



SERBIA

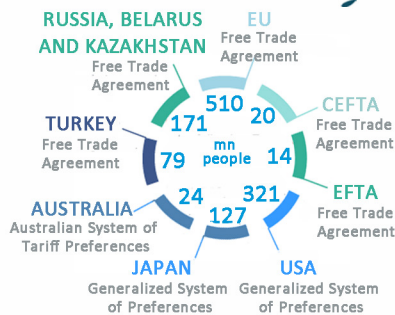
YOUR NEXT INVESTMENT DESTINATION

1 GEOSTRATEGIC POSITION



Goods made in Serbia benefit from several Free Trade Agreements and Generalized System of Preferences which provide simplified placement on markets with more than

1.3bn people



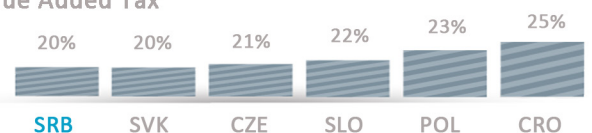
SERBIA AT A GLANCE 2

- Territory: 88,499 km²
- Capital: Belgrade
- Population (2017): 7mn
- GDP (2017): €36.8 bn
- GDP pc (2017): €5,226
- Currency: Serbian Dinar RSD
- Credit ratings: Fitch ratings: BB/stable
Moody's: Ba3/ stable
S&P: BB/positive
- RSD exchange rate (31-03-2018): EUR/RSD: 118.3853
USD/RSD: 96.0842
- EU integration: - Serbia formally started negotiations to join EU on 21st January 2014
- Opened 12 Chapters out of 35 and 2 closed

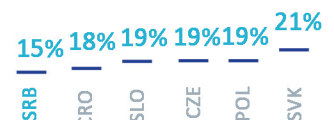


3 FAVOURABLE BUSINESS ENVIRONMENT

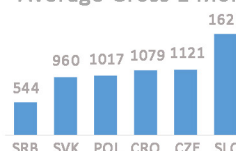
- ✓ Doing Business 2018 (World Bank) 47 (2017) → +4 positions → 43 (2018)
- ✓ New liberalized labour law from 2014
- ✓ World leader by the number of new jobs created per capita in 2016 (IBM Global Locations Trend 2017)
- 1 The first out of 94 countries in the world by the greenfield FDI performance Index (Financial Times)
- ✓ Functional infrastructure
 - transport energy telecommunications
- ✓ Low operating costs
 - The lowest cost of electricity and postal services in the region
 - Strongly motivated workforce
 - Competitive tax policy
- ✓ Fastest average Internet speed in the region (14.2 Mbps)
99.7% of Serbia's population is covered by 3G signal
- ✓ Value Added Tax



✓ Corporate Tax



✓ Average Gross 1 Monthly Salary (EUR), 2017



- Average Net Salary €395
- Total cost for employer (Gross 2) €643

4 ENCOURAGING INVESTMENT REGIME

- ✓ State level incentives
 - Funds are awarded for investment of special purpose or applied to Public Invitation
 - Funds awarded depend on:
 - level of development of municipality
 - size of the company
 - up to 7,000 EUR per job created
 - additional incentives for investing in fixed assets
 - additional incentives for labour intensive projects
- ✓ Local government incentives
 - reduction or exemption of payment of certain local fees or charges
 - benefits for construction or lease of necessary facilities for investment
 - benefits for connecting to local infrastructure
- ✓ Tax incentives
 - Available Corporate Income tax holiday for 10 years for certain investments
 - Treaties on avoiding double taxation with 58 states
 - Tax statement losses may be transferred to the account of the profit declared in the tax statement in future accounting periods (for up to 5 years)
 - Partial compensation of taxes and social contributions payed on salaries for employing unemployed persons

5 FREE ZONES

- Investors' benefits:
 - No customs and import duties for goods required for business operations
 - VAT exemptions for energy consumption, entry of goods or selling of goods and services within zones
 - Import and export of goods and services without any quantitative restrictions
- 14 free zones with 262 companies
- In 2017 the total value of exchanged goods and services within the zones reached €4.9bn
- FZ Pirot has been ranked twice on the list of the best free zones in the world ("Financial Times" 2014 and 2017)

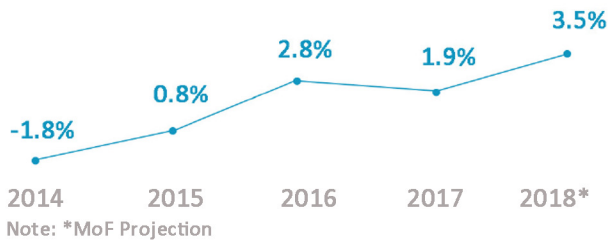
6 HIGHLY QUALIFIED WORKFORCE

- University of Belgrade is ranked as one of Top 300 Universities ("Shanghai" list)
- Highly educated young workforce with around 50,000 university and college graduates, and 75,000 high school graduates every year
- Serbia is the best ranked country in the region and 16th among 72 countries in the world with high proficiency level of English ("Education First" list)

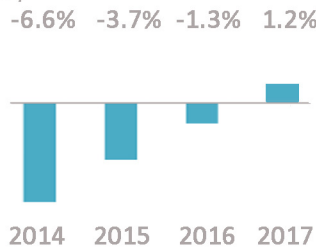


8 MACROECONOMIC BACKGROUND

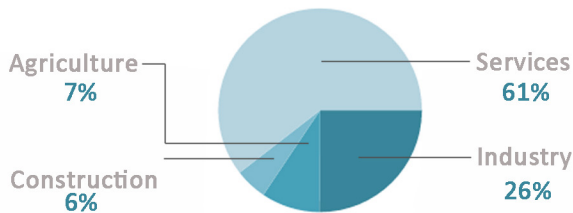
STABLE GDP GROWTH



CONSOLIDATED FISCAL BALANCE (in % of GDP)



GROSS VALUE ADDED STRUCTURE



9 NUMEROUS SUCCESS STORIES



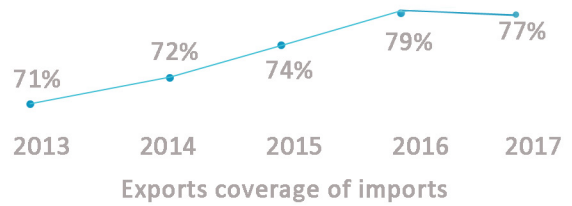
7 CLUSTERS IN SERBIA

- Strong suppliers from Serbia
- More than 500 companies
- Main clusters are from ICT, automotive, textile, metalwork, wood and construction industry

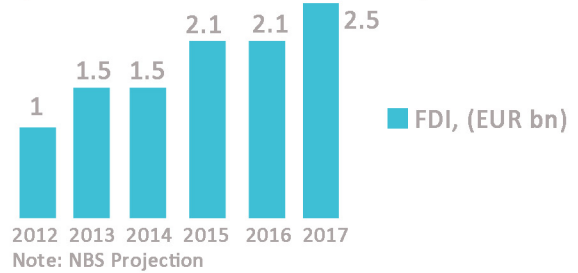


EXPORT-LED ECONOMY

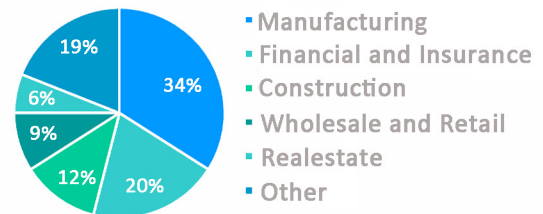
Serbian exports of goods reached record high of €15 bn in 2017



€24bn ALREADY INVESTED (cumulative Inward FDI since 2007)



WELL-DIVERSIFIED FDI PORTFOLIO



LOW INFLATION AND STABLE FX RATE



10 CONTACT

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