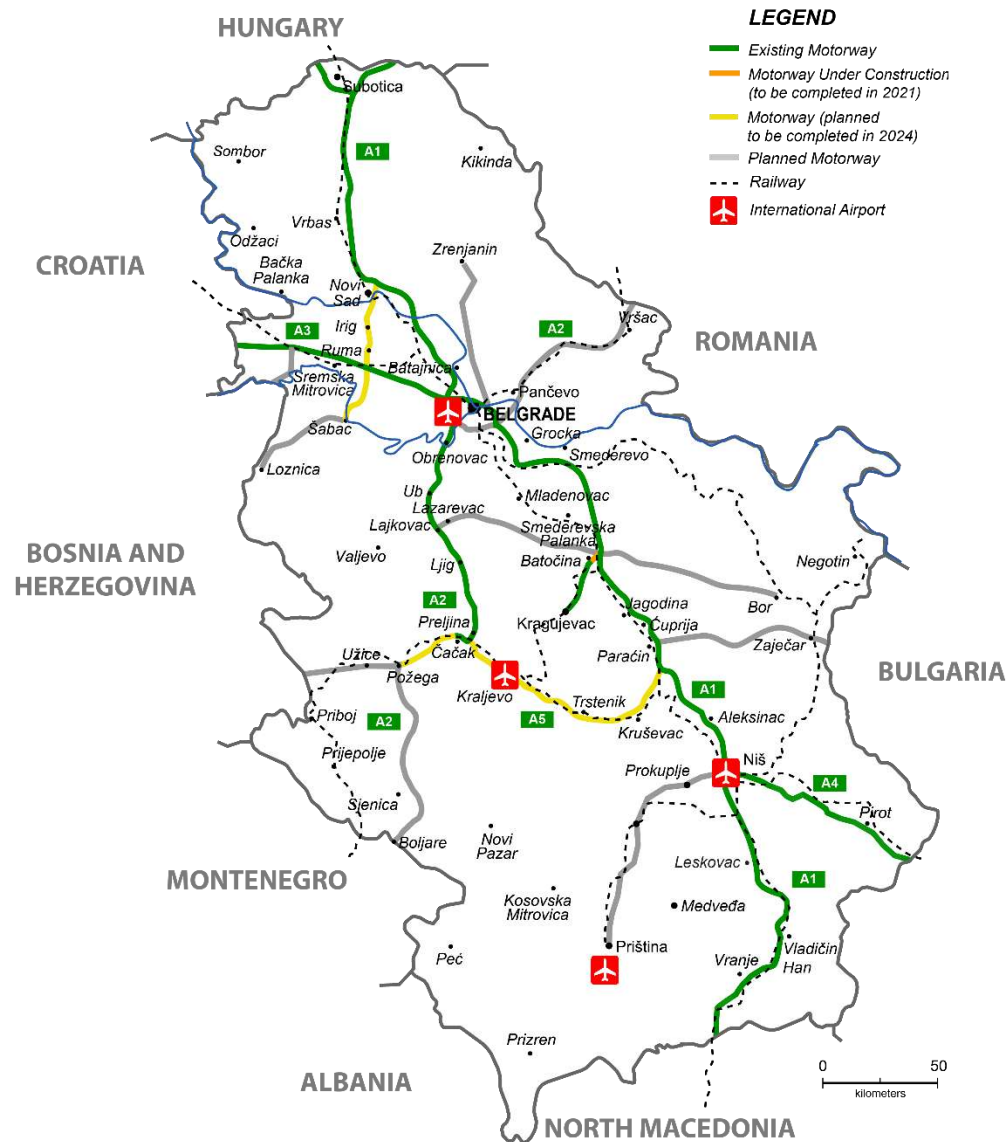




RAS

Invest In **SERBIA** **AGRI-FOOD**

Welcome to Serbia!



About Serbia

Serbia Agri-Food

”

The business environment is stable, and it offers transparent market conditions, which creates a good starting point for our business growth in a long run.

Marco Aspesi,
VP Corporate Transformation at SR Technics

Serbia has continued its path towards EU membership: negotiation process has officially started

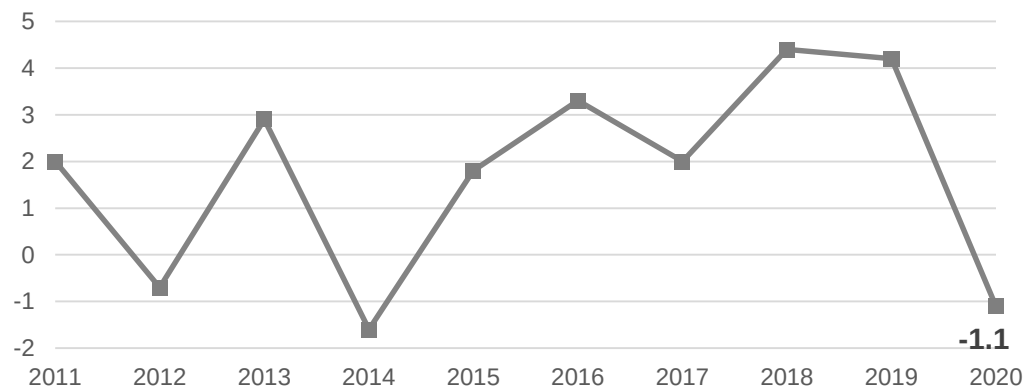
On the World Bank's Doing Business list for 2020 Serbia occupies the 44th place among the 190 countries

City of Belgrade has been named a City of the Future in Southern Europe by the Financial Times

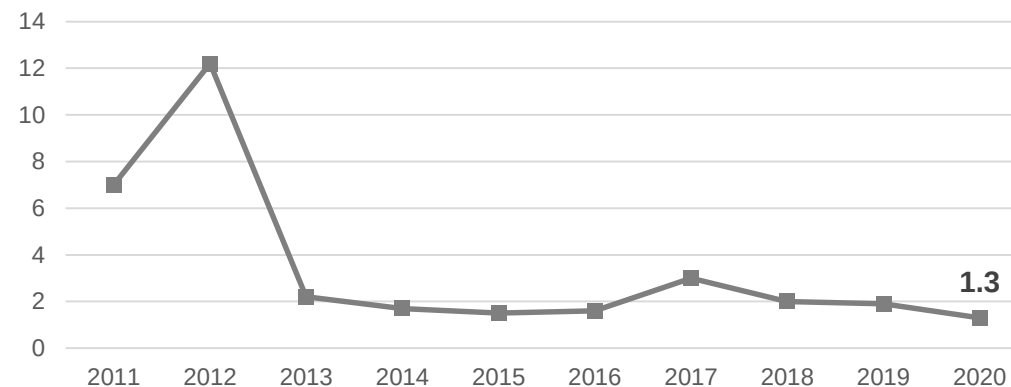
Economic Indicators

Serbia Agri-Food

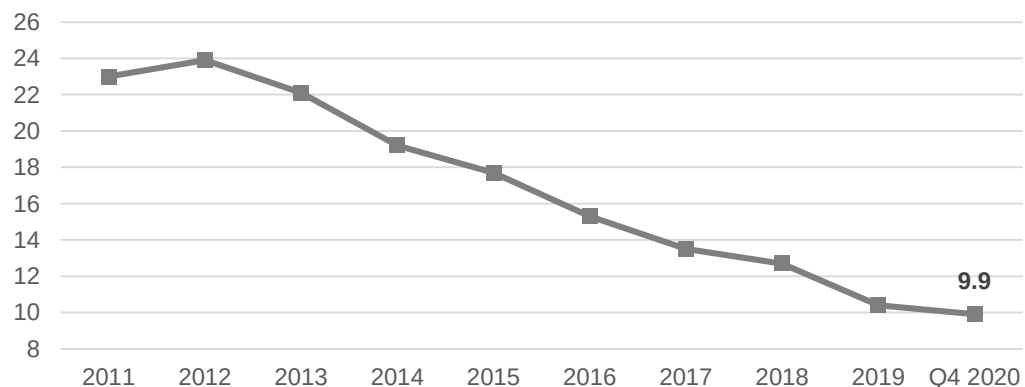
GDP Growth Rate (%)



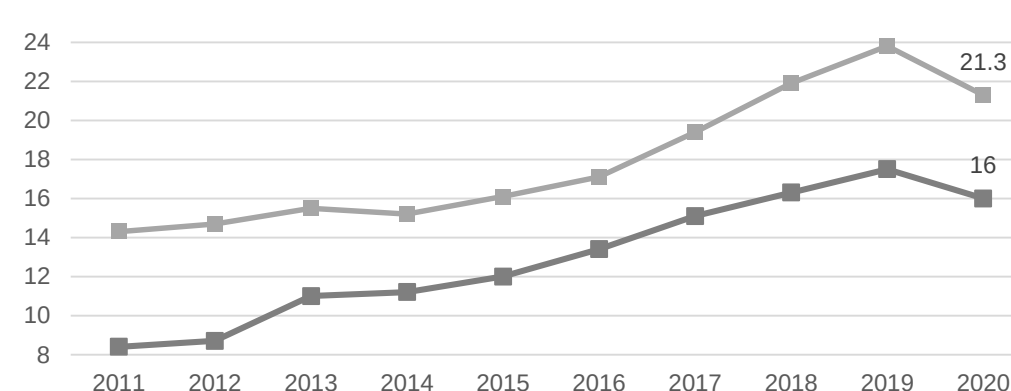
Inflation (%)



Unemployment Rate (%)



Import and Export (billion EUR)



Success in Attracting FDI

Serbia Agri-Food

FDI Stock (% of GDP), 2019



Inflow of FDI in Serbia (million EUR)

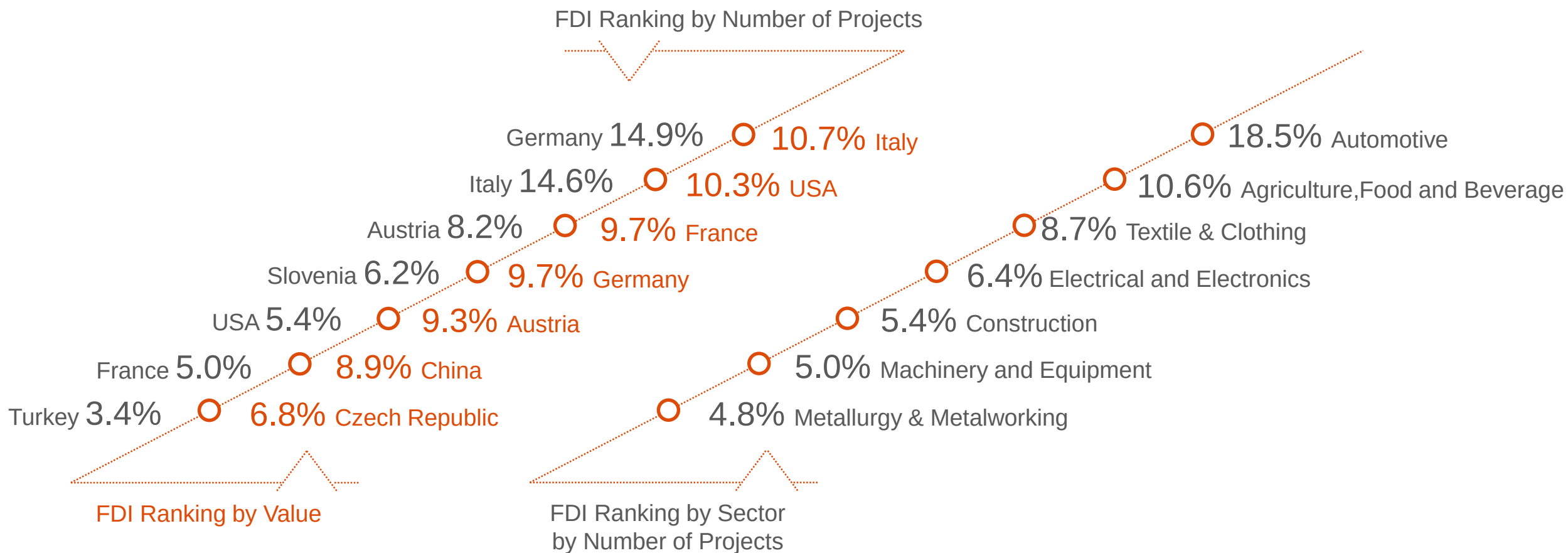
Source: UNCTAD

Source: National Bank of Serbia

JOIN THE POOL OF THE SUCCESSFUL



Success in Attracting FDI



Success in Attracting FDI

FT Greenfield FDI Performance Index 2019

- Financial Times has **ranked Serbia #1** in the world in Greenfield FDI performance
- Index is based on the number and size of Greenfield investment projects relative to the country's GDP
- According to FT, Serbia is “punching almost at 12 times above its weight”

Country	Ranking	Score
Serbia	1	11.92
Montenegro	2	11.49
Cambodia	3	10.82
Lithuania	4	8.47
Malta	5	7.78

IBM Global Locations Trends 2019

- For the third year in a row Serbia is **ranked #1** in the world by estimated jobs created from FDI per million inhabitants
 - In addition, Serbia is ranked 12th in the World by total estimated jobs created from FDI

Country	Ranking
Serbia	1
Ireland	2
Jamaica	3
Lithuania	4
Hungary	5

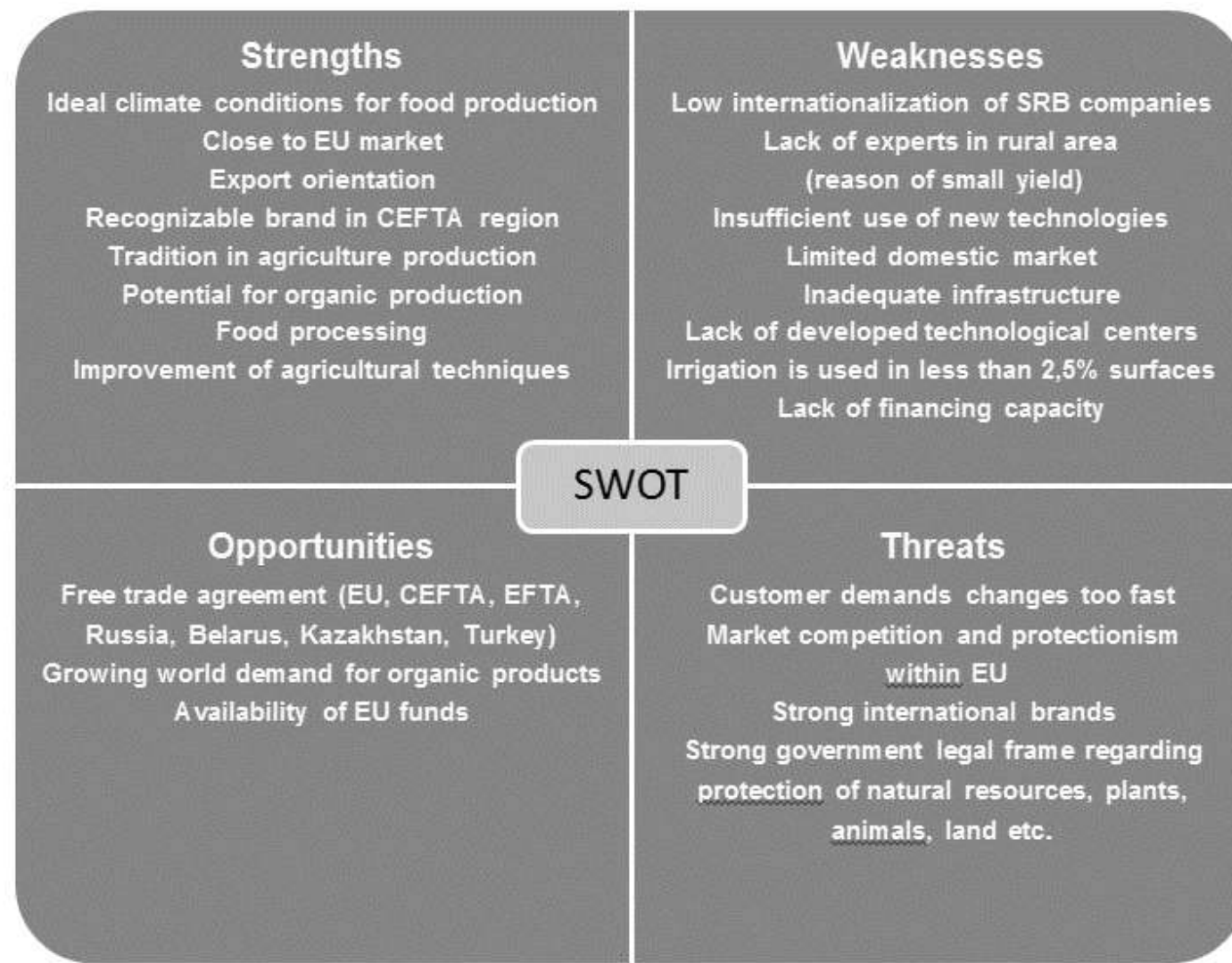
A close-up photograph of several carrots growing in dark, rich soil. The carrots are bright orange and have green leafy tops. The focus is sharp on the central carrot, with others in the foreground and background slightly blurred.

Agribusiness & Food Industry in Serbia

Industry overview

- Agriculture and food production in Serbia have an extensive tradition
- Availability of arable land and perfect climate conditions blessed Serbia with diversity of fruit and vegetable varieties
- In the food production and in the food-processing subsectors exports account respectively for about 25 and 35% of total Serbia turnover depending on the year
- The past decade of Serbian food industry was highlighted by foreign investments
- Serbia could produce triple quantities of food than it does at this moment, due to unused soil and perfect climate conditions.
- Serbian food production and food processing is supported by 4 universities, 16 specialized institutes and 26 high schools
- Food Safety Standards are widely implemented

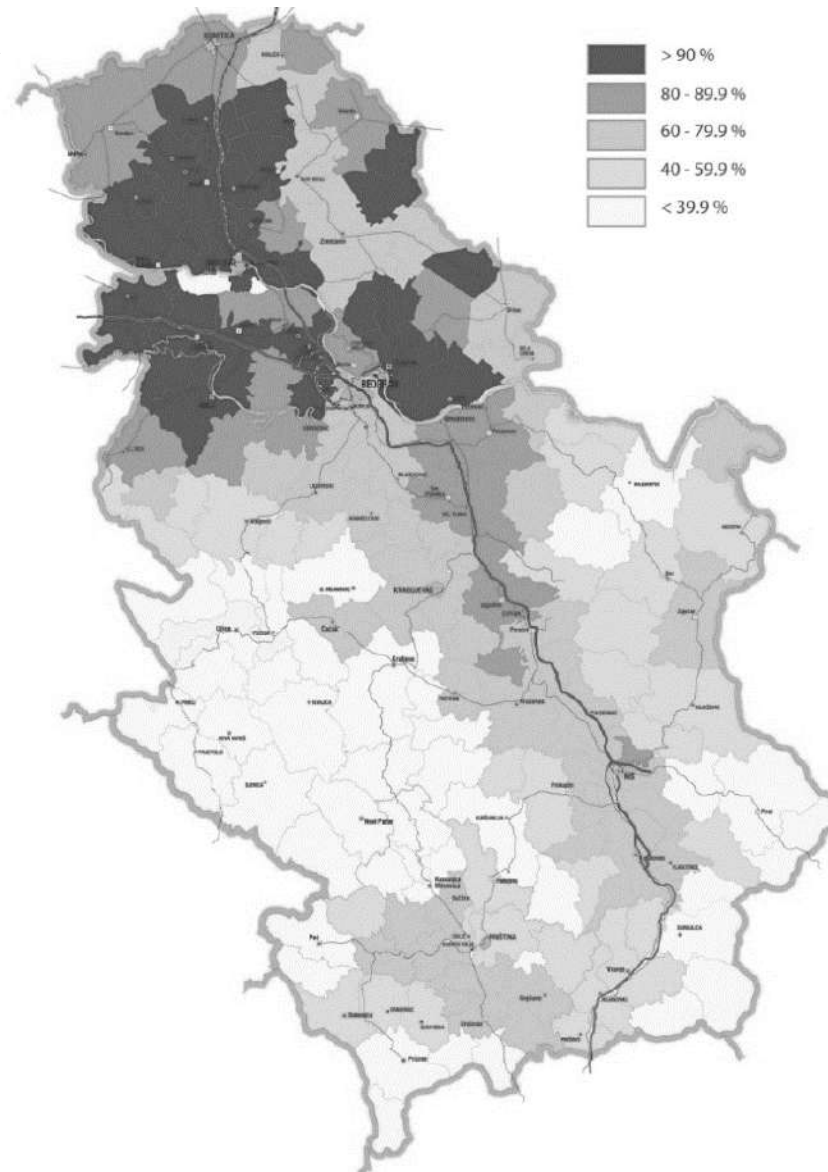
Industry overview



Industry overview

Serbia Agri-Food

ARABLE LAND IN SERBIA
by % of agriculture land



SURFACE AREA:	8,836,100 ha
Agricultural land:	5,092,000 ha
Arable land:	4,218,000 ha
Fields and gardens:	3,345,000 ha
Orchards:	246,000 ha
Vineyards:	67,000 ha
Meadows:	594,000 ha
Pastures:	826,000 ha
Swamps and fish ponds:	36,000 ha
Number of households:	631.000,00

Industry overview

- An excellent raw material base, network of FTAs, a long tradition of high-quality food production and a strong regional brands are key reasons world class companies have chosen Serbia as their agri-food investment destination. The agri-food sector accounts for a massive proportion of foreign direct investments, whether in terms of value or of the number of projects.
- Made-in-Serbia food is present around the globe, from Japan to the US, and is sold under Serbian brands and through world's largest supermarket chains such as Tesco, Lidl, Asda, Spar, Carrefour, Metro, Idea, Leader price, Kopeika, and Rewe. International customers keep increasing orders for Serbian truffles, raspberries, apples, corn, juices, concentrates, purees, jams, frozen and dried fruit and other first-class produce.



Fruit production

- Fruit production is one of the key sub-sectors of Serbia's economic development and therefore given a strategic treatment by the Government of Serbia. In 2019 export of Serbian fruits amounted 568.2 millions of euros.
- Serbia's exports represents 31.7% of the world exports of frozen raspberries, blackberries, mulberries, loganberries in 2019.
- With 148,000 tons exported and with total value of more than \$250 million in 2019, Serbia is ranked as no. 1 world exporter of frozen berries.

Fruit Production	Quantity (Tones)
Plum	558,930
Apple	499,578
Grape	163,516
Raspberry	120,058
Sour Cherry	96,965
Pear	54,859
Peach	48,204
Strawberry	19,608

Source: Statistical Office of the Republic of Serbia

Vegetable production

- Ideal climate for vegetable production makes Serbia the main vegetable exporter and supplier of the South Eastern Europe. The most popular vegetables produced in Serbia are: paprika (pepper), cabbage, tomato and potato.
- Pepper production is oriented towards pasteurized pepper in different forms: shredded, cooked and roasted. Due to dry matter in it, majority of red pepper is used for production of aromatic spices, but also for preparing a traditional Serbian winter dish - “Ajvar” spread.

Fruit Production	Quantity (Tones)
Potato	702,086
Cabbage	178,308
Melon and Watermelon	163,483
Paprika	118,256
Tomato	111,639
Cucumber	29,711
Onions	29,588
Peas	25,612

Source: Statistical Office of the Republic of Serbia

Meat production

- The most popular meat products are fresh or smoked pork and beef, as well as poultry. At the same time, products such as pate, dry sausage of different types, hot dogs and smoked beef and pork are widely spread through all chains of supermarkets in the region.
- Free Trade Agreement define new quotas for duty free export from Serbia to Turkey, pertaining to beef, sunflower oil, sunflower seeds, soybeans, animal feed and pet food, and the quotas for export of peas, beans, green peas, sweet corn and prunes have been increased. Serbia would be able to export, free of duty, 5.000 tons of fresh, chilled or frozen beef thanks to Free trade Agreement.

The production of beef is the branch in which Serbia has potential to become more competitive. **This potential was spotted by German, French and DUTCH investors who already opened feed processing plants.**

Diary production

- Besides “kajmak”, a creamy dairy spread originally made in Serbia, Serbia has various dairy products to offer internationally. Sour yoghurt, paprika in sour cream and white soft and hard cheeses are among the most popular ones. All of these products originate straight from century long tradition of Serbian cuisine.
- Fresh and pasteurized milk of the highest quality is mainly used for meeting high local consumption, but also easily finds export markets in the neighboring Montenegro and Bosnia and Herzegovina.
- White salad cheese, sour cream spread, hard cheese and goat cheese have already found their customers on the Russian market.

A distinctive dairy product of Serbian cuisine, **cheese pule**, is the “world’s most expensive cheese”, fetching €1,000 per Kg

A close-up, low-angle shot of a conveyor belt in a food and beverage processing plant. The belt is moving a row of clear plastic bottles filled with a golden-yellow liquid, possibly cooking oil. The bottles have a textured, diamond-patterned surface. The background is blurred, showing industrial machinery and pipes, with a warm, orange-yellow light illuminating the scene.

Food and Beverages processing industry

Processing Industry

4,894
PRODUCERS

70,349
EMPLOYED

- High-quality food processing sector has a potential for Serbian agriculture further development. Whether this is processing for the price competitive brands, or small, quality-oriented processing facilities – chances for success are visible especially in the emerging markets. The results were achieved not only due to price-competitive raw materials, but also because of the significant potential in the CEFTA market and the agreements signed by Republic of Serbia.

PROCESSING AND PRESERVING OF MEAT AND PRODUCTION OF MEAT PRODUCTS

506 producers
11,723 employed
€67.8 mill. of exports (2019)
€922.7 mill. of turnover (2019)

BEVERAGES

613 producers
7,312 employed
€142.6 mill. of exports (2019)
€939.6 mill. of turnover (2019)

DAIRY PRODUCTS

260 producers
6,342 employed
€101 mill. of exports (2019)
€683.4 mill. of turnover (2019)

PROCESSING AND PRESERVING OF FRUIT AND VEGETABLES

1,140 producers
10,757 employed
€388.5 mill. of exports (2019)
€911.2 mill. of turnover (2019)

ANIMAL FEEDS

202 producers
3,412 employed
€166 mill. of exports (2019)
€641 mill. of turnover (2019)

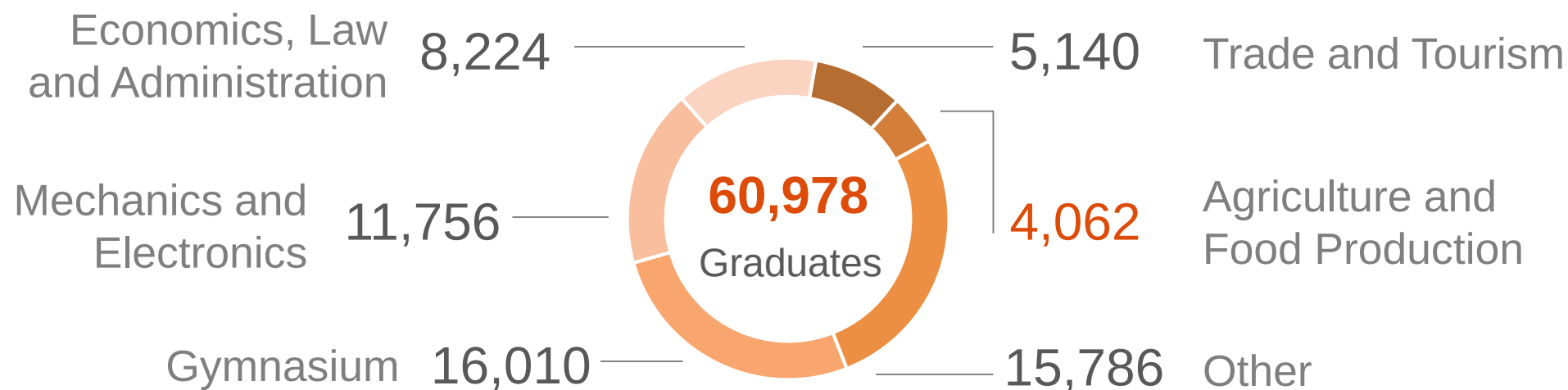
Source: The Serbian Business Registers Agency (APR)

Why Invest in Serbia?

1. Availability of High Quality Labor

High School Education

There are 517 high schools in Serbia, with approximately 60,978 graduates each year:



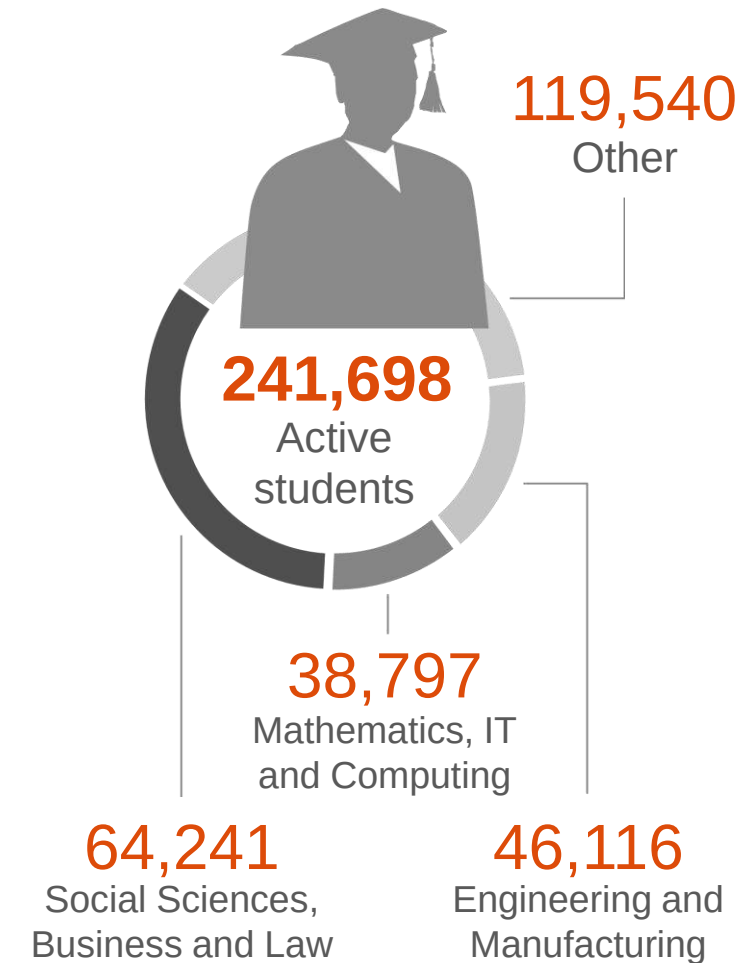
1. Availability of High Quality Labor

University Education

- There are 8 public universities in Serbia (82 faculties) and 10 private universities (48 faculties)
- The number of enrolled students is increasing each year
- University of Belgrade is ranked in top 500 universities in the world according to the Shanghai Ranking (top 200 in Physics and Mathematics)
- Universities have advanced programs in sciences: engineering, IT, physics and mathematics

Serbia is ranked as **22nd** in respect to
Graduates in Science and Engineering
according to Global Innovation Index 2019

(The share of all tertiary graduates in science, manufacturing, engineering, and construction over all tertiary graduates)



1. Availability of High Quality Labor

U21 Ranking of National Higher Education Systems 2019

Serbia's universities are 3rd highest performing in the ranking adjusted for gross domestic product

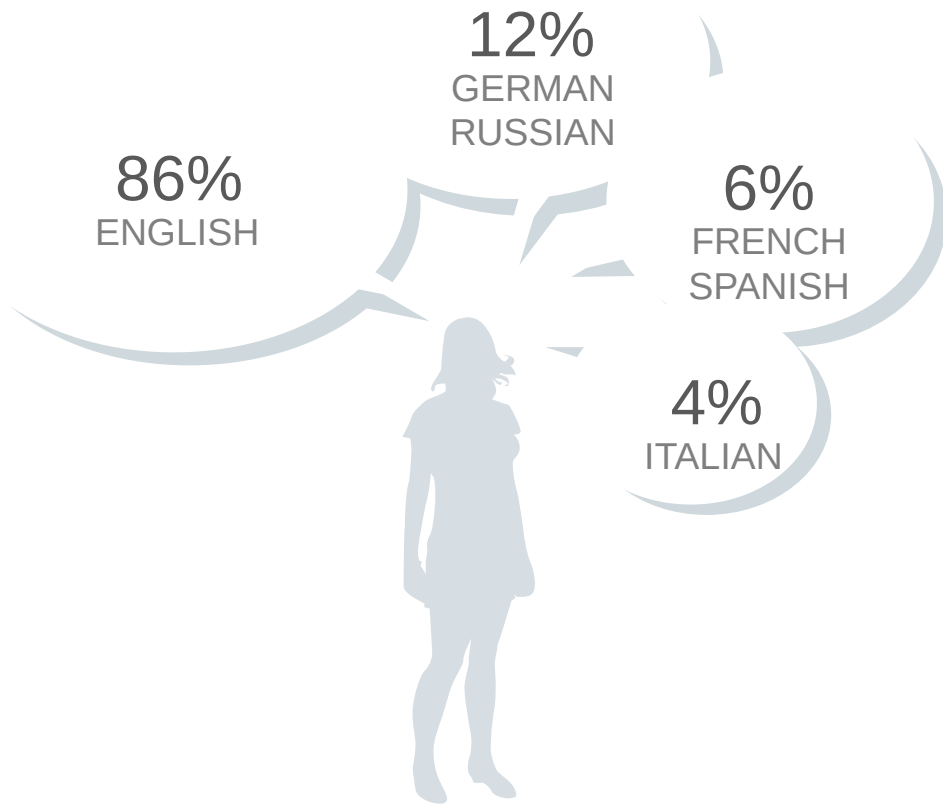
Country	Rank(2019)	Score
UK	1	19.5
Finland	2	19.4
Serbia	3	18.7
South Africa	4	17.2
Denmark	5	16.9
Canada	6	14.6
Sweden	7	13.9
New Zealand	8	13.3
Switzerland	9	13.0
Australia	10	12.7

In 2015, Times Higher Education selected Serbia as one of the eight countries that could be the world's new education superstars!

Ranking was based on a range of academic and economic metrics like research publication rates, higher education participation rates and GDP per head.

1. Availability of High Quality Labor

Foreign Language Proficiency



Percentage of job applicants that speak a foreign language

Although public expenditure on education remains low in Serbia compared to other countries in Europe, Serbia boasts a remarkable level of English proficiency. There is a widespread acceptance in Serbia that foreign language skills are essential for international integration, coupled with education systems that emphasize the importance of English and other foreign languages in knowledge-based economies.

High Proficiency Score Source: EF EPI , EF English Proficiency Index, 2019

17th place in the World (out of 100 countries in the world)

15th place in Europe (out of 33 European countries)

1. Availability of High Quality Labor

Availability of Labor

9.9%

Unemployment Rate

Structure of Unemployed by Level of Education

Level of Education	Number of Unemployed	%
No Education and Primary School	51,600	16.1
High School	190,500	59.3
University and College	78,800	24.6
Total	321,000	100%

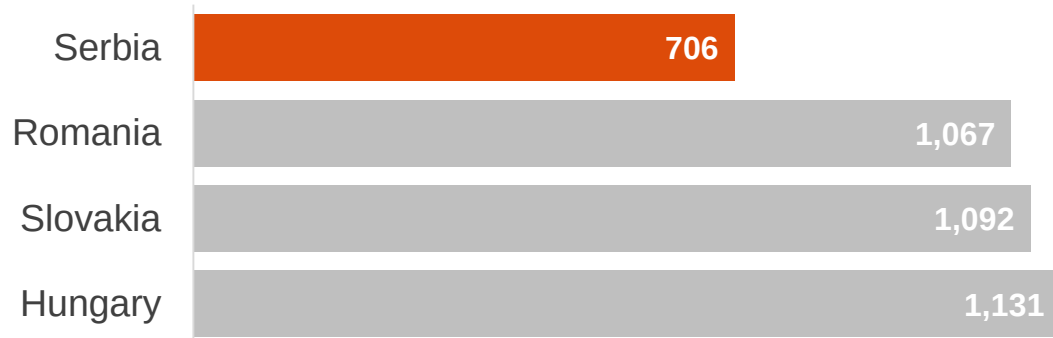
Structure of Unemployed by Age

Age Group	Number of Unemployed	%
15-24	70,800	22.1
25-34	97,000	30.2
35-44	68,100	21.2
45-54	52,100	16.2
55-64	32,600	10.2
65+	400	0.1
Total	321,000	100%

2. Competitive Operating Costs

Serbia Agri-Food

Labour cost (€) GROSS AVERAGE MONTHLY SALARIES



Source: The Vienna Institute for International Economic Studies, 2020

Corporate Profit Tax (%)



Source: KPMG, 2021

Office Space Rental per Month PRIME RENT, SQM FOR €100?



Source: Cushman & Wakefield, Q3 2020

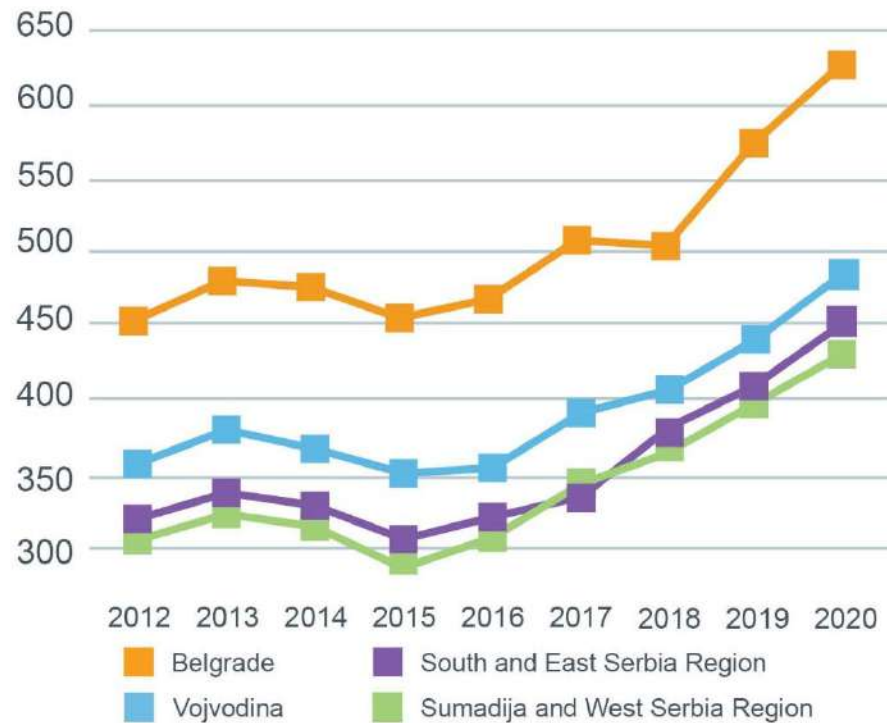
Electricity HOW MUCH KWh CAN YOU BUY FOR €0.50?



* Excluding VAT and other recoverable taxes and levies
Source: EUROSTAT, Q2 2019

2. Competitive Operating Costs

Average Net Salary by Regions (EUR)



Old Build 1-2.5€/m²

New Build 3-5€/m²

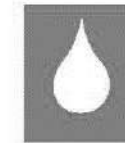
Industrial Facility
Lease Cost



200-400€/m² Average Building Cost



0.067 €/kWh



0.6-1.3 €/m³



0.38-0.42 €/m³

3. Customs-Free Access to 1.3bn Consumers

Serbia Agri-Food

Total: 1.3bn Consumers

USA**

327.2mn Consumers
1.5% of Total Export

EU*

513.2mn Consumers
67% of Total Export

EAEU*

181.5mn Consumers
5% of Total Export

EFTA*

14.2mn Consumers
1% of Total Export

CEFTA*

12.4mn Consumers
17% of Total Export

Japan**

126.5mn Consumers
0.3% of Total Export

Turkey*

82.3mn Consumers
1.6% of Total Export

Australia**

25mn Consumers
0.1% of Total Export

* FTA - Free Trade agreements

**GSP - Generalized System of Preferences

World Bank Doing Business List- Trade Across Border

Country	Rank
Norway	22
Serbia	23
Albania	24
Latvia	25
Bhutan	26
North Macedonia	27
United Kingdom	28

Did you know?

Externally, Serbia can serve as a manufacturing hub for duty-free “made in Serbia” exports to a market of more than 1 billion people that includes the EU, USA, Turkey, South East Europe, the European Free Trade Agreement members, as well as Russian Federation and Eurasian Economic Union (EAEU) member states. This customs-free regime covers most key industrial products.

4. Political and Economic Stability

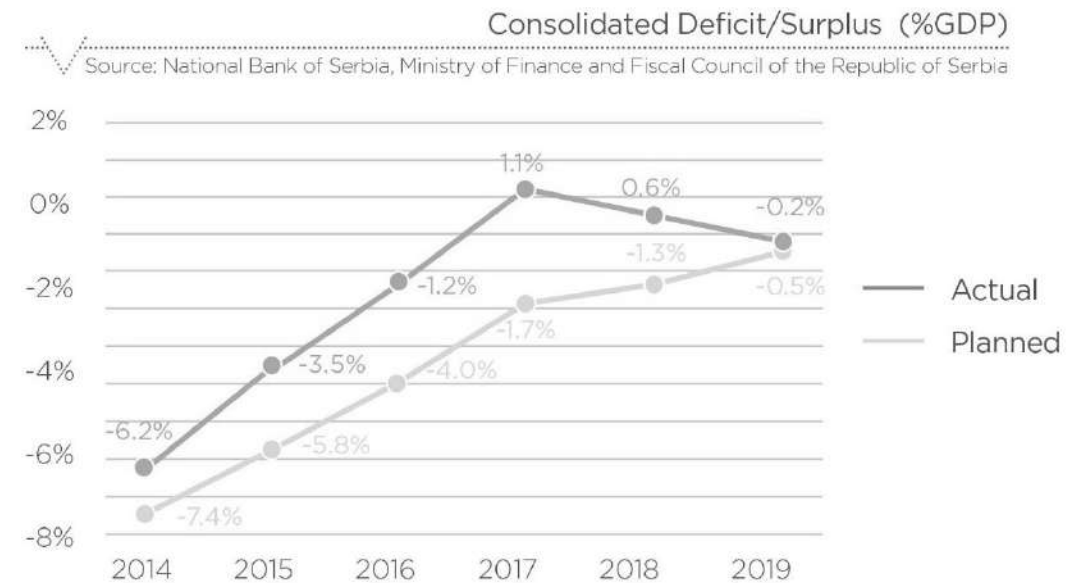
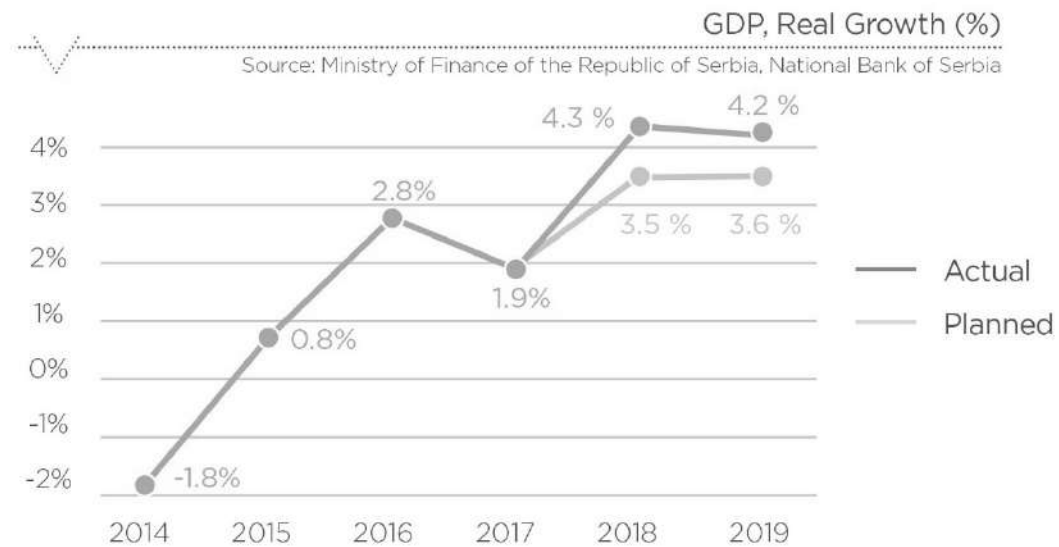
- The Government of the Republic of Serbia is committed to developing a stable and predictable business climate by continuing the implementation of overarching reforms, fiscal consolidation aimed at reducing the national debt, improvement of regional cooperation, investments into infrastructure, and reform of the educational system.
- Over the past year, the Government has improved the business climate by changing the following laws:
 - Labor Law
 - Privatization and Bankruptcy Law
 - Planning and Construction Law
 - Law on Investments

”

The Serbian government has also moved ahead with an ambitious economic and structural reform agenda which will contribute to a more attractive business environment: restoring growth, improving competitiveness and creating new jobs.

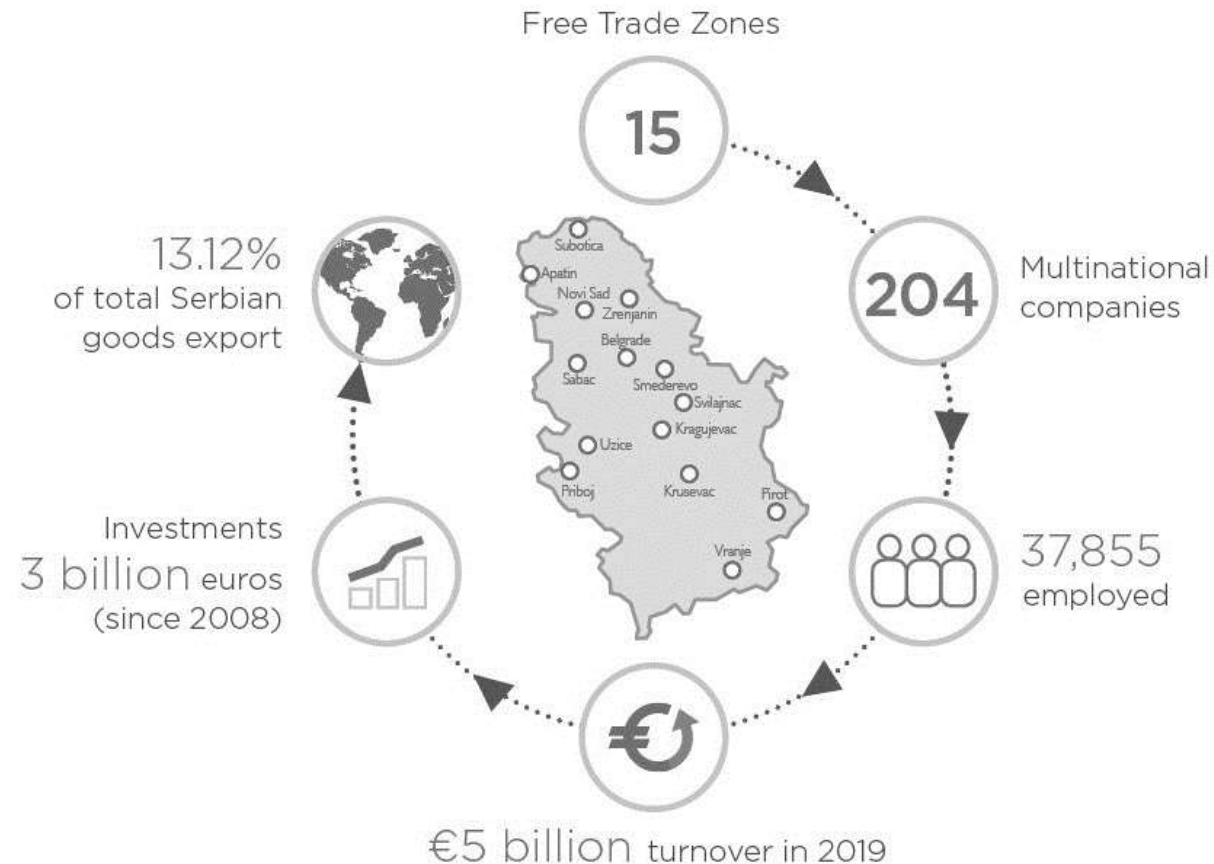
Mr. Johannes Hahn
European Commissioner for European
Neighborhood Policy and Enlargement Negotiations

4. Political and Economic Stability



5. Financial Benefits and Incentives

Free Trade Zones



5. Financial Benefits and Incentives

Financial Incentives

To offset initial capital investments and ease the start-up of business endeavours, the Government of Serbia offers financial support for projects in the manufacturing sectors and services sector which may be subject to international trade.

Payroll Tax Incentives

Employment of people who were registered with the National Unemployment Agency for more than 6 months entitles employers to a sizable relief of taxes paid on net salary from the moment of employment:

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

(payroll tax incentives can't be combined with Financial Incentives)

Corporate Income Tax Incentives

A 10 year Corporate Income Tax Holiday is available for investors who hire more than 100 employees and invest more than 8.3 million euros (1 billion RSD). Tax holiday begins once the company starts making a profit.

5. Financial Benefits and Incentives

LEVEL OF DEVELOPMENT OF THE LOCAL MUNICIPALITY	MINIMUM NUMBER OF NEW JOBS CREATED*	MINIMUM LEVEL OF INVESTMENT*	LEVEL OF INCENTIVES			APPLICABLE TO ALL GROUPS OF LOCAL GOVERNMENTS BY THE LEVEL OF DEVELOPMENT
			Percentage of 2-year gross salaries	Percentage of Investment in Fixed Assets (OPTIONAL)	Bonus for Labor Intensive Projects (OPTIONAL)	
I	50	500,000 EUR	20% MAX 3,000 EUR per employee	+ up to 10%	For 200-500 employees +10% of the sum of 2-year gross salaries For 500-1,000 employees +15% of the sum of 2-year gross salaries For more than 1000 employees +20% of the sum of 2-year gross salaries	INVESTMENT PROJECTS IN THE SERVICES SECTOR min 15 new jobs created min €150,000 * of the eligible investment costs INVESTMENT PROJECTS IN AGRICULTURAL SECTOR AND FISHERIES min 25 new jobs created min €2,000,000 * of the eligible investment costs
II	40	400,000 EUR	25% MAX 4,000 EUR per employee	+ up to 15%		
III	30	300,000 EUR	30% MAX 5,000 EUR per employee	+ up to 20%		
IV	20	200,000 EUR	35% MAX 6,000 EUR per employee	+ up to 25%		
V (Devastated Regions)	10	100,000 EUR	40% MAX 7,000 EUR per employee	+ up to 30%		

- Applies only for investment projects in internationally marketable service sector (minimums for other sectors are higher)
- Not applicable for primary agricultural production

For primary agricultural production incentives are available through Ministry of agriculture

5. Financial Benefits and Incentives

LEVEL OF DEVELOPMENT OF THE LOCAL MUNICIPALITY	LEVEL OF INCENTIVES	
	Percentage of 2-year gross salaries	Bonus for Investment in Fixed Assets (OPTIONAL)
I	20% MAX 3,000 EUR per employee	+ 20% for investment up to € 20,000,000 + 10% for investment from €20,000,000 to €40,000,000 + 5% for investment more than € 40,000,000
II	25% MAX 4,000 EUR per employee	
III	30% MAX 5,000 EUR per employee	
IV	35% MAX 6,000 EUR per employee	
V (Devastated Regions)	40% MAX 7,000 EUR per employee	

REGULATION ON SUBSIDIES IN PRIMARY AGRICULTURAL PRODUCTION AND RURAL DEVELOPMENT

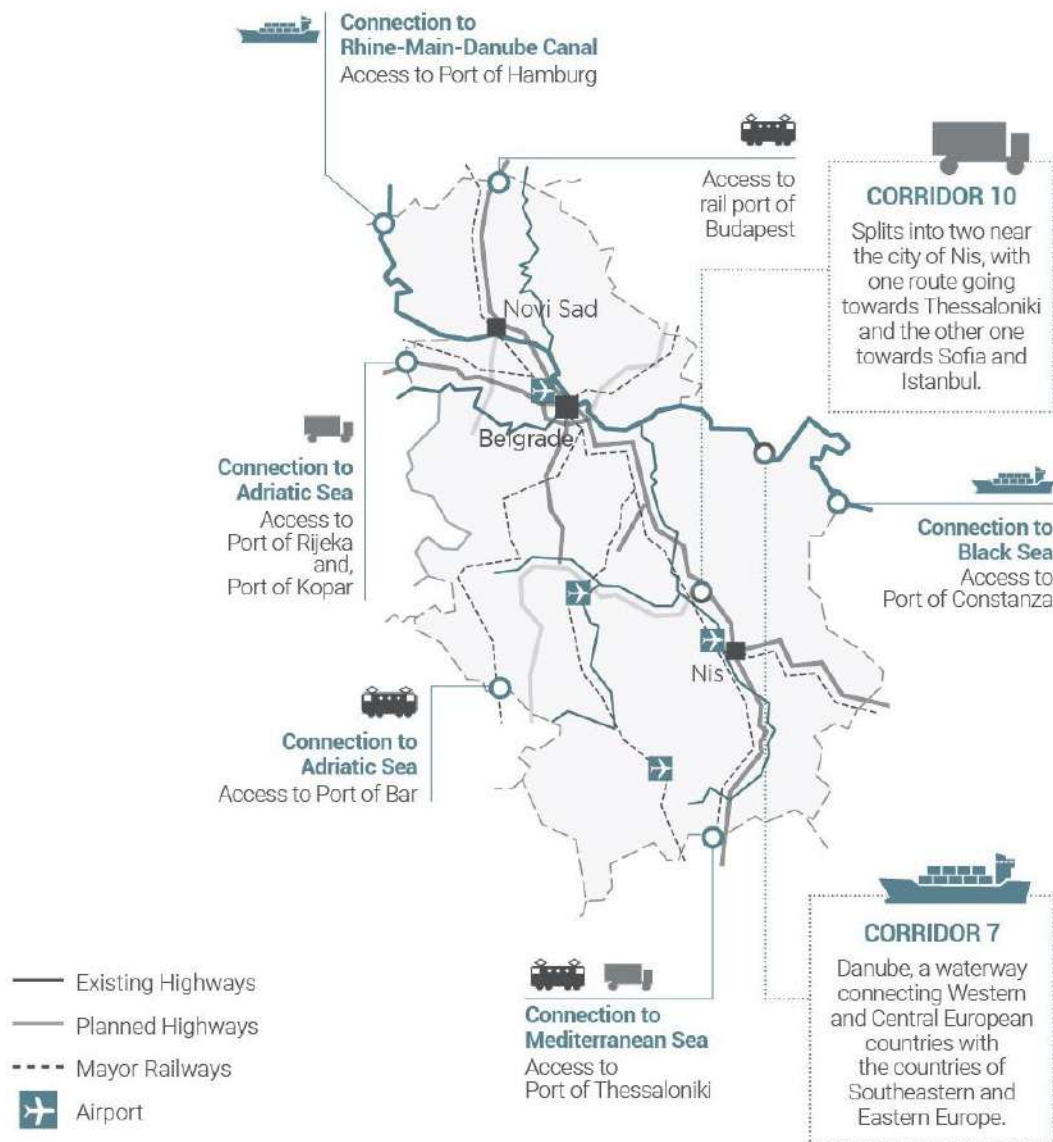
The incentives according to their type listed in the Article 5, paragraph 2 of this Regulation (Published in the "Official Gazette of RS", No. 8/16 of February 1, 2016)are directly paid in their maximum amounts as follows:

- 7 dinars per litre of milk;
- 2,000 dinars per hectare of corps;
- 25,000 dinars per head of high-quality breeding dairy cow;
- 25,000 dinars per head of beef breeding cattle;
- 7,000 dinars per breeding sheep and goats;
- 7,000 dinars per high-quality breeding sows;
- 60 dinars per head of parent stock- heavy breeds of chickens;
- 100 dinars per head of parent stock- light breeds of chickens;
- 300 dinars per head of parent stock turkeys;
- 500 dinars per head of high-quality breeding carp -parent fish;
- 300 dinars per head of high-quality breeding trout -parent fish;
- 10,000 dinars per head of fattening of beef cattle;
- 2,000 dinars per head of fattening of lambs;
- 2,000 dinars per head of fattening of goats;
- 1,000 dinars per head of fattening of pigs;
- 20,000 dinars per head of dairy cows;
- 600 dinars per bee hive;
- 10 dinars per kilo of produced fish;
- Refund for fertilizer will be paid 2,000 dinars per hectare of arable land;
- Refund for the costs of storage in public warehouses will be paid 40 % of the cost of storage.

INCENTIVES AND ELIGIBLE INVESTMENTS IN PRIMARY LIVESTOCK PRODUCTION AND PRIMARY PLANTS PRODUCTION

In accordance with the Rules on Investments in Agriculture, incentives for the support of primary livestock production are granted (as stated in the Official Gazzete of RS number 38/2016). The incentives aim at improving competitiveness and achieving quality standards in agriculture. These incentives make 40 % of the valid cost of investment, or 55 % of it if a holding is in the area with difficult working conditions in agriculture. The maximum amount of these incentives can't be higher than 6,000,000 dinars. These subsidies are intended for purchase of new equipment and machinery in the production of livestock and plant production. Subsidies are also intended for construction of cold storage; construction of grain storage facilities; and construction of facilities for the storage of meat.

6. Optimal Geographic Location



”

The existing infrastructure, speed of issuance of building permits, administrative procedures and existing transport corridors and logistics, provide solid and stable business environment, similar to the business environment in the EU.

Mr. Zivko Topalovic, CEO, ContiTech Fluid Serbia (Continental AG)

6. Easily Accessible

Getting to Serbia is easier than ever!

With the formation of the national airline - Air Serbia in 2013, Belgrade International Airport has increased a number of passengers for over 60%.

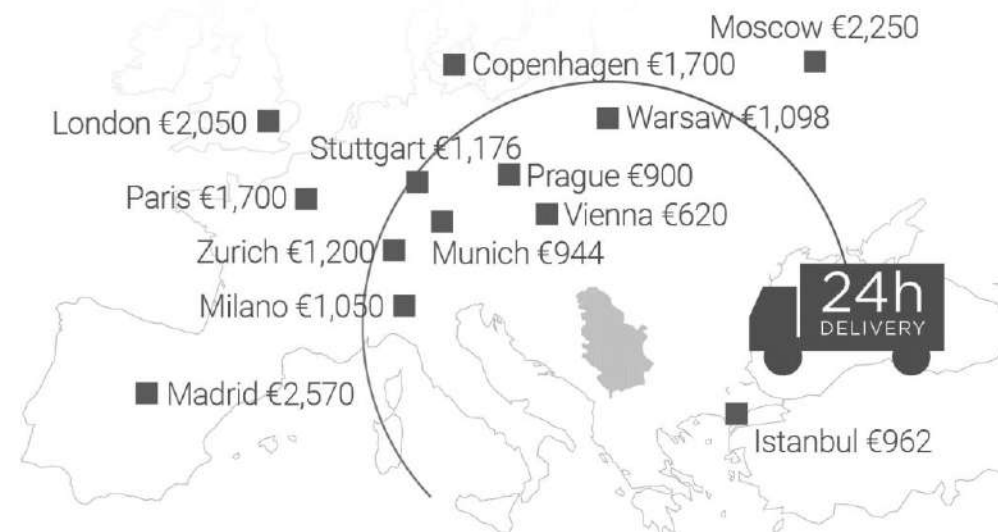
Duration of Flights



Staying close to your customers

Serbia's optimal geographic location keeps you close to your customers with the ability to serve most EU markets by road in less than 24 hours.

Average Road Transportation Costs (1€ per km)



Success Stories

Success Stories

- Ferrero was founded in 1946 in Italy and today it is world's third and Europe's second biggest chocolate producer and confectionery company.
- Also, Ferrero is the world's largest processor of hazelnuts, buying almost 30% of global production.
- Entered Serbia in 2014 through an ambitious plan of developing 20.000 ha of hazelnut farms up to 2020, changing and modernizing country's agriculture picture on a long term.

FERRERO

Success Stories



- Meggle was founded in 1887 in Germany and today ranks among the most renowned manufacturers of dairy products, not only in Europe but also in Asia and America.
- In 2011 Meggle AG made an acquisition of Kragujevac's dairy "Mladost", founded in 1954, beginning its production in Serbia.
- Product range includes fermented and UHT milk products to cheese and cream.
- Entire production process has been adapted to EU rules and regulations, and MEGGLE Srbia is now exporting to European markets.

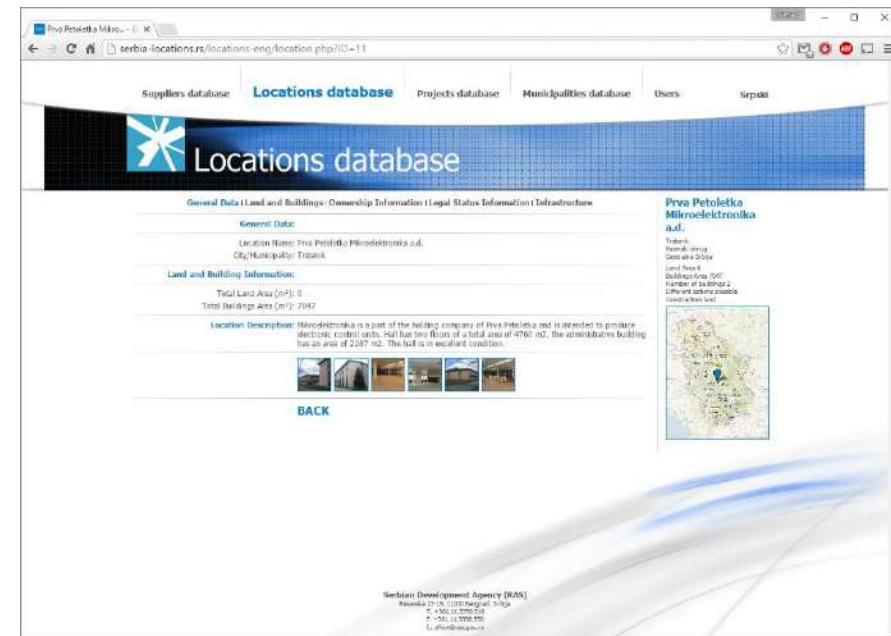
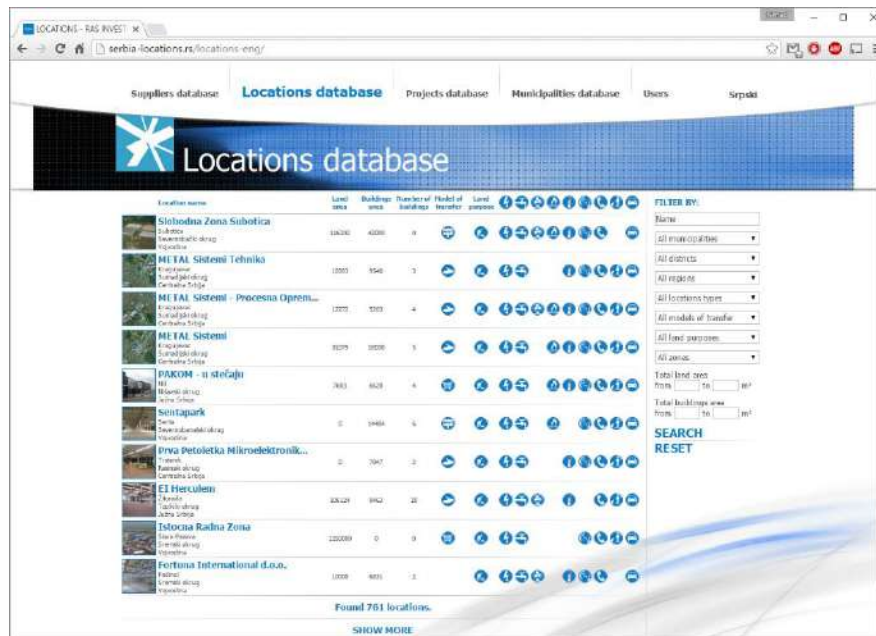
Development Agency of Serbia
RAS

About Us

- Development Agency of Serbia is a government organization dedicated to facilitating and implementing direct investments, promoting and increasing exports, improving the competitiveness of Serbian economy, as well as reputation, and economic and regional development of the Republic of Serbia
- RAS provides support to investors from the initial, question and answer stage of the investment all the way through the implementation and the entire lifecycle of the investment
- RAS Direct Investment Advisors are available at all times to answer any questions or provide assistance

Locations Database

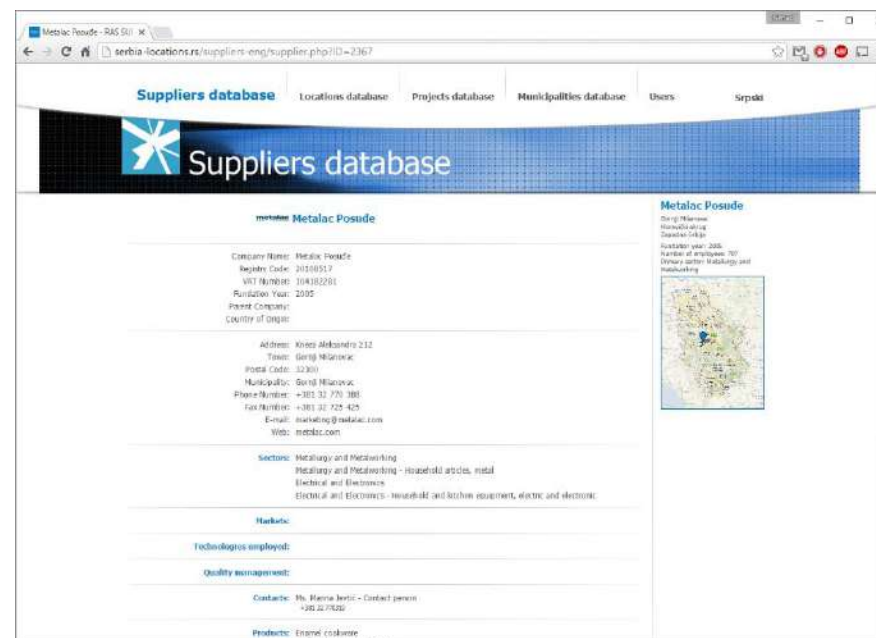
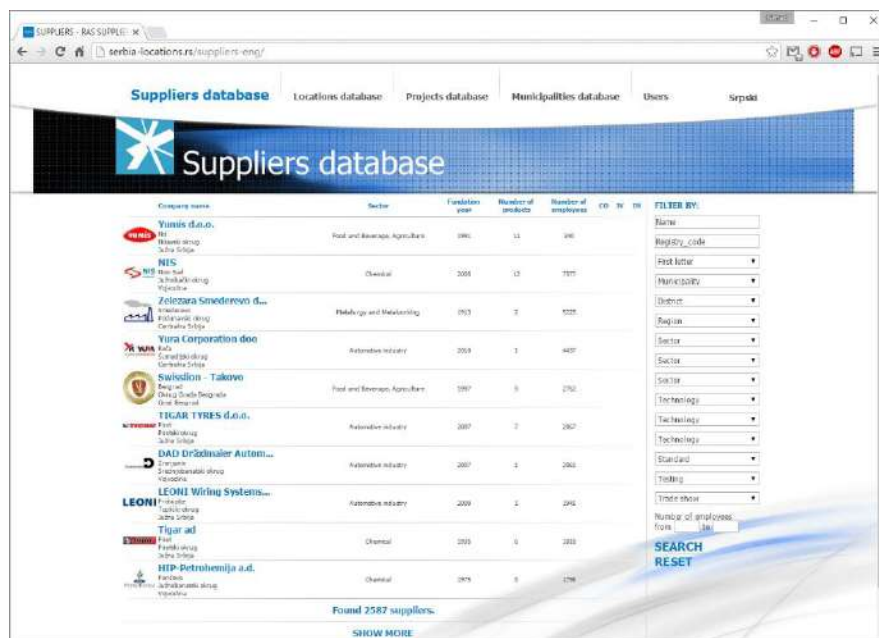
RAS Locations Database represents the most up to date registry of available greenfield and brownfield locations for investment in Serbia including general data, land and building information, ownership information, legal status and infrastructure.



<http://www.serbia-locations.rs>

Suppliers Database

RAS Suppliers Database represents the most up to date registry of companies in Serbia that can supply raw materials, goods and services to investors in Serbia.



<http://serbia-locations.rs/suppliers-eng>



RAS

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