

Pursuant to Article 7, para. 3 of the Law on Free Zones ("Official Gazette of RS", no. 62/06) and Article 42, para. 1 of the Law on Government ("Official Gazette of RS", no. 55/05, 71/05 – correction, 101/07, 65/08, 16/11, 68/12 – CC, 72/12, 7/14 – CC, 44/14 and 30/18 – other law),

the Government is passing the

DECREE

on Detailed Criteria for Assessing the Economic Feasibility Study for Zone Area Designation

"Official Gazette of RS", no. 63 of 30 April 2020

Article 1

This Decree sets detailed criteria referred to in Article 7, para. 2 of the Law on Free Zones pertinent to the economic feasibility assessment for free zone area designation (hereinafter referred to as the "Zone").

Article 2

The zone area designation is economically feasible, in particular if it is located in the vicinity of the airport or in the immediate hinterland of the port, or if the area is connected to main roads part of the European E-road Network or in the vicinity of the railway line connected to the Trans-European Transport Network or economic development promotion projects approved within the framework of the National Investment Plan aimed at economic development promotion target that particular area and provided that:

- 1) the planned scope of investment (development of infrastructure and facilities within the zone, equipment, etc.) exceeds the amount of three million euros in dinar countervalue, of which over one million euros in dinar countervalue will be invested during the first year of operation of the zone;
- 2) the planned volume of production of goods and provision of services in the zone, sales of goods and services and markets to which goods and services will be placed show positive effects on the foreign trade balance of the Republic of Serbia;
- 3) the recruitment plan of zone users envisages recruitment of at least 100 people in the first two years of operation of the zone;
- 4) planned procurements of capital goods include also new equipment for the transfer of state-of-the-art technologies and business costs cutting.

Article 3

The zone area designation is economically feasible especially if in the zone, in addition to production, other business activities are planned that do not jeopardize environment, health, material goods or safety of the country.

Article 4

The zone area designation is considered economically feasible if doing business in the zone will contribute to the realization of the development strategy and economic policy measures of the Government, and if:

- 1) the area of the zone is located in underdeveloped areas of the Republic of Serbia;
- 2) the performance of planned business activities in the zone will have positive effects on the development of business entities operating outside the zone.

Article 5

The designation of the zone area expansion is economically feasible, in particular if it is adjacent to the zone area i.e. it is located on the territory of the local self-government unit, for which the Government has already issued a decision on the zone area designation, and provided that:

- 1) the planned scope of investment on the territory of the expanded zone area (development of infrastructure and facilities within the zone, equipment, etc.) exceeds the amount of one and a half million euros in dinar countervalue, of which over half a million euros in dinar countervalue will be invested during the first year of operation of the zone;
- 2) the planned volume of production of goods and provision of services in the expanded zone area, sales of goods and services and markets to which goods and services will be placed show positive effects on the foreign trade balance of the Republic of Serbia;
- 3) the recruitment plan of users of the expanded zone area envisages recruitment of at least 50 people in the first two years of operation of the zone;
- 4) planned procurements of capital goods include new equipment for the transfer of state-of-the-art technologies and business costs cutting.

Article 6

The designation of the zone area expansion is economically feasible even if the area subject to the zone expansion is located on the territory of other local government units provided that:

- 1) the planned volume of investment on the territory of the expanded zone area (construction of infrastructure and facilities within the zone, equipment, etc.) exceeds the amount of three million euros in dinar countervalue, of which over one million euros in dinar countervalue will be invested during the first year of operation of the zone;
- 2) the planned volume of production of goods and provision of services in the expanded zone area, sales of goods and services and markets to which goods and services will be placed show positive effects on the foreign trade balance of the Republic of Serbia;
- 3) the recruitment plan of users of the expanded zone area envisages recruitment of at least 100 people in the first two years of operation of the zone;

4) planned procurements of capital goods include new equipment for the transfer of state-of-the-art technologies and business costs cutting.

Notwithstanding provisions of para. 1 of this Article, conditions set in Article 5 of the present Decree shall apply to companies registered as zone users employing at least 100 people.

Article 7

On the day this Decree comes into effect the Decree on Detailed Criteria for Assessing the Economic Feasibility Study for Zone Area Designation shall cease to apply ("Official Gazette of RS", no. 69/06).

Article 8

This Decree shall come into force eight days after its publication in the "Official Gazette of the Republic of Serbia".

05 No. 110-3071/2020

In Belgrade, 30 April 2020

Government
Prime Minister, Ana Brnabić
(duly signed)