



**VOJVODINA  
DEVELOPMENT  
AGENCY**



**Municipality of Backi Petrovac**

**Invest in Vojvodina**

# Global Market Access



|                |                   |
|----------------|-------------------|
| <b>RUSSIA</b>  | <b>EFTA</b>       |
| 142 mil        | 13 mil            |
| <b>EU</b>      | <b>CEFTA</b>      |
| 505 mil        | 30 mil            |
| <b>Belarus</b> | <b>Kazakhstan</b> |
| 10 mil         | 16 mil            |
|                | <b>Turkey</b>     |
|                | 72 mil            |

Duty-free export to  
over 1 billion  
consumer base

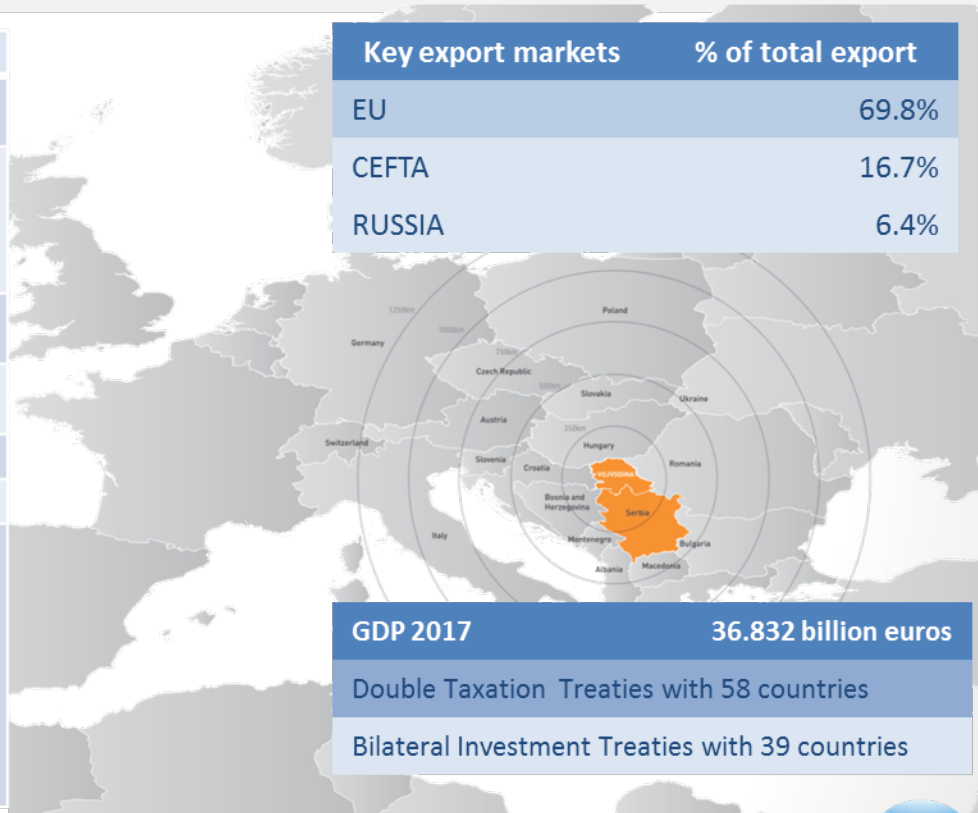


# Quick facts

|                                                     |                                                                                                                                                                                                             |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total area                                          | 21,506 km <sup>2</sup>                                                                                                                                                                                      |
| Territorial organization                            | 3 counties<br>45 municipalities                                                                                                                                                                             |
| Main sectors                                        | Agribusiness<br>Food processing<br>Automotive components<br>Metal processing<br>Chemicals                                                                                                                   |
| Industrial production growth rate 2016/2017         | 7.7%                                                                                                                                                                                                        |
| Vojvodina export share in total Serbian export 2017 | 32.9%                                                                                                                                                                                                       |
| Export volume 2017                                  | 4.95 billion euros                                                                                                                                                                                          |
| Export growth rate 2016/2017                        | 14.8%                                                                                                                                                                                                       |
| Key export sectors                                  | <b>Manufacturing 83.5 %</b><br><br>Food & Beverage 17.0%<br>Motor vehicles& trailers 11.8%<br>Rubber & Plastics 9.4%<br>Electrical products 7.8%<br>Coke and oil derivate production 7.7%<br>Chemicals 6.7% |

| Key export markets | % of total export |
|--------------------|-------------------|
| EU                 | 69.8%             |
| CEFTA              | 16.7%             |
| RUSSIA             | 6.4%              |

|                                                 |                      |
|-------------------------------------------------|----------------------|
| GDP 2017                                        | 36.832 billion euros |
| Double Taxation Treaties with 58 countries      |                      |
| Bilateral Investment Treaties with 39 countries |                      |



# Overview of tax rates

## CORPORATE PROFIT TAX RATE

|                                                                                   |                |      |
|-----------------------------------------------------------------------------------|----------------|------|
|  | Serbia         | 15 % |
|  | Romania        | 16 % |
|  | Poland         | 19 % |
|  | Czech Republic | 19 % |
|  | Croatia        | 18 % |
|  | Slovakia       | 17 % |

## SALARY TAX RATE

|                                                                                   |                |         |
|-----------------------------------------------------------------------------------|----------------|---------|
|  | Serbia         | 10 %    |
|  | Czech Republic | 15 %    |
|  | Romania        | 16 %    |
|  | Slovakia       | 19-25 % |
|  | Poland         | 18-32 % |
|  | Croatia        | 12-40 % |

## STANDARD VAT RATE

|                                                                                     |                |      |
|-------------------------------------------------------------------------------------|----------------|------|
|  | Serbia         | 20 % |
|  | Bulgaria       | 20 % |
|  | Slovakia       | 20 % |
|  | Czech Republic | 21 % |
|  | Poland         | 23 % |
|  | Croatia        | 25 % |

5 day work week – 40 work hours - (net 37.5 hours)  
30 minutes rest period per day

## Social Insurance Contributions

|                      |         |
|----------------------|---------|
| Pension & disability | 12% 14% |
| Health Insurance     | 5,15%   |
| Unemployment         | 0,75%   |
| Annual Income Tax    | 10-15%  |
| Other Income Tax     | 20%     |

|                                                   |                                                          |                                       |                       |
|---------------------------------------------------|----------------------------------------------------------|---------------------------------------|-----------------------|
| Vacation<br>min 20 days<br>per year               | Overtime,<br>Night shift<br>26% bonus on<br>basic salary | Fixed-Term<br>Contract<br>max 2 years | Min Monthly<br>Salary |
| Holidays<br>non-working<br>days per year<br>11-20 | National<br>Holidays<br>110% bonus<br>on basic salary    | Trial Period<br>max 6 months          | NET<br>€ 170          |
|                                                   |                                                          |                                       | TOTAL COST<br>€ 230   |



# Incentives

## INCENTIVES OF REPUBLIC OF SERBIA

Funds are awarded for financing investment projects in the **manufacturing** and **service sector** (object to international trade), **agriculture** and **fishery**. The awarded funds are up to 50% of the investment amount, based on the investment value or the 2-year gross salary of the employees

### System support

- Vojvodina Development Agency
- Administration for capital investments- AP Vojvodina
- Guarantee fund- AP Vojvodina
- Development fund of Autonomous Province of Vojvodina

### Support to development projects in economy

- Provincial secretariat for economy and tourism
- Provincial secretariat for agriculture
- Provincial secretariat for regional development and inter-regional cooperation and local self-government

## MUNICIPAL INCENTIVES

Greenfield-free of charge or at a discounted price

Local taxes



# Logistics



**BACKI PETROVAC** – Total Area: 158 km<sup>2</sup>



Distance from borders

**HUN**  
120 km

**CRO**  
30 km

**ROM**  
229 km

**BUL**  
415 km

**B&H**  
154 km



Distance from highway

**E-75**  
25 km

**E-70**  
52 km



Distance from airport

**BGD**  
102 km

Belgrade

**OSI**  
91 km

Osijek

Timisoara  
270 km



# Energy Potential



## GAS

|                          |      |
|--------------------------|------|
| Municipality is gasified | 100% |
|--------------------------|------|

|                       |        |
|-----------------------|--------|
| Local pipeline length | 167 km |
|-----------------------|--------|

- Pressure on main pipeline 6-12 bar
- Pressure on local pipeline 1-3 bar



## BIOMASS

|            |           |
|------------|-----------|
| Total land | 15,841 ha |
|------------|-----------|

|                   |           |
|-------------------|-----------|
| Agricultural land | 14,079 ha |
|-------------------|-----------|

|             |           |
|-------------|-----------|
| Arable land | 13,861 ha |
|-------------|-----------|

Most common crops:  
maize, soy



## ELECTRICITY

|                                 |     |
|---------------------------------|-----|
| No. of distribution substations | 100 |
|---------------------------------|-----|

|                   |        |
|-------------------|--------|
| Total power (kVA) | 41,530 |
|-------------------|--------|

|                           |    |
|---------------------------|----|
| Total network length (km) | 63 |
|---------------------------|----|

|                                        |       |
|----------------------------------------|-------|
| Available capacities (kVA)<br>35/10 kV | 3,000 |
|----------------------------------------|-------|



## WIND

|                         |         |
|-------------------------|---------|
| Average speed 3.5-4 m/s | at 50 m |
|-------------------------|---------|



## GEOTHERMAL

|                    |          |
|--------------------|----------|
| 24.8°C temperature | at 403 m |
|--------------------|----------|

|                    |          |
|--------------------|----------|
| 20.5°C temperature | at 237 m |
|--------------------|----------|

|                    |         |
|--------------------|---------|
| 15.4°C temperature | at 83 m |
|--------------------|---------|

|                    |         |
|--------------------|---------|
| 14.7°C temperature | at 85 m |
|--------------------|---------|

|                    |          |
|--------------------|----------|
| 14.8°C temperature | at 239 m |
|--------------------|----------|



## SOLAR

|                          |           |
|--------------------------|-----------|
| Insolation 267 days p.a. | 2,000 hrs |
|--------------------------|-----------|



# Infrastructure



## WATERWAY

|                                      |          |
|--------------------------------------|----------|
| River Danube length                  | 3,6 km   |
| ▪ Port in Novi Sad distance 30 km    |          |
| Canal network for drainage           |          |
| ▪ Irrigation/drainage system network | 2,523 ha |



## ROADS

|                                                                         |         |
|-------------------------------------------------------------------------|---------|
| Regional road network                                                   | 14,6 km |
| Odžaci - Novi Sad                                                       |         |
| Local road network                                                      | 22 km   |
| • Glozan - Backi Petrovac, Glozan,<br>• Backi Petrovac - Kulpin, Maglic |         |



## SEWAGE

|                |       |
|----------------|-------|
| Sewage system  | 40 %  |
| Sewage network | 97 km |



# Why Invest

## TOP 5 REASONS

to invest in Backi Petrovac

1 Quality of agricultural land

Abundant geothermal resources  
& SPA development potentials 2

3 Longstanding tradition & expertise in  
metal processing industry

Industrial Park 4

5 EU border proximity – CRO, HUN  
Good transport links to the region

 growing your profits

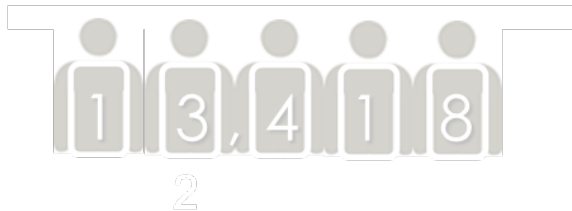
 increasing productivity

 boosting competitiveness



# Population

Total population



Workforce

Employed

November, 2017

Total = 4483

Unemployed

April, 2018

Total = 501



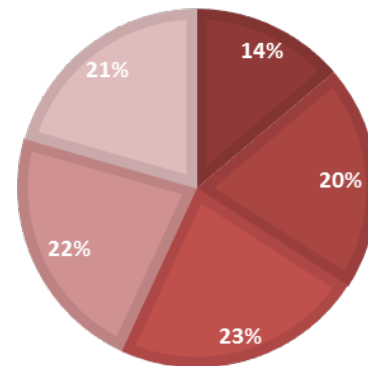
222



279

Unemployed  
age structure

■ 15-24 ■ 25-34 ■ 35-44 ■ 45-54 ■ 55+



# Education



## High Schools

| School    | Profile                  | #students | #graduates |
|-----------|--------------------------|-----------|------------|
| Gymnasium | General                  | 295       | 86         |
| Gymnasium | Computers and IT         |           |            |
| Gymnasium | Educational profile chef |           |            |

Only 25 km to Novi Sad  
where all high school  
profiles and universities are  
available



## Higher Education Studies

### Program

Health and Social Work

#students

60



High school profiles and faculties  
attended by students from  
Backi Petrovac:

Medical, Technical, Agriculture,  
Electro-Technical, Economics,  
Gymnasium



# Key Sectors

## Investment Opportunities

AGRIBUSINESS

1

AGRIBUSINESS

ELECTRONICS

TOURISM

2

METAL PROCESSING



# Key Sectors

*Majority of population works in the agricultural sector*

## *Regional agro-industrial center*

- Area suitable for agricultural production, both farming & livestock breeding
- Agricultural production equally developed in all 4 municipal settlements
- Majority of agricultural land in individual farmers ownership:
  - Farmers – 13,221 ha, Legal entities and entrepreneurs – 2,828 ha
- 2,759 ha of state agricultural land available for lease according to priority rights – infrastructure ownership (1,034 ha), livestock breeding (1,724 ha)
- 15 registered companies producing – chemical products for crop protection, seeds, animal feed, cereal crops, fruit and nuts production and processing, vegetable growing, oilseeds production, livestock (poultry, cattle, pigs), sheep, dairy production
- 1,237 active individual agricultural farms
- 5 agricultural cooperatives – cereal, oilseeds production, livestock breeding, meat processing, industrial pepper
- Storage capacities - 2 cold storage facilities, 120 greenhouses, 5 hothouses, 1,117 warehousing facilities for agricultural equipment, 727 corn-storage tanks, 32 barns , 33 silos

## Agribusiness



# Key Sectors

## *Agribusiness – available resources*



## Agribusiness

### Agricultural land – 14,079 ha

|                  |                                                                                                                                                                  |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cereals          | 4,583 ha                                                                                                                                                         |
|                  | maize – 3,405, wheat – 465, barley – 180, oat – 2.6, cereal seeds – 523 (ha)                                                                                     |
| Industrial crops | 5,123 ha                                                                                                                                                         |
|                  | sugar beet – 567, soy – 4,458, sunflower – 69, oilseed – 1.3, hemp - 2.6, industrial crop seeds – 2.3, broomcorn – 12, tobacco – 8.7 (ha)                        |
| Roughage         | 185 ha                                                                                                                                                           |
|                  | alfalfa- 158, clover – 21, meadows – 3, pastures – 1.3 (ha)                                                                                                      |
| Herbs            | 13 ha                                                                                                                                                            |
| Vegetables       | 904 ha                                                                                                                                                           |
|                  | potato – 413, pepper – 288, carrot – 14, onion – 27, onion seed -7.8, root vegetables – 11.5, sweet corn – 84, tomato – 6, cucumbers -3, cabbage – 2, other (ha) |
| Fruits           | 1,358 ha                                                                                                                                                         |
|                  | apples – 6.5, pears – 3.5, peaches - 4, apricots - 2, cherries -0.2, plums - 1, nuts - 5, raspberries – 3.3, strawberries – 2.3, grapes – 8.5 (ha)               |

### Livestock count

|              |         |
|--------------|---------|
| Cattle       | 1,572   |
| Sheep, goats | 340     |
| Pigs         | 2,057   |
| Poultry      | 460,255 |
| Beehives     | 981     |
| Fish         | 2,000   |
| Other        | 810     |

Meat processing – mainly traditional salami production with **geographical origin** declaration within individual farms – 60 t annual production – insufficient to satisfy the demand



# Key Sectors

## *Hotel development opportunity*

- Hunting, fishing - diversity of small game (rabbit, pheasant, weasels, owls, eagle), a number of hunting associations
- Rich tourist offer – river Danube, historic sites, castle, museums, fishponds, ethno ranches, aqua park, etc.
- Various events (fairs, exhibitions, programs, conferences, etc.) all year round attracting tourists from different countries – 25,000
- Geothermal resources – potential for development of spa centers - study of hydrothermal resources and thermo-mineral waters needed for determining their capacity, quality for rational and profitable usage
- Increasing trend of the number of overnight stays
- Every year number of tourist visits is raising

### Accommodation capacities

|         |     |
|---------|-----|
| Lodging | 18  |
| Beds    | 192 |

### Overnight stays

|         |      |
|---------|------|
| in 2013 | 2795 |
| in 2014 | 5201 |
| in 2015 | 4433 |
| in 2016 | 5386 |
| in 2017 | 3689 |

### Investment opportunities:

- Accommodation capacities – HOTEL development

## Tourism



# Top 10 Employers

| COMPANY                | SECTOR                         | COUNTRY | #EMPLOYEE<br>S |
|------------------------|--------------------------------|---------|----------------|
| MARBO PRODUCT, PepsiCo | Agribusiness                   | SAD     | 900            |
| LOUIS BLOCKX NV        | Production                     | Belgium | 660            |
| DOO MAGLIC             | Agribusiness                   | Serbia  | 150            |
| DOMACA MLEKARA MAGLIĆ  | Food industry                  | Serbia  | 100            |
| DOO RAM                | Production, trade and services | Serbia  | 85             |
| DOO DEM                | Agribusiness                   | Serbia  | 85             |
| DOO AGROGRNJA          | Agribusiness                   | Serbia  | 85             |
| DOO AGROPLOD GLOZAN    | Agribusiness                   | Serbia  | 85             |
| STILBY DOO             | Production, trade and services | Serbia  | 50             |
| VIN FARM               | Production, trade and services | Serbia  | 50             |
|                        |                                |         |                |
|                        |                                |         |                |



Sectors

by #employees

- 1 Agribusiness
- 2 Agriculture
- 3 Tourism
- 4 Construction
- 5 Metal processing



# Labor Cost – Backi Petrovac

## LABOR COST STRUCTURE Average salary in B. Petrovac

November, 2017

|                          |       | €   |
|--------------------------|-------|-----|
| NET Salary               |       | 295 |
| Personal Income Tax      | 10%   | 28  |
| Contributions (employee) | 19.9% | 80  |
| GROSS Salary             |       | 402 |
| Contributions (employer) | 17.9% | 72  |
| TOTAL Cost               |       | 474 |

### Production Sector

Salary in Vojvodina

November, 2017

NET: € 398

GROSS: € 550

TOTAL COST: € 648

From July 1st, 2014  
the employers have the right  
for **refund** on the paid  
**personal income tax**  
& **social insurance contributions**

- + 65% refund for employing 1-9 workers
- + 70% refund for employing 10-99 workers
- + 75% refund for employing 100 + workers



# Greenfield Locations



## Location 1

### Industrial Zone

Land size: 143ha

Ownership: 45ha 83a 46m2

Municipal

☒ Sale



Distance to DTD Karavukovo Canal – 0.5 km  
Distance to railway – 1 km

There is a possibility of new plots development in the industrial zone - in accordance with the requirements and needs of investors



Infrastructure



# Greenfield Locations

## Location 2 – Industrial zone Maglic

Land size: 50ha

✓ Sale



Electricity



Water



Gas



Sewage



Optical Cable



# Brownfield and Greenfield Locations



## Location 1

### BUSINESS PARK

Land size: 12.5 ha

Brownfield facilities: 30 (100-3,000 sqm)

Ownership: private

The following services are available for Business Park members:

- Security with video surveillance,
- Maintenance yard,
- Hydrant network,
- Meeting hall,
- Internet,
- HR services,
- Accounting and legal services,
- Forklift, etc.

✓ Sale    ✓ Lease

Sewage system under construction  
Distance from Novi Sad - 20 km  
Distance from Croatian border - 20 km  
Distance from highway - 20 km  
Access to 2 Danube ports in 20 km radius  
Distance to Belgrade airport - 90 km  
Distance to railway - 2 km



Infrastructure



# Construction Procedures

*Upon receiving the investor's request, the consolidated construction procedures are conducted in the following phases:*

*Upon receiving the application:*

**Issuing the location conditions** for the cadastre parcel suitable for construction – from the day of obtaining all special conditions, permits and other documents.

**Issuing the construction permit** – from the day of the submission of the request.

Based on registering the construction work, **issuing the verification for receiving the application** without delay, provided that the complete documentation has been submitted. \*/\*\*

**Issuing the occupancy permit**, upon receiving the submission of the request.

**Issuing the final approval** upon receiving the submission of the request.



## PHASES & TIMELINE

In total: **28** working days

**5** no later than:  
working days

**5** no later than:  
working days

**5** \*Registering the construction works  
to receive acceptance/rejection

**3** \*\*subsequently, submitting the  
request for infrastructure installations  
working days

**5** no later than:  
working days

**5** no later than:  
working days



# Municipal Incentives



## Fee for the editing of construction land

The contribution is calculated for:

- Public purpose objects that are publicly owned
- Utility and other infrastructure facilities
- Production and storage facilities
- Underground floors of buildings
- Open playgrounds, outdoor sports grounds and athletic paths

The coefficient of purpose is reduced by 50% for the construction of economic facilities  
The coefficient of use is reduced by 50% when removing an existing object  
30% reduction in cash payments in full

| Object purpose   | Coefficient |
|------------------|-------------|
| Housing purpose  | 0,6         |
| Business purpose | 0,9         |
| Public purpose   | 0,7         |
| Other purposes   | 0,2         |





# Your Partner in Municipality

CONTACT US

Contact:

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