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# ELI Newsletter

## Serbia and Montenegro

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### Business News

#### Inside this issue:

<i>Business News</i>	1-2
<i>Agriculture</i>	2
<i>Events in February</i>	3

#### In this edition:

- International financing institutions expanding activities in 2012
- Shipyard Zrenjanin files for bankruptcy
- More automotive investments in Serbia
- Textile and agriculture industries generate trade surplus

#### International financial institutions active in Serbia

The European Bank for Reconstruction and Development (EBRD), announced that it is planning to invest €300m in 20 different projects in Serbia in 2013. The Banks' investments are aimed at enhancing development of the private sector. Part of the financing will also be aimed at supporting consolidation of large companies, privatization financing as well as financing of activities in the energy sector.

The Regional representative of the World Bank announced that the bank plans to allocate between €60m and €100m for energy efficiency projects in Serbia in 2013. The amounts are still preliminary. Minister of Energy Zorana Mihajlovic in turn added that an action plan on energy efficiency has been drafted and should be adopted soon. The Serbian government will continue to subsidize loans for energy efficiency projects.

#### Zrenjanin shipyard Begej files for bankruptcy

The Commercial Court in Zrenjanin initiated bankruptcy procedures of Shipyard Begej. This decision was taken after Vojvodjanska Banka and Begej Holding, as largest creditors of the shipyard, approved the opening of bankruptcy. The shipyard was one of the major companies generating export revenues for the area of Zrenjanin and was known for having restored and upgraded production despite difficult market circumstances. Now there are two Dutch shipyards operating in Serbia, one in Belgrade and one in Kladovo.

#### Serbian Railways to invite bids for procurement of multi-system locomotives

Serbian Railways will invite bids for 15 new multi-system locomotives. It is estimated that this procurement will be worth about €64 million. Financing for this acquisition is provided by EBRD. Locomotives should be delivered at the end of 2014.

#### More automotive industry investments land in Serbia

Canadian Magna and German Draexlmaier are the latest

automotive investments in Serbia. Magna's production plant in Vojvodina will be fully export oriented, as the company is a major supplier to OEMs such as BMW, Mercedes, VW and Ford. Draexlmaier's new facility, worth €6m, will produce cable sets for Fiat's plant in Kragujevac. Draexlmaier already operates a factory in Zrenjanin employing over 800 workers since 2007.

#### Policy on recycling industry and subsidies to be changed

The Serbian Energy, Development and Environmental Protection Ministry has plans for changing policy on recycling industry and legal regulations for subsidies in this sector. According to the minister Zorana Mihajlovic, overall level of subsidies will remain the same but their allocation and use will be redefined after consultations with the industry representatives.

**Serbia's textile industry exported €750m worth of goods in 2012** Exports of Serbian textile industry exceeded €750m in 2012. This is a 4% increase compared with figures from 2011. Tex-

## *Business news (continued)*

Serbian agriculture books over €1bn of foreign trade surplus in 2012

tile industry generates 8,28% of total Serbia's exports and is responsible for 7,59% of the country's imports. In the last several years, investments from Germany, Italy and Austria have improved capacity and competitiveness of Serbian textile industry and enabled it to book a trade surplus. Particularly good export results were observed in subsectors such as leather goods, socks and domestic textiles.

**Swarovski to build a plant in Subotica** Austrian crystal maker Swarovski will start building a factory in Subotica. Swarovski is expected to complete construction and start operating the plant by mid-2014 with first exports leaving Serbia by 2015. The factory will employ 550 workers and estimated value of the investments is €21m.

**Quarzwerke takes over Jugo-Kaolin quartz mines** German corporation Quarzwerke, the largest European company for processing of quartz sands has become the majority owner of Bulgarian company Kaolin. Kaolin used to own Serbian Jugo-Kaolin quartz mines. It has been estimated that quality of quartz mined in Serbia is of good quality and that quantities available are interesting for investors. Jugo-Kaolin plans to export 20.000 tons of quartz sand in 2013.

**Alfa Valvole - possible strategic partner of Prva Petoletka Trstenik** Italian ball valves producer Alfa Valvole is interested in strategic partnership with state owned hydraulic and pneumatic components manufacturer Prva Petoletka from Trstenik (PPT). Letter of intent for strategic partnership has been signed for this purpose. The partnership is expected be in line with the government's plan for recovery and restructuring of PPT. The plan envisages that PPT is split into three companies specializing in different fields such as: defense industry production, light industry and export manufacturing. PPT is known for having excellent capacity and skilled labor for production of big bore cylinders.

**Agriculture and food sector reports surplus in 2012** The agricultural and food sector reported surplus in foreign trade estimated to €1bn. In 20102 Serbia imported slightly more than €1bn worth of goods and exported about €2bn. Exports grew by 2,2% while imports of agricultural products went up 5,4%. Serbian agriculture sector is responsible for generating over a quarter of overall exports while imports are just 7,7% of country's total imports. This information was presented by Serbian Chambers of Commerce (PKS).

## *G2G Renewable Energy*

### **“National Renewable Energy Action Plan for Serbia” to be presented on 27<sup>th</sup> of February 2013 in Belgrade.**

Renewable energy has a strong potential in Serbia. Since 2003, Serbia has developed its energy strategy and established a market-based regulatory framework, enforced by an independent regulator. Since January 2010 the Serbian Ministry responsible for energy sector – Ministry of Energy, Development and Environmental Protection is working together with representatives from the Dutch government to develop a National Re-

newable Energy Action Plan (NREAP). This plan is part of a set of regulations which will improve the use of renewable energy in Serbia. At the event you will be informed about the NREAP, the latest developments with regard to renewable energy and possibilities for financing your renewable energy projects.

The Minister of Energy, Development and Environmental Protection, Mrs. Zorana Mihajlovic will be present at the event and she will receive the copy of NREAP from the Dutch am-

bassador Mr. Laurent Stokvis. During the reception at the end of the event there are plenty networking possibilities.

Participation is free of charge. Registration is necessary and is possible until 25<sup>th</sup> of February 2013. For information and registration: Vesna Simić, Adviser in the Ministry of Energy, Development and Environmental Protection, tel. +381(0)62 88 66 741, e-mail: vesna.simic@merz.gov.rs.

## *Trade fairs in February*

### **Belgrade Fairgrounds**

09.02 - 10.02.2013

Bee keeping Fair - exhibition of the equipment and technologies

21.02. - 24.02.2013.

Tourism fair - arrangements, hotels, trips for coming season. Possible reservations with lower prices.

21.02. - 24.02.2013.

Wine fair - Presentation of wine production, new brands, old and new wineries.

### **Novi Sad Fair**

20.02. - 22.02.2013.

International fair of automatic and robotic, IFAM

20.02.- 22.02.2013.

International fair of industrial and professional electronic, INTRONIKA

20.02.- 22.02.2013.

International fair of plastic and rubber industry, PLAST

20.02.- 22.02.2013.

International fair of, metallurgy, tools and equipment, METAL

28.02. - 02.03.2013.

9th International fair of education

28.02. - 05.03.

19th International book fair

28.02. - 05.03.2013.

18th International art exhibition ART EXPO

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