



EMBASSY OF THE REPUBLIC OF SERBIA
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New investments commence in Serbia

At a time when we are welcoming formation of the new Serbian government, the economy's showing signs of recovery and life. Foreign investors looking forward internationalization are expanding their businesses by using numerous advantages and incentives of doing business in Serbia. Good business environment, resources and competitive labor force is what shape their view on the market and inspire them to start business cooperation. With that in mind, we are bringing you the story of Mr. Mats Pousette, Swedish professional in the packaging industry sharing his Serbia's business experience and views.

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New form of cooperation between Serbia and EU

The European Commission has adopted a new approach to the enlargement policy, with focus on the economy, aiming to enable the better coordination between the candidate countries and the Union. It is expected to allow for the faster implementation of reforms, with the goal of economic development. Serbia has commenced the accession talks in January this year and will soon get the recommendations from Brussels about the economic measures that need to be implemented in the forthcoming period, as part of the preparations for the membership. [Read more...](#)



New investors are coming to Serbia

In the past period, the Serbian leadership have been working intensively to improve the business setting, which has yielded results. The number of potential foreign investors is growing. Besides the good geographic position, they also assess the numerous free trade agreements and economic potentials, but also inexpensive and good workforce as Serbia's advantages. That is why European, above all Italian companies, have chosen Serbia as a plant building destination. [Read more...](#)



Serbia`s TeleSkin wins biggest entrepreneur prize in Europe

Belgrade-based company TeleSkin is the winner of the Next Step Challenge 2014 Prize, Europe's most ambitious recognition for entrepreneurship. Award has been presented by HRH Crown Prince Frederik of Denmark. TeleSkin was established in 2007 in Belgrade with the primary aim of developing, producing and selling hardware and software solutions for biophysical diagnosis of skin diseases, primarily for early diagnosis of skin cancer and melanoma.



GDP growth bigger than expected

The European Commission has assessed that the growth of gross domestic product (GDP) in Serbia and other EU candidate countries is bigger than expected. According to the latest economic analysis done by the European Commission, the main event in Serbia was the formal start of EU accession talks, while the Q4 2013 growth of GDP is expected to continue in 2014 mostly due to increased exports. Serbia's GDP grew 2.5 percent last year while recorded Inflation in Serbia was 2.2 percent in 2013, with growth expectancy 4.3% this year.



Danish-Chinese company to expand memory foam production capacity in Serbia

Everrest company is a merge of the Chinese capital and Danish technology for memory foam production for pillows and mattresses. Construction of the plant in Ruma, Serbia is about to start and company representatives are saying that the entire production is planned for the foreign markets (Europe, Russia and the northern part of Africa). Production of memory foam for pillows and mattresses is environment-friendly, and the plant will procure raw materials at the domestic market.

MATS POUSETTE, INVESTOR AND CONSULTANT

Serbia has the best investment climate in Eastern Europe today



Mats Pousette has been working in the pulp and paper industry in North America, Australia and South East Asia, as well as the packaging industry since 1977.

He was appointed Management Partner and Management Consultant of SMG as well as Managing Director of Akerlund & Rausing. Today, Mats Pousette is working as independent investor and management consultant within the strategy and business development field.

I have heard about Gornji Milanovac in Serbia already back in 1998, when holding the position of Managing Director for Åkerlund & Rausing AB. Gornji Milanovac was at that time, and still is, the food and packaging centre of former Yugoslavia. A know-how and technology centre for the food and packaging industry in the Balkan. Tipoplastika was one of many packaging companies in the Balkan`s cooperating closely with Åkerlund & Rausing on transfer of know-how during the period 1960 -1980. Moreover, famous Swedish company Tetrapak had already established its production in Gornji Milanovac. I find interesting to mention that Åkerlund & Rausing was one of production developers of the Tetra Pak`s factory in Serbia. Also, company has been involved in operations and development of another 20 companies at that time.

At first, Tetra Pak bought liquid packaging division from the Serbian company Tipoplastika, and still today it has its production facility in Gornji Milanovac, that presents one of the most efficient factory within the Tetra Pak group. After completion of the privatization process, Tipoplastika has created and transferred know-how to another 22 packaging companies within the region.

Gornji Milanovac is one of the highly concentrated packaging industry places in Europe with significant number of companies within the field. Today, two leading market companies Papirprint and Spektar also have their headquarters in Gornji Milanovac. Since year 2000 I have established three companies in Gornji Milanovac and also been involved with six other companies within different modes of cooperation and consultancy. I believe Gornji Milanovac and Serbia is one of the most competitive areas in Europe to invest in. Today, company Zvezda, that started its operations back in 2002, has increased sales profits from 400.000 EUR to 14 milion EUR in 2013 and reached double digits in profitability since the first year.

Serbia has the best investment climate in Eastern Europe today as there is an fantastic and highly competitive labour and management force available within most of the manufacturing industries. Also, labour costs are among the lowest in the industrialized Europe and

productivity is at the amazing level. Serbia is certainly geographically situated in the center of Eastern Europe with easy access to the Balkan region and Central and Eastern Europe. Scandinavian companies would gain competitiveness by manufacturing in Serbia for the Nordic market and/or for penetrating the Balkan and Eastern Europe from Serbia.

My experience is that throughout joint ventures, at least in the beginning, you can minimize or eliminate managerial and other costs present while setting up a company at the new market. Today there is a new and young generation in Serbia with university degree and high fluency in English fighting to find a job. Today, Serbia has over 80 Swedish companies established in one form or another.

The most prosperous companies in Serbia operating in all different kinds of industries have absolutely the latest technology. Very often technology is even more advanced than one in Sweden due to investments made after 2002. Technology before this period was often too old to continue with competitive production. These companies are today competing with western European companies and are meeting high European requirements as well as safety, environment and quality standards. Corruption has been non-existing in the packaging industry with high customer loyalty, yet I think it exists as well as in all other places.

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