

VOJVODINA
COME AND GROW



Invest in Vojvodina

Distances from major European cities



Quick Facts



Total area
21,506 km²



Population
1.9 million



26 nationalities
6 official languages



Export volume
€ 3.9 billion



Export growth rate
3.2%

VOJVODINA

Key export sectors

| | |
|---------------------------|-------|
| Manufacturing | 84.9% |
| Food & beverage | 15.3% |
| Machines & equipment | 8.6% |
| Chemicals | 7.4% |
| Rubber & plastic | 7.4% |
| Motor vehicles & trailers | 6.3% |

Major export markets

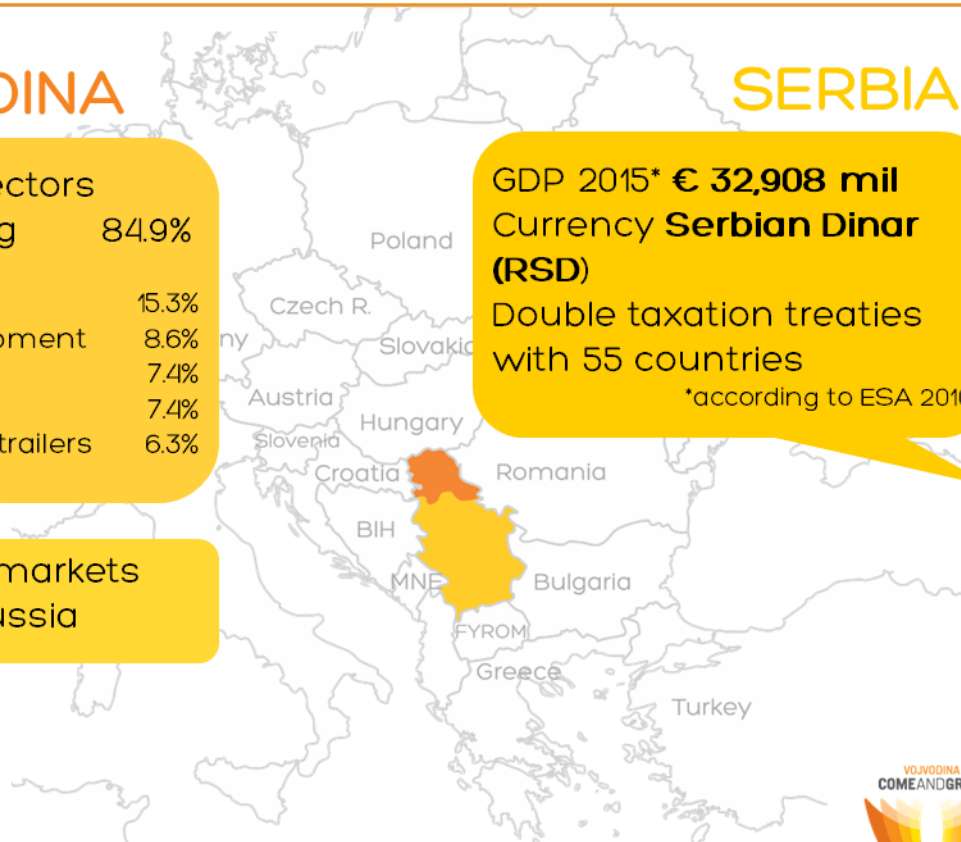
EU, CEFTA, Russia

SERBIA

GDP 2015* € 32,908 mil
Currency **Serbian Dinar (RSD)**

Double taxation treaties
with 55 countries

*according to ESA 2010



Why Invest

TOP 5 REASONS to invest in Vojvodina


1 QUICK & EASY ACCESS TO
GLOBAL MARKETS

3 BOOSTING PROFITS WITH
FAVORABLE TAX SYSTEM


5 LOW OPERATING EXPENSES
& GENEROUS INCENTIVES

TOP QUALITY WORKFORCE **2**
AT COMPETITIVE RATES

DUTY-FREE ACCESS **4**
TO 1 bn CONSUMER BASE

 growing your profits

 increasing productivity

 boosting competitiveness

Global Market Access



| | | |
|---------------|-------------------|----------------|
| Russia | EFTA | USA |
| 142 million | 13 million | 317 million |
| EU | CEFTA | Belarus |
| 505 million | 30 million | 10 million |
| | Kazakhstan | Turkey |
| | 16 million | 72 million |

Duty-free export
to over 1 billion
consumer base



Overview of Tax Rates

CORPORATE PROFIT TAX RATE

| | | |
|--|----------------|------|
| | Serbia | 15 % |
| | Romania | 16 % |
| | Hungary | 19 % |
| | Poland | 19 % |
| | Czech Republic | 19 % |
| | Croatia | 20 % |
| | Slovakia | 22 % |

SALARY TAX RATE

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

STANDARD VAT RATE

| | | |
|--|----------------|------|
| | Serbia | 20 % |
| | Slovakia | 20 % |
| | Romania | 20% |
| | Czech Republic | 21% |
| | Poland | 23% |
| | Croatia | 25 % |
| | Hungary | 27 % |

Social Insurance Contributions

| | |
|----------------------|---------|
| Pension & disability | 12% 14% |
| Health Insurance | 5,15% |
| Unemployment | 0,75% |
| Annual Income Tax | 10-15% |
| Other Income Tax | 20% |

Labor Cost

LABOR COST STRUCTURE Average salary in Vojvodina

June 2016

| | | | |
|--------------------------|-------|-----|-----|
| NET Salary | | EUR | 378 |
| Personal Income Tax | 10% | | 40 |
| Contributions (employee) | 19.9% | | 99 |
| GROSS Salary | | | 497 |
| Contributions (employer) | | | 89 |
| TOTAL Cost | 17.9% | | 606 |

Average GROSS monthly wages by production industry in Vojvodina, June 2016

| | |
|------------------------------------|---------|
| Oil industry | € 1,372 |
| Pharmaceutical industry | € 1,350 |
| Electronics Manufacturing Services | € 694 |
| Food & Beverage industry | € 665 |
| Metal industry | € 475 |
| Textile industry | € 384 |
| Machine industry | € 334 |

From July 1st, 2014
the employers have the right
for **refund** on the paid
personal income tax
& **social insurance contributions***

- + 65% refund for employing 1-9 workers
- + 70% refund for employing 10-99 workers
- + 75% refund for employing 100 + workers

**until December 31, 2017*










Labor Framework

5 day work week - 40 work hours
(net 37,5 hours a week)
30 minutes rest period per day

| | | | |
|---|--|---------------------------------------|-----------------------|
| Vacation min 20 days per year | Overtime & Night shift 26% bonus on basic salary | Fixed-Term Contract max 2 years | Min Monthly Salary |
| Holidays non-working days per year 11-20 | National Holidays 110% bonus on basic salary | Trial Period max 6 months | NET € 170 |
| | | | TOTAL COST € 230 |

Incentives

STATE INCENTIVES

| | LEVEL OF DEVELOPMENT OF THE LOCAL MUNICIPALITY | MINIMUM NEW JOBS CREATED | MINIMUM LEVEL OF INVESTMENT | LEVEL OF INCENTIVES | | |
|----------------------|--|---|-----------------------------|---|--|--|
| | | | | % of 2-year gross salaries | (OPTIONAL) % of investment in fixed assets | (OPTIONAL) Bonus for labor intensive projects % of the sum of 2-year gross salaries |
| MANUFACTURING SECTOR | I |  | € 600,000 | 20% | + up to 10% | |
| | II |  | € 600,000 | 25% | + up to 15% |  + 10% |
| | III |  | € 300,000 | 30% | + up to 20% |  + 15% |
| | IV |  | € 150,000 | 35% | + up to 25% |  + 20% |
| | Devastated Regions |  | € 150,000 | 40% | + up to 30% | |
| SERVICE SECTOR | |  | € 150,000 | calculation of funds that may be granted is carried out by the same principle as for the manufacturing sector | | |

NATIONAL EMPLOYMENT SERVICE GRANTS

| | |
|------------------------------|-----------------------------|
| Employment Subsidies Program | cca. € 1250-2500 |
| Apprentice Program | cca. € 80-115 per employee |
| Re-training Program | max cca. € 750 per employee |

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Note:

For more information, visit Development Agency of Serbia (RAS) website <http://ras.gov.rs/>



Key Sectors

Opportunities to invest



**AUTOMOTIVE
COMPONENTS**



AGRIBUSINESS



REAL ESTATE

ICT



**SHARED
SERVICES**



**RENEWABLE
ENERGY**



Automotive Components

Gear up for greater profitability indicators



Ideal geographic location for JIT/JIS production

Close proximity to leading car manufacturers

Access to top OEMs - 1,250 km radius

Cutting-edge technical education

Tradition in high-quality production standards

Optimal ratio: labor cost - productivity - quality

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Dräxlmaier



Continental

CooperStandard

MAGNA



Agribusiness

Premium food products for global markets

No. 1 FDI sector: #companies, #investment volume, #workers

High-quality resource base, optimal climate conditions

Ample fertile soil: 1.5 mil ha - 84% of territory

Strictly prohibited production and trade of GMO food

Growth trend in the export volume share

Coca-Cola



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Real Estate

Growing demand for modern real estate development



- Residential, office, and retail development projects
- Industrial zones for manufacturing facilities
- Free Zones in Novi Sad, Subotica, Zrenjanin, Apatin
- Intermodal logistics hubs: water, rail, road infrastructure
- National parks, nature resorts, rivers, lakes, canal networks, hotels, spa centers, resorts, golf courses, marina complexes



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ICT

Hot spot for innovation-oriented ICT companies



Reliable, high-quality, and cost effective alternative

Sophisticated solutions at lower cost

Easy access to best quality, experienced IT staff

Continuous increase in a number of enrolled ICT students

Vast international market expertise of local companies

Strong capacity to adjust to new market demands



Shared Services

Preferred choice for gateway to global markets



- Outstanding talent pool: highly-qualified, university-educated
- Access to impressive multi-lingual competencies
- Low employee turnover rates in the sector
- Young-spirited and culturally vibrant region
- Same time zone as many West European countries (GMT +1)

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Renewable Energy

Abundant potential in renewable energy sources

Biomass, Wind power, Solar energy, Hydropower

Easy access to raw material base

1.5 ha of arable land - full value chain coverage

Ideal locations for wind power plants - average
6.27 m/s

20-30% higher insolation intensity than EU average

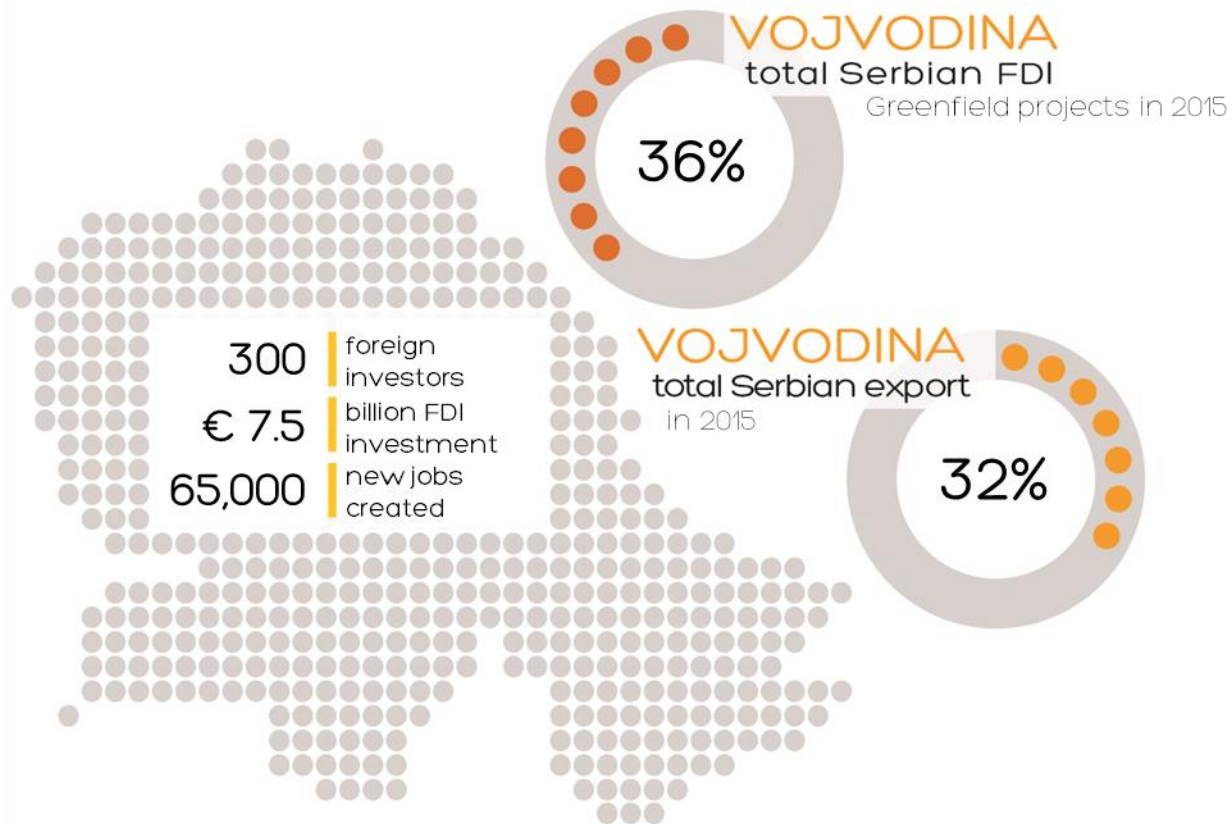
Small hydropower plants potential - approx. 20.2
MW



Bridge Power Investments



FDI in Vojvodina



FDI in Vojvodina

TOP 5 Countries by investment volume

| | | |
|---|-----------------|------------------------------|
| 1 | Germany | € 118 bn 12,700 employees |
| 2 | France | € 824 mil 4,900 employees |
| 3 | Italy | € 776 mil 10,800 employees |
| 4 | Belgium | € 610 mil 590 employees |
| 5 | Slovenia | € 590 mil 2,650 employees |

TOP 5 Sectors by investment volume

| | | |
|---|-------------------------------|-----------------------------|
| 1 | Agribusiness | € 2.2 bn 10,250 employees |
| 2 | Financial | € 1.35 bn 8,400 employees |
| 3 | Construction | € 870 mil 4,170 employees |
| 4 | Medical/Pharmaceutical | € 710 mil 3,200 employees |
| 5 | Oil & Mining | € 540 mil 5,980 employees |

Success Stories



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FDI Awards for Vojvodina



VIP Services

Tailor made solutions



Location marketing



Business incubators



Aftercare support



Policy advocacy



Thank you for your attention!

Vojvodina Investment Promotion - VIP

Narodnog fronta 23d, 21000 Novi Sad, Serbia

Tel: +381 21 472 3245

Fax: +381 21 472 1921

E-mail: office@vip.org.rs

Web: www.vip.org.rs

