

# PRIBOJ

YOUR RELIABLE  
PARTNER





# WELCOME ADDRESS BY THE MAYOR OF PRIBOJ

Dear investors,

The town of Priboj has a long history in industrial production and as such has the solid foundation for a new industrial era.

Priboj, in a few words, is the town of people who want to work in industry, because we have built our town and socially developed our local community thanks to it.

One of the biggest steps in attracting investments is establishing of the Free Zone in Priboj. In this regard Priboj has already been recognized as a reliable partner by foreign companies, because the local government is the main initiator of economic development, choosing investors with sustainable and innovative investments.

Over the recent years, municipality of Priboj has significantly changed its image in terms of market competitiveness and attracting foreign investments, which will have a direct impact on reducing unemployment. Future partners are offered significant facilities in which they can do their business using preferential customs regime and quick and efficient paperwork.

In addition to the fact that it used to be an important industrial production center, and we shall strive to make it such again, Priboj is a modern, well urbanised town, which cherishes its cultural and sporting events tradition.

Priboj is a small town  
with large amenities!

Your reliable partner!

  
Lazar Rvović



# PRIBOJ

## RIGHT CHOICE FOR



**15 MILLION**  
consumers in the markets  
in Serbia, Montenegro,  
Bosnia and Herzegovina  
and Croatia



**10 ha**  
of greenfield in  
and out  
of the free zone



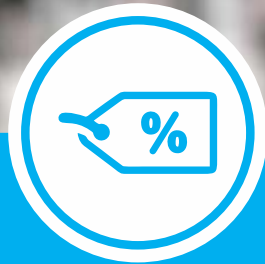
**INFRASTRUCTURE**  
proximity to major roads  
connecting Serbia with  
Bosnia and Herzegovina  
and Montenegro

# YOUR BUSINESS



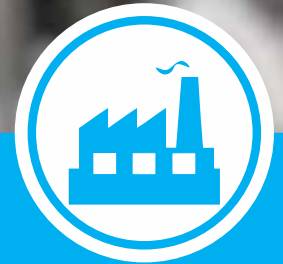
## **FREE ZONE**

export and import  
of goods and services  
in the zone are free



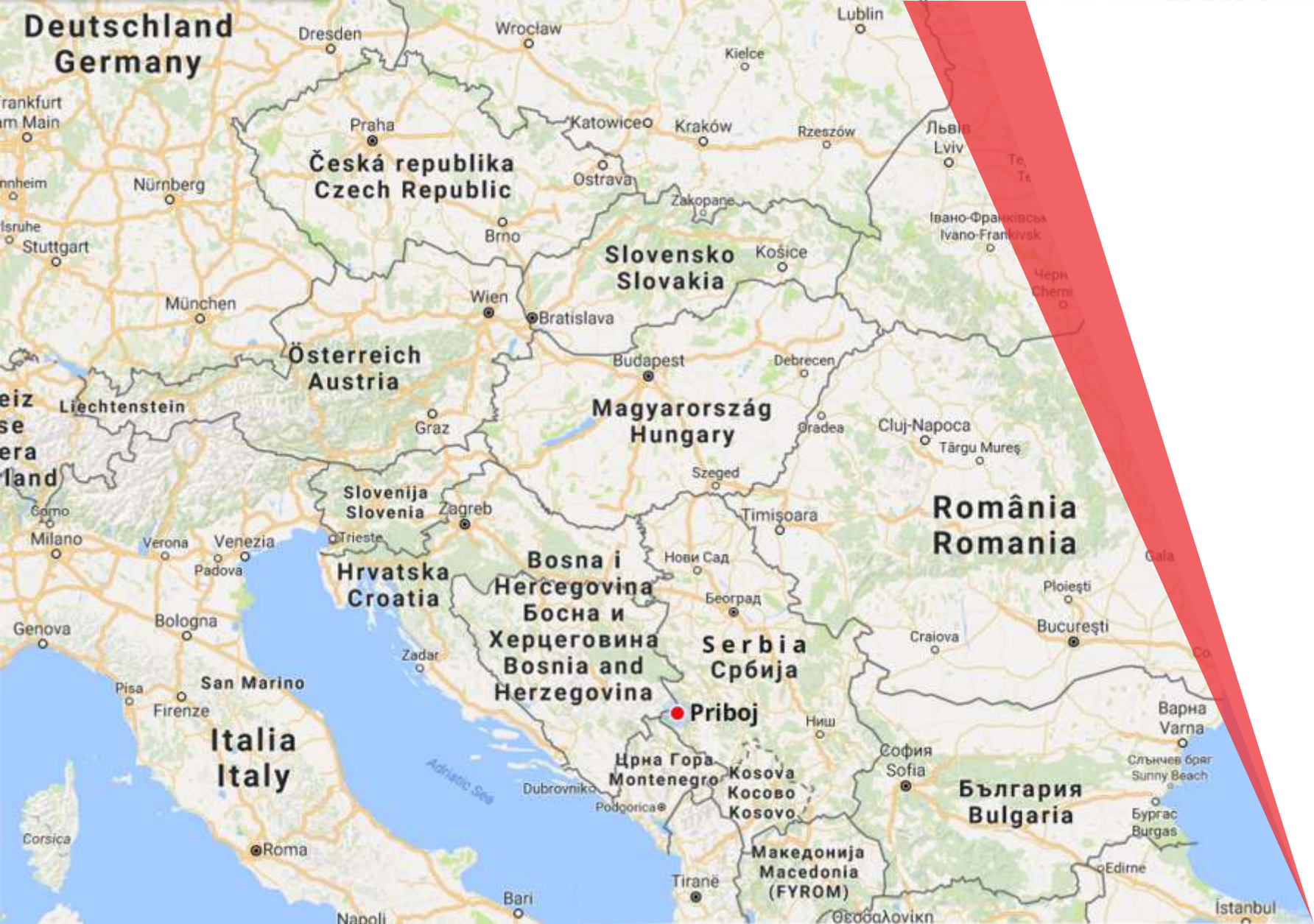
## **VAT**

VAT 20% and 10%,  
corporate income  
tax 15%



## **60 YEARS**

of industrial  
production



**Deutschland**  
**Germany**

**Česká republika**  
**Czech Republic**

**Slovensko**  
**Slovakia**

**Österreich**  
**Austria**

**Magyarország**  
**Hungary**

**România**  
**Romania**

**Italia**  
**Italy**

**Hrvatska**  
**Croatia**

**Bosna i Hercegovina**  
**Босна и Херцеговина**  
**Bosnia and Herzegovina**

**Serbia**  
**Србија**

**България**  
**Bulgaria**

**Македонија**  
**Macedonia (FYROM)**

**Priboj**

**Црна Гора**  
**Montenegro**

**Косова**  
**Kosovo**

# EXCELLENT LOCATION



## GEOGRAPHICAL POSITION

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- ✓ 43° 33' 59" N, 19° 32' 07" E, 553 km<sup>2</sup> area
- ✓ In the South-West part of Serbia, on the borders with Montenegro and Bosnia and Herzegovina.
- ✓ 280km from Belgrade, 200km from Podgorica, 160km from Sarajevo
- ✓ Population 27.133 (14.920 in the town, 12.213 in villages)
- ✓ Multicultural environment



## ROAD COMMUNICATIONS

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- ✓ 136 km of roads in Priboj municipality area, 48% out of which are local
- ✓ Regional roads passing through municipality of Priboj are R114, R115 I R228
- ✓ Belgrade international airport is 267 km away



## RAILWAY COMMUNICATIONS

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- ✓ Railway line Belgrade-Bar passes through Priboj



## WATERPOWER ENGINEERING

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- ✓ Hydropower plant Potpeć (water reservoir) was built on the River Lim





# FREE ZONE PRIBOJ

## FOR QUICK AND SAFE START



### AREA

26 ha 90 a owned by municipality  
(21 ha 06 a free zone itself)



### LOCATION

7 km from the town and the railway station  
25 km from E-763 main road



### INFRASTRUCTURE

Full infrastructure provided (water supply,  
sewerage, access road, high voltage power)



### STORAGE FACILITIES

Lease of storage  
and office space



### 14<sup>th</sup> FREE ZONE

One of 14 free zones in Serbia



## EXISTING FACILITIES FOR NEW OPPORTUNITIES

Greenfield inside the Zone 5 ha  
Greenfield outside the Zone 5 ha

### **Brownfield locations:**

- "Bravarija" facility
- "Preseraj" facility
- former spare parts warehouse
- administrative building  
with the restaurant
- former carpentry workshop



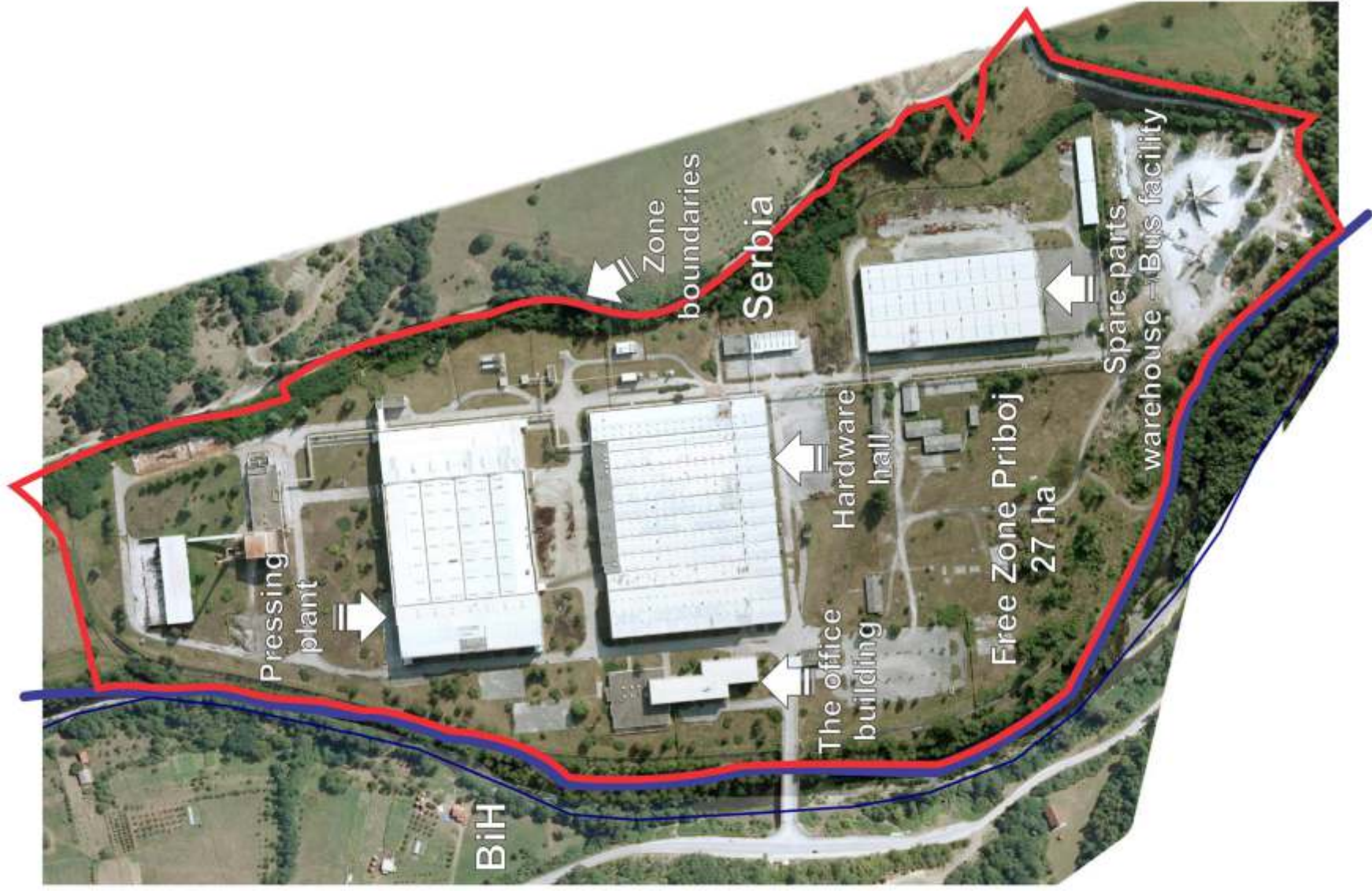
# GREENFIELD INVESTMENTS



The most preferred form of investment in new capacities, because they lead to excellent growth of economic activity and increased employment and export.

They are necessary for dynamic economic development, particularly for countries in transition. They used to be related to industrial production activities but are increasingly occurring in trade and services sector.

Greenfield investments imply that a company has the ability and resources to independently build a factory and that it knows well the local market, infrastructural and cultural environment.



Pressing plant

The office building

Hardware hall

Free Zone Priboj  
27 ha

Spare parts warehouse - Bus facility

Zone boundaries

Serbia

BiH



## FREE ZONE ENABLING ENVIRONMENT

The former FAP's plant 4 transferred into Municipality's ownership and transformed into Industrial park Priboj.

Free zone regime established in the whole area.

There are 18 buildings in total, the most important are two halls with 15.000 m<sup>2</sup>, «Pressing hall» and «Metalwork hall», «Rim hall» of 3.700m<sup>2</sup> and «Bus facility» of 7.200m<sup>2</sup>.

It is planned that FAP's former Assembly line facility (50.000 m<sup>2</sup>) is added to the Free Zone regime when the conditions are met.

# BENEFITS OF DOING BUSINESS IN THE FREE ZONE

### **Fiscal benefits:**

Exemption from payment of VAT on the entry of goods into the Free Zone and on energy consumption.

### **Customs benefits:**

The users are exempted from paying customs duties and other import duties for goods intended for activities and infrastructure construction in the free zone (equipment, construction and raw materials).

### **Efficient administration in the free zone:**

(One Stop Shop) All in one place.

### **Financial benefits:**

Unobstructed flow of profit, capital and dividends.

### **Simple and quick:**

The Customs Administration office is located in the Free Zone, which simplifies customs procedure.

### **Preferential rates:**

Can be used for a set of services. Free Zone users can use (forwarding services, organization of transport, reloading, loading, banking, insurance and re-insurance, etc).

### **Local government incentives:**

Employment incentives.

# FREE TRADE AGREEMENTS

## EFTA

Access to market of European Free Trade Association countries (Iceland, Lichtenstein, Norway and Switzerland)  
**13 MILLION CONSUMERS**

## EU PREFERENTIAL STATUS

Serbia has been enabled duty-free export of products of Serbian origin to EU countries, excluding wine and veal.  
**507 MILLION CONSUMERS**

## USA PREFERENTIAL STATUS

Serbia is on the list of countries that were given preferential export regime in the United States. Free access to over 4,650 products is enabled to majority of Serbian industrial and agricultural producers.  
**316 MILLION CONSUMERS**



## FTA RUSSIA

The Republic of Serbia is the sole country outside the Commonwealth of Independent States, which has a free trade agreement with the Russian Federation.  
**150 MILLION CONSUMERS**

## FTA BELARUS

Free trade agreement between Serbia and Belarus has introduced full liberalization of market access, except for certain sensitive and excise goods.  
**10 MILLION CONSUMERS**

## FTA KAZAKHSTAN

Serbia has signed free trade agreement which regulates trade with Kazakhstan, country which along with Russia and Belarus has Customs Union and constitutes one trade area, under the same rules for all three countries.  
**17 MILLION CONSUMERS**

## CEFTA

Free Trade Agreement between the countries of South East Europe: Albania, Bosnia and Herzegovina, Croatia, Macedonia, UNMIK (on behalf of Kosovo), Moldova, Montenegro and Serbia.  
**30 MILLION CONSUMERS**

## FTA TURKEY

Free Trade Agreement between Serbia and Turkey allows duty-free export from Serbia to the Turkish market  
**75 MILLION CONSUMERS**





# INCENTIVES AND TAX BENEFITS FOR BUSINESS IN SERBIA

## REPUBLIC OF SERBIA'S INCENTIVES FOR DIRECT INVESTMENTS

Eligible investments for subsidies	Minimal value of investment in EUR	Minimal number of newly created jobs	Amount
Production sector	<b>0,5 million</b> for underdeveloped local governments*	<b>50</b>	<ul style="list-style-type: none"> <li>✓ Large companies: 50% of eligible costs of investment</li> <li>✓ Medium-size companies: 60% of eligible costs of investment</li> </ul>
	<b>1 million for others**</b>	<b>100</b>	<ul style="list-style-type: none"> <li>✓ Small enterprises: 70% of eligible costs of investment***</li> </ul>
Services that may be subject of international trade	<b>300.000</b>	<b>20</b>	
Strategic projects in tourism sector	<b>5 miliona</b>	<b>50</b>	
Large investment projects	<b>50 miliona</b>	<b>300</b>	
Mid-size investment projects	<b>30 miliona</b>	<b>150</b>	

\*For local governments, which according to the degree of development are in the fourth group or devastated areas

\*\*For local governments, which according to the degree of development are in the first, second or third group

\*\*\*Total amount of funds allocated for investments over 50 million EUR can not be more than 20% of eligible investment costs, and the for investments of over 100 million EUR, this percentage may not exceed 17% of eligible investment costs, and is determined as follows:

- 1) for eligible costs up to 50 miliona EUR – up to 50% of the costs,
- 2) for part of the eligible costs of 50-100 million EUR – up to 25% of the costs,
- 3) for part of the eligible costs over 100 million EUR – up to 17% of the costs.

## **NATIONAL EMPLOYMENT AGENCY SUBSIDIES FOR CREATING NEW JOBS**

### **A lump sum shall be granted for each newly employed person:**

- 100.000 dinars per person in the first and second development group of municipalities;
- 200.000 dinars per person in the third development group of municipalities;
- 300.000 dinars per person in the fourth development group of municipalities and in devastated areas when more than 10 persons are employed;
- 400.000 dinars per person in the fourth development group of municipalities and in devastated areas when 11 or more persons are employed.

### **If people with disabilities are newly employed, the amount of subsidy is:**

- 150.000 dinars per person in the first and second group of municipalities;
- 250.000 dinars per person in the third group of municipalities;
- 400.000 dinars per person in the fourth group of municipalities, devastated areas and areas of special interest.

### **Relief of taxes and contributions on net earnings of newly employed paid from the moment of employment until 31 December 2017:**

- For 1-9 newly employed: the right for reimbursement of 65% of tax payed;
- For 10-99 newly employed: the right for reimbursement of 70% of tax payed;
- For more than 100 newly employed: the right for reimbursement of 75% of tax payed.

## TAX RATES

Value Added Tax	<b>General rate - 20%</b> <b>Lower rate - 10%</b>
Social insurance contributions	Pension and disability insurance – <b>14%</b> Health insurance – <b>5,15%</b> Redundancy insurance - <b>0,75%</b>

## TAX RATES FOR LEGAL ENTITIES

Corporate income tax	<b>15%</b>
The tax on dividends, shares in profit, royalties, interest and capital gains	<b>20%</b>

## TAX ON INCOME OF INDIVIDUALS

Earnings and income from self-employment	<b>10%</b>
Copyright, real estate, gains from gambling and other types of income	<b>20%</b>
Capital income and capital gain	<b>15%</b>
Yearly income tax	<b>10 - 15%</b>



### CORPORATE INCOME TAX

Ten-year corporate profit tax holiday for investors who hire more than 100 employees and invest more than 8.5 million EUR

# ENTREPRENEURSHIP

Chart showing percentage of active entrepreneurs and enterprises formed from the database of enterprises and companies, , for the territory of the municipality of Priboj, which has 867 entries. There is also a table showing the total number of entrepreneurs and companies by industries.

Trade businesses	<b>241</b>
Craft services	<b>231</b>
Catering and tourism	<b>72</b>
Services	<b>204</b>
Craft shops	<b>113</b>
Agricultural entrepreneurship	<b>4</b>
<b>TOTAL</b>	<b>867</b>

# PRIBOJ

## IN THE FUNCTION OF ECONOMIC DEVELOPMENT



**Local government in Priboj** is committed to creating a favorable business environment for investors and business development, as outlined in the Sustainable Development Strategy of Priboj.



**Citizens Assistance Center:** The CAC is a service for citizens that helps bring the municipal administration closer to citizens. The counters for entrepreneurship will provide all information regarding entrepreneurship.



**48 hour system:** Is a unified information system that solves the problems of citizens within 48 hours. It serves for better town management and quality control of public companies.



**LED Office** strives to improve the business climate in Priboj and encourage faster economic development.



**Unified procedure:** procedure has been simplified for businesses and individuals to obtain documents needed in various stages of construction of buildings.



# WHY CHOOSE TO OPERATE IN THE FREE ZONE PRIBOJ

## **FISCAL BENEFITS:**

- Exemption from VAT on entry of goods into the Free Zone, as well as on transport and other services related with the entry of goods
- Exemption from VAT on trade of goods and services in the Free Zone
- Exemption from VAT on trade of goods between users of two free zones
- Exemption from VAT on energy consumption for manufacturers
- Exemption from certain tax burdens for foreign direct investments

## **CUSTOMS BENEFITS:**

- Exemption from customs duties and other import duties for goods intended for production activities and construction of facilities in the Free Zone (raw materials, equipment and construction material).

## **FINANCIAL BENEFITS:**

- Free flow of capital, profit and dividends;
- Funds from the budget of the Republic of Serbia for financing investment projects in the manufacturing and service sectors which may be subject of international trade.

## **LOCAL GOVERNMENT'S INCENTIVES:**

- Pursuant to its powers local government can make a decision on incentives for construction of facilities and infrastructure in the Free Zone. These benefits relate to a decision on exemption from local taxes, fees and charges under the jurisdiction of local government: fees for development of construction land, fees and expenses of the municipal administration, fee for location conditions and approvals, access to local infrastructure (water, sewage), local municipal taxes, etc.

## **EFFICIENT ADMINISTRATION IN THE FREE ZONE:**

- Free Zone has the following logistic services at preferential prices: organization of transport, handling, shipping, freight forwarding services, agency services, insurance and reinsurance, banking transactions, etc.





# OPERATIONAL COSTS

## LOCAL COSTS

**ELECTRICITY** - 0,041 €/kWh

**WATER AND SEWERAGE (combined)** - 1 € / m<sup>3</sup>

**SOLID WASTE REMOVAL** -

91-300 m<sup>2</sup> = 30 €

300-5000 m<sup>2</sup> = 0,1 €/m<sup>2</sup>

5000 m<sup>2</sup> = 122 € per truckload

**FIXED PHONE**

Initial access fee 103 €; 5 € per month



# HUMAN RESOURCES

## PROFILES AVAILABLE ON THE LABOUR MARKET, JULY 2016 / PRIBOJ MUNICIPALITY

Agriculture, food manufacturing and processing:	73
Forestry and wood processing:	23
Geology, mining and metallurgy:	11
<b>Mechanical engineering and metal processing:</b>	<b>1.860</b>
Electrical engineering:	536
Chemicals, nonmetals and graphic:	118
Textile and leather industry:	94
Utilities, upholstery and painting services:	37
Geodesy and construction:	83
Transportation:	102
Trade, catering and tourism:	356
Economics, law and administration:	515
Education and learning:	77
Social sciences and humanities:	29
Natural and Mathematical sciences:	35
Culture, Arts and Public Information:	21
Health care, pharmacy and social care:	132
Physical culture and sports:	1
Other:	1.334
<b>Total:</b>	<b>5.437</b>

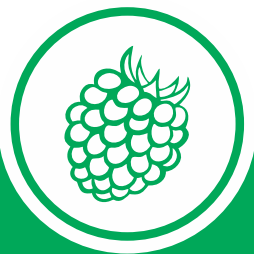


## **Construction of rural infrastructure**

In the last three years, the municipality has started intensive construction of rural infrastructure, both roads and utilities, in order to create conditions for intensive development of agriculture.

This is one of the key conditions for development of this sector.





In the fruit growing sector raspberry is currently the leading product. In the municipality of Priboj plum is also produced ("požegača" variety) which is due to its quality in demand on the domestic and European market, both dried and raw. For this purpose four cold storage facilities were built, one of which is the refrigerator Zabrnjica owned by the municipality, with 100 tons capacity, and the one in Sjeverin, owned by "Jugotrejd", has 500 tons capacity. There is still a strong need for fruit refrigerators and driers.

## AGRICULTURE IN EXPANSION

Agriculturally productive land covers 5,550 ha, 34.95% of total area of Priboj municipality land (18,427 ha).

Arable land (plough land, gardens, orchards and meadows) occupies 12,533 ha (67.9%), and pastures and other land 8,307 ha.

On the arable land mainly fodder crops are cultivated (61%) and on a small scale vegetable and grain.

The advantages of the terrain and environmental conditions in Priboj municipality are suitable for livestock sector development.

Out of the total number of households in rural local communities, about 57% of them are registered as farms.

Registration procedure is efficient and simple.



# LIFE AND CULTURE

All in the spirit of culture and intertwining of tradition and modern life, warm welcome awaits every guest. Along the banks of the River Lim, divided into old and new part, there lies the harmonious town of Priboj, better known for its developed economy and giant FAP factory. Today, there are well-developed catering facilities and excellent restaurants where superb traditional specialties are served, of which "ćeške" is a meal this region is famous for. The Potpeć lake and the River Lim are natural resources that adorn the area and a boon for fishing enthusiasts. Five kilometers away from Priboj is Banja, a great tourist potential. Priboj is the realm of forests and clean air, with high places Krnjača, Bić, Javorje, whose beauty attracts more and more mountaineers and hikers. Not enough is known that Priboj is home of "the white sport" in Serbia. Back in the 19th century tennis was played in Priboj, just three years after Wimbledon. Priboj is in favor of sport and spawned many sporting aces. The municipality has six primary schools and two secondary ones, high school and Mechanical-Electrical Engineering school. Every third week of August Priboj is the host of Lim biathlon Priboj-Rudo, within which is organized music festival "Lim Fest" with more and more visitors every year. Among cultural events two poetry events surely stand out: "Lim poetry evenings" and "Lim children poetry evenings". There are also "Days of Danilo Lazović", dedicated to the memory of a famous actor who hails from this region, whereas art colony "Jagart" is organized for the youngest ones. There is also a well known event dedicated to fostering tradition "Ilindan days". It has a rich cultural and historical heritage. The Orthodox Church important monuments are the Holy King Lazar's church in the old town, and St. Nicholas monastery in Banja. Hasanaga's mosque in the old town stands out among the monuments of Islamic culture.





# BANJA (SPA) NEAR PRIBOJ

One of the most significant thermal mineral spas whose benefits were enjoyed even by the ancient Romans. It is located in the central part of Priboj municipality. This health resort, after which the settlement got its name Banja ("banja" means "spa" in Serbian), is located at 530 to 550 m above sea level. It is surrounded by mountains of Starovlah highlands, which makes it the air health resort too. In the very center of the spa there are several of thermal springs with water temperature of about 37 °C. Spa water is used as an adjuvant therapeutic agent used for bathing and drinking in medical treatment of all forms of chronic rheumatism, diseases of the digestive system, gynecological and skin diseases.

The place is used for training and rehabilitation by athletes but also for recreation by healthy visitors. It is marked on the map as a desirable tourist destination. Above the main spring "Old Spa" was built, whereas three pools known as "New Spa" were built above the other one. Apart from enjoying the warm spa water, peace, tranquility and greenery, visitors have the opportunity to visit the St. Nicholas monastery, one of the oldest in Serbia, with its rich treasure.

Visitors who once experience the spa magic are happy to come back again because it is "paradise for soul and a cure for sick body".

## **ADVANTAGES FOR INVESTORS:**

- Good location
- Close to Belgrade – Podgorica main road
- Close to Belgrade – Bar railway
- 600.000 consumers market within 200 km radius
- Potential for brownfield investments
- Institutional support for investors
- Competitive workforce
- Quick procedure for obtaining building permits
- Healthy environment
- Rich cultural-historical heritage
- Tourism potential
- Large water resources

## **Banks in Priboj**

Eurobank EFG A.D. Beograd Fapov trg 1, Priboj

Banca Intesa A.D. Nemanjina 48-50, Priboj

Komercijalna Banka A.D. Meše Selimovića 1, Priboj

Vojvođanska Banka A.D. Nemanjina 47, Priboj

Banka Poštanska štedionica A.D. Meše Selimovića 2, Priboj

## **Insurance companies in Priboj**

DUNAV OSIGURANJE Nemanjina 64, Priboj

DDOR NOVI SAD AD Nemanjina 50, Priboj

Grawe osiguranje Limska bb, Priboj



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## **Local Economic Development Office**

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