



The city combines business opportunities and intellectual capital

Award from The Financial Times Belgrade - City of the Future in Southern Europe

By Aleksandar Miloradovic, Public Relations Manager, SIEPA

In the competition European Cities and Regions of the Future 2006/07, organised by the Financial Times' specialised magazine Foreign Direct Investment (fDi), Belgrade was voted a winner of the competition and declared the "City of the Future in Southern Europe".

At the ceremony held in Cannes, the award was presented to Belgrade's Mayor Mr Nenad Bogdanovic. Ms Vesna Peric, Deputy Director of SIEPA (Serbian Investment and Export Promotion Agency) was also a member of the delegation, as SIEPA nominated Belgrade for the competition. As Serbian representatives were informed, Belgrade's main competitor in the two rounds was the Turkish city of Manisa. The region of Southern Europe, for which Belgrade was voted "City of the Future", included, besides Serbia, Albania, Bosnia and Herzegovina,

Bulgaria, Croatia, Greece, Macedonia, Romania, Slovenia, Turkey and the Mediterranean islands (Corsica, Crete, Cyprus, Malta, Sicily, etc.).

"This is more good news in a series of good news from abroad regarding our investment potential. This began in January, when we were declared the 'Market of the Month' by the US Department of Commerce International Trade Administration continued in February when we won the first round of this competition, and in March with the victory in second round. We received yet another important recognition in June, with the OECD's third-in-a row regional Award for the Best Greenfield Investment in South East Europe! Our ongoing work assures us that this trend of good news will continue. All together, including last year's international recognition of our economic reforms by the World Bank,

EBRD and the European Union, this good news creates a new and positive message about Serbia," said Ms Peric.

In addition to Belgrade, other

The Organisation

for Economic Co-operation and Development (OECD), declared Serbia, three years in row, as the country that has attracted the largest greenfield investment in Southeastern Europe. All three awarded investments are situated in Belgrade – Ball Packaging, Metro Cash and Carry and Airport City Belgrade.

Following Great Britain, China and India, Microsoft opened its fourth international development centre in Serbia, i.e., Belgrade, which is a top recommendation for foreign investors who are looking for a highly skilled labour force. ■

award winners included London ("City of the Future in Northern Europe"), Paris ("City of the Future in Western Europe"), Brno ("City of the Future in Central Europe") and Baku ("City of the Future in Eastern Europe"). All five city winners then competed for the title of "City of the Future in Europe 2006/07", with this title going to London.

"Perhaps it may sound pretentious, but I hope that in two to three years we will win the title 'City of the Future in Europe', which this year was won by London. For us, the award we won is very important because only new investments can create new jobs and secure a better life. I would like the whole of Serbia to achieve what Belgrade has realised," said Mr Bogdanovic, adding that Belgrade, in addition to greenfield and investments in housing and business construction, also expects investments in business and technology parks.

This prestigious annual award occurs on all continents. It is at the same time a recommendation from the world's most prestigious economics newspaper for investment locations. The panel of judges, composed of experts, comes to a decision on the basis of categories and criteria that include economic potential, cost effectiveness, human resources, transport, information technologies and telecommunications, and quality of life for foreign investors, as well as the best promotion strategy to attract direct foreign investments.



Why invest in Belgrade?

Business environment

Belgrade and Serbia have improved their investment climate markedly in recent years. The country is declared as the world's leading reformer, as stated by the World Bank. In addition, the pace of structural reforms is ahead of that in other transition countries, according to the European Bank for Reconstruction and Development. These positive developments are reflected in the continuous improvement of its long-term credit rating.

Market potential

With the population of 1.5 million people, Belgrade is one of the largest cities in Southeast Europe. In addition to the local market, export-oriented companies in Belgrade gain access to a one-billion person market including SEE, Russia, the EU and the USA.

Cost effectiveness

The tax regime is one of the most competitive ones in Central and Eastern Europe. Set at 10%, the corporate profit tax rate is the lowest in Europe, while VAT and social insurance contributions are amongst the lowest in SEE. In addition, businesses are offered tax incentives, such as credits for investment in fixed assets of up to 80% of the invested amount and a 10-year tax holiday for investments over EUR 7 mln.

Intellectual capital

As a leading educational centre in Serbia comprising 62 university-level institutions, Belgrade boasts a well educated, fast-learning, multilingual and IT-literate labor force. Over 8000 students graduate from Belgrade University every year, with one third of them adding to the traditionally strong engineering base. According to Gallup International, the percentage of English speakers is the highest in Central and Eastern Europe, and an increasing num-

ber of Western business schools are opening affiliate outlets in Belgrade.

Investment infrastructure

Belgrade is located in the heart of Southeast Europe, at the intersection of the strategic transportation corridors No. 10 and No. 7, which link Western and Central Europe with the Middle East. Lying at the confluence of the Sava and the Danube Rivers, it is also easily accessible by river, while the completion of construction of an international cargo terminal is to make Belgrade Airport a cargo hub of SEE. The rapidly upgraded city infrastructure is supportive of local business expansion with more than 75,000 m² of new office space to be available by the end of 2006.

FDI experience

International investors find Belgrade an increasingly attractive place for doing business. FDI is particularly impressive in real estate, banking, retail and other services, but the city also hosts large manufacturing companies.

Living conditions

Life in Belgrade is perceived by an expanding international business community as an extremely positive experience. Excellent housing options, exciting night life, accredited international schools, numerous shopping and fitness opportunities, and friendly people make expats in the city feel at home. ■

