



CITY OF PANČEVO

**INVEST IN PANČEVO**  
City of possibilities

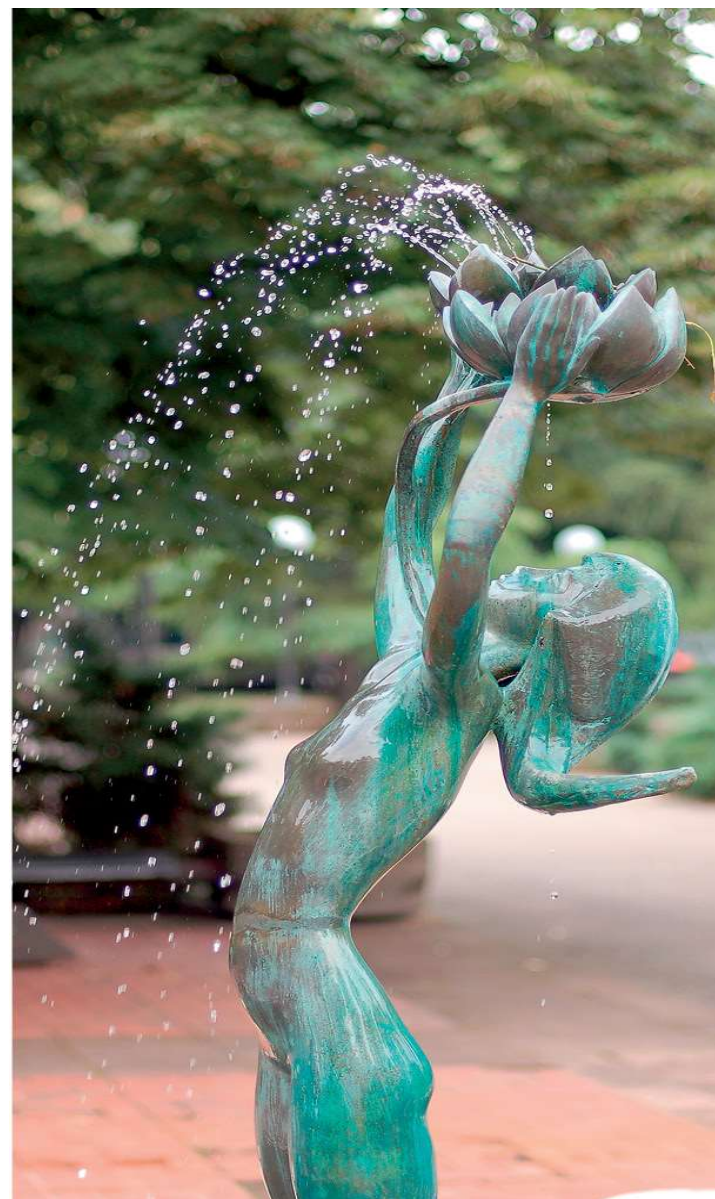
WELCOME TO PANČEVO!





- Pancevo is mentioned for the first time in the ninth century
- Administrative, cultural and industrial center of South Banat
- Population of 123,414 inhabitants
- 29 nationalities
- Surface area: 756 km<sup>2</sup>
- Agriculture area: cca 53,187 ha
- Known for entrepreneurial tradition and industrial heritage
- Exceptional geographic location

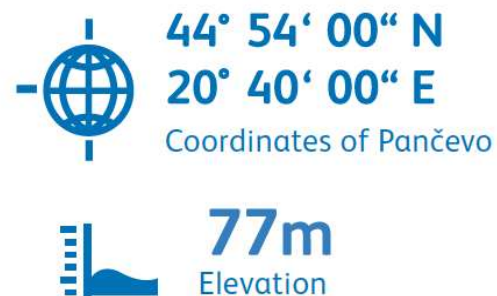
## ABOUT PANČEVO





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# GEOGRAPHIC POSITION





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# INFRASTRUCTURE LINKS









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## DISTANCES

	Pančevo	Indija	Vršac	Obrenovac	Zrenjanin	Subotica	Loznica	Šabac
BELGRADE	18	51	86	35	73	189	140	88
NOVI SAD	106	31	139	113	50	111	118	67

	Pančevo	Indija	Vršac	Obrenovac	Zrenjanin	Subotica	Loznica	Šabac
 corridor 10	18	4	86	30	74	11	154	26
 corridor 7	0	10	66	37	50	73	154	87
 airport	40	47	104	32	90	189	122	68
 port	0	31	66	37	50	73	57	0

Distance in km





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## CONNECTIVITY

### ■ Distance from borders

Hungary	214 km
Croatia	137 km
Romania	160 km
Bulgaria	300 km
B&H	185 km

### ■ Distance from highway

E-75	18 km
E-70	0 km

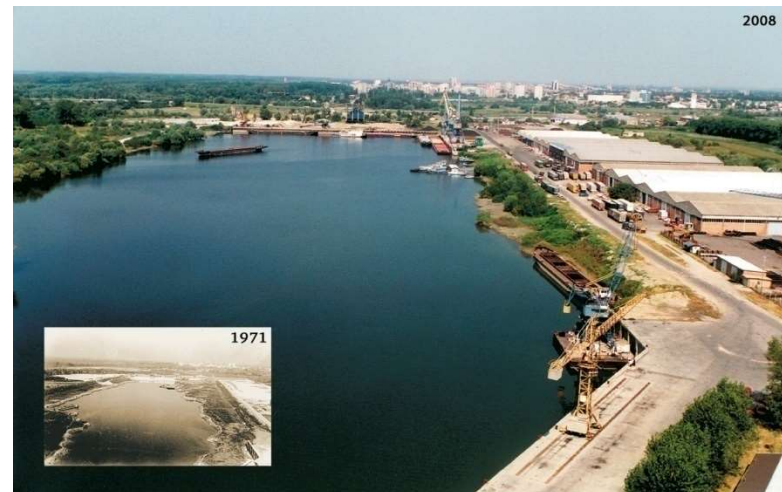
### ■ Distance from airport

BELGRADE	40 km
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## “DANUBE” PORT, PANČEVO

- River Danube length – 30km
- Port of “Danube” - Pancevo complex – 240 ha
- Dock for river/sea ships with capacity of 5,000t at any water level
- Port of Danube also has the services of:
  - Federal Customs Directorate – Belgrade Customs, Pancevo Customs Office
  - Ministry of Transport of the Republic of Serbia, Port Master Pančevo
  - Forwarding services
  - Storage service at the public customs storehouses



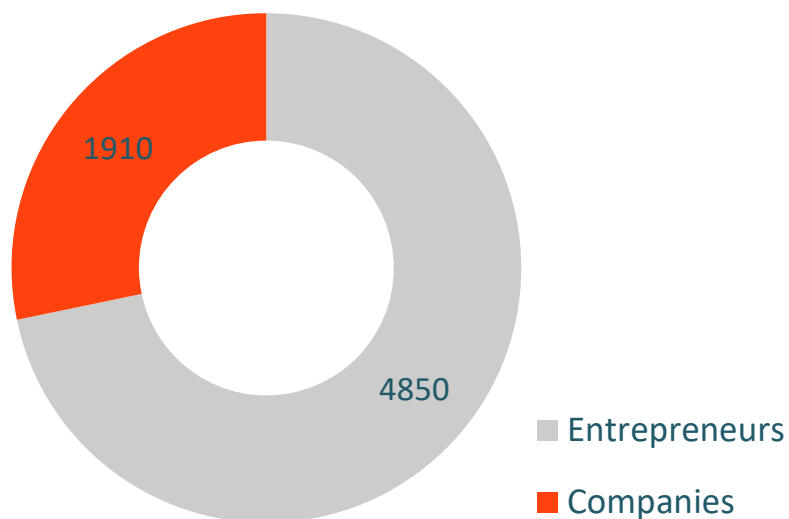


## LONG BUSINESS TRADITION

- The oldest brewery in the Balkans from 1722
- 215 years of Craft Association
- The first commercial (industry and crafts) exhibition with 713 exhibitors was held in Pančevo in 1905
- The oldest commercial airport in the Balkans
- Production of aircrafts, glass, light bulbs, furniture and textiles date back to the first half of the 20th century – mostly closed today
- Oil industry, production of fertilizers and petrochemical industry from second half of the 20th century – leaders of city economy today



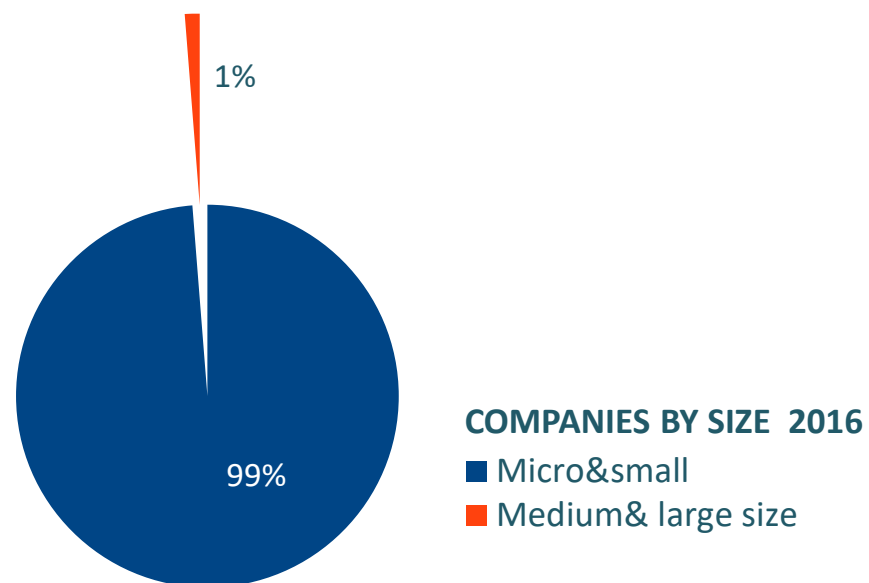
# COMPANIES



**\*NUMBER OF COMPANIES & ENTREPRENEURS**  
30.06.2017.

Entrepreneurs	4850
Companies	1910

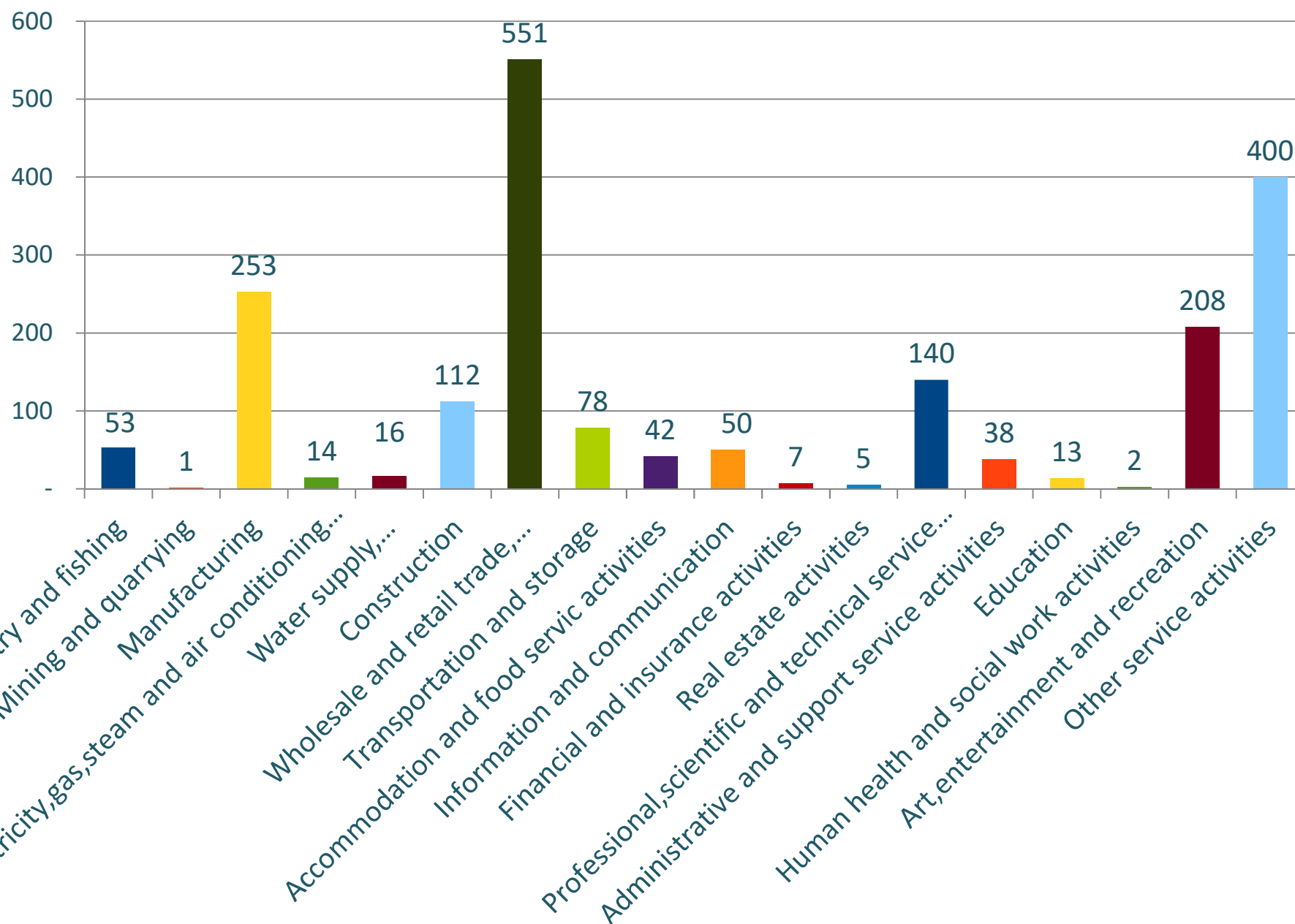
*COMPANIES BY SIZE 2016	
Micro & small	1958
Medium & large size	25
Total	1983



\* SBRA - Serbian Business Registers Agency

# COMPANIES

## BUSINESS ACTIVITIES BY NUMBER OF BUSINESS ENTITIES, 2016







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## TOP 10 EMPLOYERS

<b>HIP-PETROHEMIJA</b> production of petrochemicals	<b>1435 employees</b>
<b>HIP-AZOTARA</b> production of mineral fertilizers, ammonia, carbamide (UREA)	<b>985 employees</b>
<b>NIS GAZPROM NEFT - NIS Petrol, Rafinerija nafte Pančevo</b> production of petroleum products	<b>700 employees</b>
<b>ALMEX</b> growing of cereals (except rice), legumes and oilseeds	<b>321 employees</b>
<b>UTVA AI</b> production of aircrafts and related equipment	<b>245 employees</b>
<b>PEKARSKA INDUSTRIJA</b> production of bread, fresh pastry goods and cakes	<b>220 employees</b>
<b>STARI TAMIS</b> growing of cereals (except rice), legumes and oilseeds	<b>177 employees</b>
<b>INDUSTRIJA SKROBA JABUKA</b> production of starch, FSH	<b>175 employees</b>
<b>STRABAG - AD VOJVODINAPUT PANČEVO</b> road construction	<b>172 employees</b>
<b>JABUKA,</b> production of concentrated fodder	<b>127 employees</b>

## FOREIGN INVESTORS IN PANČEVO



NIS GAZPROM NEFT (Russia)

STRABAG (Austria)

MESSER (Germany)

AVIV ARLON GROUP (Israel)

EGSTON (Austria)

ZF Friedrichshafen AG (Germany)



**STRABAG**



# HUMAN RESOURCES

## UNEMPLOYED BY EDUCATIONAL LEVEL

**Population:** inhabitants  
\*Census 2011  
**123,414**

**Population:**  
\*estimates 2017  
**121,482**

**Employed:**  
\*2016  
**29,177**

**Unemployed:**  
\*2016  
**10,423**

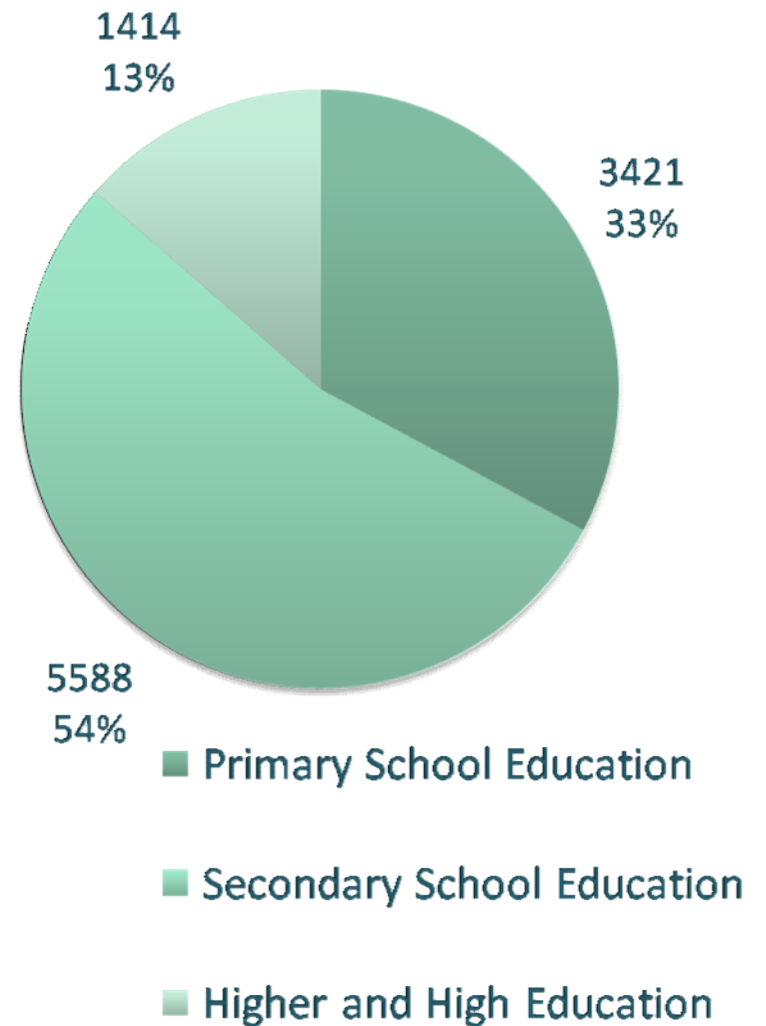


**5,824**



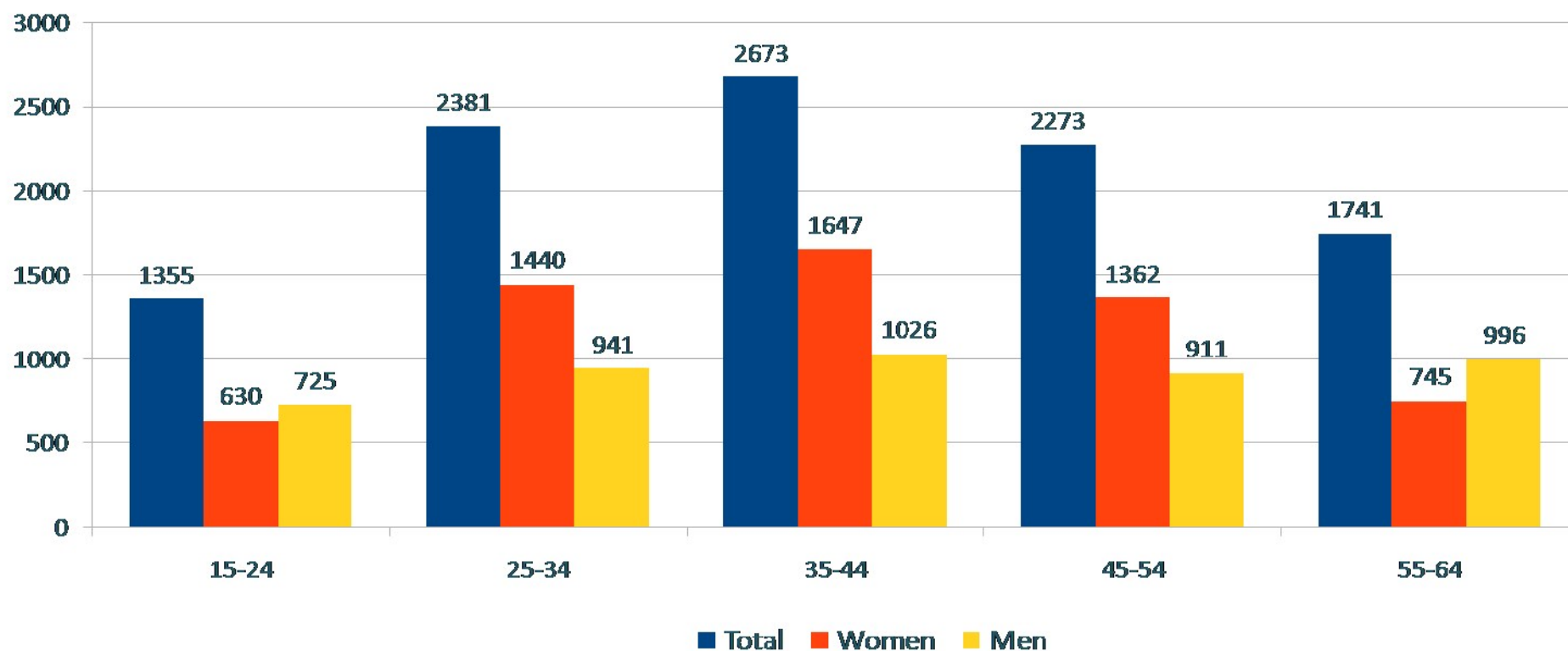
**4,599**

\*Statistical Office of the RS





## AVAILABLE QUALIFIED LABOR FORCE UNEMPLOYED BY AGE GROUPS AND GENDER



# HUMAN RESOURCES

## Breakdown of qualifications unemployed persons January-July 2017

unskilled	2794
Semi-skilled and low-skilled	397
Skilled	1813
Secondary education	3098
Highly-skilled	72
Post-secondary two-year education	282
Higher education	918
Unemployees – engineers:	
Electro	11
Mechanical	18
Unemployees – technicians:	
Electro	156
Mechanical	206



# HUMAN RESOURCES – EDUCATION

- 📖 21 primary schools
- 📖 9 secondary schools

- 📖 3 faculties
- 📖 Proximity of Belgrade offers the possibility of attending 69 different faculties

## SECONDARY SCHOOLS

Grammar school	2 profiles
Mechanical	8 profiles
Technical	10 profiles
Electrical engineering	7 profiles
Agricultural	6 profiles
Economic and trade	10 profiles
Medical	3 profiles
Music	2 profiles
Ballet	3 profiles





## SECONDARY SCHOOL OF MECHANICAL ENGINEERING PANČEVO

<http://www.masinska.edu.rs/>

### Field of mechanical engineering and metalworking:

Four-year educational profiles:

- |                                       |           |               |
|---------------------------------------|-----------|---------------|
| ▪ Computer Control Technician         | 1 class   | (30 students) |
| ▪ CAD Mechanical Technician           | 2 classes | (60 students) |
| ▪ Motor Vehicle Mechanical Technician | 1 class   | (30 students) |
| ▪ Mechatronics Technician             | 1 class   | (30 students) |

Three-year educational profiles:

- |                                  |                      |               |
|----------------------------------|----------------------|---------------|
| ▪ Auto Mechanic                  | 1 class              | (30 students) |
| ▪ Mechanical Processing Operator | 1 experimental class | (30 students) |

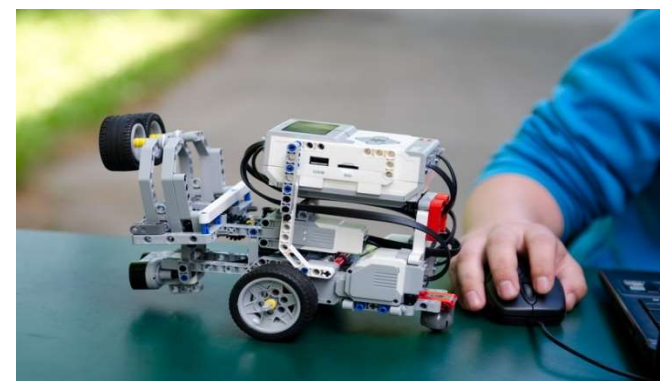
### Field of traffic:

Four-year educational profile:

- |                           |         |               |
|---------------------------|---------|---------------|
| ▪ Road Traffic Technician | 1 class | (30 students) |
|---------------------------|---------|---------------|

Three-year educational profile:

- |                         |         |               |
|-------------------------|---------|---------------|
| ▪ Motor Vehicles Driver | 1 class | (30 students) |
|-------------------------|---------|---------------|

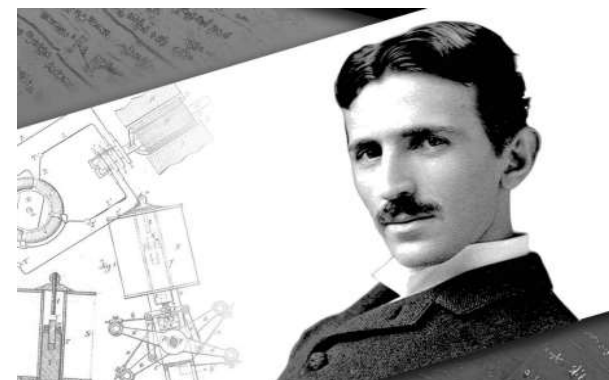


## SECONDARY SCHOOL OF ELECTRICAL ENGINEERING “NIKOLA TESLA” PANČEVO <https://etsntesla.edu.rs/>

### Four-year educational profiles:

- |                                      |                                       |
|--------------------------------------|---------------------------------------|
| ▪ Telecommunications Electrician     | 1 class (30 students)                 |
| ▪ Computer Electrician               | 1 class (30 students)                 |
| ▪ Multimedia Electrician             | 1 class (30 students)                 |
| ▪ Power Line Electrician             | 1 class (30 students)                 |
| ▪ Electronic Electrician             | 1 class (30 students)                 |
| ▪ Computer Networks Administrator    | 1 class (30 students)                 |
| ▪ Information Technology Electrician | 1 experimental class<br>(24 students) |

Željko Arsić, a student of Electrical Engineering School "Nikola Tesla" from Pančevo, won a bronze medal at the 46th International Physics Olympiad in July, 2015, in the Indian city of Mumbai.





# "READY TO BUILD" GREENFIELD LOCATION



## LEGEND:

— cadastral parcel border

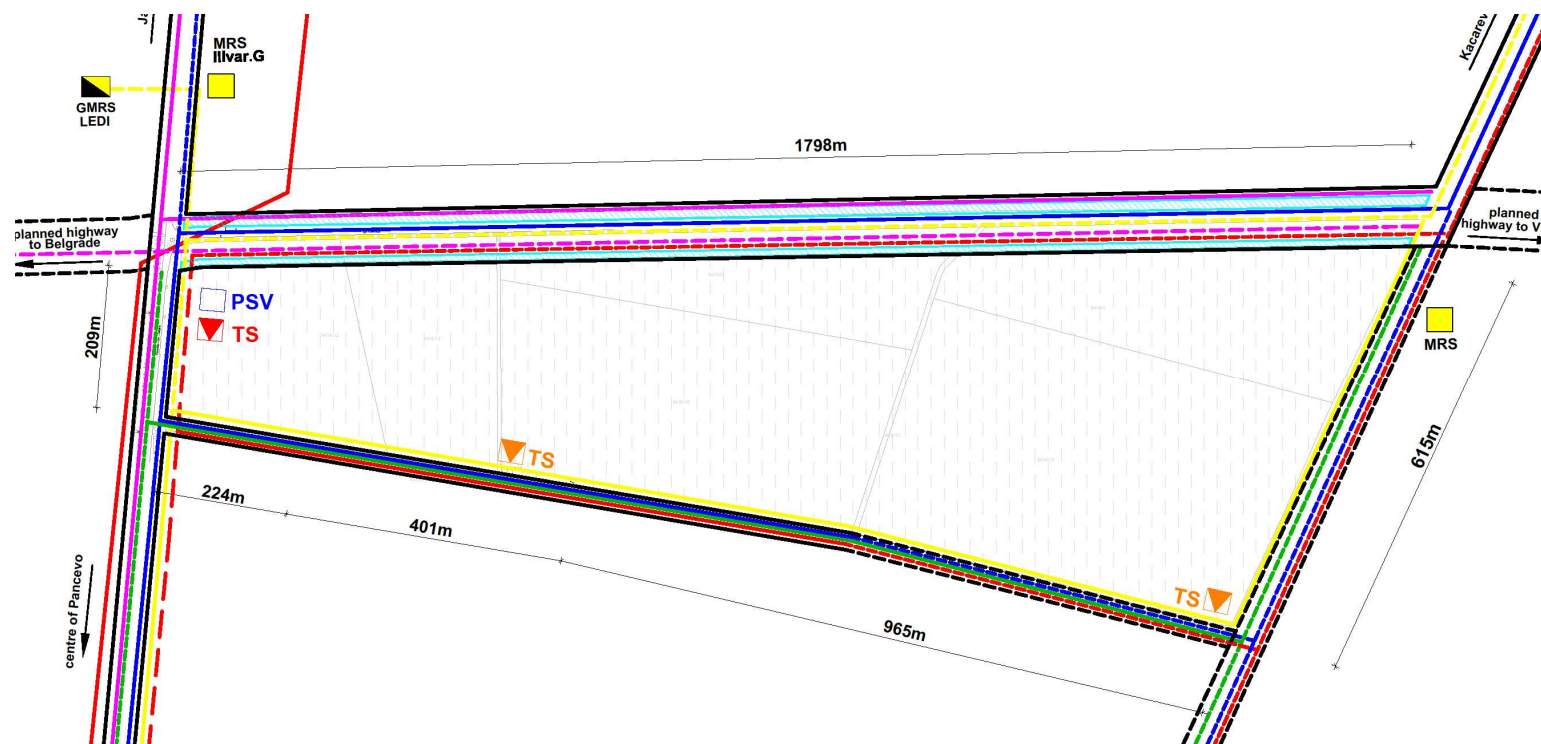
## EXISTING INFRASTRUCTURE

- 20kV line route
- optical fiber cable
- gas pipeline
- water main line
- sewage system
- canals
- PSV booster station
- ▼ TS transformer station
- access road

## PLANNED INFRASTRUCTURE:

- planned electricity
- planned optical cable
- planned gas pipeline
- planned primary water supply network
- planned sewage system collectors
- ▼ TS planned transformer station
- future planned roads

# "READY TO BUILD" GREENFIELD LOCATION



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## "READY TO BUILD" GREENFIELD LOCATION

LOCATION INFORMATION	"NORTH" GREENFIELD LOCATION (75 ha)
Proposed plot size	65,3 ha
Ownership	City of Pancevo
Distance from the City Center	1,5 km
Distance from port "Danube"	8,0 km
Electricity	6,2 MW (will be expended to 15,2MW)
Water	Yes
Sewer	from March 2018
Gas	1,000 m <sup>3</sup> /h (3,5 bar)
Optical cable network	Yes
Existing connection to state road – Jabučki put, internal access road	
Public transportation to the zone – multiple bus lines	

## OPERATING COSTS - UTILITIES

WATER



0,86 € /m3

WASTE WATER



0,72 € /m3

ELECTRICITY



0,05 € /kwh  
Subject to contracting

GAS



~ 0,3 € /m3

- Five-day-workweek, 8 hours of work with 1 break of 30 minutes (net 37,5 workhours per week)
- 11 national holidays / non-working days
- Annual leave: minimum 20 days
- Minimal wage €219.27 (net) or €294.96 (gross amount)
- Night and overtime work – additional 26% to the basic wage
- Work on national holiday – additional 10% to the basic wage
- Limited time contract: no more than 2 years
- Test work: up to 6 months

VAT	Usual rate 20% Lower rate 10 %
Corporate profit tax	Uniform rate 15% (ten-year release for investments over 8,4 mil. € and 100 employees)
Personal Income tax	10% wages 15% dividend, interest ... 20% other incomes
Annual income tax	10/15% (for annual income below 3 or above 6 average annual salaries in Republic of Serbia)
Social insurance contributions	Pension and Disability Insurance 12%-14% Health Insurance 5,15% Unemployment Insurance 0,75%



## CALCULATION OF SALARIES

	%	Minimal salary (Srbija) € January 2018	Average salary (Pančevo) € November 2017
Net income		219.27	438.05
Income tax	10	16.99	48.21
Contributions (for employees)	19.9	58.70	120.81
Gross income		294.96	607.06
Contributions (for employers)	17.9	52.80	108.66
<b>TOTAL</b>		<b>347.76</b>	<b>715.73</b>

↳ transport

↳ regress

↳ contribution for food

1 € = 120 RSD

## STATE AID FOR THE FIRST GROUP OF MUNICIPALITIES (PANČEVO)

### AMOUNT OF FUNDS THAT MAY BE ALLOCATED

For investments of a minimum of: 500.000 € of eligible costs of investment and 50 workplaces	Over 200 employees - for 10% of eligible costs of gross earnings
In the amount of 20% of eligible costs of gross earnings (3.000 € per workplace maximum)	Over 500 employees - for 15% of eligible costs of gross earnings
Up to 10% of eligible costs in fixed assets	Over 1000 employees - for 20% of eligible costs of gross earnings

# LOCAL INCENTIVES

## TAXES, FEES, AND CHARGES

<b>PURCHASE OF LAND</b>	6,58 € /m <sup>2</sup> 1 € = 120 RSD	The price of land can be <b>reduced to 0 € /m<sup>2</sup></b> depending on the number of new employees and the business plan of the investor.
<b>LOCAL PROPERTY TAX (REAL ESTATE, LAND)</b>	0.4%	-
<b>FEE FOR LAND DEVELOPMENT</b>	-	It is <b>not charged</b> for construction of production and storage facilities
<b>SPECIAL FEE FOR ENVIRONMENTAL PROTECTION</b>	Depending on the influence on the environment, special fee ranges from 0.025 € /m <sup>2</sup> to maximum 0.4% of annual revenue	<b>Charge free for 24 months</b> , if the investor employs min. 10% of the unemployed workforce in Pančevo
		<b>Charge free for 12 months</b> from the date of registration
		Special fee is <b>reduced by 50%</b> for medium, small or micro legal entities
		Special fee is <b>reduced by 70%</b> for production activities

# LOCAL INCENTIVES

## TAXES, FEES, AND CHARGES

<p><b>LOCAL COMMUNAL TAX FOR DISPLAYING BUSINESS NAMES</b></p>	<p><b>E.g. in 2017, annual tax is ~ 860 € paid monthly</b></p>	<p><b>Reduced by:</b></p> <ul style="list-style-type: none"> <li>- 10% for large legal entities</li> <li>- 30% for medium legal entities,</li> <li>- 60% for small legal entities with revenue greater than RSD 50,000,000 (416,667 €)</li> <li>- 80% for micro legal entities and entrepreneurs with revenue greater than RSD 50,000,000 (416,667 €)</li> </ul> <hr/> <p><b>Charge free for 24 months</b>, if the investor employs min. 10% of the unemployed workforce in Pančevo</p> <hr/> <p><b>Free from paying communal tax</b> for displaying business names on business premises - entrepreneurs, micro and small legal entities, with up to RSD 50,000,000 (416,667 €) in revenue in the previous year</p>
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## Top 5 reasons to invest in Pancevo



- ✓ A city with a clear vision: Strategic plan for 2014-2020
- ✓ Exceptional strategic location for economic development: high-quality logistics with quick connections to corridors 7 & 10, with International port “Danube” Pancevo and proximity of two largest cities: Belgrade & Novi Sad
- ✓ Educated and qualified workforce
- ✓ Supplier support industry with a great number of SMEs
- ✓ Pančevo holder of BFC SEE Certificate from 2015

Business Friendly Certification South East Europe (BFC SEE) is a unique program for improving the quality of services and information that municipalities in the SEE region offer to companies.



CITY OF PANČEVO

**THANK YOU FOR YOUR ATTENTION**

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