



Ministry of finance of the Republic of Serbia
Administration for free zones

FREE ZONES

The place for your investments



Favorable geographic position

- Serbia is situated in the central part of Balkan peninsula and represents one true connection between South East Europe and Western and Central Europe
- It covers an area of 88,361 km² and has 7.5 million inhabitants
- Temperately continental climate with warm summer and strong winter
- It is positioned at the border of the EU and the intersection of the Pan-European corridor no.10 and no.7

*Being the central Balkans country,
Serbia is the connection of the East and West*

Free zones are...?

Fenced and marked part of the Republic of Serbia's territory where activities are carried out with many business benefits. Free zones represent highly developed centers of technology, telecommunications, modern infrastructure and industry and logistic support.

Why do the free zones exist?

- Free zones contribute to savings through different benefits
- Attract investments and help regional development
- Increase employment
- Logistic centers (needs and services are all at one place)
- Free zones concentrate the International trade through controlled channels



Free zone benefits

- **Fiscal benefits** (exemptions from some tax burden for FDI, VAT, and specific local taxes)
- **Free of customs duties** on import of goods, equipment and raw material used in exporting production and construction material for the building of infrastructure.
- **Financial benefits** (free cash flow)
- **Efficient administration** (one stop shop)
- **Simple and fast customs procedures** (each zone has a Customs Administration office)
- **Local subsidies** for using free zone infrastructure (Community offers low prices and service costs)
- **A set of services is available to users under preferential terms** (Transportation, loading, reloading, freight forwarding services, insurance and banking services)

Benefits of investing in Serbian free zones

- Intersection of Pan- European corridor no. 10 and no. 7 gives Europe an easy access to Middle East
- Free trade agreement with EU
- Free trade agreement with Russian Federation (0% customs rate)
- Free trade agreement CEFTA
- Free trade agreement EFTA
- Free trade agreement with Belarus and Turkey
- Educated and professionally skilled workers
- Simplified regulations on foreign trade and foreign investments
- The lowest corporate profit tax in Europe - 10%



Doing business in the zone

- Custom duties and other import charges shall not be paid on import of goods intended for carrying out of activities and construction of facilities in the zone area
- The goods brought into and moved out of the zone, as well as the goods stored in the zone shall be treated as customs goods
- Control of the goods is carried out by customs authority, zone users are obliged to ensure the implementation of customs control as well as to keep proper records
- Goods from the zone placed on the territory of Serbia shall be subject to customs duties and other import charges
- Transportation and other services in the zone area are free of VAT

Main manufacturers in Serbian free zones

Free zone Piroć:

- **Tigar Tyres - Michelin** - production of car and truck tires
- **Tigar rubber footwear** - production of footwear and rubber products
- **Tigar technical rubber** - production of rubber products
- **Novadis** - production of sport fishing accessories
- **Elisa Pro** - production of herbal and cosmetic products
- **Motus plus** - production of sugar products
- **RBL** - production of food product packaging

Free zone Subotica:

- **Loher electro (SIEMENS)** - production of parts for wind power generators and high voltage electric motors
- **Dunkermotoren GmbH** - production of motors for blinds

Free zone Kragujevac:

- **FAS (FIAT automobile Serbia)** - automobile industry

Free Uzice:

- **Copper mill Sevojno AD** - production of copper and copper alloy
- **IMPOL SEVAL Aluminium Mills a.d. Sevojno** - production of rolled aluminum products

Free zone Zrenjanin:

- **Kolpa d.d.** - production of bathtubs, shower cabinets and hydro massage appliances
- **LK Armatur** - production of steel pipes

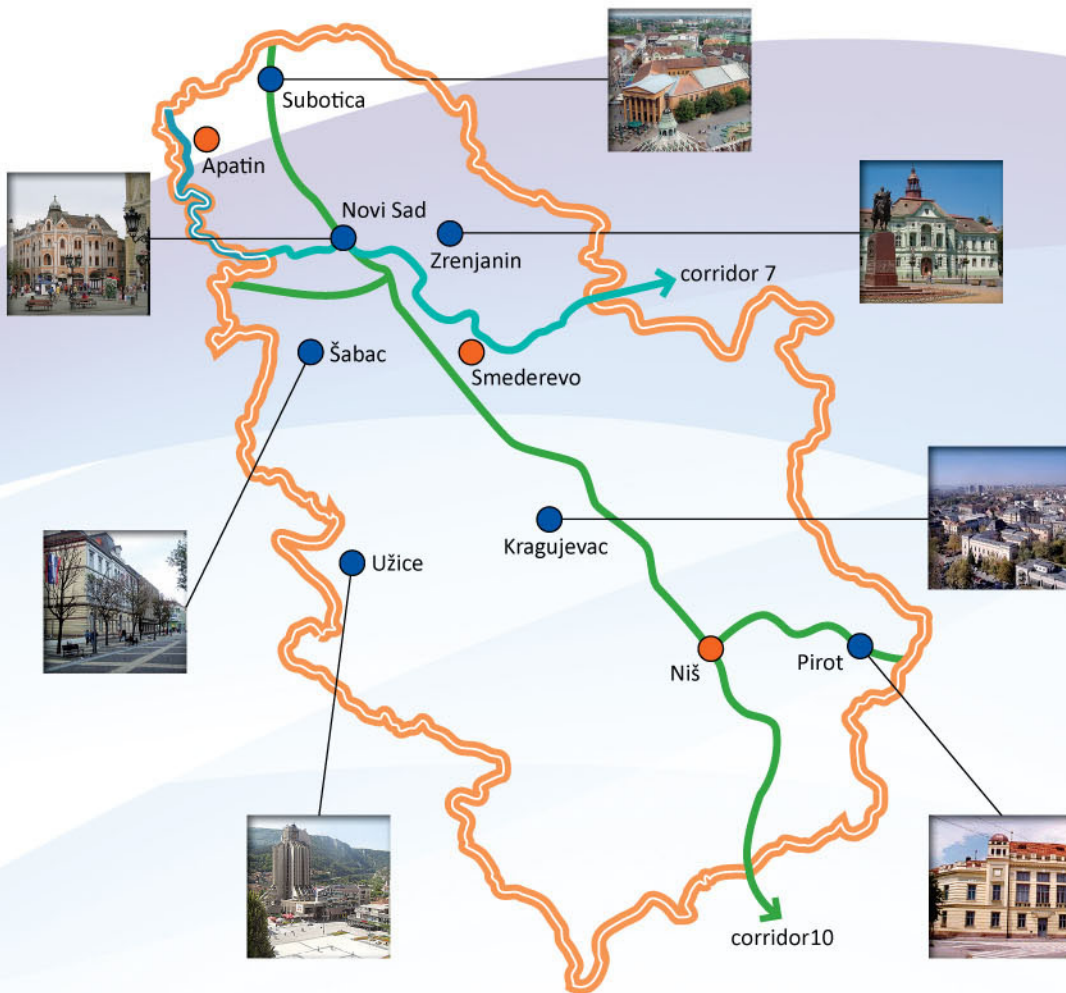


SIEMENS



Map of free zones in Serbia

- existing zones
- zones in preparation





Administration for free zones

Administration for Free Zones is established as an administrative entity within the Ministry of finance, in order to carry out state administration activities in the field of free zones.

In the field of zone development:

- Implements national policy for zone development aiming to increase inflow of FDI and reduce unemployment;
- Provides professional assistance to investors during the decision making process concerning investments
- Arranges meetings between interested parties and Company for zone management
- Cooperates with foreign institutions and free zone experts

In the field of zone promotion:

- Cooperates with Serbian Chamber of Commerce, the Agency for Foreign Investments and Export Promotion (SIEPA) and other organizations with regard to promotion of investments and operations in the zone
- Provides necessary information to investors on benefits of free zone investments
- Creates free zone and business database

In the field of control and supervision of zones:

- Reviews reports on zone operations and proposes their adoption to the Ministry of finance
- Proposes to the minister in charge of financial affairs form and content of the application concerning granting approval for establishing zone area
- Participates in the preparation of regulations in the field of zone operations