



EMBASSY OF THE REPUBLIC OF SERBIA
STOCKHOLM - KINGDOM OF SWEDEN

Newsletter August 2014

We continue to develop our Newsletter and your feedback is appreciated

Our Newsletter is shaped and designed with all our readers in mind, from government institutions, private sector or NGO's, aiming to bring together a host of the latest business news and updates. Whether you are just taking a glance or looking to more information to amplify your existing interest in doing business with Serbia, our Newsletter presents your source of official news. In this edition you will find our selection of business headers topped with the Serbia's Privatization Agency announcement for the privatization of 502 enterprises. In order to fit your needs for information, your comments and suggestions are welcomed and highly appreciated.

Want to get in contact with us? [Feel free to send us an e-mail.](#)

Contracts & Tenders



**PRIVATIZATION
AGENCY**
Republic of Serbia

NOTICE ON ANNOUNCEMENT OF THE PUBLIC INVITATION

For collecting letters of interest for companies in Privatization Agency portfolio

Serbian Parliament passed the new Law on Privatization (hereinafter: the Law) on August 2nd 2014, which entered into force on August 13th 2014.

In order to survey the interest of potential investors, Privatization Agency (hereinafter: the Agency) announced the public invitation for collecting letters of interest, and invited investors to express their interest in privatization and submit proposed model in line with the Law, for 502 parent companies with subsidiaries, in various industries – metal processing, agriculture, automotive, food processing, etc.

Pursuant to the Law, possible privatization models are: sale of capital, sale of assets, transfer of capital free of charge and strategic partnership; method of privatization can be public collection of offers with subsequent public bidding, and public collection of bids.

In addition to above stated models and methods, the Law also provides measures for preparation and disbanding of companies in privatization, such as: conditional debt write-off and debt to equity swap (conversion).

Public invitation for collecting letters of interest for companies in Privatization Agency portfolio (hereinafter: Public Invitation) was announced on August 13th 2014 on Agency's web site.

The Agency invited all potential investors to submit their letters of interest for a particular company from the Agency's portfolio (hereinafter: Letter of Interest).

The Letter of Interest should include: basic data about prospective investor; basic data on the company in privatization (name, address, ID number); expression of interest for participation in privatization process with proposed model in line with the Law (in case of proposed model of asset sale, the letter must specify the asset, proposed indicative price, investment program, provisional business plan and number of employees that the investor is ready to employ permanently from the company in privatization or otherwise).

Submission deadline: Letters of Interest shall be submitted by mail or directly to the Agency, not later than September 15th 2014.

Full text of the Public Invitation with basic data on companies from the Agency's portfolio is available at www.prijava.gov.rs/public-invitation

For any inquiries regarding to the Public Invitation, please contact the Agency at the following address:

Privatization Agency, Republic of Serbia
23 Terzija Street, Belgrade
Phone: +381 11 3020 800
E-mail: info@prijava.gov.rs

The notice on announced Public Invitation is also published in Serbian daily newspapers "POLITIKA", "KURIR" and "VEČERNJE NOVOSTI".

The Agency reserves the right to amend any and all elements of this Public Invitation, and shall have no liability in case of any costs or damages that may occur in the respect to any prospective bidder or third parties.

PRIVATIZATION: Public tender for sale of 502 social enterprises in Serbia announced

Serbia's Privatization Agency has announced the public invitation for collection of letters of interest for privatization of 502 companies and their subsidiaries of the remaining 584 social enterprises. The results of the final privatization process in Serbia in line with the new Law on Privatization will be known by mid-September. Those that do not attract any investors by September 15 will end up filing bankruptcy. Of 502 companies the government has offered for sale, as many as 63 are involved in manufacturing, 18 in agriculture, 21 in health and social care, 12 in construction, and 12 in financial activities. In order for these companies to attract

investors, the Government is ready to write off their debts to the state, and it is about 2.4 billion euros.

According to an earlier estimate of experts, it is expected that a third of the 160 companies in restructuring will find a strategic partner, a third will continue to operate on its own, while one third will face bankruptcy or liquidation. The burning problem is that the biggest losers' annual cost for the state amounts to more than 750 million euros. This burden from the past will be solved with the help of the World Bank's loan of 250 million dollars, which will be used for redundancy payments. [Read more...](#)



TRANSPORT: Belgrade`s Airport records second biggest growth rate among Europe's capitals

The European airport trade body, ACI Europe, has named Serbia's Belgrade Nikola Tesla Airport the continent's second fastest growing main capital city airport in the first half of 2014. The report, compiled by ACI, is the only air transport report which includes the full range of civil aviation passenger flights: network, low cost, charter and others. According to the body, the Serbian airport recorded passenger growth of 32% during the first six months, behind only Moldova's Chisinau. ACI Europe reports that the peak of the summer season, which began in June, saw Belgrade Airport record the second highest growth rate among the capitals on the continent, again outperformed by Chisinau Airport, which saw its figures soar 33%. In addition, June 2014 was Belgrade's busiest month on record. These numbers are to be eclipsed by July's performance. With figures to be published shortly, Belgrade Airport is tipped to have handled over 500.000 passengers and recorded growth of over 20% last month. The results are primarily attributed to Air Serbia's significant increase in operations and passenger numbers. [Read more...](#)



TRADE: Serbia will respect the EU recommendations regarding food export to Russia

Serbia has made clear that it will abide by the EU recommendation not to introduce special measures to boost the export of its food products to the Russian market, but that it will not obstruct it either. The introduction of Russia's embargo on food products coming from the EU and western countries on 7 August was perceived in the Serbian public as an opportunity to increase the export of local staples to that country. Serbian exports made up only a small fraction of Russia's total foreign food needs, however. In 2013, Russia was Serbia's fourth-largest importer of goods from Serbia, behind Italy, Germany and Bosnia. Under a free trade deal that Serbia and Russia signed in August 2000, goods produced in Serbia are subject to a 1-per-cent tariff.



FOOD: Serbia's sour cherry to benefit from Geographical Indication status

The EBRD is working with the UN's Food and Agriculture Organisation to introduce geographical indication status for food products in Serbia, starting with a unique cherry grown in the south of the country. The cherry in question, the oblačinska višnja, is named after the village of Oblačina. Smaller and darker than other varieties, it is famed for its unique balance of sweet and sour, in part thanks to the local soil and climate. Serbia is ranked seventh worldwide for sour cherry production with roughly nine million trees. But despite this impressive market share, primary production of the fruit continues to be the work of small-scale family farms, generally from old and low yielding cultivars, and with limited marketing. However, achieving geographical indication status for sour cherries should prepare the way for developing GIs for more Serbian products in the future. [View video...](#)



TOURISM: Serbia becoming increasingly attractive tourist destination

The National Tourism Organisation of Serbia still does not have the exact data on the number of tourists who visited Serbia to attend various music events this summer, but the assessments show the country has become increasingly attractive for foreign tourists. According to the estimations, around 10 times more foreign tourists visited Serbia in the first six months of the year than in the same period in the previous year. Director of the YUTA national association of travel agencies Aleksandar Senicic recently said that tourism brought in USD 1 billion worth of foreign currency revenues last year. "We expect that the foreign currency revenues would increase by 20-30 percent with increased engagement of the tourist sector", Senicic said. [Read more...](#)

HELENE LARSSON POUSETTE, HEAD OF EVENTS
UNITS, SWEDISH INSTITUTE'S DEPARTMENT FOR
INTERCULTURAL DIALOGUE

I am fascinated with Serbian designers creativity and free mind



Helene Larsson Pousette currently serves as the Head of Events Units at the Swedish Institute's Department for Intercultural Dialogue, where she is responsible for promoting Swedish culture abroad and developing international exchange programs. Between 2009-2012 she served as the Cultural Counselor at the Embassy of Sweden in Belgrade, Serbia, working with public and culture diplomacy, building long-term relationships and mutual exchange within culture and arts.

Tell us more about Swedish Institute activities in SEE

The Swedish Institute is a governmental agency that helps Sweden reach various international goals concerning foreign policy, education, international aid and development. Our activities span over fields such as culture, society, research, higher education, business, innovation, democracy and global development.

Lately Swedish Institute started a new funding project Smart Living Challenge in Serbia. What is the program objective? What are your impressions about young designers in Belgrade following the response and contacts you have made throughout the project?

Smart Living Challenge was an open innovation contest with the aim to support ideas for business opportunities on how to make daily life more sustainable. Workshops were organized at venues all around the world - in South Africa, China, Brazil, Greece etc. A workshop was also organized in Serbia at Nova Iskra in Belgrade during the spring. Now the contest is closed and the winner's award is a trip to Sweden to visit Swedish cutting-edge spots for smart urban life, which will afford opportunities for exchanges with Swedish organisations. See www.smartlivingchallenge.com.

Do you have some Serbian designers you want specially mention and acknowledge?

In 2010 Sweden was the land in focus at the Belgrade Book fair. For this event we worked very close with Slavimir Stojanovic that made our profile and graphic design. The project got a few awards that of course was fantastic. I think Slavimir had an advantage as he had study graphic design in Gothenburg, Sweden and I think he understood what we were looking for. I have also worked with Monika Long and she has a very playful approach in her design that I appreciate. I worked with many different Serbian designers during my years in Serbia, mainly emerging designers, as I am fascinated of their creativity and free mind.

You have started close cooperation with Nova Iskra Design Hub based in Belgrade. How Swedish Institute can assist creative people in Serbia to develop their potentials and what is the role and importance of such a creative local partner? What do you think about developments in the Serbian design scene?

I have worked with Nova Iskra for many years. I appreciate their openness and generosity, and of course professionalism. This year we started a residence program together with them and the writer's festival Krokodil. It is a mutual exchange residence program, which means that six Serbian designer and writers will stay one month in residence at Form Design Center in Malmö, and at the Translators Residence Center in

Visby, and six Swedish writers and designers will stay one month in residence at Nova Iskra and Krokodil during the autumn. Create In Residence aims to incite the personal and professional development of young authors and incite new connections between the design and literature scenes of Serbia and Sweden. The program will be launched at Nova Iskra September 4. For more info see <http://novaiskra.com/sr/programs/create-residence>.

Future plans of the Swedish Institute to support Serbian young designers

The Swedish institute has a funding program called Creative Force for Eastern Europe. The programme provides funding for collaborative projects involving organisations in Sweden and e.g. Serbia to bring about change by dialogue, communication and creative forums. The programme is open to applications which aim to promote openness and democratic structures in the fields of culture and media. Many organizations in Serbia have already applied and implemented projects in Serbia and Sweden with this fund, for example the child rights organization C31. See <https://eng.si.se/areas-of-operation/leadership-programmes-and-cultural-exchange/creative-force-programme/>.



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