



## **Excellent Location**

South East Europe, central Balkans; Time zone GMT+1.

Geo-strategic position at the crossroads of Pan-European Corridors 7 and 10, a major link between Europe and Asia.

8 neighboring countries: Hungary, Bulgaria, Romania, FYR Macedonia, Albania, Bosnia-Herzegovina, Croatia, and Montenegro.

88,361 km<sup>2</sup> of territory - rich fertile plains in the north, ancient mountains and hills to the south.

Moderate continental climate, average temperature -1°C in January and 22°C in June, well distributed rainfall.

## **Market Potentials**

7.5 mn consumers in Serbia, 2nd largest market in the region.

30 mn consumers in South East Europe with duty-free access.

150 mn consumers in the Russian Federation with customs-free access.

Preferential trade status with USA and the EU.

Overall duty-free exporting potential: 1 bn consumers.

## **Growing Economy**

Serbia - number 1 business reformer in the world (World Bank 2006 report).

Currency - Serbian Dinar (RSD); 1 EUR = 80. 12 RSD during 2007.

7.5 % GDP growth rate, GDP per capita \$5,764 in 2007.

Reduced inflation - 10 % in 2007.

€1.7 bn National Investment Plan funds from state budget surplus.

\$14 bn foreign currency reserves, and growing.

Exports \$9 bn in 2007 (37 % growth) most to Italy, CEFTA, Germany, Russia.

## **Taxes & Incentives**

State grants from €2,000 to €10,000 per new job created for greenfield/brownfield projects.

10 % corporate profit tax rate - among the lowest in Europe.

8 to 18 % VAT rate - among the lowest in CEE.

10-year corporate profit tax holiday for large investments.

Tax credits up to 80 % of the amount invested in fixed assets.

5-year corporate profit tax holiday for concessions.

Duty-free import of raw materials, semi-products, components, and equipment.

## **Investment Magnet**

\$13.5 bn total inward FDI inflow since 2001, 90 % average annual FDI growth rate.

Serbia - The place of largest greenfield investments in SEE 2004-2006 (OECD).

Belgrade - The City of the Future and top FDI location in South Europe 2006/07 (Financial

Times).

Major investors: Telenor, Philip Morris, Mobikom, Banca Intesa, Coca-Cola, Microsoft, Stada, InBev, Lukoil, U.S. Steel and many others.

### **Human Resources**

Labor force (age 15-64) exceeds 5 mn, 52 % with secondary or higher education.

Vast labor pool - unemployment rate 21.6 % (2006).

Competitive labor costs - €484 per month, gross (2007).

11.7 % average growth of industrial productivity in the past 5 years.

700,000 university or college graduates, 1/3 from technical faculties.

42 % of the population speaks English (Gallup International).