



VOJVODINA

Great for Business, Great for Life

OCTOBER 2018

ĐORĐE MILIĆEVIĆ

Vice-president of the Provincial Government



We have started down the road of developing a modern and stable Serbia in the last several years, when we commenced overall reforms of our society. During that period, significant results were achieved, foremost in the field of restructuring our economy: the fully implemented consolidation of public finances, Serbia's significantly reduced public debt and a continuous growth of GDP year after year, infrastructural facilities are being rapidly built and the incentive mechanisms for investing have been developed in order to create a quality environment for attracting national and foreign investors and thus increase overall economic activity and reduce the unemployment rate. While contributing to all these results, the Provincial Government has been implementing the policy of the balanced development of the Autonomous Province of Vojvodina within the accelerated economic development of the Republic of Serbia on its European path.

Just in the last two years, by using our own funding sources, as well as the funds from the cross-border and transnational cooperation programmes with Hungary, Romania and Croatia, we invested in the development of traffic and utility infrastructure and establishment of industrial zones in those territories that did not have them before, providing the potential investors the most suitable conditions for doing business in all parts of Vojvodina, but also in relation to the neighbouring regions and the West Balkans regions in general. To potential investors, we offer good connection of all parts of the province with the European corridor 10 and corridor 7 which allows them faster access to other markets and cost-effective distribution of products in the region as well as significant subsidies for creating new jobs and purchasing equipment and a workforce with knowledge and quality that boosts the competitiveness on the market through an optimal ratio between cost and productivity. The fact that the tax rates are among the lowest in Europe, and that Serbia's trade agreements with numerous countries offer investors access to the market of about 1 billion consumers, allows us to say that Vojvodina is uniquely positioned since it allows companies to serve their global markets from a single location. Having considered all potentials for business development that AP Vojvodina as a region provides, we invite investors to use all comparative advantages that we offer, as well as the possibility to find partners in Serbian companies for their further business development. The goal of the Provincial Government is to provide all citizens with the best living conditions, no matter where they live in Vojvodina, and that is why we are already building a future of our province and our country of Serbia, by strengthening the European spirit while achieving the highest European standards. Because Vojvodina is a region that is *great for business and great for life!*



DAMIR ZOBENICA

*Vice-President of the Assembly of European Regions - AER
Vice-President of the Assembly of AP Vojvodina, Republic of Serbia*

Connecting regional governments, businesses and IT!

Interview with Damir Zobenica, Vice-President of the Assembly of European Regions - AER
Vice-President of the Assembly of AP Vojvodina, Republic of Serbia

Q: AP Vojvodina was the host region of the Autumn Plenaries of the Assembly of European Regions (AER) this September. Could you give us your impressions?

The region of Vojvodina is well-placed in terms of establishing interregional cooperation, business potentials and information technologies (IT). This September we hosted the Autumn Plenary sessions of the Assembly of European Regions (AER) with nearly 100 elected politicians and other decision makers from European regions. On that occasion, we talked about how the opening of public data supports the emergence of startups in the regions. Every day, public institutions collect and generate enormous quantities of data in areas as varied as unemployment, air pollution, hospital consultations, trends in construction, petrol & diesel prices, wood harvesting, organic dairy production etc. Such information created within countries could be re-used to create or improve services both for the private and public sector. I am proud to say that Serbia is ranked number one in the region by The Global Open Data Index (and takes the 41st place among the UN member states) and that Novi Sad, as the busiest growing IT hub in the Republic of Serbia, with more than 15K IT workers, is already using Open data to improve the lives of its citizens. The conclusions of this conference, which was moderated by the UNDP between European regional stakeholders and various European institutions, could be directly applied by regional administrations in order to produce better results and create better standards of living at the local or regional level.

I am especially pleased to be the part of the regional government of Vojvodina that recognizes these opportunities and creates now possibilities for its citizens.

Q: AP Vojvodina also hosted the First Regional Business Forum. It was your initiative, as a newly elected Vice-President of the Assembly of European regions to connect regular AER events with regional business. Was it successful?

This September, together with the Assembly of European Regions, Vojvodina Chamber of Commerce, European Entrepreneurs Network and Vojvodina Regional Development Agency, we organized the first Regional Business Forum with the participation of more than 80 companies from the Western Balkans, Central and Northern Europe and Russia. The aim of the Regional Business Forum was to connect regional chambers of commerce, regional development agencies and/or other institutions supporting SMEs development and enhance the regional investment climate. I am excited to see that the first business forum produced good results and I believe it will become a traditional event, giving regions a range of opportunities to connect, not only culturally and historically, but at the commercial and business level as well.

The Serbian economy grew by a big 4.5 per cent year-on-year in the first quarter of 2018, well above the forecast of 3.1 per cent. This data, provided by the Statistical Office of the Republic of Serbia, shows that we are growing fast, not only in the field of IT sector, but in the construction business too, supported by both private and public investments. The government has already started a new public investment cycle, planned for the last quarter of 2018. With Serbia moving towards the EU, our successful foreign policy also ensures excellent business relations with the Chinese, Turkish and Russian market. With this in mind, we have decided to help organize and host the First Regional Business Forum in Vojvodina.

The range of our interregional activities does not revolve around the cooperation with the AER only, but also includes meetings and exchange of experience and good practice with representatives of Baden-Württemberg, Hessen, Lower Austria, Hainan, Timis, Istria, Lombardy, Nordland and many more.

OGNJEN BJELIĆ

*Provincial Secretary for Regional Development,
Interregional Cooperation and Local Self-government*



First of all, it is my pleasure to present the activities of the Autonomous Province of Vojvodina within the European Week of Regions and Cities. We regard the cooperation within the EWRC as one of the key priorities within our activities because the tradition of organising this event has proved its value and also proved to be an excellent way for Vojvodina to present its development potential and good results, as well as to expand a platform for stronger ties with the European regions and cities with whom we share common interests.

On the basis of all that we have achieved in the last two years, primarily the aligned modernly designed and efficient management structure with significant scope of autonomous competences, the focus of 2018 has been the continuation of implementing the accelerated economic growth of AP Vojvodina as one of the key priorities of this provincial administration.

The Provincial Secretariat for Regional Development, Interregional Cooperation and Local Self-government, which I oversee, has a great role in that and this is reflected foremost in the activities we carry out, in cooperation with the Vojvodina Development Agency and European Affairs Fund of AP Vojvodina, to further create good and favourable factors for the investment climate. Firstly, these are the incentives which are allocated through public calls to small and medium-sized entrepreneurs to single-handedly improve the overall economy and encourage solid business entities to increase the export of domestic products and services to foreign entities. This has resulted in 1100 new jobs anticipated by the award of funds through only two previous public calls implemented this year.

On the other hand, simultaneously we have successfully continued to invite public calls which encourage local self-governments to implement projects that stimulate growth and improve administrative, operative and managerial capacities. We have also continued to prepare and complete project technical documentation for the equipment of industrial zones which are the prerequisite for a successful attraction of investments.

What proves that we are on the right path is foremost the great interest of potential foreign investors of various profiles and foreign capital inflows into the production and service sectors, which is mostly demonstrated by the overall scope of direct investments in the form of greenfield investments.

Today, almost all larger municipalities in Vojvodina can boast with at least one significant successful foreign investment in production or service capacities, which equals the creation of numerous new and secure jobs for us.

Our aspiration to achieve comprehensive development of Vojvodina is a clear indicator of the political strategy for Serbia's accession to the EU and creation of an institutional and regulatory

environment that will be, in all aspects, aligned with European standards, because we have the potentials that give us the basis for such a political attitude.

Furthermore, initiating and implementing good projects of cross-border cooperation with Hungarian, Romanian and Croatian counties is also very important for us, and in that regard, we have been delivering great results. During this year, we have laid the foundation stone for the Serbian Cultural Centre in Mórahalom within the cross-border cooperation project with Hungary. We have also formalised the start of a project worth 14 million EUR, which will re-establish the navigation possibility on the river Begej as part of a cross-border cooperation project with Romania. These are just a few of the projects that will contribute to the mutual benefit and welfare of citizens in the border areas. Of course, the Provincial Government, led by the President Igor Mirović, does not neglect the vitality of the domestic economy, nor does it treat it differently. The foreign investments are crucial for us not only because of the spillover effect, but because they undoubtedly speak of our approach to European business and development practices, which is the strategic goal of the Serbian Government.

In the domain of interregional cooperation, numerous contacts and cooperation have been achieved, which in 2018 alone have produced three signed agreements: the Cooperation Agreement between Lubusz Voivodeship and AP Vojvodina, concluded in Zielona Góra in Lubusz Voivodeship, the Memorandum of Cooperation between Ústecký Region (Czech Republic) and AP Vojvodina, concluded in Ústí nad Labem and the Agreement between the Government of Arkhangelsk Oblast (Russian Federation) and the Autonomous Province of Vojvodina (Republic of Serbia) on the trade, economic, scientific and technological, social and humanitarian cooperation, concluded in Novi Sad.

It is very important to mention that we participated at the 8th Annual Investment Meeting in Dubai and a major investment fair in Munich. We presented the economic and investment potentials of Vojvodina at the Danube Festival in the Province of Baden-Württemberg and Trento in Italy which resulted in the arrival of the Italian investor Ghezzi to Vojvodina.

Finally, I must emphasise that the Representative Office in Brussels gives us an important impetus in all our activities. Its operational, organisational, technical and human resources have been raised to a higher level, which contribute to the increasing number of interregional contacts and the expansion of areas of regional network projects, that are the basis of substantial cooperation agreements which we effectively apply.



VIDOSAVA ENDERIĆ

*Director of the European Affairs Fund of
Autonomous Province of Vojvodina*

European Affairs Fund of Autonomous Province of Vojvodina

The European Affairs Fund of the Autonomous Province of Vojvodina (EAF APV) was established in 2010 by the Provincial Assembly Decision to monitor, analyse and implement the European integrative processes and build and strengthen the institutional capacities of the Autonomous Province of Vojvodina.

The EAF APV has been contributing to the institutional capacity building of the Autonomous Province of Vojvodina for a number of years, developing and implementing joint projects with regional and other European partners, promoting common European values in Vojvodina, conducting educational activities in the field of European integrations, and through the Vojvodina European Office in Brussels, presenting, promoting and increasing the economic, scientific, cultural, educational and tourist capacities of the AP Vojvodina.

Project activities

In cooperation with the provincial administration, local authorities, regional and other European partners and relevant entities, the EAF APV creates and submits project applications under the open EU calls for proposals and other donors, and implements the approved projects. So far, the EAF APV has submitted applications for the EU financial assistance provided for the Republic of Serbia, and thus to the Autonomous Province of Vojvodina, via the Instrument for Pre-Accession Assistance (IPA), including the Cross-border Cooperation Programmes with Croatia, Hungary, Bosnia and Herzegovina and Romania and the transnational programmes: the Adriatic-Ionian Transnational Programme and Danube Transnational Programme, as well as the EU programmes available to the Republic of Serbia, such as Europe for Citizens, the Directorate-General for Humanitarian Aid and Civil Protection - ECHO, etc. In addition, the Fund has applied for funds provided by other donors, such as Central European Initiative, Friedrich Ebert Stiftung, Slovak Aid, Dutch Ministry of Foreign Affairs, Austrian Development Agency, etc. The EAF APV is currently implementing 12 projects, which overall budgets exceed 17 million EUR, in the area of socio-economic development, sustainable energy resources, environmental protection, water management, public health, tourism, innovation, entrepreneurship, sports and culture.

Training courses

The European Affairs Fund of AP Vojvodina organises training courses in the field of project cycle management, participation in EU calls for proposals, as well as other development programmes offered by Europe. The training courses are of different types, such as the Specialised Programme “Management of Regional Development through EU Funds” implemented in cooperation with universities, the tailor-made training course “EU Funding Opportunities” lasting 3 or 5 days, visits to municipalities “FEP Tours”.

The training courses are aimed at employees of the provincial government, provincial administration, local authorities, development agencies, chambers of commerce, public utility enterprises, faculties, research institutes, civil society organisations and other institutions that may be beneficiaries of EU funds.

• Specialised Programme “Management of Regional Development through EU Funds”

The European Affairs Fund of AP Vojvodina has implemented four cycles of the Specialised Programme “Management of Regional Development through EU Funds” and the fifth cycle is ongoing. The main objective of the Programme is information dissemination on EU processes and regional policies, as well as on the importance and opportunities for accessing EU funds. So far, ca. 170 participants have completed the Programme and they are now contributing to the development and EU integration processes in their surroundings.

Antenna of Creative Europe Culture Desk Serbia

Based on the signed agreement between the European Affairs Fund of Autonomous Province of Vojvodina and the Ministry of Culture and Information of the Government of the Republic of Serbia, the Antenna of Creative Europe Culture Desk Serbia was established in the premises of the Fund. This created the conditions for information dissemination about the programme and calls for proposals, provision of training courses at interested institutions, consulting and technical support to potential applicants, as well as the overall promotion of the Creative Europe programme - Culture sub-programme.

The EAF APV invests great efforts into enhancing cooperation with regional and local authorities, international and European organizations and institutions, as well as





other stakeholders, and promotion of common European values and ideas to the public through the media and by organizing different types of events.

Thus, marking the European Year of Cultural Heritage, the 2nd International Expert Conference “Cultural Heritage – Added Value for the Regions” was held at the Assembly of the Autonomous Province of Vojvodina on 27 April 2018. It was organised by the Institute of the Regions of Europe (IRE), and supported by the European Affairs Fund of AP Vojvodina, Assembly of the Autonomous Province of Vojvodina, Provincial Government, Central European Initiative (CEI), etc. The aim of the conference was to present best-practice examples for preserving cultural heritage in different European regions, and exchange experiences and knowledge for conservation.

On 17 May 2018, in cooperation with the Provincial Secretariat for Regional Development, Interregional Cooperation and Local Self-government, Congress of Local and Regional Authorities, Vojvodina Development Agency, City of Novi Sad, City of Subotica and Kanjiža Municipality, the EAF APV organised the conference “Prospects for Development of Municipalities through EU Funds“, which was held at the Assembly of AP Vojvodina, with the aim of strengthening the municipalities and cities in the Autonomous Province of Vojvodina.



The Vojvodina European Office in Brussels



The Vojvodina European Office in Brussels, situated in the building of the Mission of the Republic of Serbia to the EU, has been established to present, promote and increase the economic, scientific, cultural, educational and tourist capacities of the AP Vojvodina. Of special significance is the role of the office regarding the European integration path of Serbia, where our representatives are in the position to monitor and contribute to various EU policies, such as regional policies and cohesion perspectives.

Our presence in Brussels offered us the opportunity to present our interests to various European partners in different sectors. In that regard, to promote policies and investment opportunities, initiate and encourage activities with the aim of increasing international trade, seek for partners in different EU projects, exchange useful information on the topics of common interest and similar. Thus, significant cooperation has been achieved with regions such as Lombardy, Umbria (Italy), Upper Austria (Austria), Baden-Württemberg, Hessen (Germany), Flanders (Belgium), and others.



EUROPEAN AFFAIRS FUND OF AUTONOMOUS PROVINCE OF VOJVODINA
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SET SAIL FOR VOJVODINA

Vojvodina, a region in the northern part of Serbia, is a safe harbour for numerous foreign investments.

Residents of Vojvodina are said to be slow, mostly due to the fact that they speak slower than the rest of Serbia. This slowness, however, is not the feature of how Vojvodinians relate to their job or the hectic pace of everyday life. It is simply a mirror or real and inner “landscape” of Vojvodinians, their habit to stop and enjoy the splendour of their plains and fruits of their labour.

On the one hand, Vojvodina is a quiet plain intersected with rivers, canals and a mountain, picturesque villages rich in iconography of 26 different nations providing ultimate pleasure in tasting traditional wines and food, enjoying ethnic music, wine and food festivals. On the other hand, living or staying in Vojvodina means going to the EXIT festival, attending the concerts of the biggest jazz musicians at the Novi Sad Jazz Festival as well as visiting numerous theatre, movie and music festivals. Vivid and vibrant, just like the life in the Pannonian Sea that used to cover this area long ago.

Vojvodina is a region with very strong educational centres, favourable business climate, developed agricultural and metal sector, and in particular, automotive and IT sector providing a safe harbour for numerous foreign investments: **Stada, Continental, Lafarge, Grundfos, Tarkett, Nestle, Siemens, Henkel, Swarovski, Fresenius, Heineken, Norma Group, Draxlmaier**, etc. Approximately 360 foreign companies have

invested around eight billion EUR in Serbia and have employed more than 76,000 Vojvodinians.

This Province has the highest percentage of qualified and highly qualified labour force in Serbia, multilingual educational system, and Novi Sad, the second largest city in Serbia, is a significant industrial and financial centre of Serbian economy which marks a noticeable growth and development, partly because of the fact that it represents a unique centre of university education with strong technical and scientific institutes simultaneously establishing itself as an IT hub.

A big advantage is, surely, the signed Stabilization and Association Agreement (SAA) and Interim Agreement on Trade between the European Union and Serbia, Free Trade Agreements with CEFTA and EFTA countries, Belarus, Turkey and Kazakhstan, and the fact that Serbia is the only country outside the Commonwealth of Independent States (CIS) which has established such an agreement with Russia additionally opening duty-free access to a market of around one billion consumers.

Companies that want to set up their business in Vojvodina can obtain several types of support: significant financial and tax reliefs provided by the republic, province or a



local-self-government unit whereas the Vojvodina Development Agency provides an important logistic support and assistance. They exist to deliver essential information, to help the investors in finding the appropriate location, to communicate and negotiate with all levels of government and location owners, to position themselves efficiently in the new business environment, to follow up on the business activities of the existing investors (aftercare), etc.

5 reasons to anchor your business in Vojvodina:

1. **Top quality workforce at competitive rates** - Average NET salary 380 EUR, total labour cost 620 EUR; 3 universities; 57,776 enrolled students in 2016/2017.
2. **Competitive operating expenses** - Industry electricity prices lowest in the region; Greenfield average land cost 3-10 EUR m²
3. **Quick access to global markets**
Only one border crossing the EU along with duty-free export to a number of countries;
duty-free access to over 1 billion consumers.
4. **Favourable tax system** - Corporate profit tax rate 15%; salary tax rate 10%; VAT 20%

5. **Generous incentives** - Up to 50-70% of the investment amount (by Republic of Serbia); subsidizing new employment 3,000 -5,000 per worker (by AP Vojvodina).

Sectors in Focus

- **Agribusiness** - 90% of territory makes agricultural land; 0.76 ha of arable land per capita.
- **Automotive** - Access to top OEMs -1,250 km radius; Top technical education, Ideal location for JIT/JIS production.
- **ICT** - Increase in number of IT students; experienced IT staff; institutional support for R&D; over 250 companies in software development and more than 50 in electronic manufacturing.

Vojvodina Development Agency (RAV) - One-stop-shop for all investment related enquiries

RAV is established under the jurisdiction of the Government of AP Vojvodina. Because of 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.

The last desert in Europe and other interesting facts

- Vojvodina is a melting pot of 26 nationalities where six official languages are in use.
- This multicultural environment contributes to the wealth of historical heritage which, together with the tradition in the food industry, makes Vojvodina an exceptional gastronomic destination.
- Deliblato Sands which stretches along the Danube near the spot where it leaves Vojvodina is a sandy terrain unique in Europe – the only desert on this continent. It is known to many as the Little Sahara.
- The Danube-Tisza-Danube Hydro system network is one the greatest hydro engineering projects up to date. Its construction involved a number of technical innovations which were later copied around the world.



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BOŠKO VUČUREVIĆ

President of the Chamber of Commerce and Industry of Vojvodina

The Chamber of Commerce and Industry of Vojvodina (CCIV) is an interest, business-professional and non-profit organization of economic entities that connects common business interest in order to harmonize and represent the interests of members and encourage economic activities.

As part of the unique connection of business entities, the Chamber participates in the realization and securing of common interests important for the economy of the Autonomous Province of Vojvodina. Members of the Chamber are economic entities who perform activities in the territory of AP Vojvodina.

The activities of the Chamber of Commerce and Industry of Vojvodina are aimed at representing the common interests of the economy, organizing business meetings, improving and establishing economic relations with foreign countries, organizing a unique information system, vocational education, strengthening morals and good business practices.

The Chamber is run by its members, through its representatives in the organs of the Chamber that is composed of the Assembly, the Steering Committee, the Supervisory Board and the President of the Chamber. The Chamber has three associations – Association for Agriculture, Industry and Services - all of which have boards and groups of experts in different fields for example in organic production, viticulture, metal industry and other. These associations are engaged in monitoring and analysing economic trends by sectors and proposing measures related to improving the working conditions of their

members. The Chamber of Commerce and Industry of Vojvodina is a place for meeting, overcoming problems, exchange of information and connection with the world of economy.

Last year, by adopting and entering into force of the Law on Chambers of Commerce, the Serbian chamber system was transformed, became unique and thus created an economic network on the territory of the Republic of Serbia and therefore enabled the joint forces to strengthen the economic environment, on a regional, provincial and national level.

An agreement has been reached on joint action on the reorganization and creation of a unique chamber system that consists of all 19 regional chambers of commerce in Serbia. This means that, among other things, members of the Chamber of Commerce and Industry will, in the future, pay one membership fee "for which they will know what they are getting", and that appropriate domestic or international economic projects will be uniquely implemented, that is, faster and more efficient than before.

Modernization of the chamber system is part of the economic reforms that Serbia has implemented in order to heal the economy and improve the climate for business and investment, while respecting the principles of efficiency and rationality, i.e. reducing costs, functionally dividing work and creating packages of standardized services for the economy to companies operating in Serbia and to potential foreign investors. Modernization has also contributed to the intensified cooperation between the chambers of commerce and the

Government of the Republic of Serbia, especially regarding the involvement of the chambers of commerce in the process of passing and testing the laws.

An agreement was also signed between the Provincial Government of Autonomous Province of Vojvodina and the Chamber of Commerce and Industry of Vojvodina. This agreement represents the basis for permanent and continuous cooperation between the Provincial Government and the Chamber of Commerce and Industry of Vojvodina, with the aim of developing and strengthening the economy of AP Vojvodina. We have great collaboration with the representatives of the Provincial Government, and get their support in organizing different events that are in many ways helpful to our business entities.

The Chamber also cooperates with regional chambers, institutions such as universities, scientific institutes, clusters and many other organizations. It especially encourages its members to participate in exhibitions, organizing performances at fairs and business forums. We also put great effort in bringing together experts in certain fields who are able to inform and educate all businessmen who need their help. Our Chamber is each day more present at the international fairs and business forums, some of which we also successfully organize. One of our main goals is to give businessmen the opportunities to meet regional and international partners with the intention to connect, negotiate, expand their businesses and exchange experiences. The Chamber established prosperous synergy with other chambers abroad and signed cooperation memorandums of understanding and