



SIEPA

Serbia Investment and Export Promotion Agency

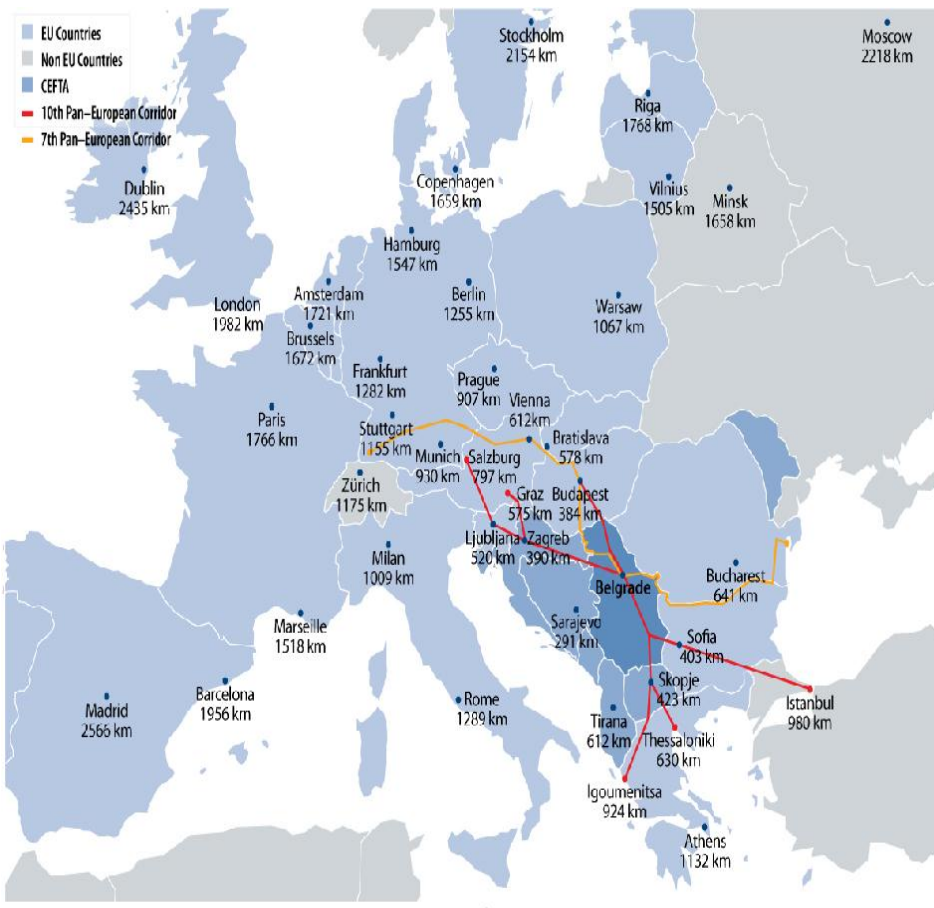
# INVESTMENT PROJECT LIFECYCLE

## From generating leads to project implementation & investor aftercare

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Advisor

## PRESENTATION OUTLINE

- Brief Country Overview
- About SIEPA & its FDI Department
- Overview of Foreign Investments in Serbia
- Managing Investment Projects
  - The Pre-Investment Phase
  - Implementation Stage
  - Project Aftercare



- Official Name: Republic of Serbia
- Area: 88,361 km<sup>2</sup>
- Population: 9.5 million
- Official Language: Serbian
- State Form: Democratic Republic
- Capital: Belgrade (1.6 million)
- Currency: Serbian Dinar (RSD)

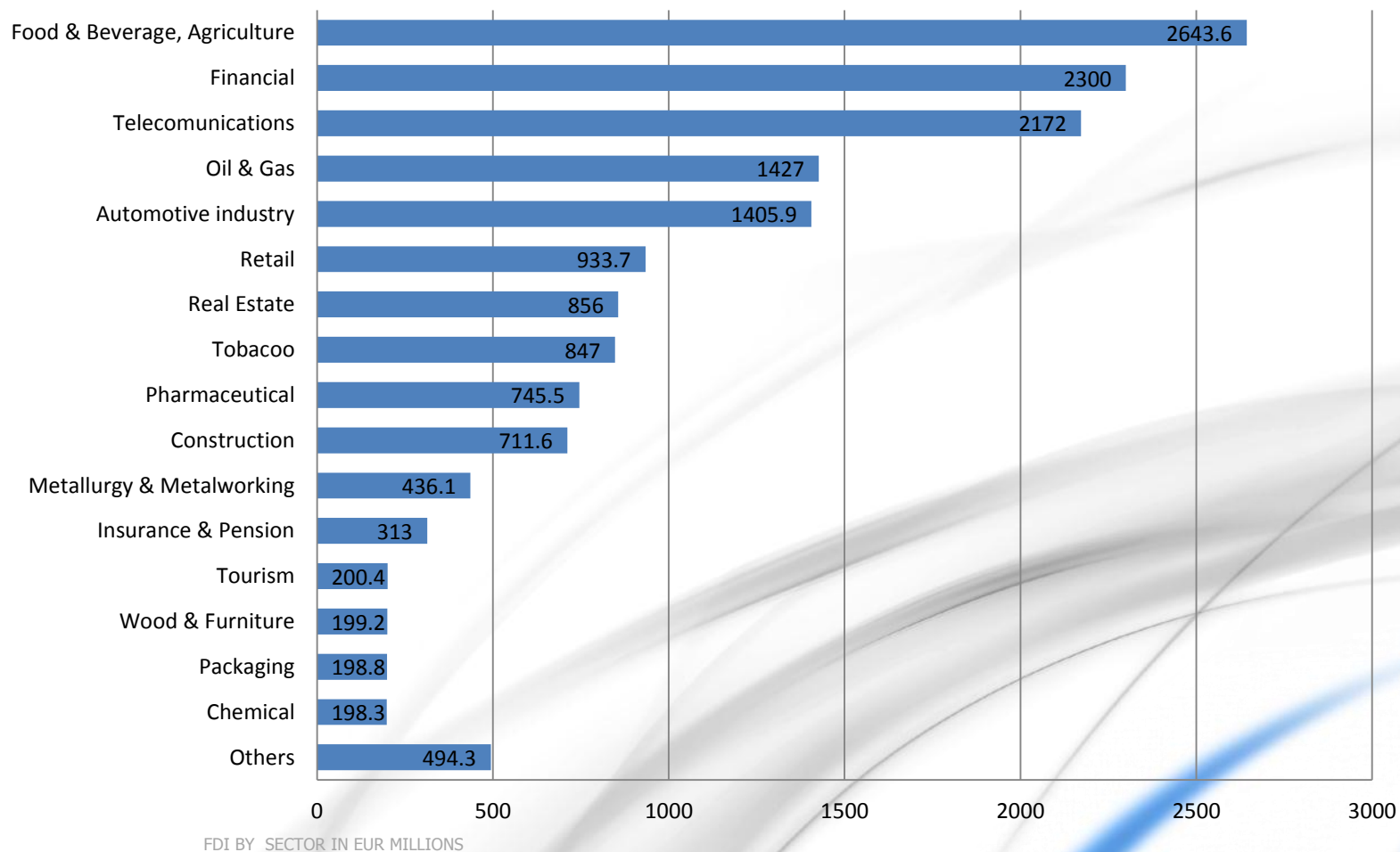
## About SIEPA

- Non-profit government agency under the supervision of the Ministry of Economy and Regional Development
- Established in 2001
- Main tasks of the agency are:
  - Marketing Serbia as an investment destination and sourcing hub
  - Attracting, supporting FDI projects
  - Providing support to domestic companies in internationalization
- 46 employees in 3 sectors
  - Investment promotion department
  - Export promotion department
  - Marketing and research
  - Other support

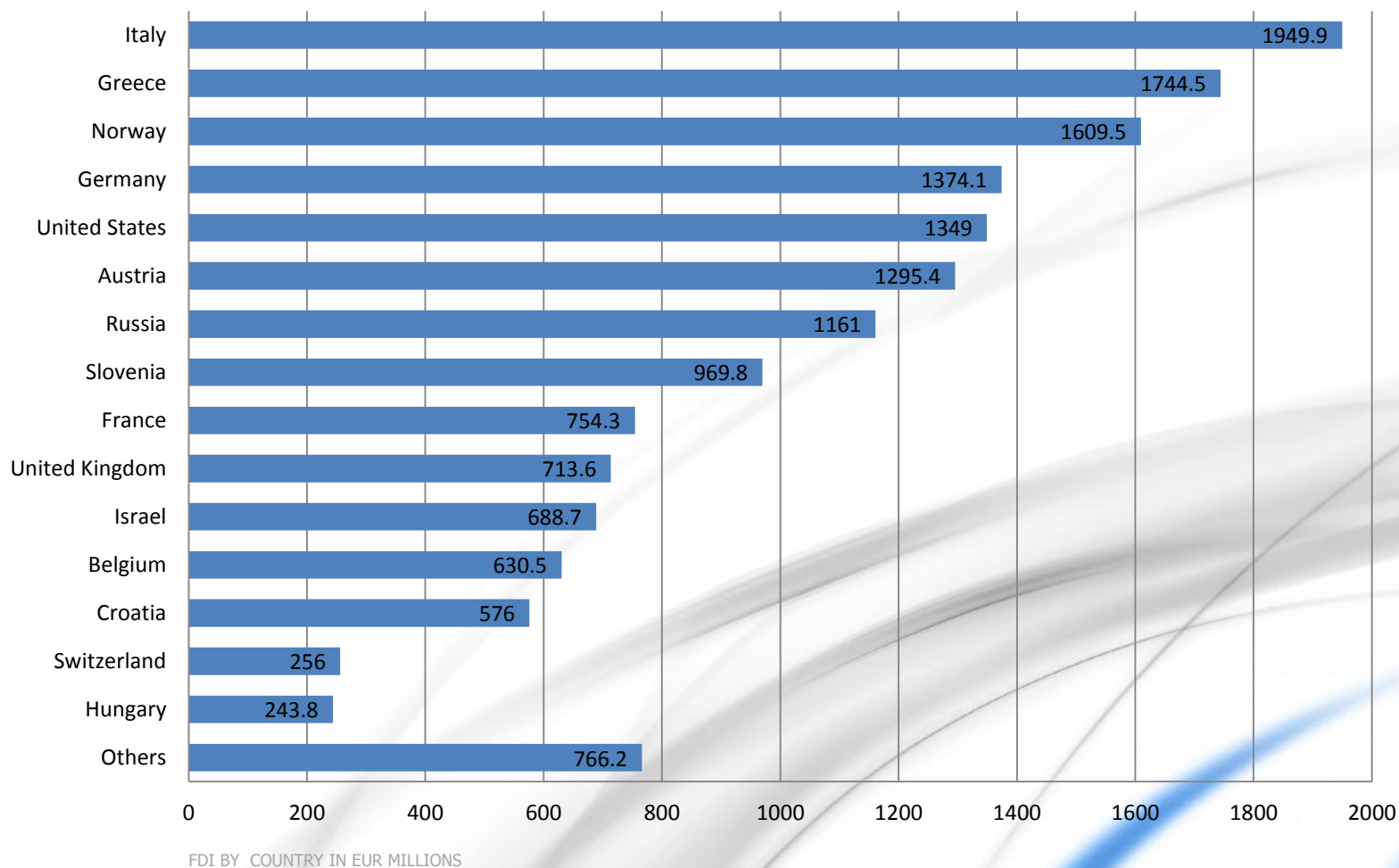
## Foreign Direct Investment (FDI) Department

- “One stop information shop”
- Gathering economic, statistics and legal information;
- Managing relationships with other stakeholders in Serbian government;
- Organizing visits of potential local business partners for interested foreign investors;
- Carrying out detailed studies of the most important commercial sectors

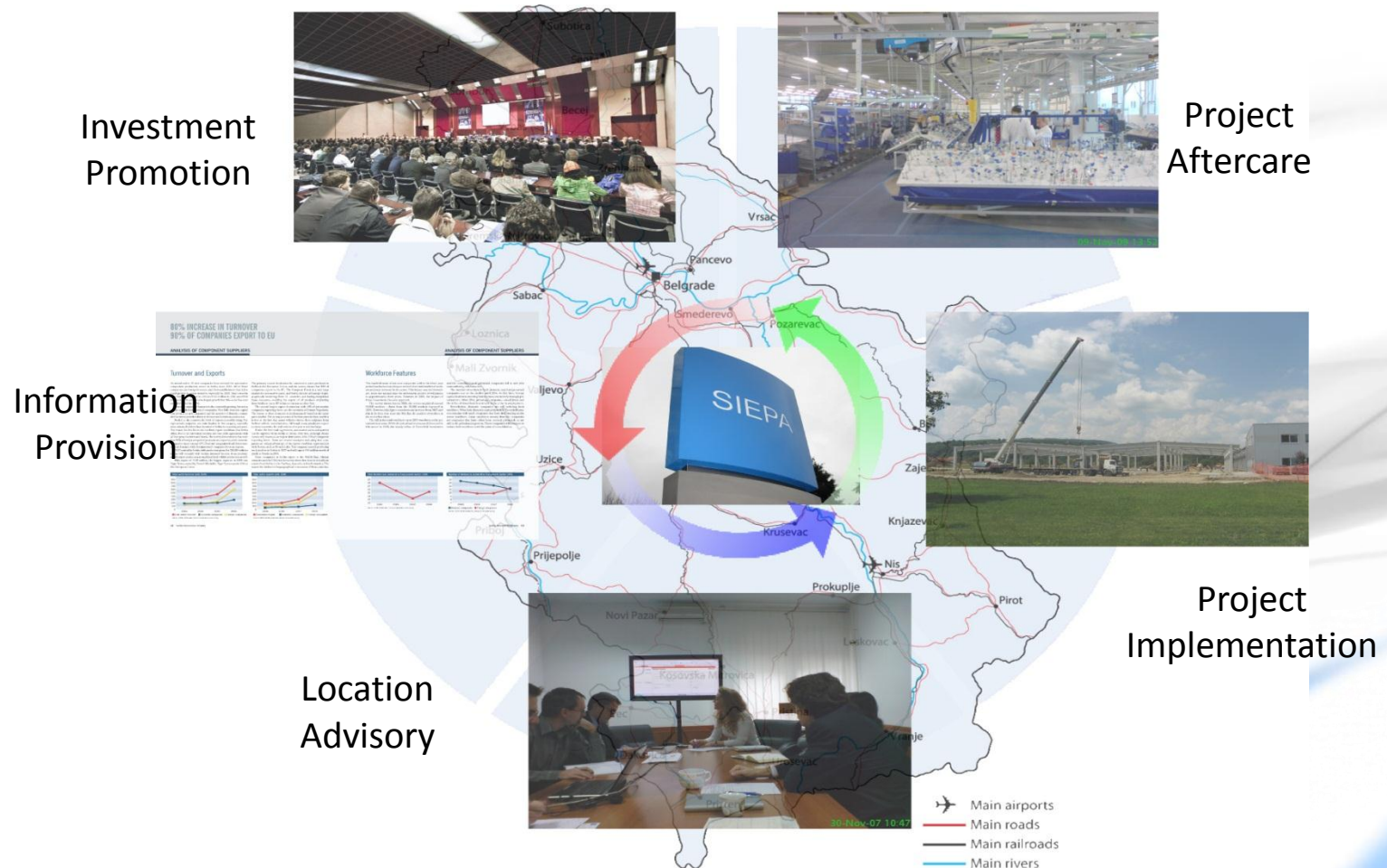
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**Since 2001 Serbia attracted more than 16 billion EUR of investments**

Serbia Investment and Export Promotion Agency

**Since 2001, Serbia has attracted more than 16 billion EUR of investments**

## FDI Department & The Project Investment Lifecycle

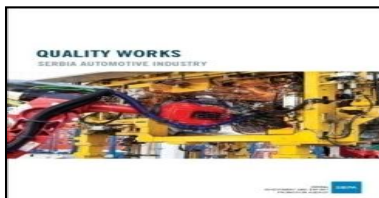


## Project Management Overview

- Phase I: Pre-Investment Phase
- Phase II: Implementation Stage
- Phase III: Aftercare

## Phase I: Pre-Investment – Establishing and Managing Communication with Potential Investors

- So, how do investors hear about Serbia? Investment promotion.
  - Marketing Channels: Website, brochures, etc.



- Organization of events in Serbia and abroad:



- Other sources/organizations:
  - Economic Counselors
  - Embassies
  - Serbia Chamber of Commerce Representatives
  - Trade and Investment Agencies
  - Informal Channels
  - Etc.

## Phase I: Pre-Investment – Establishing and Managing Communication with Potential Investors

- When we do get in contact with them, what do they want to know?
  - Macroeconomic information
  - Information of administrative procedures
  - Municipality-specific data
  - Infrastructure costs
  - Possibility for financing
  - Investment incentive program
  - Industry-specific information
  - Import/export possibility
- Information provision: And how do we get them this information?
  - Brochures, other available information
  - Consultation with in-house experts
  - Consultation with outside experts
- Which medium do we use?
  - Whichever our clients require us to!



## Our Project Database: An Introduction

- In 2010, we introduced our project database, migrating and centralizing all information that was previously on paper into an electronic database
- Available on-line with simple login
- Tracks investments and projects, classifying them by
  - Industry/Sector
  - Country of Origin
  - Potential destination(s)
  - Investment value
  - No. of jobs created
- Enables practitioners to
  - Have centralized information storage
  - Share information with colleagues, others
  - Generate reports
  - Etc.

PROJECT NAME	COUNTRY	SECTOR	MUNICIPALITY	VALUE	JOBS	GF	BF	JV	PK	FA	EX	TYP	STS	USR
Newmont	United Sta...	Metallurgy & Me...	Novi Pazar	400	GF	JV								
Sweet	Italy	Food & Beverage...				GF	BF							
MOTVOZ dd	Slovenia	Packaging	Ljubljana	1.1	102	GF								
MARGARITELLI - INTER...	Italy	Construction	Koper	7.0	60	GF								
ANERTEX	Madagascar	Textile	Novi Crag	2.0	122	GF								
ALUBOND EUROPE	United Ara...	Construction	Alibunar	1.3	50	GF								
Adler Group	Italy	Automotive indus...	Krivi	5.5	67	GF								
INFOMARE - SAFE DOC	Croatia	Software & ICT	Vidovica (Belj...	0.6	15	GF								
Calzedonia 2	Italy	Textile	Subotica	1600	GF									
St. George	Serbia	Textile	Lelovac	100	GF	PK								
Condor East	Italy	Metallurgy & Me...	Sredozemska Pol...	2.0	25	GF								
API SpA - BEU.RO.PA	Italy	Leather	Deman (Belgrad...	1.0	80	GF								
Corning	United Sta...	Non metallic mat...				GF								
LMB	Germany	Electrical & El...	NI	0.8	60	GF								
Daman Polyfibs	India	Packaging	Doljivac	3.0	300	GF								

Found 195 projects

SHOW MORE

## Now, Back to Our Story

- Once we have determined that a proposed investment, is indeed a viable, serious project, it is time to log it into our database!
- Let's start our walkthrough by creating a new project!
- Note on project statuses:
  - Intent
  - Active:
  - On-Hold:
  - Dead:
  - Complete:

### NEW PROJECT


Project name:	<input type="text"/>
Registry Code:	<input type="text"/>
Country of origin:	... <input type="text"/> ... <input type="text"/> ... <input type="text"/> ... <input type="text"/>
Project status:	... <input type="text"/>
Project type:	... <input type="text"/>
Other:	<input type="text"/>
Company name:	<input type="text"/>
Company address:	<input type="text"/>
Company city:	<input type="text"/>
Company phone:	<input type="text"/>
Company fax:	<input type="text"/>
Company web:	<input type="text"/>
Industrial sector:	... <input type="text"/>
Investment type:	<input type="checkbox"/> GF <input type="checkbox"/> BF <input type="checkbox"/> JV <input type="checkbox"/> PR <input type="checkbox"/> MA <input type="checkbox"/> EX
Investment value:	<input type="text"/>
No. of jobs:	<input type="text"/>
Municipality:	... <input type="text"/> ... <input type="text"/> ... <input type="text"/> ... <input type="text"/>
Project managers:	Bojan Bozovic <input type="text"/> ... <input type="text"/> ... <input type="text"/> ... <input type="text"/>
Project announced:	29 <input type="text"/> 09 <input type="text"/> 2011 <input type="text"/>
Project completed:	<input type="text"/> <input type="text"/> <input type="text"/>
Expected start:	<input type="text"/> <input type="text"/> <input type="text"/>
Project priority:	<input type="checkbox"/> minister <input type="checkbox"/> president
Project description:	<input type="text"/>

## Phase II: Implementation Phase

- A big component of implementation is finding the right location
- Must adhere to any number of criteria
  - Geographic proximity
  - Land size
  - Greenfield or brownfield
  - Infrastructure
  - Readiness for production
  - Price
  - Etc.
- SIEPA provides location advisory services
- In coordination with Local Development Offices and Municipalities, SIEPA in 2005 began gathering investment locations throughout our country.

## Database of Investment Locations



- In 2009, we launched the investment locations database – again, centralizing this information in our online database
- Available online to both SIEPA and others
- Made up of Greenfield and Brownfield Locations
  - Local government offerings
  - Buildings in bankruptcy proceedings
  - Privately-owned buildings and land
- Has all information necessary on location
  - Surface area
  - Proximity to roads, waterways, railway
  - Infrastructural capacities
  - Pictures
  - History
  - Contact information of authorized representative
- Enables FDI Advisors to generate reports for potential investors




Republic of Serbia  
Serbia Investment and Export Promotion Agency

Poslovno poslovni kompleks 'Graditelj' Gornji Milanovac - Gornji Milanovac

Poslovno poslovni kompleks 'Graditelj' Gornji Milanovac
Gornji Milanovac



Total Land Area (m<sup>2</sup>): 12800  
Total Buildings Area (m<sup>2</sup>): 11609

**Location Description:**

Location is located along highway M-22 in G. Milanovac with approved urban project and the planned construction of a manufacturing business facilities, terminals, warehouses, service, etc., and which is equipped with complete infrastructure (urban water supply, roads, electrical and PTT networks, gas). Location is covered GUP OM G. Milanovac who is committed to building and industrial production hall with storage, and upravom. Od existing lots that are listed can make several smaller lots and in accordance with the needs of investors.

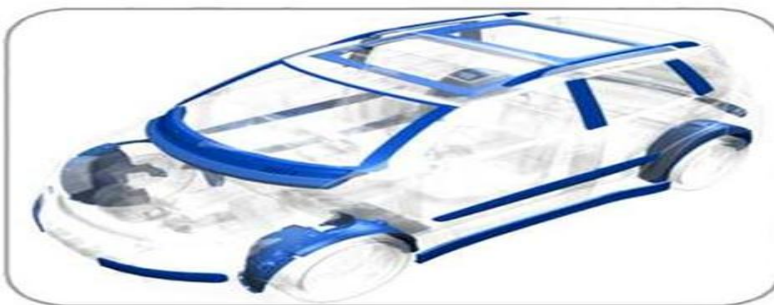
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## Phase II: Implementation Phase

- Once the right location has been found, and the investor has decided to pursue the investment, the true implementation of the project begins
- More information provided to investors
- Meetings with local city, municipality, which must embrace the project
  - Licenses
  - Information gathering on salaries
  - Negotiation with infrastructure providers
- SIEPA will monitor the project, and will intervene/assist whenever and however needed
- Usually, this occurs when institutions in Belgrade are involved
- This is how SIEPA cooperates with municipalities to see projects through to completion
- Once production is underway, the project is considered “complete.”

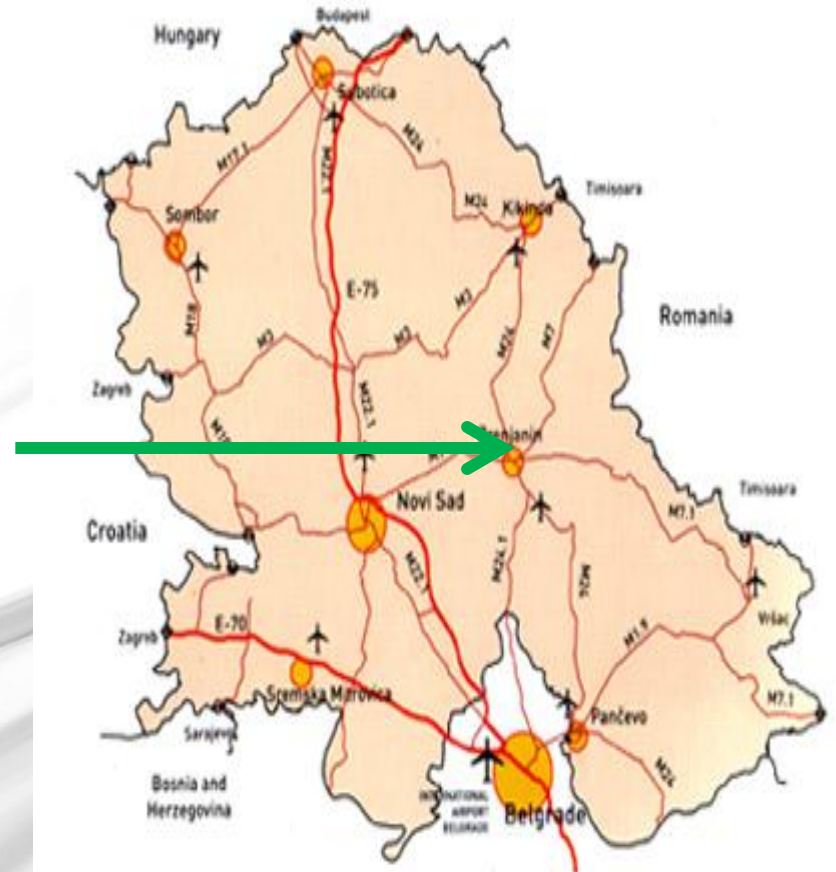
## CRM Case Study: Mecaplast

- Follow the project throughout its lifespan in our CRM
- Show you all of the relevant details: Project information & Evolution of the project
- Major automotive company based in Monaco; plastic parts for automobiles
- Clients include Renault, Dacia, Mercedes, FIAT, Audi, Seat, etc.
- Came to Serbia to work for FIAT factory in Kragujevac, but also for other suppliers in the region



## Mecaplast: A Recap

- Project started at FIAT conference in 2010
- Timeline: May 2010 – November 2010: Information exchange
  - Exchange of information
  - Site visits
- Late 2010: Decision to invest reached
- 2011: Project implementation
  - More information exchange
  - Zrenjanin takes ownership of project
  - Company applies for SIEPA funding
  - Construction begins
- Now, let's go (back) to the CRM!



## Phase III: Aftercare – Why is it Important?

- Projects, however, are never really “complete.” Why?
- We must take care of investors which are already on the ground in Serbia
- Often, the biggest sources of foreign direct investment are companies already present in Serbia – these will not reinvest if they are not happy!
- Maximize the “spillover” effect to Serbian companies and suppliers
- Receive feedback on business environment in order to suggest improvements to regulation. After all, the companies know best!
- Excellent PR: Companies are the best, most honest critics
- This is the most affordable form of investment promotion

## Phase III: What does it Entail?

- Constant monitoring and proactive contact with investors already present in Serbia
- Concretely:
  - Assist with bureaucratic difficulties
  - Regularly visit them
  - Ask them questions, be proactive
- Get them involved and become part of the community
  - “Meet the Buyer” events & seminars for local companies
  - Other people of their team: put them in touch with people from their country of origin (e.g. embassies) and working groups from their field
- Actively involve them in the investment promotion effort!
  - Happy investors are, in most cases, more than happy to help you
  - PR: Interviews, brochures
  - Involvement in investment conferences



## Successful Cases of Aftercare in Serbia

- Yura Corporation: from one investment in Serbia to....four!
- About Yura:
  - Automotive industry; manufacturer of cables and wires for cars
  - South Korean company founded in 1993
  - 2009: €700 million in sales; 15,000 employed; 14 factories
  - Main clients: KIA & Hyundai
- Investments in Serbia:
 

• 1) Early 2010: Privatize Zastavo Elektro in Raca	€8 million, 1200 jobs
• 2) Mid 2010: New factory in Nis	€15 million, 1500 jobs
• 3) Late 2010: Another factory in Nis	€11million, 300 jobs
• 4) Mid 2011: Yet another factory in Leskovac	€13million, 1500 jobs
- Attracted by very affordable working conditions, proximity to other European operations
- Stay because of great aftercare!
- Also, large number of projects in database with “2” after them – Calzedonia, Siemens, Golden Lady, Michelin, Gorenje and many, many others!

## One last visit to the CRM: Investments Database and Reports

- Two important aspects of having a CRM: Database of information & Reports
- Database:
  - Investment Projects
  - Investments to Date: Very important
    - We are the body responsible for these – question of credibility
    - No other monitor of FDI in the country
- Reports:
  - Key for internal coordination and reporting
  - External / Supervisory bodies
  - Wider media and other public
- Let's take one last dive into the CRM!



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# Thank you for your attention!

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