



PREDRAG BUBALO, MINISTAR PRIVREDE

PROFIT PRIVLAČI INVESTITORE U SRBIJU

- U Srbiji 2006. godine strana ulaganja u vrednosti od oko dve milijarde dolara.
- Privatizacija društvene imovine završava se 2007. godine.
- Pogodno vreme za velike investicije u Srbiji i velike profite

PREDRAG BUBALO, MINISTER OF THE ECONOMY

Profit Attracts Investors to Serbia

- In Serbia, foreign investments worth around two billion dollars in 2006
- Privatization of socially-owned property will be completed in 2007
- Right time for large investments in Serbia and large profit

Strani investitori koji su došli u Srbiju pre nekoliko godina, ne obazirući se na analitičke rizike, imali su veliki profit u svom poslovanju. Realni rizik je zapravo mnogo manji, pa posao svima njima veoma dobro ide i donosi dobre zarade.

Dotadno, reformrske promene i ubrzanje tranzicije, o čemu je država dobila i priznanja međunarodnih finansijskih institucija, olakšavaju poslovanje i razlog su što se u Srbiji ove godine očekuje pravi investicioni bum, koji treba da bude krunisan prilivom od oko dve milijarde dolara kapitala.

Koliki priliv stranog kapitala se očekuje ove godine u Srbiji?

The foreign investors who came to Serbia a few years ago, paying no heed to analytical risks, have achieved large profit from their business. The real risk is, actually, much smaller, so that business is going well for all of them and is bringing in good earnings.

In addition to this, the reform changes and acceleration of transition, for which the state has also received recognition from international financial institutions, facilitate business and are the reason why Serbia is expecting an investment boom this year, one that is to be crowned by an inflow of around two billion dollars worth of capital.

- Strana ulaganja u Srbiju, bez kojih nije moguć brži privredni oporavak, ove godine treba da iznose više od dve milijarde dolara. Ovaj iznos priliva stranog kapitala očekuje se od prodaje tri banke i nekih osiguravajućih kuća, privatizacije preduzeća, ulaganja na osnovu postojećih ugovora i najavljenih grinfild investicija. U svakom slučaju, velike multinacionale kompanije uvek su prepoznavale svoj ineters da dođu u Srbiju, čak i u periodu dubokog socijalizma, a naročito danas, posle značajnih priznanja iz sveta koje je Srbija dobila za reforme koje sprovodi.

Kakva je vaša poruka stranim investitorima?

- Strani investitori treba da dođu upravo sada, uz sve rizike koji postoje. Jer, kada bude sve uređeno i kada budemo ušli u Evropsku uniju, onda će biti manji profiti. Sada je pravi momenat za dolazak u Srbiju. Treba istaći i da je Srbija na raskršnici važnih puteva, da je na koridoru 10 i 7, da ima jeftinu radnu snagu i najniži porez na dobit u regionu, a da će uskoro biti smanjene neke dažbine i porez na plate.

Kakav je trend stranih ulaganja u Srbiju?

- Posle demokratskih promena 2001. godine, strana ulaganja su bila veoma mala, a 2002. imala su simboličan rast. Već 2003. direktna ulaganja iznosila su oko 1,4 milijarde dolara, po osnovu grinfild investicija i priliva stranog kapitala kroz privatizaciju. U 2004. godini, zbog promena vlade, došlo je do pada i imali smo nepunu milijardu dolara stranih ulaganja. Već 2005. godina je obeležena rekordom u stranim ulaganjima. Od 2001. i demokratskih promena došli smo do 1,5 milijarde dolara stranih investicija. Očekujemo da ćemo u 2006. godini preći prag od dve milijarde dolara stranih ulaganja. Taj nivo stranih investicija je neopohodan za brži ekonomski razvoj.

Koja strana ulaganja u Srbiju su izvesna za ovu godinu?

- Postoji nekoliko velikih transakcija koje su već u toku. To je prodaja Mobtela, odnosno novog preduzeća Mobi 63. Pri završetku je tenderska prodaja Vojvodanske, Panonske i Kredi banke i najstarije osiguravajuće kuće u Srbiji, DDOR. Na sve to treba dodati grinfild investicije koje su najavljene i sredstva prikupljena kroz redovnu privatizaciju manjih privrednih subjekata. Doći će i do većeg obima investiranja na osnovu zaključenih ugovora iz prošle godine, a delimično i onih koji će biti zaključeni kroz privatizaciju u 2006. godini.

Kakva je priznanja dobila Srbija od stranih institucija i zbog čega?

- U 2005. godini Srbija je dobila niz priznanja za svoje tranzicione aktivnosti, pre svega od raznih bankarskih institucija. Svetska banka i OECD su proglasili Srbiju za lidera u reformama u 2006. godini, za brzinu reformi i povećanje konkurentnosti. To su laskava priznanja, ali smo mi još daleko od mesta koje nam pripada i koje bismo želeli da dostignemo. Mi smo lider u reformi jer smo preskočili 16 mesta na lestvici u kratkom roku. Naš cilj je da se još više popenimo na toj lestvici.

Koje grinfild investicije očekujete u najvećem obimu i iz koje države?

- Ove godine najveća grinfild investicija u Srbiji očekuje se iz Nemačke, i to u energetskom sektoru i u oblasti tekstila. Kada je energetika u pitanju, jedna velika kompanija sa dosta zaposlenih veoma je zainteresovana da dođe u Srbiju i sada je u fazi odabira lokacije. Krajem maja dolazi da se konačno opredeli za lokaciju za svoju grinfild investiciju. Očekujemo i investicije u metalopreduvačkoj grani. Najzad se potvrdilo da su Nemci najduže čekali na dolazak na naše tr-

How large a foreign capital inflow is expected in Serbia this year?

- Foreign investments in Serbia, without which faster economic recovery is not possible, are to be worth over two billion dollars this year. Such a foreign capital inflow is expected from the sale of three banks and certain insurance companies, the privatization of companies, investments based on existing agreements and announced greenfield investments. In any case, large multinational companies have always seen their interest in coming to Serbia, even in the period of strict socialism, and especially today, after the significant recognition Serbia has received from the world for the reforms it is carrying out.

What is your message to foreign investors?

- This is precisely the moment for foreign investors to come, despite all the risks that exist. Because, once everything is regulated and when we enter the European Union, the profit will be smaller. Now is the right time for coming to Serbia. It should also be pointed out that Serbia is at an intersection of important routes, on corridors 10 and 7, that it has a cheap labor force and the lowest corporate profit tax in the region, and certain fees and taxes on salaries will soon be reduced.

What is the trend regarding foreign investments in Serbia?

- After the democratic changes, foreign investments were very small in 2001, while they registered a symbolic growth in 2002. Already in 2003, direct investments were around 1.4 billion dollars, on the basis of greenfield investments and the inflow of foreign capital through privatization. In 2004, due to the change of the government, there was a drop and we had less than a billion dollars worth of foreign investments. Already the year 2005 was marked by record foreign investments since 2001 and the democratic changes – we reached the sum of 1.5 billion dollars worth of foreign investments. In 2006, we expect to cross the threshold of two billion dollars. This level of foreign investments is necessary for faster economic development.

Which foreign investments in Serbia are certain to be made this year?

- There are several large transactions already under way. They include the sale of Mobtel, i.e. the new company Mobi 63. Coming to a close is the tender sale of Vojvodjanska Banka, Panonska Banka and Credi Bank, as well as the oldest insurance company in Serbia, DDOR. To all this we should add the announced greenfield investments, and the funds collected through the regular privatization of smaller economic entities. There will also be a larger scope of investments based on agreements concluded last year, and partly those that will be concluded through privatization in 2006 as well.

What kind of recognition has Serbia received from foreign institutions and for what?

- In 2005, Serbia received recognition a number of times for its transition activities, primarily from various bank institutions. The World Bank and the OECD have proclaimed Serbia the leading reformer in 2006 for the pace of the reforms and the increase in competitiveness. All this is flattering, but we are still far from the place that belongs to us and that we wish to reach. We are the leading reformer because we skipped 16 places on the ladder

žište i da su, kao što su govorili, više zainteresovani za grinfild investicije nego za učešće u privatizaciji. Upravo se to i potvrđuje i to je rezultat učestalog kontakta sa nemačkim poslovnim ljudima i političarima.

Da li je privatizacija u realnom sektoru dovoljno aktivna i atraktivna i da li ide dovoljnom brzinom?

- U Srbiji postoji procedura predviđena po Zakonu o privatizaciji koju moramo da sprovedemo, a ona se pre svega odnosi na transparentnost. Ova procedura podrazumeva korišćenje neutralnih privatizacionih savetnika za svaku privatizaciju. Sam izbor privatizacionih savetnika, a posle toga i procedura njihovog rada, ima svoju tehnologiju i potrebno je neko vreme. Mi sada držimo tempo od 350 do 400 aukcija i od 34 do 36 tendera godišnje, i to su velike cifre. Kada su u pitanju tenderi oni su brojniji, a kada su u pitanju aukcije, njih je nešto manje nego 2003. godine zbog toga što su u pitanju manje atraktivna preduzeća. U svakom slučaju, u 2007. godini završićemo privatizaciju društvenog kapitala, a



ono što ne bude privatizovano jednostavno ćemo pretvoriti u državni kapital, a to će biti zanemarljivo mali deo neprivatizovanog realnog sektora u Srbiji.

Kakve promene su napravljene u stečajnom postupku i kakvi su efekti?

- Sada imamo moderan zakon koji nam je omogućio da od 80 preduzeća, nad kojima je u poslednje vreme otvoren stečaj, 34 budu sasvim uspešno privatizovana i prodana kroz stečajni postupak. Prodato je i niz velikih sistema koji su imali velike dugove i mi ćemo biti zapamćeni po tome da smo potpuno neprivalačna preduzeća učinili atraktivnim. Ta velika preduzeća kupuju uglavnom strateške kompanije. U pitanju su strane kompanije sa učešćem domaćih investitora. Među njima je i indijska kompanija Mital, koja je zainteresovana da uđe na tržište Srbije.

Koje velike kompanije su još preostale za prodaju strancima?

- To je RTB Bor, koji će uskoro biti na tenderu. Država je ovoj kompaniji otpisala dug, a kada se još smanji i broj zaposlenih, RTB Bor će postati jako atraktivna kompanija za strane investitore. Kada je u pitanju Zastava, privatizacija ide sasvim solidno. Odvojeno je 26 manjih kompanija koje proizvode komponente i većina je već prodana, tako da je 50 posto te fabrike već privatizovano. Glavno pitanje je pri-

within a short period of time. Our goal is to climb further up on that ladder.

Which greenfield investments do you expect to be the largest and from what country?

- This year, the largest greenfield investments in Serbia are expected from Germany, in the energy sector and the field of textile. When speaking of energy, a large company with many employees is very interested in coming to Serbia and is now searching for a location. It will arrive at the end of May definitely to choose a location for its greenfield investment. We also expect investments in the metal processing branch. It has finally been confirmed that the Germans waited the longest to come to our market and that, as they said, they are interested more in greenfield investments than in participating in privatization. This is precisely being confirmed now and it is the result of frequent contacts with German businessmen and politicians.

Is privatization in the real sector active and attractive enough and is it proceeding at a sufficiently fast pace?

- There is a procedure in Serbia envisaged by the Law on Privatization which we must carry out, and it primarily concerns transparency. This procedure implies the use of neutral privatization advisors for each privatization. The very selection of a privatization advisor, and then the procedure of his work afterwards, has a technology of its own and it requires some time. We are now keeping the pace of 350 to 400 auctions per year, and between 34 and 36 tenders annually, which are large figures. Tenders are more numerous, while there are somewhat fewer auctions than in 2003, since at issue are less attractive companies. In any case, in 2007 we will complete the privatization of social capital, and we will simply turn into state capital whatever remains non-privatized. This will be a negligibly small part of the non-privatized real sector in Serbia.

What kind of changes have been made in the bankruptcy procedure and what are the effects of this?

- We now have a modern law which has made it possible for 34 out of the 80 companies in which bankruptcy has lately been initiated to be quite successfully privatized and sold through the bankruptcy procedure. A number of large systems with big debts have also been sold and we will be remembered by having made totally unattractive companies attractive. These companies are mostly being bought by strategic companies. At issue are predominantly foreign companies with the participation of domestic investors. They also include the Indian company Mittal, which is interested in entering the Serbian market.

Which large companies are still left to be sold to foreigners?

- One of them is the Mining and Smelting Complex (RTB) in Bor, which will soon be put up for tender sale. The state has written off this company's debt, and when the number of employees is also reduced, RTB Bor will become a very attractive company for foreign investors. As regards Zastava, its privatization is proceeding quite decently. Twenty six smaller companies producing components have been spun off and most of them have already been sold, so that 50 percent of this factory has been privatized. The main issue is the privatization of the automobile factory and truck factory. There will soon be a tender for the truck factory. The automobile factory has concluded an agreement on cooperation with Fiat, but negotiations are under way with yet another

vatizacija fabrike automobila i fabrike kamiona. Fabrika kamiona će uskoro biti na tenderu. Za fabriku automobila sa Fiatom je sklopljen sporazum o kooperaciji, ali se pregovara sa još jednim proizvođačem automobila. Rešili smo pitanje dugova kod Zastave, ali ovaj privredni sistem i po broju zaposlenih još nije doveden na meru rentabilnog poslovanja, ali i to će se desiti. Tada možemo da računamo na atraktivnog strateškog partnera.

Koja preduzeća ili privredne oblasti kandidujete kao atraktivne za strane investitore?

- Ima dosta atraktivnih preduzeća iz raznih oblasti kao što su Trajal iz Kruševca, Fabrika stakla iz Pančeva, Fabrika stakla iz Paraćina, Fabrika poljoprivrednih mašina Metanol-sko-sirčetni kompleks u Kikindi i neka druga.

Na sajtu Agencije za privatizaciju treba da se prati spisak kompanija, a većina tendera se objavljuje i u Finance Times-u. Za ulaganja ima još prostora i ozbiljno može da se ulaže i u poljoprivredu.

Koji rizici očekuju investitore u Srbiji?

- Velikih rizika nema, jer su u našem zakonodavstvu ugrađene odredbe o stranim ulaganjima i njihovoj zaštiti, kao i u Ustavu. Zakon o zajedničkim ulaganjima imali smo pre svih zemalja koje danas završavaju tranziciju, a u socijalističkoj Jugoslaviji smo imali ustavne garancije za investira-ni kapital. Ja sam radio u fabrici koja je imala najveći joint ventures na prostorima bivše Jugoslavije i srednje i istočne Evrope, a to je ugovor između Livnice Kikinda i General motorsa za proizvodnju komponenti za Opela. To govori da nekih značajnih rizika nema, zato što će strani investitori naći sve potrebne garancije u našem zakonodavstvu. Ono što nije rizik, ali predstavlja rešiv problem, jeste pribavljanje određenih dozvola kada su u pitanju grinfild investicije. Za razliku od nekih super organizovanih država, u pitanju je još uvek jedan birokratizovani sistem i dualitet između republičkih i lokalnih organa, gde često vlada disharmonija, ali i to će se ubrzo harmonizovati i ta procedura olakšati. Ali, u domenu registracije kompanija napravili smo veliki progres i upravo laskave ocene iz sveta koje smo dobili za Srbiju, prošle godine, došle su u najvećoj meri zahvaljujući izmeni zakonodavstva o registraciji preduzeća i novih Zakona o stečaju i Zakona o privrednim društvima.

Zašto zemlja na kojima su objekti ne može da bude u vlasništvu i da li je to veliki rizik?

- U Srbiji je pravo korišćenja na građevinskom zemljištvu potpuno upodobljeno vlasništvu i u tom pogledu nema nikakvog rizika. To pitanje samo zbunjuje ljude. Politički, ideološki i svaki drugi konsenzus postoji i u vladi i u društvu da se to pitanje reši novim ustavom. Onog trenutka kada se donese novi ustav, biće donet i zakon o privatizaciji zemljišta i svako će moći da postane vlasnik zemljišta na kojem je objekat koji je kupio. U postojećem sistemu to zaista nije moguće, ali to nije rizik. Onaj ko priča da je to rizik, pokazuje svoje neznanje. U Kini, na primer, niko ne može da postane vlasnik zemljišta, a to je zemlja sa najvećim prilivom stranih direktnih investicija od oko 45 milijardi dolara godišnje. Kina je istovremeno socijalistička država u kojoj ne može niko da postane vlasnik zemljišta, već postaje zakupac na 99 godina. Niko i ne razmišlja da menja taj sistem, a to ne smeta ni investitorima, što se vidi iz obima stranih investicija i priliva kapitala.

automobile producer. We have resolved the issue of Zastava's debts, but this business system is still not operating on a cost-effective basis according to the number of its employees. However, this will happen too. We will then be able to count on an attractive strategic partner.

Which companies or economic branches do you propose as attractive for foreign investors?

- There are quite a few attractive companies in various branches, such as Trayal of Krusevac, the glass factory in Pancevo and Paracin, the agricultural machine factory, the methanol-vinegar complex in Kikinda and some others.

The list of companies should be viewed on the Privatization Agency's web site, while the Finance Times also publishes most of the tenders. There is still room for investment and serious investments can be made in agriculture.

What risks await investors in Serbia?

- There are no major risks, since our legislation contains provisions on foreign investments and their protection, as does the Constitution. We had a law on joint ventures before all the countries now completing their transition, and in socialist Yugoslavia we had constitutional guarantees for invested capital. I used to work at a factory with the largest joint venture on the territory of the former Yugoslavia, as well as in Central and Eastern Europe. This was the contract between the Livnica Kikinda foundry and General Motors for the production of components for Opel. This attests to the fact that there are no major risks, because foreign investors will find all the necessary guarantees in our legislation. What is not a risk, but does represent a solvable problem is the obtainment of certain permits for greenfield investments. Unlike certain extremely well organized states, at issue here is still a bureaucratized system and the duality of republic and local bodies, where there is often disharmony, but this too will soon be harmonized and the procedure will be facilitated. However, we have made major progress in regard to company registration and precisely these flattering assessments about Serbia last year came largely because of the changes in the legislation on company registration and the new Law on Bankruptcy and the Law on Companies.

Why cannot land containing facilities have an owner and is this a big risk?

- In Serbia, the right to use building land is fully comparable to ownership and there are no risks in this regard. This is an issue that confuses people. There exists a political, ideological and every other consensus in the government and society for this issue to be resolved through the new Constitution. Once the new Constitution is adopted, a law on the privatization of land will also be passed and everyone will be able to own the land on which the facilities they had purchased stand. True, in the existing system this is not possible, but that is no risk. Those who say it is a risk, simply demonstrate ignorance. In China, for example, no one can become the owner of land, and this is the country will the largest inflow of foreign direct investments of around 45 billion dollars annually. China is, at the same time, a socialist state in which no one can become the owner of land, but land is rather leased for a period of 99 years. No one is even thinking of changing this system, and it does not bother investors either, which is attested to by the scope of foreign investments and the inflow of capital.