

07.06.2012

Volume 1, Issue 5



# ELI Newsletter

## Serbia and Montenegro

Source:NBTC - Luider Imago Fotobureau

### *Business News*

#### Inside this issue:

*Business News* 1-2

*Agriculture* 3

*Cultural events in June* 4

#### **Friesland Campina will not buy Serbian dairies**

According to the statement of May 22, Dutch company Royal Friesland Campina will not proceed with the acquisition of Belgrade's Imlek and Mlekara Subotica dairies, both owned by Danube Foods Group. Both sides gave separate releases stating that they did not reach an agreement on the conditions for the acquisition and that negotiations have ended. In February this year Friesland Campina and Danube Foods Group owned by Salford Investment Fund, signed a memorandum of understanding on the acquisition of the two dairies and the Serbian Commission granted permission for the acquisition. The Danube Foods group, also owner of Banat-Bambi and Knjaz Milos, is considering the possibility of consolidation of the food and beverage industry with Imlek becoming the leader of that integration. At the same time, Friesland Campina stated that it will continue to search for opportunities that will enable it to realize its business strategy until 2020.

#### **€650 million investments for a coal mine and a MW350 thermal power plant**

Bids for revitalizing a coal mine and for constructing a thermal power plant unit in

Stavalj, southwestern Serbia, will start by the end of this year. Czech equipment maker and commodity trader Alta is expected to sign a statement on cooperation with the Ministry of Infrastructure and Energy. According to the state secretary of the Ministry of Infrastructure and Energy, the strategic partner is ready to transfer ownership of the power plant to Elektroprivreda Srbije (EPS)

#### **Green for Growth Fund provides a €23 million loan for energy efficiency**

The Green for Growth Fund, Southeast Europe (GGF) signed a €23 million loan agreement with Komercijalna Banka to finance the bank's long-term energy efficiency lending program. This facility is aimed at small and medium-sized enterprises, corporations, public utility companies, municipalities and private households. Komercijalna Banka is one of the biggest banks in Serbia and has the largest branch network in the country. The bank will use the GGF financing to distribute loans for different projects such as improvements of building exterior, replacements on old and outdated heating equipment. This project is expected to result in total energy savings of 92.000

MWh on annual level and a 30.000 tons reduction of CO<sub>2</sub> emissions. GGF is a public-private partnership fund initiated by the European Investment Bank (EIB) and the German development bank KfB to improve energy efficiency and renewable energy in Southeast Europe and Turkey.

#### **Tender for advisor in Serbian railways restructuring**

On May 25, Zeleznice Srbije posted a tender for choosing an advisor to assist in the process of restructures towards becoming a holding company. According to the European Bank for Reconstruction and Development, the aid will also include developing new commercialization plans. Prospective consultants were invited to send their letters of interest to the company by June 13. The job of an advisor is scheduled to start in January 2013 and will last 12 months. The budget for the consulting services, provided by the EBRD is €400.000.

#### In this edition:

No deal for Friesland Campina

Energy related investments

New distribution center in Vojvodina

Agricultural news

Cultural events in June

## *Business news (continued)*

### **Delhaize Serbia will start constructing a distribution center worth €40 million**

Retailer Delhaize will soon start building a distribution center in Serbia. Constructions are expected to be completed in the second half of 2014. The location has not been determined but the town of Stara Pazova, Vojvodina is one of the possibilities. This facility will supply Delhaize's Maxi and Tempo chain of supermarkets and will be able to respond to the growing demands of Delhaize's needs in Serbia. The distribution center will be built on 20 hectares of land not more than 30 kilometers away from Belgrade. Initially Delhaize wanted to employ 500 workers in this center but plans are now to employ another 250 in the next two years. The center that will be operational in two years' time will be the greatest investment of Delhaize in Serbia together with a number of retail outlets, amounting €40 million.

### **€10 million science and technology park constructions in Nis**

The construction of the science and technology park in Nis will start in September. The park will cover 11,000m<sup>2</sup> and will cost €10 million. Funding has been obtained from the European Investment Bank (EIB). According to the Mayor of Nis, Milos Simonovic, some companies are interested in participating in this project and have placed their offers. Telekom Serbia is considering building a data center in the park.

### **€10 million for the distribution center in Simanovci**

Lagermax AED, part of the Austrian Lagermax Group, an international shipping and transportation company plans to extend its logistic and distribution center in Simanovci by September 2012. In total the project will amount €10 million. The distribution center will span 23.500m<sup>2</sup> after completion. Since 2006 Lagermax has been operating in Serbia and employs 86 people.

### **EU invites grants worth €1.8 million during the first round**

The EU Delegation in Serbia has invited applications for the first round of grants worth €1.8 million to lend support to civil society associations in Serbia. These grants will range from €50.000 to €150.000 per project and should cover between 50% and 90% of overall costs. The grants are aimed to strengthen laws, to ensure greater transparency and accountability of public administration and public services and for the fight against corruption. The deadline for submitting applications is July 4. Projects should last between 12 and 18 months. Those eligible to apply include: NGOs, citizens' organizations, professional organizations, cultural and artistic associations, clubs and business associations. The EU will provide a total of €7.5 million for these projects in the next three years.

### **TEDex Binnenhof also in Serbia**

TEDx is coming to the Binnenhof. This international phenomenon provides a venue for thinkers and doers to share their innovative ideas by invitation in brief inspirational presentations. This 'Catwalk for Innovation', which is the theme of this TEDx, will be held on 25 June in the Ridderzaal. In short, carefully prepared talks, speakers will have the opportunity to showcase their ideas on innovative solutions to the challenges of our times. Embassy in Belgrade is one of 40 foreign missions that will organize livestreaming of the event. Local partner of the Embassy for this event will be University of Novi Sad.

**EU grants for civil society associations in Serbia**



*Source: Dutch Ministry of Foreign Affairs*

## Agriculture

### Agricultural news:

- **Subsidies on beef and pork production**
- **Serbian potato back in the EU**
- **DPA visit in Novi Sad**

### DPA/VBT visit in Novi Sad

The Dutch Produce Association (DPA) is the Dutch sector association for marketing organizations of fruit, vegetables and mushrooms. DPA represents the interests of the Dutch fruit and vegetable sector at both national and European level. For that purpose intensive contacts are maintained with authorities and institutes throughout Europe. VBT (Belgium Produce Association) represents and defends, both nationally and internationally, the interests of Belgian producer cooperatives in the fruit and vegetable sector.

Every year, members of the DPA/VBT visit a country with existing or emerging high potential for doing business. This year the DPA together with their Belgian sister organization visited Serbia. On 31 May and 1 June some 41 business representatives from 25 companies from the fruit and vegetables sector from The Netherlands and Belgium followed an intensive program of orientation on the Serbian fruit and vegetables sector including meetings with Serbian producers. At the website [www.agribusiness-nl-srb.com](http://www.agribusiness-nl-srb.com) you can find a brochure with a listing of the companies that will visit Serbia. Short information about each company as well as the list of their executive officers that were part of the delegation is included in the brochure.

### Subsidies for beef and pork production announced

Speaker at the agricultural fair in Novi Sad, outgoing Minister of Agriculture and Trade, Dusan Petrovic announced that the government expects to adopt a decree on subsidies for beef and pork production. He said that the Ministry will propose subsidies of €50 per bull and €5 per pig adding his hope that the government will adopt this proposal very soon.

### Serbian potato again in the EU

The Serbian Chamber of Commerce stated that the ban that had been introduced in 2000, is removed. Serbia can export potatoes again to the European Union. This decision was made by the European Commission, on April 24. The EC stated that Serbia has shown in its reports that an adequate control and a procedure to destroy the bacteria *Clavibacter michiganensis* were conducted since 2009 until the beginning of this year.



*Source: The Netherlands embassy*

## Culture recommendation in June

### Mark Brusse – works on paper at gallery Haos

The exhibition Mark Brusse - works on paper will be opened on Tuesday, 5 June, at 20:00 at the Gallery Haos in Dositejeva Street nr. 3. The exhibition will last until 30 June, the gallery is opened every day from 12:00 to 20:00, except on Sundays. Brusse's works on paper, mostly collages, will be presented.

### Belgrade Design Week

Belgrade Design Week will take place from 4 to 10 June, opening is on 4 June, 20:00 at the National Library of Serbia. Alan John Moseley and Victoria Eleanor Moseley from the agency 180 Amsterdam will give a lecture at FREEDOM<sup>2</sup> conference within the BDW 2012 on Saturday, 9 June. For more information on participants, program and tickets visit

[www.belgradedesignweek.com](http://www.belgradedesignweek.com).

#### Cultural events:

- \* Exhibition by Mark Brusse
- \* Belgrade Design Week

Source: [www.belgradedesignweek.com](http://www.belgradedesignweek.com)

## Contacts

Netherlands Embassy Belgrade  
 Simina 29, 11000 Belgrade, Serbia  
[www.nlembassy.org](http://www.nlembassy.org)  
[bel@minbuza.nl](mailto:bel@minbuza.nl)

To subscribe or unsubscribe please contact Mrs. Ljubca Sibinovic via [lj.sibinovic@minubza.nl](mailto:lj.sibinovic@minubza.nl)