Despite record payment of dividends, the right of minority shareholders in Serbia is at intolerably low level. Domestic joint stock companies approved dividend from last year’s profit in total amount of around RSD 30 billion, but this fact can hardly testify better position of minority shareholders in our country.
Bigger part of the dividend were distributed by the companies whose shares are not traded on Belgrade exchange or are about to step out of this exchange market, which shows current position of shareholders in Serbia.
Basically, rights of the shareholders like ownership rights, equal treatment, right to access information and other are only effective on paper and are subject of dispute with majority owners and dominant shareholders whether those are the state, national capitalists or foreign multinational companies.
The highest dividend in the absolute amount of RSD 12.4 billion was approved by telecommunication company Telekom Serbia that distributed three quarters of last year’s profit toshareholders.
This most successful company under state control has still not entered exchange even though four years ago minority shareholders were distributed shares that they cannot sell nor could potential investors acquire them. It seems that this fact does not put a pressure on Serbian creators of economic politics that have clearly given up their basic task– creating favorable investment environment.
Several other companies approved dividend, probably for the last time to minority shareholders. AIK bank paid “fat” dividend of RSD 3.1 billion last year (including also priority shares), but only after majority owner, MK group, obtained high proprietary interest.
This company has recently conducted forced purchase of shares thus squeezing out minority shareholders, except those that initiated court proceedings against majority shareholder for price at which this procedure was conducted. Members of ex Salford Group, Imlek and Bambi, also spiced up their last year on exchange with dividend payment, while this year’s profit will be solely at the disposal of the 100 percent owner after forced purchase is conducted in Bambi.
Regarding companies which regularly pay dividend and foster the rights of minority shareholders, as much as it is possible in Serbia, Naftna industrija Srbije (NIS) has traditionally assigned quarter of its profit to shareholders. Having in mind high profitability decline due to low price of crude oil, shareholders may count on 24.7 dinars per shareonly (dividend yield of four percent), while, for example, only several years earlier dividend amounted to 80 dinars. Despite dividend drop, it must be noted that NIS is consistent in respecting dividend policy even in the years when oil companies across the world are facing harsh conditions for business operation.
Metalac also continued the series of paying dividend out, which is reasonable having in

mind its ownership structure (control package of shares held by managers and employees). Similar trend is recorded at Galenika Fitofarmacija even though this highly profitable company does not allocate bigger part of profit (around 75 percent). Jedinstvo from Sevojno has, after several balanced years, paid to its shareholders lower amount of dividend, primarily as the consequence of weaker profitability.

Alfa plam and Energoprojekt holding assigned to their shareholders identical amounts of dividends as in the previous year, paying to owners of shares only smaller part of profit.

The most pleasant surprise this year is definitely Tehnogas, managed by multinational company Messer, which has paid dividend for the first time from the beginning of operation on domestic market in the amount of 1.801 dinar per share (1.9 billion dinars in total). The fact that proves that this is the biggest surprise is definitely that it is still ranked at the levels which correspond to dividend yield higher than 20 percent.

Airport “Nikola Tesla“assignedbigger part of the last year’s profit to its shareholders (over 60 percent), and the dividend was traditionally given to the state as the majority shareholder, and months later to minority shareholders.

Even though this violation of rights of minority shareholders could be seen as pedantry, this practice does not exist in any country which would like to have normal capital market.

The fact that these issues were not previously assessed by competent institutions, and also individual and professional investors, led to unenviable situation on domestic capital market.

Chances for rehabilitation and survival of this part of financial system are now much lower than fifteen years ago when shareholding and exchange were renewed after the decades of non-market operation.