drafting a Detailed Regulation Plan and Urban Project.
- According to the plan a large pond can be built in the area between C.M. Idoš and C.M. Sajan, where already exists one fishpond but the area is planned for three.
- ✓ Suitable place to build a fishpond is also an area in the cadastral municipality Bašaid, with total size of 1.358.381 m² C.M. Bašaid No. 6821, No. 6822, No. 6824.
- ✓ These lots are in state ownership.
- ✓ Significant areas of land of the lowest class are owned by the town of Kikinda or are in state ownership.
- ✓ There is a possibility of long term lease.
- ✓ From domestic production, Serbia covers only 30% of the demand for consumption of fish, while the rest is imported.
- ✓ The most consumed freshwater fish is carp.







Brownfield locations

"Lira" Ltd. Kikinda

- ✓ "Lira" which is in the Livnica "Kikinda" ownership is part of the Slovenian "Cimos Group", Kopar.
- ✓ Hall for rent or sale is 3.540,53 m² There are four parts for sale or rent: Complex II 918,14 m²; Complex III 909,60 m²; Complex IV 928,51 m² and Complex V 784,28 m².
- ✓ It is located at the exit of Kikinda on the State Road No. 15, in the old industrial zone. It is part of "Livnica" Kikinda.
- ✓ Locations possess a complete infrastructure: access roads, electricity, gas, phone, internet, water, sewer and heating system.
- ✓ There is a possibility of building because there is a free plot surface of more than 20 ha.
- ✓ "Lira" manufactures protective work clothing, T-shirts, and sports tracksuits...
- ✓ Company and property are for sale.



24 ikinda investment

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TurboGas Kikinda

- ✓ A former supermarket is located near at the exit of Kikinda on the State Road No. 13, address: Beogradski put bb.
- ✓ Work area: 890 m².
- √ Warehouse space: 600 m² with two loading ramps for trucks. Large parking, offices.
- ✓ Location possesses a complete infrastructure: access roads, electricity, gas, phone, internet, water, sewer and heating system.



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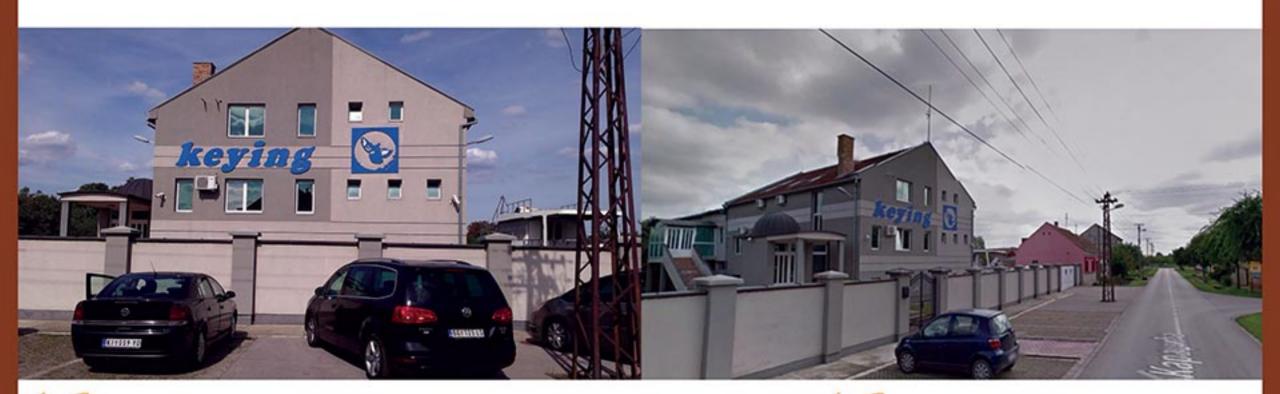
Gigraphix

- √ The total area of 13.529 m².
- ✓ Private ownership suitable for sale or long term lease.
- ✓ Former toner factory.
- ✓ Location possesses a complete infrastructure: access roads, electricity, gas, phone, internet, water, sewer and heating system.



Keying

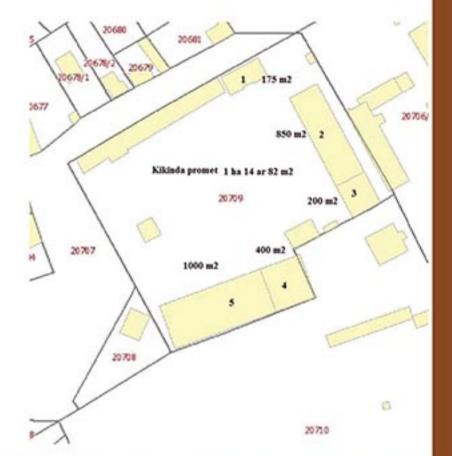
- ✓ Total space of the building with several parts is about 1600 m² and with them about 6000 m² of yard space. The front of the building is 600 m² where the offices and the basement are located.
- ✓ Location possesses a complete infrastructure: access roads, electricity, gas, phone, internet, water, sewer and heating system.



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Kikinda promet

- ✓ This is a factory which produces wooden crates in an old industrial area.
- ✓ Access to State Road No. 15 is 1 km away, address: Braće Subotički, Kikinda.
- ✓ Cadastral lot number 20.709 in Cadastral Municipality of Kikinda.
- ✓ Total land area is 11.418 m².
- ✓ Objects possess a complete infrastructure: access roads, gas, electricity, water and sewage.





28 ikinda invegtm

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Livnica 25. Maj

- ✓ Access to State Road No. 15, address: Road to Nakovo, Kikinda.
- ✓ Total land area is 10.013 m²
- ✓ Objects possess a complete infrastructure: access roads, gas, electricity, water, sewage.
- ✓ Surface facilities: 2159 m² in two parts.



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Meat industry "PIK" Kikinda

- √ The total area is 93,683 m², of which 15,791 m² facilities.
- ✓ Facilities consists manufacturing plants, supermarkets, warehouses, depot for cattle, administration building, restaurant, garage, cold storage... The former meat industry and supermarket can be found in the food processing industrial zone.
- ✓ Objects possess a complete infrastructure: access roads, water wells with water, sewage, electricity, power stations, gas, wastewater treatment plant, Internet, phone.
- ✓ Factory is in bankruptcy and it is for sale.



Factory for canning vegetables and fruits "Prima produkt" Kikinda

- ✓ Objects possess a complete infrastructure: access roads, water wells with water, sewage, electricity, power stations, gas, wastewater treatment plant, Internet and phone.
- ✓ Factory is in bankruptcy and it is for sale.
- ✓ Factory has lines for: processing peas, sweet corn, packaging lines, cold storage for freezing.





ESTABLISHMENT OF A COMPANY IN SERBIA, TAXES, OVERHEAD COSTS, SALARIES, UTILITY COSTS

Documentation for registration - LTD:

- * The unique registration of a legal entity (on the website of the Business Registers Agency http://www.apr.gov.rs/eng/Home.aspx
- Founding Act of the company with certified signatures of the members of the company (notarized in Court) http://www.igorinjo.com/wp-content/uploads/2012/08/osnivacki-akt-doo-jednodomni.doc in 4 copies;
- * Proof of identity of the members of the company (a copy of the identity card for citizens of Serbia or passport for foreigners);
- Decision on appointment of a representative, if it is not specified in the Founding Act;
- Certified signature of the representative certified by the competent authority for verification (OP form certified by the Court http://www.igorinjo.com/wp-content/uploads/2012/08/op-obrazac.pdf in 4 copies);
- Bank certificate of payment of cash deposits, or agreement of members on the estimated value of the share in kind, if the share in company is paid or subscribed upon its establishment;
- * Proof of payment of the registration fees.
 - ✓ Fee for the establishment 4.900,00 RSD;
 - ✓ Fee for the publication of the Founding Act 1.000,00 RSD.

REGISTRATION

The following legal forms of business organization are subject to registration in the Companies Register:

- · companies:
 - general partnership
 - limited partnership
 - limited liability company
 - joint stock company
- · branch of a foreign company
- representative office of a foreign company
- public enterprise
- cooperative
- · cooperative federation
- · other entities, if so prescribed by a special law.

One – Stop – Shop Registration System

The procedure of incorporation of companies is provided through a one-stop-shop registration system that enables the concurrent issuance of the registration number, tax identification number and healthcare insurance number (issued by the Republic Fund of Health Insurance) to each company registering with the Serbian Business Registers Agency.

Registration Fee

- The fee for the registration of a company or other legal entity is RSD 4,900.00.
- The fee the registration of a branch or representative office of a foreign company is RSD 4,900.00.
- The fee for the registration and publication of the articles of association is RSD 1,000.00.
- * The fee for the registration and publication of the memorandum of association is 1,000.00.

Account for Payment of Fees

The account number for payment of fees for registration in the Companies Register, payable in favour of the Serbian Business Registers Agency, is:

* 840-29770845-52, model 97, download reference number (In order to correctly fill out the payment slip for the payment of the fee, please click on the button to download the mandatory reference number generated by the Agency, according to Model 97. The generated reference number is valid for only ONE payment.).

Registration Procedure

The registration procedure starts with the submission of the application, along with the required supporting documents and proof of payment of prescribed fees, either directly at the SBRA head office in Belgrade or at one of its organizational units or by mail. If the application is sent by mail, then the date and time of its receipt by the Agency will be considered as the date and time of submission.

The application for registration is submitted by the founder or a person authorized by the founder in which case this person is required to attach the appropriate power of attorney. For more information about authorized applicants, please see the Instructions section.

Certification of Documents and Apostille

If the law requires that the application form for registration be accompanied by certified documents, the documents must be certified by a body competent to certify signatures – a court or municipal authority.

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Documents certified by a body authorized to certify signatures in another country are treated as public documents, and as such they must be provided with an Apostille – in case the country of issuance is a signatory to The Hague Convention Abolishing the Requirement of Legalization of Foreign Public Documents, unless the country of issuance is a country which has a bilateral agreement with the Republic of Serbia on mutual recognition of public documents without legalization. However, if that particular country is not a signatory of the Hague Convention, and does not have a bilateral agreement with the Republic of Serbia regarding recognition of public documents, then the so-called full legalization will be required.

Documents in a foreign language must be accompanied by their translation into Serbian, certified by a certified court interpreter.

Practical Tips

- Taking into account that instruments of incorporation are subject to certification, you are well advised to familiarize, prior to the certification, with the
 important rules applicable to the name and business name that can be found in the Instructions section, to avoid unnecessary expenses if your application
 is rejected.
- * The Law on Companies stipulates that companies can have legal (statutory) representatives and other representatives. The functions of legal representatives must be regulated in accordance with the Law, depending on legal form of business organization.
- Limitations of the powers of a company's legal representatives are not subject to registration, except in case of limitations of powers in terms of
 countersignature that may be relied upon against parties if they are registered in accordance with the Law on Registration.

DOCUMENTATION REQUIRED FOR INCORPORATION OF COMPANIES, BRANCHES AND REPRESENTATIVE OFFICES OF FOREIGN COMPANIES, REGISTRATION OF BRANCHES OF DOMESTIC COMPANIES AND REGISTRATION OF PROCURATION

The appropriate application for registration has to be submitted along with supporting documents, depending on the legal form of business organization, as follows:

PARTNERSHIP

- Integrated application form for registration of legal entities and other entities, and for the registration with the integrated register of taxpayers –
 partnership,
- Articles of partnership with certified signatures of the founders (partners),
- Proof of identity of the partners (for Serbian nationals photocopy of personal ID card, and for foreign nationals photocopy of passport or personal ID card if one has been issued to them, or an excerpt from the original register if the founder is a legal entity not registered with any of the Registers kept by the Serbian Business Registers Agency,
- · Resolution on appointment of the representative if no representative is designated by the articles of partnership,
- Representative's signature certified by a body competent to certify signatures,
- Bank confirmation of the payment of the contribution in cash if the contribution is payable prior to incorporation, and/or the founders' agreement on the
 appraisal of the value of contribution in kind if the contribution is made to the company prior to incorporation,

Proof of payment of the registration fee and proof of payment of the fee for the registration and publication of the articles of partnership.

LIMITED PARTNERSHIP

- Integrated application for registration of legal entities and other companies and for the entry into the integrated register of taxpayers limited partnership,
- Articles of partnership with the certified signatures of the founders (partners),
- Proof of identity of the company founder (for Serbian nationals photocopy of personal ID card, and for foreign nationals photocopy of passport or of
 personal ID card if one has been issued to them or copy of entry from the original register if the founder is a legal entity not registered with any of the
 Registers kept by the Serbian Business Registers Agency,
- Resolution on appointment of the representative if no representative is designated by the memorandum of association,
- Representative's signature certified by a body competent to certify signatures,
- Bank confirmation of the payment of the contribution in cash if the contribution is payable prior to incorporation, and/or founders' agreement on the
 appraisal of the value of contribution in kind if the contribution is made to the company prior to incorporation,
- . Proof of payment of the registration fee and proof of payment of the fee for registration and publication of the articles of partnership.

LIMITED LIABILITY COMPANY

- Integrated application for registration of legal entities and other companies and for the entry into the integrated register of taxpayers limited liability company,
- Memorandum of association with certified signatures of the company founders (shareholders),
- Proof of identity of the company founders (for Serbian nationals -photocopy of personal ID card, and for foreign nationals -photocopy of passport or of
 personal ID card if one has been issued to them or a copy of entry from the original register if the founder is a legal entity not registered with any of the
 Registers kept by the Serbian Business Registers Agency),
- * Resolution on appointment of the representative if no representative is designated by the contract of incorporation,
- * Representative's signature certified by a body competent to certify signatures,
- Bank confirmation of the payment of the contribution in cash if the contribution is payable prior to incorporation, i.e., founders' agreement on the
 appraisal of the value of contribution in kind if the contribution is made to the company prior to incorporation,
- * Proof of payment of the registration fee, and proof of payment of the fee for registration and publication of the memorandum of association.

Limited Liability Company Corporate Governance:

In the process of incorporation of a limited liability company, the founder(s), depending on their needs, decide whether the management of the company will be organized as a one-tier or a two-tier system.

The one-tier corporate governance system implies that the company has one or more directors.

The two-tier management system implies that the company has one or more directors and a supervisory board. If the founder(s) opt for the two-tier system, along with the application they must submit copies of the Resolutions on the appointment of the chairperson and members of the supervisory board, if they are not designated in the memorandum of association.

Share (registered) capital of a limited liability company:

Contributions can be either monetary (in cash) or non-monetary (in kind), and are expressed in RSD. If the monetary contribution is paid in a foreign currency, the RSD equivalent of the contribution will be calculated based on the middle exchange rate of the National Bank of Serbia on the date of payment.

The minimum subscribed share capital (monetary or non-monetary) amounts to no less than RSD 100 (unless a higher amount is stipulated by a separate law).

There is no requirement to pay up the in-kind or cash capital contributions at the time of incorporation of a limited liability company, the capital must only be subscribed, and the memorandum of association sets the deadline for the shareholders of the company to pay up the share capital. That deadline cannot exceed 5 years counting from the date of the adoption of the memorandum of association.

Contributions in kind may consist only of assets or rights. The value of contributions in kind is established either through a company shareholder agreement or by an appraisal made by an expert licensed by the competent state authority to appraise certain assets and rights (court expert, auditor or other expert).

JOINT STOCK COMPANY

- * Integrated application for registration of legal and other entities and for registration with the integrated register of taxpayers joint stock company,
- * Memorandum of association with certified signatures of the company shareholders,
- * Articles of association signed by the company shareholders,
- Certificate from a credit institution that shares have been paid up in cash, or appraisal of the state licensed appraiser of the value of the contributions in kind or a certificate issued by the competent authority of the appraisal of the value of the contribution in kind, pursuant to the law,
- Resolution on the appointment of the director, and/or members and chairman of the board of directors if they are not designated in the articles of association,
- Resolution on the appointment of members of the supervisory board in case of a company with a two-tier management system, if they are not designated
 in the articles of association,
- Resolution on the appointment of members of the executive board, in case of a company with a two-tier corporate governance system,
- * Resolution on the appointment of the company's authorized representatives if the latter are not designated in the articles of association,
- * Representatives' signatures certified by the body competent to certify signatures,
- * Proof of payment of the registration fee for incorporation and proof of payment of the fee for the registration and publication of the memorandum of association, and proof of payment of the fee for the registration and publication of the articles of association.

36 ikinda investment

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The shareholders founding a joint stock company sign a memorandum of association, and their signatures have to be certified in accordance with the law governing signature certification. The shareholders founding a joint stock company also sign the first articles of association.

Joint Stock Company Corporate Governance:

When incorporating a joint stock company, the founder(s), depending on their needs, decide whether they are going to have a one-tier or two-tier system of corporate governance.

The one-tier corporate governance system implies that the company has one or more directors. In case a joint stock company with a one-tier management system has three or more directors, they form the board of directors presided by the chairman.

The two-tier corporate governance system implies that the company has one or more executive directors and a supervisory board.

In a joint stock company, the directors are the legal representatives of the company, however, not all of them have to be legal representatives, and only some of them may have this status if so determined by the founders.

Share (registered) capital of a joint stock company:

Subscribed shares that are payable in cash pursuant to the instrument of incorporation, are paid up prior to the registration of incorporation to the temporary account with a commercial bank in the Republic of Serbia. The shareholders founding the company must pay up at least 25% of the registered capital, provided that the paid-up amount of the cash contribution to the share capital cannot be lower than the amount of the minimum registered capital which is set at RSD 3,000,000.00.

Shareholders:

The Serbian Business Registers Agency shall not register the shareholders of joint stock companies given the fact that maintaining records of shareholders is in the competence of the Central Securities Depository.

BANK

The application for registration of a bank must be accompanied by the supporting documents required for the incorporation of a joint stock company, and by:

- * decision of the National Bank on the issuance of the operating license,
- * decision of the National Bank approving the memorandum of association and articles of association of the bank.

INVESTMENT FUNDS MANAGEMENT COMPANY

The application for registration of an investment funds management company must be accompanied by the supporting documents required for the incorporation of a joint stock company, and by:

- decision of the Securities Commission on the issuance of the operating license,
- decision of the Securities Commission approving the election of the management board members and director.

BROKER-DEALERS AND STOCK EXCHANGE

The application for registration of a broker-dealer and a stock exchange must be accompanied by the supporting documents required for the incorporation of a joint stock company, and by:

- decision of the Securities Commission on the issuance of a broker-dealer and stock exchange operating license,
- decision of the Securities Commission on previous consent to the selection of the management body of the company.

INSURANCE COMPANY

The application for registration of an insurance company must be accompanied by the supporting documents required for the incorporation of a joint stock company, and by:

* decision of the National Bank of Serbia on the issuance of the operating license.

PUBLIC ENTERPRISE

- * Integrated application for registration of legal and other entities, and for registration with the integrated register of taxpayers public enterprise,
- * Act/decision of the competent state or local government authority on the incorporation of the public enterprise,
- * Articles of association of the public enterprise (founders' approval of the articles of association)
- * Bank confirmation of the payment of the monetary contribution, pursuant to the memorandum of association,
- * Appraisal of the value of non-monetary contribution made by a licensed appraiser (founders' approval of the appraisal),
- * Decision on the appointment of director of the public enterprise, if he/she is not designated in the memorandum of association;
- * Signature of the representative of the public enterprise certified by the body competent to certify signatures,

138 ikinda investment

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- Resolution on the appointment of executive board members if they are not designated in the memorandum of association (in case of a two-tier management system),
- Resolution on the appointment of chairman and members of the supervisory board if the chairman and members of the supervisory board are not designated by the memorandum of association,
- Proof of payment of the registration fee, and proof of payment of the fee for the registration and publication of the memorandum of association (amounts of fees).

COOPERATIVE

- Integrated application for registration of legal and other entities, and for registration with the integrated register of taxpayers cooperative,
- Memorandum of association,
- Proof of identity of cooperative members (for Serbian nationals photocopy of personal ID card, and for foreign nationals photocopy of passport or of
 personal ID card if one has been issued to them, or excerpt from the original register if the founder is a legal entity not registered with any of the Registers
 kept by the Serbian Business Registers Agency),
- * Minutes from the constituent meeting,
- * Cooperative by-laws,
- Bank confirmation of the payment of the monetary contribution if such contribution is payable and/or cooperative members' agreement regarding the
 appraised value of the non-monetary contribution or appraisal of the value of the non-monetary contribution if applicable,
- * Resolution on the appointment of the director and/or other cooperative's representative if the latter is not designated in the memorandum of association,
- Signature of the director and/or other cooperative's representative certified by the body competent to certify signatures,
- * Resolution on the appointment of the chairman and members of the board of directors (if any),
- Resolution on the appointment of chairman and members of the supervisory board,
- * Proof of payment of the registration fee, and proof of payment of the fee for the registration and publication of the memorandum of association.

COOPERATIVE FEDERATION

- Integrated application for registration of legal and other entities, and for registration with the integrated register of taxpayers cooperative federation,
- Memorandum of association of a cooperative federation,
- Cooperative federation by-laws,
- Resolution on the appointment of director, and/or other representative if the latter is not designated in the memorandum of association,
- * Signature of the director and/or other representative certified by the body competent to certify signatures,
- * Proof of payment of the registration fee, and proof of payment of the fee for the registration and publication of the memorandum of association.

BRANCH OF A FOREIGN COMPANY

- * Integrated application for registration of legal and other entities, and for registration with the integrated register of taxpayers foreign company branch,
- Resolution on the formation of the branch,
- Certificate from the register in which the foreign company is registered, with a certified translation by a certified court interpreter,
- Evidence of bank accounts through which the foreign company operates,
- Signature of the branch's authorized representative certified by the body competent to certify signatures,
- * Statement by the authorized representative of the foreign company that the company takes on full responsibility for all liabilities arising in connection with the business activities of the branch, certified by the by the competent certification authority, along with a certified translation by a certified court interpreter,
- Proof of payment of the registration fee.

A branch of a foreign company is a separate organizational part of the company through which the company operates in the Republic of Serbia, in accordance with to the law.

A branch of a foreign company has a prevailing activity that is subject to registration but it may also perform other activities that are not prohibited by law, regardless of whether or not they are foreseen by the Resolution on the formation of the branch.

The branch of a foreign company does not have the status of a legal entity; however, it does have the status of a resident in terms of taxation.

REPRESENTATIVE OFFICE OF A FOREIGN COMPANY

- Integrated application for registration of legal entities and other companies and for the entry into the unique register of taxpayers foreign company representative office,
- Decision on the formation of a representative office,
- * Certificate from the register in which the foreign company is registered with certified translation by a certified court interpreter,
- Evidence of bank accounts through which the foreign company operates,
- * Signature of the representative office's representative certified by the body competent to certify signatures,
- Statement by the authorized representative of the foreign company that the company takes on full responsibility for all liabilities arising in connection with the business activities of the representative office, certified by the body certified by the competent certification body, with certified translation by a certified court interpreter.
- Proof of payment of the registration fee.

10 ikinda investment potentials K

BRANCH OF A DOMESTIC COMPANY

- Application for registration of a branch,
- Decision on the formation of a branch,
- Signature of the branch's representative certified by the body competent to certify signatures if the person is not a registered representative,
- Proof of payment of the fee.

REGISTRATION OF PROCURATION

- · Application for registration of a procuration
- Resolution on issuing a procuration,
- * Signature of the procurator certified by the body competent to certify signatures,
- * Proof of payment of the fee.

A procuration is a business authorization by which a company authorizes one or more natural persons to enter into transactions and take other legal actions on its behalf and for its account. Exceptionally, a procuration may be issued for a branch as well.

Restrictions of the procuration are prescribed by the law thus making it impossible for a procurator to enter into certain legal transactions without a special authorization. A procurator's special authorization for entering into these legal transactions is not subject to registration.

The only type of restrictions of a procuration issued by decision of the shareholders is the restriction of the powers of the procurator by the instrument of co-signing with a legal representative of the company or another procurator (joint procuration).

The procurator may not grant the authorization for representing the company to another person.



OVERHEAD COSTS

Favourable business of Serbia environment features highly competitive tax rates and low operating costs.

	TAX RATES	
Value Added Tax (VAT)	Standard rate – 20%	
	Reduced rate – 10%	
Social Security Contributions	Pension and disability insurance - 14%	At the expense of the employee
	Health insurance – 5.5%	
	Unemployment insurance – 0.75%	
	Pension and disability insurance - 12%	At the expense of
	Health insurance - 5.5%	
	Unemployment insurance - 0.75%	the employer

For Legal Entities	
Corporate Profit Tax	15%
Taxes on dividends, shares in profits, royalties, interest and capital gains	
Personal Income Taxes	
Salary Tax and Income from self - employment	
Capital Incomes and capital gains	15%
Copyright, property, profits from gambling and other types of income	
Annual Income Tax	10/15%

Corporate Taxes

Serbia's tax regime is highly conducive to doing business. The corporate profit tax is among the lowest in Europe, while the Value Added Tax is among the most competitive in Central and Eastern Europe.

Corporate Income Tax	Uniform rate – 15%	
Withholding Tax	20% (for dividends, shares in profits, royalties, interest income, capital gains, lease payments for real estate and other assets)	
Personal Income Tax	Salaries – 10%	
Annual Income Tax	10/15% (for annual income above 6 average annual salaries)	

Value Added Tax

The VAT rates are as follows:

- The standard VAT rate 20% (for most taxable supplies);
- The lower VAT rate 10% (for basic food stuffs, daily newspapers, utilities, etc.).

Standard VAT Rate	
Serbia	20%
Bulgaria	20%
Slovakia	20%
Czech Republic	21%
Poland	23%
Romania	20%
Croatia	25%
Hungary	27%

^{*}Source: National IPAs, 2015.



Corporate Profit Tax

Corporate profit tax is paid at the uniform rate of 15%. Non-residents are taxed only based on their income generated in Serbia.

Corporate Profit Tax		
Bulgaria	10%	
Serbia	15%	
Romania	16%	
Czech Republic	19%	
Poland	19%	
Hungary	19%	
Croatia	20%	
Slovakia	22%	

^{*}Source: National IPAs, 2015.

Withholding Tax

The withholding tax is not applied to dividend payments between Serbian entities. For non-residents of Serbia, a 20% withholding tax is calculated and paid on certain payments such as dividends, shares in profit, royalties, interest, capital gains, lease payments for real estate and other assets.

Personal Income Tax

The personal income tax rate is 10% for salaries.

Personal Income Tax		
Serbia	10%	
Bulgaria	10%	
Czech Republic	15%	
Romania	16%	
Hungary	16%	
Croatia	12 – 40%	
Poland	18 – 32%	
Slovakia	19 – 25%	

^{*}Source: National IPAs, 2015.

1 44 ikinda investment

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Annual Income Tax

The annual income is taxed if exceeding the amount of threefold the average annual salary in Serbia. The tax rate is 10% for the annual income amounting up to 6 times average annual salary in Serbia, and 15% for the part of the annual income exceeding 6 times average annual salary in Serbia.

Taxes and Contributions

The rates for mandatory social security contributions are:

- * 14% for pension and disability insurance,
- * 5.15% for health insurance, and
- * 0.75% for unemployment insurance.

The total sum of social security contributions and income taxes that are calculated on the net - income, amounts to about 65% of net earnings.

Reduced Salary Load

Starting from July 1st, 2014 new employment entitles employers to a sizable relief of taxes and contributions paid on net salary from the moment of employment until June 30, 2016.

- 1-9 new jobs: 65% reduction;
- 10-99 new jobs: 70% reduction;
- 100+ new jobs: 75% reduction.

This reduces the total salary load to very competitive 20%1.

¹ Estimate the average salary in Serbia.

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Labour Costs

Average salaries in Serbia are low enough to ensure cost-effective operating. Total costs for employers stand at merely 50% of the level in EU countries from Eastern Europe. Social insurance charges and Salary Tax amount to roughly 65% of the net salary but the tax burden for employers can be reduced through a variety of financial and tax incentives.

Average Gross Monthly Salary (EUR)		
Bulgaria	423	
Romania	513	
Serbia	524	
Hungary	768	
Slovakia	840	
Poland	906	
Czech Republic	933	
Croatia	1041	

^{*}Source: The Vienna Institute for International Economic Studies, February 05, 2015.

State Grants/subsidies (according to the Decree on terms and conditions for attracting direct investments)

The funds may be awarded for financing investment projects in the manufacturing sector and the services sector which may be subject to international trade.

Eligible costs are investments in tangible and intangible assets, as of the date of signing of the grant agreement until the deadline for implementation of the investment project, or costs of gross salaries for new jobs created associated with the investment project during two years period after achieving full employment envisaged by the investment project. Leasing of business premises are taken into account as an eligible investment costs in which the investment project is implemented, provided that the period of lease, from the completion of the investment project, is not less than five years for large enterprises, and not less than three years for small and medium businesses.

Participation rules and conditions for awarding a grant:

- Investors who have investment projects in sectors that are in accordance with Decree and that apply for grants before the start of the realization of the investment project;
- Beneficiaries of grants are required to provide a minimum of 25% of eligible costs from their own resources or from other sources, which do not contain state grants;
- Funds for large enterprises cannot be allocated before the examination of documents is determined that the allocation of funds will have an effective incentive effect.
- To maintain investment at the same location on the territory of the local government where the investment, i.e. direct investment, is realized, for at least five years after the implementation of the project for large enterprises, or at least three years for small and medium-sized businesses;
- Not to reduce the number of employees at the Beneficiaries after the implementation of the investment project, over a period of five years for large enterprises, and three years for small and medium enterprises.
- The deadline for implementation of investment projects is 3 years from the date of signing of the Contract, that may be extended for up to five years, following a written explanation from the Beneficiaries, if the Council for Economic Development approved the request;
- For investments of special importance, the deadline for implementation of investment projects and creation of new jobs associated with the investment
 project, is three or five years from the date of signing of the Agreement but no longer than ten years from the date of signing of the Contract.

Investment projects for which funds can be granted:

- Create at least 20 jobs and a minimum of EUR 150,000 of the eligible costs of investment in units of local government that are classified in the group IV of development and the devastated areas,
- Create at least 30 jobs and at least EUR 300,000 of the eligible costs of investment in the units of local government that are classified in the group III of development,

- Create at least 40 jobs and at least EUR 600,000 eligible costs of investment in units of local government that are classified in the group II of development,
- Create at least 50 jobs and at least EUR 600,000 eligible costs of investment in units of local governments that are classified in the group I of development,
- Investment projects in the services sector, which may be subject to international trade and in which the minimum value of investment is EUR 150,000, providing at least 15 new jobs.

Types of incentives that can be granted:

- Incentives for eligible costs of gross salaries for new jobs 20% (for group I of municipalities), 25% (for group II) and 30% (for group III), 35% (for group IV) and 40% (for devastated regions) the eligible costs of gross salaries from the Article 3. of this Decree. These amounts are limited to a maximum of 3.000 (for group I), 4.000 (for group II), 5.000 (for group III), 6.000 (for group IV) and 7.000 euros per new job created (for devastated regions).
- Incentives for eligible investment costs in fixed assets an increase in the amount of grants may be approved for: up to 10% (for group I of municipalities), 15% (for group II of municipalities), 20% (for group III of municipalities), 25% (for group IV of municipalities) and 30% (for devastated regions).
- Additional incentives for labour-intensive projects an increase in the amount of grants may be approved for: 10% of the eligible costs of gross salary (for
 any increase in the number of new jobs created over a number of 200 new jobs), 15% (for any increase in the number of new jobs created over a number
 of 500 new jobs) and 20% (for any increase in the number of new jobs created over a number of 1,000 new jobs).

The total amount of funds that may be awarded in accordance with this Decree and other incentives is determined in absolute terms, having in mind that the upper limit may not exceed the amount that is allowed to assign the state grants, in accordance with the regulations governing the rules for granting state grants.

The amount of funds that can be allocated for attracting direct investments shall be determined in accordance with the criteria of this Decree. In determining the amount of funds that can be allocated, the cumulative pre-approved state grants are taken into consideration, in accordance with the regulations governing the rules for granting state grants.

The procedure for awarding a grant:

The allocation of funds shall be conducted in accordance with the Public Call and Decree on terms and conditions for attracting direct investment. Ministry of Economy, with the consent of the Ministry of Finance, publish Public Call on its website. The Public Call is also published on the site of Development Agency of Serbia.

Application for requesting of grant shall be submitted to the Development Agency of Serbia on a prescribed form, in Serbian language.

Funds cannot be used to finance investment projects in the transport sector, hospitality industry, gambling, trade, production of synthetic fibres, coal and steel, tobacco and tobacco products, weapons and ammunition, shipbuilding (building seagoing commercial vessels on their own propulsion-at least 100 gross registered tonnes), airports, utilities sector and the energy sector, broadband networks, as well as business entities in difficulties under Article 8. of Decree.

The following investors, i.e. Beneficiaries, are excluded from the right to be awarded funds: Companies in difficulties; Those with outstanding obligations towards the Republic of Serbia; Those that reduced the number of employees for 10% and more in the last 12 months preceding the application submittal; Those that are partly owned by the Republic of Serbia, Autonomous Province or local government.

48

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National Employment Service grants funds

National Employment Service at the request of the employer can grant funds for organization of trainings to acquire knowledge and skills necessary for performing a specific job, if the NES cannot recommend persons with the necessary knowledge and skills from official registry of unemployment.

Training programs consist of:

- · realization of training for a period of 160 to 480 hours in accordance with the standards of level of trainings
- · The commencement of employment for an indefinite period with persons who had successfully completed training

Public call for the implementation of training programs at the request of the employer is the basis for allocation of minimal state aid.

Purpose and the amount of funds:

National Employment Service grants funds to:

- 1. The employer for:
- Reimbursement of participation in financing the costs of training, depending on the length of theoretical and practical training, a maximum of 90,000.00 RSD per participant;
 - 2. unemployed participant for:
- Monthly financial assistance in the amount of 6,000.00 RSD for the full number of hours
- Transportation costs;
 - people with disabilities participants for:
- A monthly allowance up to 20% of the minimum salary determined in accordance with labour regulations, for the full number of hours, if the training lasts at least 100 hours and if a person with a disability is not a beneficiary of financial compensation on the basis unemployment, according to the law,
- -transportation costs, and for a companion if needed, in the amount of non-taxable amount, in accordance with the law.

Contracted funds for the program will be paid to employer in two instalments (the first after the commencement of training and the second after the submission of proof that the participants are trained and employed for an indefinite period of time).

Kikinda investment

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Right and rules of participation:

The right to participate in the implementation of training programs can be granted to the employer who:

- Belongs to the private sector (the share of private capital in the ownership structure 100%);
- Regularly fulfils obligations arising from taxes and contributions for mandatory social insurance;
- In the last six months was not recorded in the debt collection register of NBS for more than 30 consecutive days;
- Settled earlier contractual obligations and other commitments to the National Employment Service, except for liabilities whose realizations are in progress;
- Recruits persons who are registered as unemployed with the National Employment Service, to train and employ them in accordance with general and special conditions for inclusion in the training, in accordance with the applicable acts of the National Employment Service;
- Has the human resources for the implementation of training programs, and provides instructors who have minimum secondary school education;
 appropriate professional qualification and a minimum of 12 months of work experience in activities for which a person is receiving training; at least 24 months of work experience in jobs for which a person is receiving training, if there is no adequate professional qualification;
- Provides a training instructor for a group of maximum of 10 participants;
- Has the technical, spatial and other capacities for the implementation of the training program, or whose work space, technical means and equipment functionality match the size of training groups and provides all conditions in accordance with the regulations on safety and health.

For the realization of training at employer's request for unemployed persons with disabilities, the employer must provide the necessary personnel, technical, spatial and other capacities in accordance with the approval for the implementation of measures and activities of professional rehabilitation issued by the ministry responsible for employment issues.

Documents Required:

- Application form submitted in the prescribed form;
- Notification of the applicant about previously received state aid, on the prescribed form of National Service;
- A copy of the decision on registration, if the applicant is not registered in APR; if the activity is performed outside the seat of the employer or in a separate organizational unit (branch) - excerpt from register or decision about establishment of organizational part;
- Certificate of the Tax Administration for taxes and contributions for the month preceding the month in which the application was submitted for employers who arbitrarily settle tax liabilities;
- Excerpt from the individual tax form on calculated taxes and contributions, printed from the electronic database of the Tax Administration (EBP-PURS),
 certified by the employer, for applications submitted in the three months preceding the month in which he submitted a request;

- Evidence of human capacities for the implementation of training programs, including:
 - a) evidence of qualifications / professional qualifications of instructors (diploma, certificate, certificate, license, etc.);
 - evidence of the length of experience of instructors in the fields for which persons will be trained (employment contract, confirmation of the work experience, etc.).

The request for participation in the program shall be submitted to the organizational unit of the National Service, the place of engagement or the headquarters of the employer, directly or through the mail, on the prescribed form which can be obtained in any organizational unit of the National Service or downloaded from the website www.nsz.gov.rs.

UTILITY FEES

Electricity

The 100% state-owned Electric Power Industry of Serbia is the sole electricity supplier at the moment. The electricity price varies according to the consumption category and daily tariff rate, ranging between €0.0119 and €0.0518/kWh. In accordance with the law, the obligation of entering the open market have all customers at medium voltage, as well as customers in voltage greater than 1 kV, customers who have more than 50 employees, as well as those with annual revenues exceeds EUR 10 million in RSD equivalent. They must choose and made contract with supplier.

Gas

As a natural gas supplier in Serbia, the state-owned company "Srbijagas" pursues its pricing policy in accordance with world prices of oil derivatives and the US dollar exchange rate fluctuations. The price of natural gas is set every 15 days, currently standing at following levels:

- for pressure under 6 bar, price is € 0.2477/m³;
- for pressure in range from 6 to 16 bar, price is € 0, 2385/m3.

Water and sewerage

The waterworks and sewerage in Serbia are operated at the local level with water prices set by local authorities. In Kikinda, water distribution, management of water supply network, and management of sewerage system is performed by PU "Kikinda". Price of water is € 0, 8871/m3, and price of sewerage is 0, 8629/m3.

Internet and telephone

Serbia is well covered by Internet network. In Kikinda there is a larger number of operators that offer telephone and internet services, some of which are: "Telekom Srbija", "SBB", "Orion Telekom" and other smaller companies. Prices depend on the bandwidth and speed, which goes up to 10 GB/s.



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