

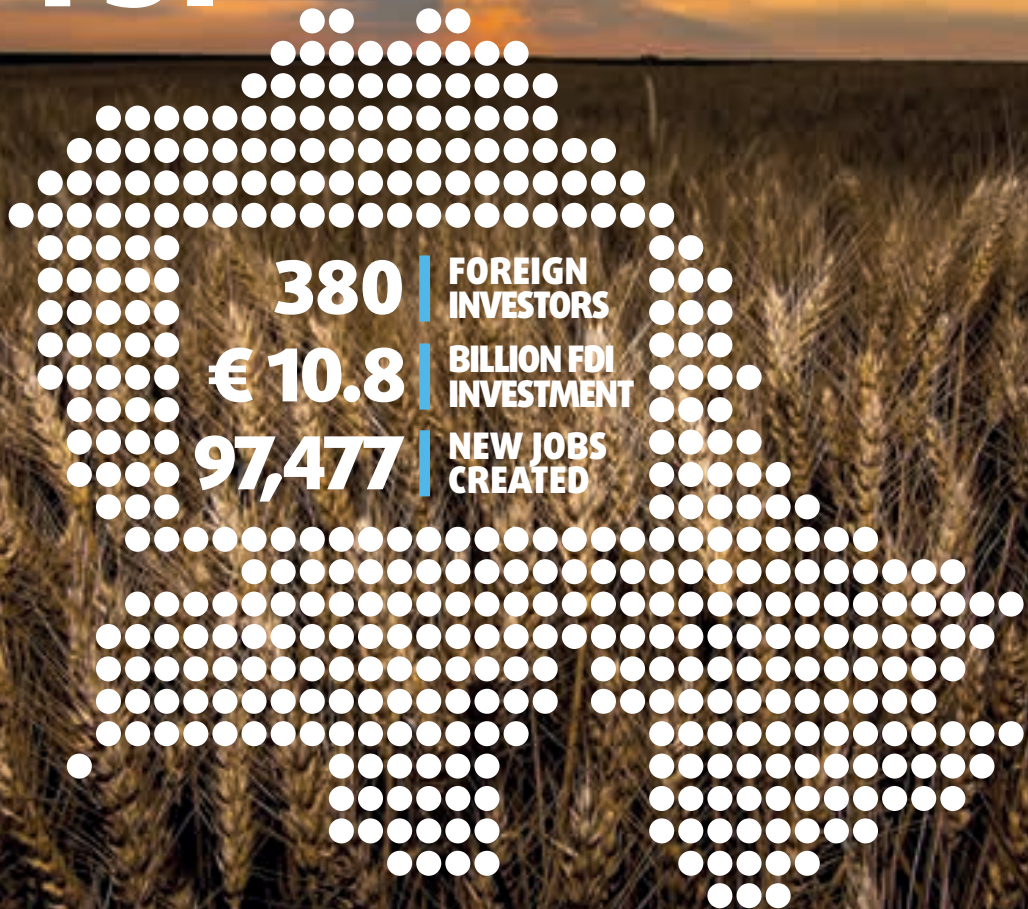
# INVEST IN VOJVODINA



# VOJVODINA DEVELOPMENT AGENCY

[www.rav.org.rs](http://www.rav.org.rs)

# FDI





If you seek to sharpen your **competitive** edge and be one step ahead of your competitors, **Vojvodina** is the right place to grow your **profits**.

Vojvodina is located in the northern part of the Republic of Serbia, enclosed by the EU border from three sides. With its long **industrial tradition**, well-developed **educational system**, and innovation stimulating environment, it is considered to be the engine of Serbia's economic development. As a result of its advanced **hi-tech culture** that positively supports innovation and economic growth, Vojvodina continues to significantly contribute to Serbian GDP creation.

The ideal geographic location of Vojvodina region, covering 21,506 square kilometers, provides excellent opportunities for production sites, logistics, and export processing zones. In addition to various **Free Trade Agreements**, many benefits originating from its favorable location, including the two major Pan-European transport routes (Corridor X and the Danube River), are readily available to all the companies doing business in Vojvodina. There is also a Corridor XI which connects Belgrade and South Adriatic, and in a broader context, it will connect Romania, Serbia, Montenegro, and Italy.

The region of Vojvodina provides a favorable **investment environment** guaranteed by the legislation that is in line with the relevant EU practices. Along with the number of government initiatives to proactively facilitate the FDI inflow, Vojvodina offers an outstanding support system for **growing your profits, increasing productivity, and boosting competitiveness**.

Vojvodina is among the most **culturally vibrant** places in the region. It is home to **27 different nationalities** where **6 official languages** are in use. This magnitude of multicultural density is what guarantees a continuous supply of fresh perspectives and an ever-enduring exchange of **creative ideas** between people that share the same values of an inclusive, cohesive, and open society.

Additionally, various arts and music festivals all year round are continuously invigorating the cultural landscape allowing you to recharge your creative batteries and get in to that **innovation-oriented mindset**.



## SERBIA






Total area	88,407 km <sup>2</sup>
Population	6.88 million (excl. Kosovo)
GDP 2021*	53.317 billion EUR
Credit rating	BB+/Stable
Doing business rating	2021 - 49 <sup>th</sup> out of 190
Unemployment rate	9.8 %
Double Taxation Treaties with 62 countries	

\* Prediction of Statistical Office of the Republic of Serbia

## VOJVODINA

Total area	21,506 km <sup>2</sup>
Territorial organization	3 counties 45 municipalities
Unemployment rate	8.8 %
Main industry sectors	Electrical products Pharmaceutical products Metal products Food and Beverage
Industrial production growth rate 2020/2021	5.2 %
Vojvodina export share in total Serbian export 2021	34.8 %
Export volume 2021	EUR 7.51 billion
Key export areas	Food & Beverage 13.2 % Electrical products 11.8 % Agricultural production 10.3 % Other machines and equipment 8.4 % Motor vehicles& trailers 7.9 % Rubber & Plastics 7.7 % Chemicals 7.2 % Coke and oil derivate production 6.0 %



-  **EU 64.5 %**
-  **CEFTA 15.8 %**
-  **RUSSIA 3.9 %**
-  **CHINA 3.8 %**
-  **USA 2.0 %**
- OTHER 10 %**

Source:  
Chamber of Commerce and Industry of National Bank of Serbia, Statistical Office of the Republic of Serbia, EU Delegation-Serbia

# GETTING AROUND



## AIRPORTS

Airport "Nikola Tesla" Belgrade (70 km from Novi Sad).  
Timisoara Airport (154 km from Novi Sad).  
Osijek Airport (105 km from Novi Sad).



## RAILWAYS

Belgrade – Novi Sad – Budapest (Hungary) fast railway;  
Novi Sad – Budapest (Hungary);  
Novi Sad – Zagreb (Croatia);  
Novi Sad – Thessaloniki (Greece);  
Novi Sad – Sofia (Bulgaria);  
Novi Sad – Timisoara (Romania).



## BY RAIL

Railway-road Corridor X connects Salzburg, Ljubljana, Zagreb, Belgrade, Nis and Thessaloniki with branch in Belgrade, Novi Sad, Budapest. The railway network is well organized. Intercity trains operate between all major cities in the region.



## WATERWAYS

Corridor VII - Danube, Sava, Tisza, Danube-Tisza-Danube canal.



## PUBLIC TRANSPORTATION

Public transportation in major cities in Vojvodina is well established and organized, and can be used by purchasing tickets directly on the bus. In addition, taxis are quite cheap and very popular form of transport.



## ON ROAD

The ideal location and transportation infrastructure of Vojvodina enable quick and easy access to other CEE and SEE countries. Public roads and railway lines are passing through the regional administrative center of Novi Sad with all other areas being easily accessible within a relatively short period of time. Standard speed limits which may vary are 130 km/h on highways; 100 km/h on motorways; on main roads outside built-up areas 80 km/h, and in built-up areas 50 km/h. Road toll is to be paid on most sections of the highways (E70, E75, E763), and can be paid: in cash (RSD, EUR), by credit card (Mastercard, Maestro, Visa or American Express, as well as the national DinaCard) or by using electronic toll collection pass.



## BY AIR

The closest airport to Novi Sad is Belgrade Nikola Tesla International Airport (70 km away), which is served by major European flight carriers and several low-cost carriers. Once you arrive at Belgrade Airport you can easily get to Novi Sad by pre-booking a private transfer with the average cost of EUR 30.

## ROADWAYS

Corridor X:  
E - 75 highway (Greece – North Macedonia – Serbia – Hungary – Slovakia – Czech Republic – Poland – Finland – Norway) &  
E - 70 highway (Spain – France – Italy – Slovenia – Croatia – Serbia – Romania – Bulgaria – Turkey – Georgia)  
Corridor XI:  
E - 763 highway (Serbia - Montenegro).



# WHY INVEST?

If you want to gain duty-free access to **1 billion consumer** market, we have Free Trade Agreements with the **EU, CEFTA, EFTA, EAEU and Turkey**.

If you are looking for the right place to set up your business while remaining close to your distribution centers – the region of Vojvodina offers a quick solution **to optimize your operational costs** while employing a **high-quality workforce at competitive rates**.

Top-notch investment locations suitable for a wide range of activities and tailored to your specific requirements provide an excellent starting point to boost your investment to its fullest potential.

The region of Vojvodina has been declared as one of the top FDI regions for Cost - Effectiveness - allowing you to achieve the best ratio between cost and quality.

To jump-start your success and to help you get the greatest value from your investment, investors are rewarded with generous and easy-to-access **incentive packages**, both on state and provincial government levels.

We invite you to launch your investment project in the region of Vojvodina and to experience all of the advantages that make Vojvodina the first-choice location for **growing your business**.



- 1 | **TOP QUALITY WORKFORCE AT COMPETITIVE RATES**
- 2 | **COMPETITIVE OPERATING EXPENSES**
- 3 | **QUICK ACCESS TO GLOBAL MARKETS**
- 4 | **BOOSTING PROFITS WITH FAVORABLE TAX SYSTEM**
- 5 | **GENEROUS INCENTIVES**



# 1

## TOP-QUALITY WORKFORCE

### Achieve highest performance at competitive rates

- Access to an exceptional **talent pool** with multicultural diversity offers flexibility and adaptability for maintaining unrivaled performance levels.
- There are **143 registered secondary schools**.
- Vojvodina represents a specific hub for **University education** – 3 Universities.
- Vojvodina boasts **52,161** enrolled students in 2020/2021 out of which **39,874** attend the University of Novi Sad.
- Of all the applicants that speak foreign languages, most of them speak **English** and **German**, and some of them **Russian, French, Spanish** and **Italian**.

### LABOR COST STRUCTURE

#### AVERAGE SALARY IN VOJVODINA 2021

	%	EUR
<b>Net salary</b>		<b>531.86</b>
<b>Personal Income Tax</b>	10 %	57.10
<b>Contributions (Employee)</b>	19.9 %	146.32
<b>GROSS SALARY</b>		<b>735.29</b>
<b>Contributions (Employer)</b>	16.15 %	118.75
<b>TOTAL COST</b>		<b>854.04</b>

Source: Statistical Office of the Republic of Serbia

CEE COUNTRIES	MINIMUM GROSS WAGE (EUR) 2021	AVERAGE MONTHLY GROSS WAGE (EUR) 2021
<b>Serbia</b>	<b>366</b>	<b>735</b>
Romania	467	1,134
Hungary	476	1,224
Czech Republic	596	1,476
Slovakia	623	1,211
Croatia	567	1,275
Poland	619	1,240
Slovenia	1,024	1,970

Source: Eurostat

### NATIONAL EMPLOYMENT SERVICE GRANTS

Source: National employment service



**EMPLOYMENT SUBSIDIES PROGRAM**  
cca. € 1,700 - 2,130



**APPRENTICE PROGRAM**  
cca. € 187 - 230 per employee



**TRAINING PROGRAM**  
max cca. € 1,450 per employee

# 2

## COMPETITIVE OPERATING EXPENSES

### Get on a fast track to success

Implementation of investment projects in Vojvodina results in a significant reduction of **operational costs**.

### GREENFIELD AND BROWNFIELD LOCATIONS

#### GREENFIELD PROJECT

##### Construction costs:\*

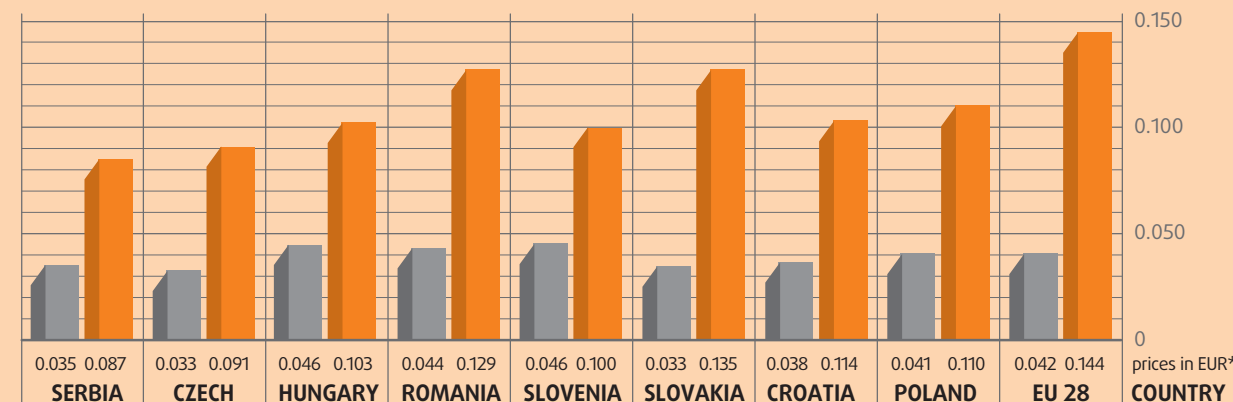
- | Logistics spaces (average cost) ..... 500 EUR/m<sup>2</sup>
- | Industrial facilities (average cost) ..... 600 - 800 EUR/m<sup>2</sup>
- | Business premises (average cost) .... 1,000 - 1,200 EUR/m<sup>2</sup>
- | Average land cost\* ..... 3 - 10 EUR/m<sup>2</sup>

\* Land cost in Novi Sad is above average

#### BROWNFIELD PROJECT

##### Existing business options:

- | Lease of industrial space (average cost)
  - Old build ..... 2 - 3 EUR/m<sup>2</sup>
  - New Build ..... 3 - 6 EUR/m<sup>2</sup>
- | Built to lease option
- | Lease with purchase option



■ Industry gas prices (EUR per kWh) 2021  
■ Industry electricity prices (EUR per kWh) 2021

\* Excluding VAT and other recoverables taxes and levies

Source: Eurostat

# QUICK ACCESS TO GLOBAL MARKETS

## Duty free access to 1 bn consumer market

- Ideal geographic location - allowing you to most efficiently implement **JIT/JIS production** models and **cost-effectively distribute** aftermarket products to the region. Positioned at the intersection point of two major European corridors - Corridor VII and Corridor X as well as Corridor XI.
- Only one border crossing the EU along with **duty-free export** to many countries, allows companies to serve their global markets from a single location.
- The region of Vojvodina is uniquely positioned for global trading offering duty-free access to over **1 billion consumers**.

**EU (population 448 mil)** - enabled customs - free export of all products bearing the Serbian origin label, excluding wine and baby beef. In addition, the EU FTA abolished customs duties and quantitative restrictions for import of Serbian textile products and guarantees to maintain the same policies in the future. Exemption from payment of customs duties for all industrial products originating in the EU, and the part of agriculture means the exemption reduction of customs duties, depending on the Annex or the SAA Protocol in which the product is located.

**CEFTA (population 20 mil)** - free trade agreement between Albania, Bosnia and Herzegovina, North Macedonia, Moldova, Montenegro, Serbia and Kosovo. Duty-free trade and accumulation of origin. Exported products to be considered of a Serbian origin, need to have undergone sufficient processing in Serbia.

**EFTA (population 14 mil)** - free trade agreement between Switzerland, Norway, Iceland, Liechtenstein and Serbia, there are no customs duties except on fish and seafood. The trade of agricultural products is regulated by mutual concessions.

**EAEU (population 183 mil)** Free trade agreement between the Republic of Serbia and the Member States of the Eurasian Economic Union (Russian Federation, Republic of Belarus, Republic of Kazakhstan, Kyrgyz Republic and the Republic of Armenia).

The agreement with EAEU contains integrated free trade agreements, which Serbia has with the Russian Federation, Belarus and Kazakhstan, with modernized text and slightly amended list of exceptions from free trade regime, with the extension of the free trade zone on Kyrgyzstan and Armenia. The agreement with EAEU will provide additional benefits for exporting some types of cheeses, alcoholic beverages (fruit brandy and wine) and cigarettes from Serbia to the EAEU market. On the other hand, it will enable new benefits for some cheeses, alcoholic beverages, cigarettes and taps, valves and similar devices for pipelines, for goods originating from EAEU when importing to Serbia.

**USA (population 334 mil)** - duty-free entry for more than 4,650 products, including most manufactured and intermediate goods and selected agricultural and primary industrial products, has been enabled. The products that have been excluded from this list generally fall in the categories of textile products, leather goods and footwear.

**TURKEY (population 86 mil)** - Export is duty-free, as well as the import of industrial products and certain agricultural products such as 5,000 t of beef per year as well as clearly defined quota of raw and refined sunflower oil, sunflower seeds and specific types of pastry products. The export quota from Serbia to Turkey for the particular types of frozen vegetables and prunes will be doubled.



# ADVANTAGES OF DOING BUSINESS IN THE FREE ZONE REGIME:

- Fiscal benefits
- Customs benefits
- Financial benefits
- Benefits of local self-government
- Efficient Free Zone Administration (One Stop Shop)



## Free Zones in Vojvodina:

1. Free Zone Subotica
2. Kikinda (Free Zone Subotica)
3. Free Zone Novi Sad
4. Free Zone Apatin
5. Free Zone Zrenjanin
6. Ruma (Free Zone Sabac)
7. Senta

- Free zone
- Free zone branch
- Free zone in establishment process

# 4

## BOOSTING PROFITS WITH FAVORABLE TAX SYSTEM

- By choosing to invest in Vojvodina, foreign investors enjoy the benefits of a highly **competitive and advantageous** tax system, essential for boosting company profits. In addition, favorable business and investment climate conditions contribute to a proven record of successful FDI attraction.
- In general, Serbia's tax regime is **highly conducive** to doing business. Corporate profit tax is the lowest in the region, while VAT, salary tax and social insurance contributions are among the most competitive in Central and Eastern Europe.



## SOCIAL INSURANCE CONTRIBUTIONS

	EMPLOYEE	EMPLOYER		
			Annual Income Tax	10 - 15 %
Pension & disability	14 %	11 %	Other Income Tax	20 %
Health Insurance	5.15 %	5.15 %		
Unemployment	0.75 %	/		

### SALARY TAX RATE

Serbia	10 %
Romania	10 %
Czech Republic	15 %
Slovenia	16 - 50 %
Poland	18 - 32 %
Slovakia	19 - 25 %
Croatia	12 - 40 %

### CORPORATE PROFIT TAX RATE

Serbia	15 %
Poland	19 %
Romania	16 %
Croatia	10-18 %
Czech Republic	19 %
Slovenia	19 %
Slovakia	15 - 21 %

### STANDARD VAT RATE

Romania	19 %
Serbia	20 %
Slovakia	20 %
Czech Republic	21 %
Slovenia	22 %
Poland	23 %
Croatia	25 %

Source: Deloitte 2021, European Commission



# 5

## GENEROUS INCENTIVES Get on a fast track to success

### INCENTIVES OF REPUBLIC OF SERBIA

Funds are awarded for financing investment projects in the **production sector, for automation of existing capacities and innovation in industries with higher added value; in food processing and for automation in food production; hotel accommodation and for the projects relating to services provided by service centers.**  
Total state subsidies for investment projects can reach 50 % - 70 % of investment value, depending on the size of the company, investment value or based on the 2-year gross salary of the employees.

### INCENTIVES OF AP VOJVODINA

Financial incentives are allocated on the regional level for different purposes, such as:  
**Co-funding new equipment/machinery**  
· up to 50 % of total equipment value  
· 17,000 – 68,000 EUR per project

### MUNICIPAL INCENTIVES

· Greenfield - free of charge or at a discounted price  
· Local taxes

**TAX HOLIDAY** - 10 years tax holiday for companies which invest at least RSD 1 billion (cca € 8.5 million) in fixed assets and employ at least 100 additional employees on an indefinite contract.

**VARIOUS TAX INCENTIVES** from 60 % - 100 % deduction of salary tax and mandatory contributions for new employment.

**INNOVATION FUND:** Grant programs with EU support for innovative activities and for stimulating innovation.

**TAX INCENTIVES FOR DEVELOPMENT OF KNOWLEDGE BASED ECONOMY IN SERBIA** - Lower taxes and contributions on salaries in R&D; Tax credit for investing in startups and venture capital funds



**GROWING YOUR PROFITS**



**INCREASING PRODUCTIVITY**



**BOOSTING COMPETITIVENESS**

## WHERE TO INVEST?

In the region of Vojvodina you will find all the support you need to successfully set up your investment and make sure it continues to grow.

### UNPARALLELED INVESTMENT OPPORTUNITIES

- | Trim operating cost
- | Maintain high product quality
- | Recruit highly qualified workers at competitive wages
- | Achieve better capital optimization
- | Improve performance levels

### INVESTMENT OPPORTUNITIES



**AGRIBUSINESS**



**AUTOMOTIVE**



**ICT**

# AGRIBUSINESS

WHY? The region of Vojvodina has all the ingredients you need to successfully service the fast-growing global consumer markets with premium food products.

- Out of a total of 1.8 million ha of agricultural land and forest, **1.6 million ha is suitable for Intensive agricultural production** (plow, orchards, and vineyards).
- **0.76 ha of arable land per capita**, which exceeds the European average of 0.22 per capita.
- There is over **127,000 agricultural households** in Vojvodina.
- Lowest usage of fertilizers and pesticides in Europe.
- Over 50,000 ha on which vegetable crops for seed production are cultivated.
- Organic production potential with **strictly prohibited production and trade of GMO food**.



## SUPPLIERS' DAY

B2B event organized by RAV every year  
more info [www.rav.org.rs](http://www.rav.org.rs)

**BECOME A PART OF OUR  
SUPPLIERS' BASE**

## SUPPORTING INSTITUTIONS:

- | University of Novi Sad
- | Faculty of Agriculture, Novi Sad
- | Faculty of Technology, Novi Sad
- | Institute of Field and Vegetable Crops, Novi Sad
- | Scientific Veterinary Institute, Novi Sad
- | Institute of Food Technology, Novi Sad

# AUTOMOTIVE

WHY? Due to an optimal ratio between labor cost, productivity, and quality of workforce together with the fast and efficient connection to a network of Pan-European transport routes.

**A variety of opportunities to gear up for greater profitability indicators:**

- Ideal geographic location for **JIT/JIS production** models, due to proximity to leading car manufacturers.
- **Access to top OEMs - 1,250 km radius.**
- Increasing number of new investment projects in the last few years.
- **Top technical education** and availability of highly-qualified staff.
- Long-standing tradition in high-quality production standards.



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**BECOME A PART OF OUR  
SUPPLIERS' BASE**

## SUPPORTING INSTITUTIONS:

- | The University of Novi Sad, a total of 14 faculties
- | Faculty of Technical Sciences with 15,000 students
- | Vocational secondary schools, with possibilities of dual education



# ICT

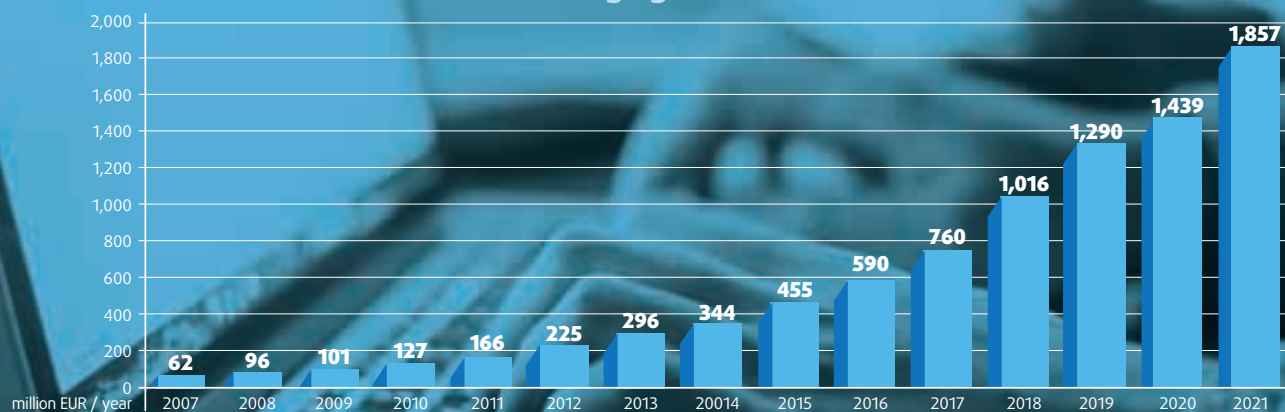
IT companies from Vojvodina take the lead in Serbian decade-long growth of the sector of 25% YoY growth, providing world class product and services to global markets.

- Sophisticated, **top-quality IT services**.
- Partnering with established companies with global references.
- Local ecosystem with 400+ companies, employing 12,000+ **experienced IT experts**.
- Wide array of expertise within the local IT community.
- **Strong institutional support for R&D**.
- Excellent support through IT-oriented business incubators.
- Each year **more than 900 university students** enroll at the Faculty of Technical Sciences (IT - related studies).

## SUPPORTING INSTITUTIONS:

- | Faculty of Technical Sciences
- | Technical Faculty - Mihajlo Pupin
- | Faculty of Sciences
- | Faculty of Economy
- | Vojvodina ICT Cluster
- | Business Incubator Novi Sad
- | Startit Center Novi Sad

## SERBIAN IT EXPORT Average growth: 25 %



Source: IT in Serbia - At a Glance, Vojvodina ICT Cluster, 2021



## YOUR RELIABLE PARTNER!

**Vojvodina Development Agency (RAV)** is established under the jurisdiction of the Government of AP of Vojvodina, with the aim to provide support for the implementation of the development policy of Vojvo-

dina, agricultural policy and rural development. Vojvodina Development Agency (RAV) serves as a one-stop-shop for all your investment related inquiries. Due to our close association with various state and provincial government institutions, and our extensive network of local partners from the private sector, academic institutions, and business associations - RAV represents your trusted source for obtaining the most reliable information needed for making an informed investment decision.

Our services are designed to help foreign companies establish their businesses in the region of Vojvodina.



### DEPARTMENT FOR STRATEGIC RESEARCH DEVELOPMENT AND INNOVATION POLICY

- | Analysis and research of the existing resources and economic potentials.
- | Defining the subsidy measures for the development of the economy agriculture, energy sectors, tourism and rural development.



### DEPARTMENT FOR NATIONAL AND INTERNATIONAL FUNDS

- | Advisory service for companies on financing opportunities
- | Database of regional, national and international funds
- | Participation in EU projects



### DEPARTMENT FOR INVESTMENT SUPPORT

- | Facilitation of foreign and domestic investments.
- | Supporting programs and advisory services to SME's, development of supplier chains within the region



### DEPARTMENT FOR PROMOTION

- | Promotion of all existing resources and potentials.
- | Positioning Vojvodina as an ideal investment location for future projects.



STADA

LAFARGE

SAINT-GOBAIN

Continental

MOLSON COORS beverage company

Dr.Oetker

I.G.Bauerhin GmbH

brose Excellence in Mechatronics

Nestlé

SIEMENS

GRUNDFOS

MTU More Engines

SWAROVSKI

KOLEKTOR

Henkel

Heineken

Schneider Electric

BARRY CALLEBAUT

ebmpapst

Le Bélier

Nidec

NOVARES

Van Drunen Farms

pepsi.

ZF

NIBE

BOSCH

ESSEX A SUPERIOR ESSEX COMPANY

MHP

BMTS TECHNOLOGY

EPIC GAMES

playrix

TOYO TIRES driven to perform

UBS

NTT DATA

FRONERI

GRUNDFOS

GRUPE LACTALIS

AMETEK

FRESENIUS

Mecafor

BOYSEN GROUP

The next logo here, can be yours...



REPUBLIC OF SERBIA  
**AUTONOMOUS PROVINCE  
OF VOJVODINA**



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