

Office of the Commercial Attache -Embassy of Belgium

Our office represents the three regions of Belgium in Serbia and Montenegro and the three regional agencies specialized in foreign trade - Brussels Invest & Export (www.brussels-export.be), Wallonia Foreign Trade and Investment Agency (www.awex.be) and Flanders Investment and Trade (<http://www.investinlanders.com/en/home/>).

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This newsletter provides the latest business news from Serbia and from Montenegro, offers from Belgian companies as well as opportunities of these markets.

Our intention is to provide you with updated market development news and opportunities, economic projections and demands that may ease your decision on the entrance to the Serbian and to the Montenegrin markets.

Fairs and business networking gatherings are also provided with its dates and places.

Useful contacts and links for more information are provided for your more profound analysis of the Serbian and Montenegrin markets' trends.

Our office remains at your disposal for all additional information.



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SERBIA

Key macroeconomic indicators

	2006	2007	2008	2009	2010	2011	2012	2013	2014	Q1 2015
Real GDP growth (in %) ¹⁾	4.9	5.9	5.4	-3.1	0.6	1.4	-1.0	2.6	-1.8	-1.8
Consumer prices (in %, relative to the same month a year earlier) ²⁾	6.6	11.0	8.6	6.6	10.3	7.0	12.2	2.2	1.7	
NBS foreign exchange reserves (in EUR million)	9,020	9,634	8,162	10,602	10,002	12,058	10,915	11,189	9,907	
Exports (in EUR million) ³⁾	6,948	8,110	9,583	8,043	9,515	11,145	11,469	13,937	14,451	3,527
- growth rate in % compared to a year earlier	30.4	-	18.2	-16.1	18.3	17.1	2.9	21.5	3.7	6.7
Imports (in EUR million) ³⁾	11,970	15,468	18,267	13,099	14,244	16,487	16,992	17,782	18,096	4,432
- growth rate in % compared to a year earlier	24.5	-	18.1	-28.3	8.7	15.7	3.1	4.7	1.8	7.1
Current account balance ³⁾ (in EUR million)	-2,356	-5,474	-7,126	-2,032	-2,037	-3,656	-3,671	-2,098	-1,985	-450
as % of GDP	-9.6	-18.6	-21.1	-6.6	-6.8	-10.9	-11.6	-6.1	-6.0	-6.2
Unemployment according to the Survey (in %)	20.9	18.1	13.6	16.1	19.2	23.0	23.9	22.1	18.9	19.2
Wages (average for the period, in EUR)	260.0	347.1	400.5	337.4	330.1	372.5	364.5	388.6	379.3	344.0
RS budget deficit/surplus (in % of GDP) ⁴⁾	-1.7	-1.6	-1.7	-3.2	-3.4	-4.0	-5.9	-5.2	-6.4	
Consolidated fiscal result (in % of GDP) ⁴⁾	-1.5	-1.9	-2.6	-4.4	-4.6	-4.8	-6.8	-5.5	-6.7	
RS public debt, (central government, in % of GDP)	35.9	29.9	28.3	32.8	41.8	45.4	56.2	59.6	71.0	
RSD/USD exchange rate (period average)	67.03	58.39	55.76	67.47	77.91	73.34	88.12	85.17	88.54	108.15
RSD/USD exchange rate (end of period)	59.98	53.73	62.90	66.73	79.28	80.87	86.18	83.13	99.46	111.42
RSD/EUR exchange rate (period average)	84.11	79.96	81.44	93.95	103.04	101.95	113.13	113.14	117.31	121.50
RSD/EUR exchange rate (end of period)	79.00	79.24	88.60	95.89	105.50	104.64	113.72	114.64	120.96	120.22
MEMORANDUM: GDP (in EUR million) ⁵⁾	24,435	29,452	33,705	30,655	29,766	33,424	31,683	34,263	33,075	7,221

Foreign Trade January-March 2015

The major foreign trade partners in exports in the January-March 2015 period were:

Italy (\$ 618.1 million)
 Germany (\$ 382.7 million)
 Bosnia and Herzegovina (\$ 254.0 million)
 Romania (\$ 213.8 million)
 Russian Federation (\$ 149.7 million)

The major foreign trade partners in imports in the same period were:

Germany (\$ 509.1 million)
 Russian Federation (\$ 484.4 million),
 Italy (\$ 458.2 million)
 China (\$ 385.5 million)
 Poland (\$ 207.6 million)

After EU, Serbian major partner are the CEFTA countries, since the gained surplus in external trade amounted to \$ 344.5 million, resulting mainly from the exports of agricultural products (cereals and produces thereof and various sorts of drinks), as well as exports of footwear and various finished products. Regarding imports, items mainly related to iron and steel, hard coal and briquettes, as well as electricity. Serbia's exports in the mentioned period amounted to \$ 516.7 million, while the imports were \$ 172.2 million. The export-import ratio equaled 300.1 %.

The overall external trade in the Republic of Serbia for the period January - March 2015 fell 11.9% to \$ 7483.7 million, compared to the same period 2014, while expressed in euros it amounted to €6641.3 million - which was an increase of 7.1% compared to the same period 2014.

The value of exports was \$ 3124.4 million, which was 13.5% decrease when compared to the same period last year, while the value of imports was \$ 4359.3 million, which was 10.8% decrease from the same period last year. Decrease of exports and imports, as well as of the overall external trade, expressed in USD, has been caused by USD currency strengthening relative to RSD and also to EUR. According to the forecasts of the experts for currency exchange rates, USD will catch up to EUR and the two currencies will be about equal in the second half of 2015.

Expressed in Euros, the value of exports amounted to € 2773.1 million, up 5.2%, compared to the same period last year, while the value of imports rose 8.5% to €3868.2 million.

The deficit amounted to \$1234.9 million, which was a decrease of 3.0% from the same period last year. The deficit expressed in Euros amounted to €1095.1 million, which was an increase of 18.0% compared to the same period last year.

The export - import ratio equaled 71.7% and was lower if compared to the same period last year when it was 73.9%.

The most exported product groups were:

- road vehicles - \$ 462.9 million
- electrical machines and apparatus - \$ 215.6 million
- cereals and produces thereof - \$ 198.6 million
- fruit and vegetables - \$ 150.3 million
- non-ferrous metals - \$137.8 million. These five sections accounted for 37.3% of the overall exports.

The most imported product groups were

- road vehicles \$ 446.0 million
- natural gas \$ 256.2 million
- oil and oil derivatives \$ 213.3 million
- electrical machines and apparatus \$ 163.7 million
- medical and pharmaceutical products \$ 143.7 million. These five sections accounted for 28.1% of the overall imports.

Export from Belgium to Serbia for the period of January – December 2014 rose 8.4% to €285.2 million, while the value of exports from Serbia to Belgium rose 24.7% to €160 million

The most exported products to Belgium from Serbia in the period January-March of 2015 were

SERBIA BELGIUM (EXPORT – IMPORT January- March 2015)					
		in € 000		Index 14/15	
		Export	Import	Export	Import
TOTAL (JANUARY –MARCH 2015)		36053	84611	85.6	108.7
0 LIVE STOCK AND FOOD					
0	Live stock	-	24	-	56.4
1	Meat and Meat preparations	-	75	-	31.2
2	Fish and seafood	-	304	-	252.7
4	Grains and products	116	134	-	73.4
5	Vegetables and fruits	5817	1293	86.7	118.3
6	Sugar, sugar products and honey	-	214	-	61.9
7	Coffee, tea, cocoa and spices	-	342	-	77.5
8	Cattle feed (except wheat in granules)	126	522	37.5	157.8
9	Different products for feeding	574	477	125.5	153.4
1 BEVERAGES AND TOBACCO					
11	Beverages	20	155	-	494.7
12	Tobacco and tobacco products	6570	5139	85.1	86.3
2 RAW MATERIALS EXCEPT FUELS					
22	Oiling seeds and fruits	61	1	1.9	*
23	Raw caoutchouc	-	350	-	43.4
24	Cork and wood	104	166	54.7	177.7
26	Textile fibers and droppings	-	1591	-	294.3
27	Raw fertilizers and minerals	0	2	-	12.9
29	Animal and herbal raw materials	10	2528	153.5	96.9
3 MINERAL FUELS AND LUBRICANTS					
32	Coal	-	4	-	46.6
33	Oil and oil derivate	0	1120	-	112.6
34	Gas, natural and industrial	-	0	-	4.3
4 ANIMAL AND HERBAL OILS AND GREASES					
41	Animal and herbal oils and fats	-	12	-	10.6
42	Animal and herbal oils and fats, solid	1	-	-	-
5 CHEMICAL PRODUCTS					
51	Organic chemical products	-	1163	-	87.3

The most imported to Serbia from Belgium in 01-03 2015 period were

		5	96	-	40.5
52	Non-organic chemical products				
53	Products for coloring	-	523	-	78.6
54	Medical and pharmaceutical products	3327	6843	227.5	65.1
55	Etheric oils, perfumes, and toilet products	454	713	352.1	77.4
56	Fertilizers (except raw ones)	-	54	-	12.3
57	Plastic materials in primary shapes	184	7296	59.7	103.7
58	Plastic mass in other shapes	79	584	62.0	126.7
59	Chemical materials and products, unmentioned	164	4746	166.3	70.5
7 MACHINES AND TRANSPORT DEVICES					
61	Leather, products of leather and fur	586	3	-	228.4
62	Caoutchouc products	362	389	83.7	82.8
63	Products of cork and wood	979	146	69.2	133.0
64	Paper, cardboard and cellulose products	352	319	153.7	52.7
65	Fibers, textiles, and textile products	3740	1833	105.5	83.1
66	Products of nonmetal minerals	7	312	21.8	89.7
67	Steel and iron	1793	1316	534.4	97.7
68	Non-ferrous metals	1725	798	250.1	285.9
69	Metal products, non-mentioned	1821	589	112.9	133.2
71	Driving machines and devices	7	635	9.1	*
72	Special machines for particular industries	32	1124	19.0	80.7
73	Machines for refining of metals	238	485	51.6	306.7
74	Industrial machines for basic use	980	2972	105.8	230.2
75	Office machines and machines for data processing	126	58	63.7	163.1
76	Telecommunication devices	248	190	12.4	244.3
77	Electrical machines, devices	898	544	72.1	92.4
78	Road vehicles	1013	5461	40.8	103.4
79	Other	1	16	-	-
8 DIFFERENT KINDS OF FINAL PRODUCTS					
81	Prefabricated buildings, sanitary devices	195	75	92.7	316.6
82	Furniture and parts	1804	39	124.8	104.7
83	Traveling accessories	0	4	-	122.6
84	Clothes	4	90	3.6	*
85	Shoes	65	15	*	211.5
87	Scientific and control instruments	4	168	21.3	29.6

88	Photo cameras, watches	10	315	13.1	39.3
89	Different final products, non-mentioned	632	1701	121.1	152.5
9 PRODUCTS AND TRANSACTIONS, NON MENTIONED					
99	other	822	28543	27.7	159.1

BUSINESS NEWS

Metech opens production department in Smederevo-based plant

The Prime Minister of Serbia, Aleksandar Vucic, ambassador and a consul of Belgium, visited "Metech" in Smederevo production department which has recently been renovated was opened.

In the plant for production of metal parts and assemblies made of thin to thick lime sheet, two new machines were put into operation and thus new project, product assembling for Agfa company, started.

The Prime Minister of Serbia invited the guests from Belgium to invest in Serbia "since he guarantees that nowhere in the region they can get better terms". He outlined the Government of Serbia will help in tax on property and profit in the Free zone." "Metech" is Belgium company which opened in Industrial zone in 2008. Then, a total of EUR 12 m was invested in the plant, In 2014, EUR 2,5 m more were poured in new machines and in 2015, some 2,5 m in additional 6.000 m2 of production space and land.

BOTH MALE AND FEMALE LINES FOR SERBIAN PIG PRODUCTION

Serbia may not be known as a major pig producer, the country can rely on a strong tradition and has surely some advantages to further develop it. Vojvodina has the arable land for corn and protein production, the Danube is an exit towards the Black Sea and the traditional link to Russia can make exports easier. On the other hand, the country is preparing the entrance to the E.U.

Farms in Vojvodina are on average bigger compared to the rest of the country. Fully integrated production systems have the land, the pigs and the pig meat processing. The number of sows varies from 700 to 5500. The area of Mačva and Srem is known for smaller sized family farms. The AI center is ideally located to deliver the male line sperm to those farms. Female line production of customers in Vojvodina will be linked towards boars in this AI station via GENMATCH program. They'll keep on importing the terminal sires directly from Europe.

This year, the first shipment of 30 boars of RA-SE Genetics was delivered from Belgium to the new AI station in Gornji Milanovac, around 120km south of Belgrade. Due to low density of pigs in the area and good biosecurity on the farm, the highest health level boars are sent.

It is the only AI station in Serbia that fulfils all EU rules about animal welfare, health status and sperm quality control.

The combination of high health and top quality genetics will undoubtedly be a plus for Serbian pig producers.

Port on Danube to be built with Chinese company

Serbian Infrastructure Minister Zorana Mihajlovic and China Environmental Energy Holdings founder Billy Ngok have signed a memorandum of understanding. The memorandum signed envisages joint work on the project of building and using the port near the Mihajlo Pupin Bridge, on the left bank of the Danube River, starting from joint feasibility study for the project. In case the study turns out to be positive, the two sides will discuss ways to further cooperate on the project: design, construction, equipping and use of the port, including the funding model. The memorandum is part of joint activities of companies from the two countries on the announced realization of China's interest in cooperation in the so-called economic zone of the land part of the Silk Road.

Mid Europa to invest another EUR 100 mln in Imlek, Bambi and Knjaz Milos.

London Investment Fund Mid Europa Partners (MEP), a new owner of Imlek, Bambi and Knjaz Milos, will invest another EUR 100 million in the three biggest Serbia-based companies over the next three to five years. The fund that has bought Dunav Food Group (within which the three companies and two dairy companies in Macedonia and Republic of Srpska) for EUR 575 recently, will do business operations of the firms within a holding company under a new name - Moji Brendovi (My Brands). New management announced ambitious plans for Imlek, Bambi and Knjaz Milos; it is expected from them to become regional leaders in their domains in the future whereas the partner in MEP Fund, Robert Knorr said that the money for further investments would not be a problem.

Vipmobile to invest 30 million EUR by the end of 2015.

The telecommunication company VIP mobile said that it invested 15.5 million EUR during the first three months in 2015 in Serbia. Director of VIP Mobile Andreas Graf said that the largest part of this money was invested in preparations for ensuring the first and largest 4G LTE network in Serbia. Director of VIP Mobile, which operates within the framework of Telecom of Austria group, said that in the first three and half months, the company managed to maintain the stable results since the revenue of 5.5 bil

Chinese companies show interest in investing in Serbian agriculture.

Representatives of companies from China's Hebei province told the Serbian Privatization Agency's representatives on Friday that they were interested in companies in the sectors of agriculture, the food industry, and agrarian machinery manufacture. The two sides discussed the possibility of companies from this Chinese province participating in the privatization process in Serbia, the Privatization Agency said.

Toennies to build 20 pig farms, back agriculture

Toennies Holding CEO Clemens Toennies said in Belgrade that Serbia "has ensured conditions conducive to investments very quickly." He at the same time announced the building of five pig farms for a start, out of the planned 20. After the signing a memorandum of understanding between the Serbian government and German company Toennies, he said that the food will also be produced in Serbia, which means that there will be "a complete chain" of production. The owner of Europe's largest meat producer said that the company knows how to produce and export to world markets, adding that they would like to have closer cooperation with Serbian farmers so they could make a living together. At a joint press conference with Prime Minister Aleksandar Vucic, he said that it is important to back the development of agriculture, adding that he already talked with Minister Snezana Bogosavljevic-Boskovic so as to ensure that Serbia draws on Germany's rich experience.

Belgrade Waterfront contract signed

The contract on joint investments in the Belgrade Waterfront project, worth around EUR 3.5 billion, was signed in Belgrade, "and is expected to provide a significant boost to the Serbian economy, engage the construction industry and ensure new jobs," Tanjug reported. The contract was signed by Serbian Deputy Prime Minister and Minister of Construction, Transport and Infrastructure Zorana Mihajlovic, Mohamed Alabbar, board member at UAE-based company Eagle Hills, and Belgrade Waterfront Director Aleksandar Trifunovic. Under the project, over one million square meters of residential space will be built in an approximately 177-hectare area, along with around 750,000 square meters of business and commercial space, as well as over 62,000 square meters of public buildings (kindergartens, schools, cultural institutions and social welfare and health care institutions) and 242,000 square meters of green space. The project implementation will make it possible for more than 17,000 residents to live in the area, while also providing jobs to around 13,000 people. The Belgrade Waterfront project will spur economic growth and strengthen the cooperation between Serbia and the United Arab Emirates, Eagle Hills board member and project investor Mohamed Alabbar said. After the signing of the contract on joint investments in the project, Alabbar said that the Belgrade Waterfront project on the banks of the River Sava will utilize leading-edge technology and design.

Responding to a reporter's comment that "one part of the public does not believe that the project will be carried out," Alabbar said that his company has operations in 14 countries and that it has implemented projects worth USD 15-20 billion over the past 18 years. If that is not a sufficient guarantee, there are the guarantees from the Serbian and the UAE governments, he said. Belgrade Waterfront is the biggest project of its kind - not only in the region, but in Europe as well, Belgrade Mayor Sinisa Mali said, noting that the project's significance also lies in the fact that it shows that Serbia is capable of creating a positive business environment and attracting and retaining foreign investors. The project contract will take effect once it has been approved by the Commission for Protection of Competition and will subsequently be made available to the public in its entirety, Mali said.

Two groups of citizens gathered on Sunday outside the Belgrade Cooperative building - where the Belgrade Waterfront project contract had been signed earlier in the day - with one group protesting against the signing of the contract and the other backing it. Those who opposed the project carried posters saying "Let us not drown Belgrade" and "Belgrade does not want a bourgeois waterfront district", greeting some ministers with whistles and chants of "Treason, treason!" The citizens who gathered to back the Belgrade Waterfront project applauded city officials, the UAE investors and ministers and later joined them for a tour of the new Sava Nova building, where an exhibition space will be opened to promote the Belgrade Waterfront project, worth around EUR 3.5 billion. The signatories of the contract are the Serbian government and Belgrade Waterfront Capital Investment LLC, owned by the UAE-based Eagle Hills company.

Belgrade-New York flights by end of year - minister

Serbia and the United States will sign an agreement on direct flights in the next few weeks, Serbian Minister of Transport Zorana Mihajlovic said. These flights should be introduced by the end of the year, she added. "Our desire is to do that by the end of the year, but even if it takes place in the first quarter of next year, it is a serious move forward," Mihajlovic said, responding to a reporter's question at the Belgrade airport. The minister said that only service to New York was planned for now, but flights to other U.S. cities would be considered as well. She pointed out that the Serbian government had agreed and adopted the agreement with the U.S. government and it was now only a matter of time before the two countries sign it, adding that it was a matter of protocol.

Finnish company sole bidder for truck maker

The Serbian Privatization Agency has said that Finnish truck maker Sisu is the sole bidder for strategic partnership with the truck and car manufacturer FAP. The agency said that the final decision will be made upon establishing validity of the bank guarantee submitted by the bidder. The commission in charge of selecting the strategic partner for FAP announced that Suomen Erikaisajoneuvot Oy (Sisu), based in Karjaa, Finland, is the only company to submit a bid within the deadline specified in the public invitation. The government of Serbia and Sisu signed a memorandum of understanding in May last year, according to which the company will take over a part of FAP and start the production of new truck models and parts. The project will be carried out with the support of the Serbian government. The investor plans to buy a part of FAP's assets and equipment, and to develop the production capacity of the plant, located in Priboj, southwestern Serbia.

Sale of Komercijalna Bank "in sight"

The sale of Komercijalna Banka (bank), where the government is the biggest shareholder, is in sight and should be completed by 2017. This has been announced by the head of the National Bank of Serbia department for financial institution monitoring Djordje Jevtic. "The privatization is in sight. Certain activities to that end are under way. The end of the process is expected by 2017, while keeping in mind the agreement between Serbia and the strategic partners within Komercijalna banka," Jevtic said at a conference on insurance on Wednesday, which was organized by NIN and sponsored by Tanjug. Komercijalna banka is the leader in Serbia when it comes to foreign currency savings accounts and it is ranked second in terms of its share in the total assets of the banking sector in Serbia. The bank has recorded profits and growth in the past 5 years significantly above average for Serbia, and it has a market share of 13 percent.

The government is the biggest shareholder of the bank, with 42.59 percent of ownership, followed by the European Bank for Reconstruction and Development, International Financial Corporation, DEG from Germany and Swedfund from Sweden.

Italy's Camozzi to invest EUR 10 million in Sabac

Italian company Camozzi has invested in Sabac by acquiring a 7,000 sqm production facility in the local free zone, it was announced on the official website of the City of Sabac. This company will invest a total of EUR 10 million in Sabac and create 100 new jobs, 50 of which will be given to highly educated engineers. The arrival of such a big investor also opens the door to other serious Italian investments in Sabac. Camozzi is a leader in the production of pneumatic components with a tradition spanning more than 50 years and branch offices in over 70 countries of the world. It employs in excess of 2,300 workers across all continents. Camozzi, whose owner is expected to arrive in Sabac next week, will soon kick off preparation works for the start of production.

Developmental Agency of Serbia to be set up, SIEPA and National Agency for regional development to shut down

The minister of trade, Zeljko Sertic, said, that SIEPA and the National Agency for regional development will shut down and the Development Agency of Serbia will be established. The new agency will function in a professional manner and with corporative management it will be at disposal to companies and local self-governance, the minister said. Apart from that, investment offices will be set up which will be managed by mayors and municipal presidents and they will report directly to the republic council for economy. - We will have a channel where in every municipality, everyone will know who is responsible for what. Every president of municipality will know who to contact in the republic, who is the person in charge of projects in his/her municipality – Sertic said. Sertic said the new Law on investments, all domestic entrepreneurs will have the same rights as foreign investors.

Sertic: UAE's Mirabank in Serbia by end of year.

The United Arab Emirates-based Mirabank will highly likely start operations in Serbia in 2015, the Minister of Economy Zeljko Sertic said. Sertic also said that the UAE's Mirabank investment worth USD 300 million would boost economic cooperation and facilitate transactions. According to the data of the National Bank of Serbia (NBS), it is the first greenfield investment in banking sector since 2008. The NBS Governor Jorgovanka Tabakovic said in early 2015 that Mirabank would not be dealing with the operations with the citizens for the first two or three years as well as that the bank planned to invest USD 5 billion in operations in Serbia.

Lidl building supermarket in Uzice

The city of Uzice sold to the German retail chain Lidl a land parcel in the former military barracks for 601,000 EUR, the mayor of Uzice Tihomir Petkovic said. Lidl was the only one that was interested in purchase of the parcel of 7000 square meters and it was ready to pay 44,000 EUR more than the estimated value, which amounted to 557,000 EUR, Petkovic said.

Calzedonia to employ 600 in Ruma

A factory operating as part of Italy's Calzedonia was opened in Ruma on Friday and is expected to employ 600, Serbian Radio and Television RTS has reported. The inauguration ceremony was attended by Prime Minister Aleksandar Vucic and Italian Ambassador to Serbia Giuseppe Manzo. The investment totaled 10 million euros. Calzedonia Group opened Adriana.tex in Ruma in early 2012. This is the third factory to be opened by Calzedonia Group in Serbia and a fourth is expected to be opened in Apatin soon.

Ljajic: Tourism revenue expected to reach 1.3 billion dollars.

Minister of Trade, Tourism, and Telecommunications Rasim Ljajic said on

Friday that Serbia expects this year's revenue from tourism to exceed 1.3 billion dollars, while the number of tourists is expected to rise by 10 percent. "Serbia is one of the few countries in Europe that has been recording a doubling of the number of foreign tourists over the past few years," Ljajic said.

Bidding for sale of FAD to be held on June 29.

The Privatization Agency has advertised the sale of the factory of car parts, FAD, which is in receivership and whose assets are estimated at 750 million dinars. A public bidding is scheduled for June 29 and the reserve price is 375 million dinars. Potential buyers are required to pay a deposit of 150 million dinars. FAD's assets comprise production facilities, equipment, stockpiles, and claims. The factory was privatized in 2007, when it was sold to Belgrade-based ITH Company. It has been in receivership since November 2013.

Fiat and Steelworks still biggest exporters in Serbia.

The worth of the export of the 15 biggest exporters in Serbia in the first four months of this year was 1.2 billion euros, and the biggest one is still Fiat Chrysler Automobiles (FCA) Serbia in Kragujevac with export of 458.4 million euros, the Ministry of Finance announced. The net value of the export of FCA cars from January to April this year was 159.5 million euros. In 2014, the overall export of that company was 1.36 billion euros. In second place is the Smederevo Steelworks, whose export in the first four months of 2015 was worth 114.8 million euros and in 2014, 200.8 million euros. At the top of the list of biggest exporters is also Tiger Tyres from Pirot, the Serbian Oil Industry, Tetrapak from Belgrade, Hemofarm from Vrsac and other companies, they said in the Ministry of Finance

PKS: Export of fruit and vegetable for Russian chain Tander Magnit agreed on.

Serbian fruit and vegetable, as well as processed products of some of them, will soon be on the shelves of the leading Russian trade retail chain Tander Magnit, the Chamber of Commerce of Serbia (PKS) said. Serbian companies presented their production programs with regard to fresh fruit and vegetable to the delegation of Tander Magnit, which is on a visit to Belgrade and details about harmonizing the contract remain to be finalized, it was concluded

Levies introduced for imports of milk and dairy products.

The Serbian government has introduced levies (import taxes) for milk amounting to 10 to 20 dinars and 10 to 30 dinars for sour-milk products, Minister of Agriculture and Environmental Protection Snezana Bogosavljevic Boskovic told the Beta agency. By those means the state wants to protect local producers as much as possible, who are in a much more difficult position in comparison with European farmers, since they do not receive financial support. According to the data of the Customs Administration, in the first five months of this year almost 3.5 times more milk was imported from the EU to Serbia compared to the same period last year, while the introduction of import taxes is in accordance with Article 32. of the Stabilization and Association Agreement, and is just an additional attempt to protect the Serbian agriculture in order to prepare it for the open market game in the EU, Minister of Agriculture said

The Finish at tender for replacement of 7200 elevators in Belgrade

The mayor of Belgrade, Sinisa Mali, said yesterday in Helsinki that he will discuss with representatives of Finish company "Kone" potential public-private partnership in replacement of 7.200 old elevators which "Gradsko stameno" company in Belgrade specified that should be changes, the city administration of Belgrade announced. Finish "Kone", with an annual profit of EUR 7,3 billion acquired Serbian company "Eurolift" and accepted to see the option to participate in public private partnership with the City of Belgrade in replacement of mentioned number of elevators for which "Gradsko stameno" defined they should be replaced – Mali said. The mayor said tender for selection of partner in replacement of elevators should be done by the end of the year and that it is good there is already a definite participant in tender.

FAIRS IN June September 2015



7th INTERNATIONAL DEFENCE EXHIBITION - PARTNER 2015

Hall 1, Hall 4
23.06.2015 - 26.06.2015 www.partner.mod.gov.rs

Arms and military equipment. Components and spare parts. Military products usable for non-military purpose.



14th PACKTECH EXPO BALKAN

Hall 1
16.09.2015 - 19.09.2015 www.alexpo.co.rs

Machines and technical packing equipment etc...



1st FOODTECH BALKAN 2015

Hall 4
16.09.2015 - 19.09.2015 www.alexpo.co.rs

International Trade Fair of Technologies, Machines and Equipment for Food Processing.



6th BIOBALKAN EXPO 2015

Hall 4
16.09.2015 - 19.09.2015 www.alexpo.co.rs

International Organic Foods, Processing Technologies, Machinery and Equipment Exhibition



37th INTERNATIONAL GRAPHIC AND PAPER INDUSTRY FAIR

Hall 4

30.09.2015 - 03.10.2015 www.sajamgrafima.rs

Raw materials and accessory materials for graphic industry, graphic equipment, spare parts, finished products, graphic services.



23rd INTERNATIONAL IT AND OFFICE EQUIPMENT FAIR

Hall 4

30.09.2015 - 03.10.2015

Bureau equipment, office machinery, stationery, furniture and supplies, business goods and gifts, decoration and photo product range

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MONTENEGRO

Industrial production in Montenegro in May increased 6.7% for period January-May 2015 compared with the same period of previous year. Compared to average monthly production from previous year industrial production decreased 15.3%. Compared with the same month of previous year the production stay on the same level. Industrial production in Montenegro in May decreased 24.3% compared to previous month. At the sector level, period January-May 2015 compared to the same period of the previous year, there was an increase in the production for the observed period in sector manufacturing 13.5%, while it decreased in sectors mining and quarrying 1.5% and electricity, gas, steam and air conditioning supply 0.3%.

The total external trade of Montenegro for period January-March 2015 is EUR 431.2 million, indicating the growth of 4.9% in comparison with the same month of the previous year. The value of exports of goods is EUR 74.5 million, what is 7.2% more compared to the same period of previous year, and imports are EUR 356.8 million, what is 4.4% more compared to the same period of previous year. The coverage of import by export is 20.9%, and it is higher compared to the coverage for the same period of previous year, when it was 20.3%.

Main trading partners in exports with individual basis were: Serbia (EUR 16.9 million), Italia (EUR 13.2 million) and Bosnia and Hercegovina (EUR 13.1 million). Main trading partners in imports with individual basis were: Serbia (EUR 93.2 million), China (EUR 33.7 million), and Bosnia and Hercegovina (EUR 28.2 million). The highest external trade trend was with CEFTA and EU countries.

In the 01-03 2015 period the total exports from Montenegro to Belgium were 0.2 million euros, while imports to Montenegro from Belgium were 1.7 million euros.

CN \ FLOW	1:Import	2:Export
02:MEAT AND EDIBLE MEAT OFFAL	1,021,619	0
07:EDIBLE VEGETABLES AND CERTAIN ROOTS AND TUBERS	26,709	0
18:COCOA AND COCOA PREPARATIONS	19,719	0
19:PREPARATIONS OF CEREALS, FLOUR, STARCH OR MILK; PASTRYCOOKS" PRODUCTS	21,955	0
20:PREPARATIONS OF VEGETABLES, FRUIT, NUTS OR OTHER PARTS OF PLANTS	9,619	0

21:MISCELLANEOUS EDIBLE PREPARATIONS	917	0
22:BEVERAGES, SPIRITS AND VINEGAR	11,782	45,920
27:MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES	42,377	0
30:PHARMACEUTICAL PRODUCTS	70,806	0
32:TANNING OR DYEING EXTRACTS; TANNINS AND THEIR DERIVATIVES; DYES, PIGMENTS AND OTHER COLOURING MATTER; PAINTS AND VARNISHES; PUTTY AND OTHER MASTICS; INKS	46,804	0
33:ESSENTIAL OILS AND RESINOIDS; PERFUMERY, COSMETIC OR TOILET PREPARATIONS	2,106	124,550
34:SOAP, ORGANIC SURFACE-ACTIVE AGENTS, WASHING PREPARATIONS, LUBRICATING PREPARATIONS, ARTIFICIAL WAXES, PREPARED WAXES, POLISHING OR SCOURING PREPARATIONS, CANDLES AND SIMILAR ARTICLES, MODELLING PASTES, DENTAL WAXES™ AND DENTAL PREPARATIONS WITH A	8,023	0

35:ALBUMINOIDAL SUBSTANCES; MODIFIED STARCHES; GLUES; ENZYMES	3,113	0
37:PHOTOGRAPHIC OR CINEMATOGRAPHIC GOODS	15,347	0
38:MISCELLANEOUS CHEMICAL PRODUCTS	24,260	0
39:PLASTICS AND ARTICLES THEREOF	6,051	200
40:RUBBER AND ARTICLES THEREOF	2,120	0
44:WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL	15,262	1,459
48:PAPER AND PAPERBOARD; ARTICLES OF PAPER PULP, OF PAPER OR OF PAPERBOARD	5,723	0
49:PRINTED BOOKS, NEWSPAPERS, PICTURES AND OTHER PRODUCTS OF THE PRINTING INDUSTRY; MANUSCRIPTS, TYPESCRIPTS AND PLANS	2,537	0
52:COTTON	5	0
54:MAN-MADE FILAMENTS; STRIP AND THE LIKE OF MAN-MADE TEXTILE MATERIALS	4,603	0
55:MAN-MADE STAPLE FIBRES	6,407	0
56:WADDING, FELT AND NONWOVENS; SPECIAL YARNS; TWINE, CORDAGE, ROPES AND CABLES AND ARTICLES THEREOF	433	0

57:CARPETS AND OTHER TEXTILE FLOOR COVERINGS	29,112	0
59:IMPREGNATED, COATED, COVERED OR LAMINATED TEXTILE FABRICS; TEXTILE ARTICLES OF A KIND SUITABLE FOR INDUSTRIAL USE	339	0
60:KNITTED OR CROCHETED FABRICS	3,712	0
61:ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, KNITTED OR CROCHETED	4,581	0
62:ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, NOT KNITTED OR CROCHETED	3,849	0
63:OTHER MADE-UP TEXTILE ARTICLES; SETS; WORN CLOTHING AND WORN TEXTILE ARTICLES; RAGS	462	0
65:HEADGEAR AND PARTS THEREOF	4,069	0
68:ARTICLES OF STONE, PLASTER, CEMENT, ASBESTOS, MICA OR SIMILAR MATERIALS	140	0
70:GLASS AND GLASSWARE	11,237	0
72:IRON AND STEEL	0	21,319
73:ARTICLES OF IRON OR STEEL	4,634	0
74:COPPER AND ARTICLES THEREOF	42	0

82:TOOLS, IMPLEMENTS, CUTLERY, SPOONS AND FORKS, OF BASE METAL; PARTS THEREOF OF BASE METAL	567	0
83:MISCELLANEOUS ARTICLES OF BASE METAL	469	0
84:NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	136,462	6,745
85:ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES	36,198	225
87:VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING STOCK, AND PARTS AND ACCESSORIES THEREOF	68,575	0
90:OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF	57,322	0

94:FURNITURE; BEDDING, MATTRESSES, MATTRESS SUPPORTS, CUSHIONS AND SIMILAR STUFFED FURNISHINGS; LAMPS AND LIGHTING FITTINGS, NOT ELSEWHERE SPECIFIED OR INCLUDED; ILLUMINATED SIGNS, ILLUMINATED NAMEPLATES AND THE LIKE; PREFABRICATED BUILDINGS	3,819	0
96:MISCELLANEOUS MANUFACTURED ARTICLES	762	0

BUSINESS NEWS

Montenegro Cuts Taxes on Chinese Highway Builders

The Chinese companies chosen to construct the priority section of the Bar-Boljare highway will not have to pay any taxes in Montenegro or customs duties for the import of materials.

Montenegro is exempting Chinese contractors and subcontractors working on a new highway from paying VAT, customs duties, taxes and fees for engaging foreign workers and corporate income tax.

The Tax Administration said new laws prescribed the tax exemption for the procurement of products and services for the planned new highway. Last October, Montenegro signed a loan arrangement with China's Exim Bank for 700 million euro, which will cover most of the total of 809 million euro required for the construction of the 40-kilometre-long priority section. Chinese contractors will have to purchase stamps to prove that their purchases are related to the construction of the highway, the Tax Administration added. The Chinese will also pay three times less excise taxes on fuel imports and, in case of disputes over construction and financing contracts, the competent courts will be in Beijing. Montenegro has selected the Communications Construction Company and its subsidiary, China Road and Bridge Corporation, to construct the priority section of the highway.

The government says the most important development project in years will improve Montenegro's economy and reinforce connections between different parts of the country. Opposition parties and some civil sector groups oppose the project, however, saying it is too expensive and could jeopardise macro-economic stability.

The European Commission and the International Monetary Fund have also expressed concern that the cost of the highway will be a burden on the budget. In last November, the IMF said Montenegro's national debt could spiral upwards because it took out such a big loan.

Abu Dhabi Fund Loans Cash to Montenegrin Farming

Montenegro plans to expand its agricultural exports and create new jobs in the sector, using a loan of 50 million US dollars from the Abu Dhabi Fund for Development. Mohammed Al Suwaidi, the director general of the fund, on Thursday signed the loan agreement with Petar Ivanovic, Montenegro's Minister of Agriculture and Rural Development. Ivanovic said the loan would be used to boost agricultural production in the small and largely mountainous Adriatic country. The loan from Abu Dhabi would help to create new jobs in the farming sector and expand exports, he said, mentioning a target figure of 2,000 new jobs. "Montenegrin farmers will get the opportunity to export their products to the United Arab Emirates," Ivanovic noted. "To help them, we have started intensive discussions with representatives of agencies and institutions involved in the issue of certificates for export," he explained. Ivanovic recalled Yugoslav once exported goat meat to the Middle East and that the loss of this market had hit producers in Montenegro. "We are in the process where we are trying to increase agricultural production, focus more on products where we can be competitive and export those products," he said. The Abu Dhabi loan must be repaid over 17 years with a grace period of four years and is charged at an interest rate of 2.5 per cent.

Montenegro Earns More From Arms Exports

The latest report on the arms trade in Montenegro prepared by a government ministry notes that the value of exports rose significantly in recent years. Montenegro's annual national report on the weapons trade said the country exported arms worth around 11 million euros over the last year, a rise of 41 per cent in value in comparison to previous years. The Ministry of Economy report, which BIRN has seen, contains information on each export licence issued, a description of the goods, the number of items involved and the total value. The list of countries to which Montenegro sold weapons includes Serbia, Ukraine, Bulgaria, Austria, Bangladesh Iraq and Pakistan. Montenegro exported ammunition and fuses for munitions, aviation equipment for military use, rockets, other explosive devices and naval equipment. When it comes to imports of military equipment, Montenegro bought arms worth about 6.6 million euro, mostly from Serbia, Bosnia, Croatia and Germany. During the last year, companies from Montenegro also bought weapons from Italy and Slovenia, mostly ammunition and electronic equipment for military use. The report said 37 companies are registered to trade in controlled goods in Montenegro and 187 export-import licences were issued in 2014. The largest importer and exporter is the Montenegro Defence Industry, MDI, a state owned company recently sold to the Belgrade-based CPR Impex and Israel's ATL Atlantic Technology Ltd for 680,000 euro.

Montenegro Expects 2.5 Billion Euro Tourism Boost

The government said it expects at least 2.5 billion euro of foreign investment in tourism over the next five years, mainly in large projects on the coast. A government report on the implementation of priority projects in the tourism sector, which BIRN has seen, said that the country is looking forward to a huge boost from tourist-related investment. Fourteen development projects started in 2014 are undergoing expansion and over 250 million euro in investment is expected this year. The expected inflow of cash relates mainly to the luxury coastal resort of Porto Montenegro and Lustica Bay in the town of Tivat and Portonovi near the town of Herceg Novi. The investment in the Montenegrin tourism is planned by Orascom Development Holding from Switzerland for the five-star Lustica Bay resort in Tivat. The total investment amounts to around 1.1 billion euros. The Qatar state investment fund, Qatari Diar, which has begun construction of a resort worth 250 million euro on the coast, will invest around 30 million this year in preparatory work on the Blue Horizon complex. Sales of several hotels in Podgorica and on the coast are expected to bring the government more than 20 million euro. Away from the coast, the largest tourism project – the building of a Hilton hotel - started in the capital Podgorica in 2014. A total of 21.4 million has been spent on the construction so far, while an additional 15 million euros is to be invested by the end of this year. Millions are also to be invested in two winter resorts in the towns of Kolasin and Zabljak in the north.

Montenegro are starting black gold digging

Montenegrin minister of economy, Vladimir Kavacic, said that the first drill hole in oil and gas exploration will be at least 20 km far from the coast. He outlined the best practice which guarantees maximal environmental protection must be applied. - In estimation of oil and gas exploration offers, we will pay major attention to method oil companies will using Montenegrin carbon-oxygen resource if discovered- Kavacic said in his interview for "Analitika" portal. If assumptions from the first tender process are confirmed, the first drilling can be expected at location which is more than 20 km far from the coast. Mentioning that the government is negotiating on the best terms for the country, he added that in the next weeks he expects Montenegro will have drafts of the contract with oil companies for oil exploration ready

FAIRS IN MONTENEGRO June September 2015

Adriatic Fair - <http://www.adriafair.co.me/>

37th Civil Engineering Fair • 23rd - 27th September 2015

10th Water – water supply systems– sanitary technologies fair • 23 - 27 September 2015

3rd Energy Fair • 23 - 27 September 2015

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