



business

MAGAZINE

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Showing Signs of
*RECOVERY***

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agree *on further course
of INA negotiations***

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VUČIĆ backs proposition ON ASSISTANCE to printed media

Serbian First Deputy Prime Minister Aleksandar Vucic stated that the proposition of the National Association of Newspapers and Magazines for assistance to the printed media voiced in the amendments to the Law on Advertising can bring benefits both to the government and advertisers.



At a time when the government is asked to provide benefits and tax relief to all, the proposition is one of the few which could bring benefits both to the government and advertisers, Vucic said and announced that the government would discuss all the propositions and reply as soon as possible.

Association representatives said in the release that they informed Vucic about the initiative for assistance to the printed media through amendments to the Law on Advertising.

The Association proposed a liberalisation of legal provisions on advertising by certain excise duty goods and specific services, which would make it possible for all newspapers in Serbia to do business with greater stability in the period of the global economic crisis.

The meeting was attended by directors and editors-in-chief of Belgrade-based media.

CROATIAN, *MOL* TEAMS AGREE ON FURTHER COURSE OF *INA* NEGOTIATIONS

The negotiating teams of Croatia's government and the Hungarian oil and gas group MOL considered models for conducting negotiations and the topics of the negotiations at the first round of their talks held in Zagreb on Wednesday morning, the government's public relations service said in a press release.

“Both parties agreed on the course and models for conducting the negotiations, and reached agreement in principle of holding a negotiating round once a month, with materials being forwarded to them prior to the talks,” according to the press release.

Every proposed conclusion will be deemed hammered out upon its delivery in writing and upon its adjustment with regulations and organisation of each of the two negotiating sides, according to the press release.

“Every new negotiation issue will be tabled upon the conclusion of the previously considered one.”

The two negotiating parties are agreed that the negotiations will cover the future of corporate management, cost controlling, investment and profit distribution, research and development, the development and production of hydrocarbons, crude oil and petroleum products and their wholesale and retail sale, and the gas business. The teams are agreed on the common goals for INA — increasing invest-

ments, business efficiency and raising INA's contribution to Croatia's economy, the press release concluded.

The government's negotiating team consists of Economy Minister Ivan Vrdoljak and the head of the State Property Management Office, Mladen Pejnovic. The Hungarian company is represented by MOL's deputy CEO Sandor Csanyi and INA's CEO Zoltan Aldott.

The government, which holds 44.84% of shares in INA, said last month it expected INA to be run in accordance with Croatian laws as well as its development as Croatia's leading energy company.

MOL, which owns 49.08% of shares in INA, said recently that it did not want to give up management control of INA and expected a resolution of the gas business problem. It stressed it was ready to sue Croatia and demand at least 2 billion kuna (\$351 million) in damages for Croatia's failure to take over INA's loss-making gas business or apply market prices, which it agreed to do in 2009.



Information on OIL and GAS tender PUBLISHED

On its specialized website, the Deloitte Petroleum Services Group has published information on a tender for offshore oil and gas production concession contract in Montenegro.

The Petroleum Services Group (PSG), which provides advisory services to the companies participating in tenders in the oil and gas industry, says that the Ministry of Economy of Montenegro launched in August its first bid round for a production concession contract, which would be executed in two phases exploration and exploitation.



LUKOIL MACEDONIA **OPENS** **its 24TH GAS STATION**

Lukoil Macedonia will open Saturday a multifunctional facility with a gas station, located in the village of Lesok on Tetovo-Jazince motorway.

Minister of Environment and Physical Planning Abdilaqim Ademi, Russian ambassador Oleg Scherbak and representatives of the local self-government are expected to be in attendance.

Lukoil gas station - the 24th in Macedonia - will function as part of the multifunctional facility, including a restaurant and a parking space for light and heavy motor vehicles, covering an area of 16,000 square meters.

NEW WELLS *in Salt Mine* *TUZLA*

Thanks to the support of the government of the Tuzla Canton, the mine managed to meet the needs of its biggest buyers Sode Sisecam and Solane.

Until now, every year two to three new wells have been drilled and cooperation is continued, as well as efforts of the mine to meet the needs of its buyers. The Tuzla Canton government allocated around 850.000 KM in the last two years for research and exploration of the wells.

The Tuzla salt mine is preparing to increase the capacity that Soda and Solana plan in 2017. The efforts of the mine and the government in stabilizing the mine are visible, and it enables the further development of an industry where brine is one of the main raw materials.



NLB GRANTS EUR 680M LOANS IN FIRST SIX MONTHS

Slovenian merchants have started accepting Diners payment cards after a three-month hiatus.

The new owner of the Slovenian franchise, Erste Card, said Wednesday it had settled outstanding debt and signed new contracts with merchants to restart the business. Owners of Diners cards issued abroad can already use cards at 8,000 locations around Slovenia, while Slovenian users will gradually be issued new cards in the coming days, Erste Card said.

The previous franchise holder, Diners Club Slovenije, was stripped of its licence in mid-May over mounting debt to merchants, and Erste Club took

over the licence in July. Erste Club settled the EUR 17.2m debt to over 2,000 merchants in conjunction with the banks Unicredit banka Slovenija and Hypo Alpe-Adria Bank. While the “Diners debacle” came to a happy ending for users and merchants, it resulted in detention for the owner of Diners Club Slovenije, Tomaž Lovše.

Lovše is in detention awaiting formal charges over suspected abuse of office or trust that caused an as yet unnamed company EUR 9m in financial harm.

FRUCTAL UPGRADING its JUICE PACKAGING

Soft drinks maker Fructal will invest EUR 3m to overhaul its packaging. The new machines will fill fruit juices in the new drink-ready 200ml and 250ml packaging.

Fructal executive director Bojan Radun told the press on Monday that the company will not take out a loan to cover the investment. The planned move will be the biggest investment in equipment at the company since 2008.

Fructal reached an agreement with packaging maker Tetra Pak to pay for a part of the investment in instalments, allowing the drinks maker to avoid taking out a loan.

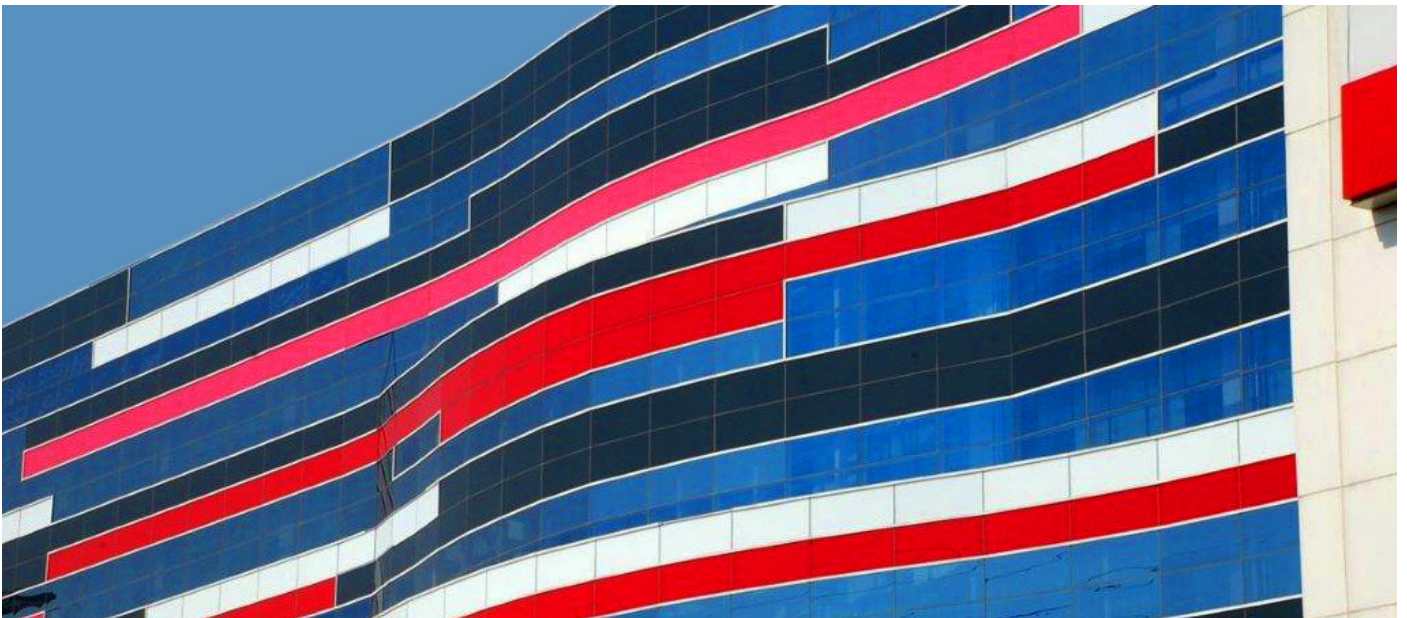
Ola Elmquist, Tetra Pak managing director for SE Europe, who was present at the press conference praised 25 years of cooperation between the two companies.

Radun said the investment represented input in development and new jobs, but did not reveal any concrete information. The Employment Service register shows that Fructal laid off 22 people since the beginning of the year.

SAINT-GOBAIN GLASS ROMANIA

invests EUR 6 MLN in 3rd local manufacturing facility

The Romanian division of French glass manufacturer Saint-Gobain, has invested EUR 6 million in a laminated glass production line in its factory in Calarasi, southern Romania. This takes the company's total investment so far in Romania to EUR 176 million, said Jerome Lionet, GM of Saint-Gobain Glass Romania.



The investment is part of the company expansion strategy in Romania as well as the neighboring countries given that the manufacturing platform in Calarasi was designed as a regional center that serves not only the local market, but also the other markets in the Balkans.

Despite the crisis, there is a great potential for market growth in Romania and other countries in the region especially when it comes to more advanced products such as

laminated glass, says the manufacturer. At present Saint-Gobain Glass Romania exports about half of the glass products it manufactures locally mainly to neighboring countries. Exports of laminated glass are expected to have a similar share of the total production. The new line has a production capacity of 2 million sqm of glass per year.

Saint-Gobain estimates the Romanian glass market reaches some 16 million sqm and will grow by be-

tween 2 and 3 percentage points in 2013. However, the company predicts a higher market increase in term of value, as Romanians are looking to buy more advanced products with a higher added value.

On the domestic market, 80 percent of last year's sold volumes went to the residential sector and renovation projects in particular, 15 percent to office the office sector and the remaining 5 percent to the industrial sector.

Saint-Gobain Glass Romania reported a turnover of EUR 65 million last year and in 2013 it targets a 10 percent increase. Half of this growth should be generated solely by the launch of the laminated glass production.

In addition to the glass business, Saint-Gobain Group is present in Romania with three other companies – Saint-Gobain Construction Products, MTI Impex Brasov and

Brodrene Dahl. The four companies employ a total of some 1,000 employees and operate 12 production units in seven industrial sites located in Brasov, Branesti, Calarasi, Ploiesti, Satu-Mare, Turda and Suceava. Last year, Saint-Gobain Group Romania reported a turnover of EUR 145 million.

Saint-Gobain Glass is the largest glass producer in Europe and the second largest glass producer in

the world, with sales of more than EUR 1.615 billion euro in 2012, according to company data. The company entered the Romanian market in 2005, and started the glass production in 2007, once the building of the factory in Calarasi was completed. The factory employs some 540 people. **Saint-Gobain reported global sales of EUR 43.2 billion in 2012. It is present in 64 countries and has nearly 193,000 employees.**

LIDL RESUMES EXPANSION AND OPENS TWO STORES

Discount retailer Lidl has reached a network of 162 stores in Romania after opening two units in Bacau and Caracal. The stores have sales areas of 1,200 sqm and 1,000 sqm respectively, and have created a total of 42 jobs.



At present Lidl has some 3,000 employees in Romania and says it will continue to invest in expansion.

Part of German Schwartz Group, Lidl is present in more than 20 European countries with a network of some 9,000 stores and over 100 logistics centers. It employs over 170,000 people.

It entered the Romanian market in 2011 when it opened 107 after having invested in rebranding the local Plus Discount supermarkets under its own name. The change took place more than a year after it bought the low-cost chain Plus from German owner Tengemann in February 2010.

STRAUSS-KAHN WILL WORK *PRO BONO* FIRST THREE MONTHS

Dominique Strauss-Kahn, economic expert and former chief of the International Monetary Fund (IMF), said on Tuesday that for the first three months, he will work pro bono for the Serbian government, adding that Serbia's economic problems could be resolved, although the situation is very difficult.



He, however, said that at the moment he cannot specify which measures he would take, as he must study the situation in detail, and get fully acquainted with the people. It will take some time, and now I cannot say what my advice would be, Strauss-Kahn said at a press conference after the meeting with First Deputy Prime Minister Aleksandar Vucic, Finance Minister Lazar Krstic and Minister of Economy Sasa Radulovic.

Vucic said he is glad that Mr. Strauss-Kahn accepted to cooperate with the government, adding that a part of the team will work here, and the other part in Paris, and they will be in constant contact, and underscored that decisions will be in the best interest of Serbia.

“We, as opposed to others, want to resolve problems and work,” Vucic said at the press conference. Noting that many were trying to halt changes and moderniza-

tion of Serbia, Vucic stressed: “We continue with full capacity, relying mostly on our energy, knowledge, and we are not ashamed to admit that we want to draw on experiences of the modern world, and hire in our country the people who achieved success there.”

The government considered the recruitment of foreign experts for quite some time, so the talks were held with many foreign companies and experts as to how they could assist Serbia in resolving the issues related to the fiscal deficit, huge public debt, continuing slump in production.

“The fact is that we spent much more than we earned, now it is high time we produced much more, so we are very pleased that one of the greatest economic experts in the world becomes a member of the Serbian government's team,” Vucic said.

CENTAR BANKA **BANKRUPT** because of **OWNERS, MANAGEMENT, INVESTORS**

Centar Banka is filing for bankruptcy which it could have avoided had the owners and management been more willing to attempt a merger with other smaller banks, and had investors been more serious in attempts to recapitalise it, the Finance Ministry said on Tuesday.

The State Agency for Deposit Insurance and Bank Rehabilitation will pay out all insured deposits in Centar Banka, which total about HRK 500 million, the ministry said, adding that there should be no problems in paying insured deposits if other banks filed for bankruptcy too.

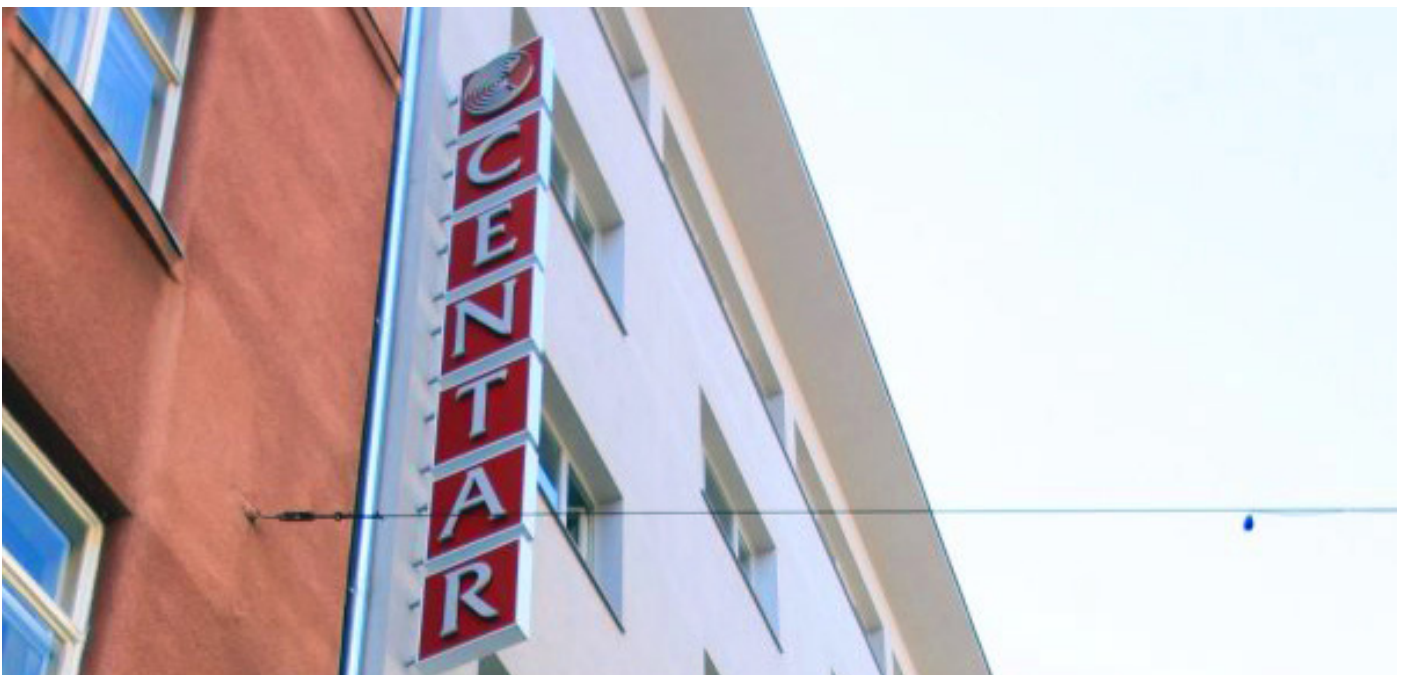
Public sector depositors have managed to withdraw a large share of their deposits, but a small share remains, the ministry said.

The Croatian National Bank (HNB) Council earlier today decided to file a motion with the Zagreb Commercial Court for bankruptcy in Centar Banka, after it

was determined that Centar Banka was not recapitalised in line with a decision by the shareholders' assembly of August 16, whereby the bank failed to execute HNB decisions.

The ministry recalled an attempt by the Alternativa Economic Cooperation Fund to inject fresh capital in Centar Banka, but the previous government scrapped it at its last session.

The incumbent government, however, accepted the fund's engagement, although such funds should not participate in bailing out the financial sector, a ministry source said.



IMF: *B&H ECONOMY* is SHOWING SIGNS OF *RECOVERY*

B&H economy is showing signs of recovery and exports and productions are increasing, was announced by the head of International Monetary Fund (IMF) in B&H Ron van Rooden.



Van Rooden stated that the IMF expects that the rate of growth this year to reach nearly one percent, and the continue growth in next year in accordance with the trends of Europe is projected.

B&H authorities during this year are achieving steady progress under the Stand-By Arrangement and program objectives set for the end of June are fulfilled, but significant challenges remain visible for the future, was announced in the statement.

From IMF is pointed out that is essential to ensure the economic policies remain on the right path in order to achieve the goals of the program. Also, crucial is that B&H become more attractive place for investors and opening of new working places.

IMF mission, led by Van Rooden visited Banja Luka and Sarajevo from 4th to 19th September, to discuss recent economic developments and policies in the framework of the fourth review of the Stand-By Arrangement with B&H.

SLOVENIA'S *LJUBLJANA AIRPORT* MISSES OUT ON *multi million euro investment*

Slovenia's Ljubljana Jože Pučnik Airport has missed the opportunity to get a new terminal after the airport's minority shareholders voted against the construction of the 57 million euro building project.

Shareholders struck down the proposal amid concern over the ongoing financial crisis and expected privatisation of the airport, despite the project's price tag being reduced from the original 73 million euros.

A motion to reject the construction of the new terminal building was passed with a majority. A total of 53% of those with voting rights were against the new terminal, while a 75% vote in favour of the investment was needed in order for it to get the green light.

The Slovenian government did not hide its disappointment at the decision, despite refusing to give any indication whether it was for or against the project in the run up to the vote. The Slovenian Minister for Infrastructure and Spatial Planning, Samo Omerzel, hit out against the decision made by the Slovenian Securities Market Agency to deny the majority shareholder, the government, the right to vote. "I find it unacceptable that the majority shareholder had no voting rights. We did not have any impact on this decision. Personally, I was in favour of this investment. For me it is just frus-

trating that the majority shareholder has no voting rights", Mr. Omerzel explained.

Ljubljana Airport has already spent 2.4 million euros on the non existing terminal, of which 1.6 million was spent on project documentation. The new terminal was meant to cover an area of 31.200 square metres and be opened in two years time. Despite putting a stop to the construction of the new terminal, shareholders approved that start of due diligence for the privatisation of the airport. The process of due diligence must be completed by the end of November this year.

ROGAŠKA GLASSWORKS auction set for October

The public auction for 89.53% stake in glassworks Steklarna Rogaška has been called for 15 October, according to the web site of the Agency for Public Legal Records (AJ PES). The auction price for 21,600,000 shares is EUR 6.7m or EUR 0.31 a share.

Selling the stake are Church-owned Zvon ena and Metropolitana. The shares are to be transferred onto the buyer burden-free. All 21,600,000 shares are to be sold in a package. Metropolitana, a company owned by the Ljubljana Archdiocese, took over a part of the Steklarna Rogaška as Zvon ena went into receivership. Metropolitana has said that several buyers were interested in the high-end crystal.

THAILAND and *MONTENEGRO*
have agreed to expand bilateral cooperation
IN THE FIELDS OF AGRICULTURE

Thailand and Montenegro have agreed to expand bilateral cooperation in the fields of agriculture, food industry, fishery, tourism, trade and investment.

Thai Prime Minister Yingluck Shinawatra, who arrived to Podgorica, capital of Montenegro, on Saturday, has held bilateral talks with her Montenegrin counterpart Milo Djukanovic. Both leaders have hailed the good bilateral relations since the two countries established diplomatic ties in 2007 reports Pattaya Mail.

Restoration of Montenegro's
KING'S PARK was a gift of
the GOVERNMENT of AZERBAIJAN

Milo Djukanovic, the Prime Minister of Montenegro on Wednesday opened a reconstructed Kings Park in Montenegro's capital, Podgorica.



The park was built in 1910, in honor of the coronation of Montenegrin King Nikola, and renovated in 1954. Restoration of King's Park, which bears the name of the first Montenegrin King Nikola represents a gift of the Government of Azerbaijan, on the initiative of Ilham Aliyev, the President of Azerbaijan.

MACEDONIA hosts **MINING CONGRESS** *BALKANMINE 2013*

Ohrid is to host 18-21 September the 5th Mining Congress BALKANMINE 2013.

Over 300 participants, experts from 14 countries will present more than 130 scientific papers in the sphere of mining perspectives and usage of latest mining technologies. Also an exhibition of companies in the sphere of mining will be organised in the frames of the congress.

Main sponsor of BALKANMINE 2013 is AD ELEM and organisers are Association of Mine and Geological Engineering and Faculty of Natural and Technical Sciences within Goce Delcev University. BALKANMINE congress is held every two years and the first one took place in Varna, Bulgaria.



Over 180 PARTICIPANTS at *GLOBAL INVESTMENT SUMMIT in OHRID*

Representatives of over 180 Macedonian and foreign companies have registered to take part at the second Global Investment Summit, held in Ohrid on October 8-10.

The summit will focus on business opportunities, investments, competitiveness, specific projects, successful models, as well as mutual cooperation.

The Macedonia Global Investment Summit 2013 will identify key factors for economic competitiveness of the country and will highlight the country's economic

and political outlook. The Summit will also map Macedonia's open market economy and business legislation aimed to further enhance investment climate and stimulate exports. It will identify venues for sustained industrial growth and building trade growth, and will highlight new foreign investments in various industries.

HEALTH MINISTERS *of* *SERBIA* and *CUBA* will discuss POSSIBILITIES FOR *COOPERATION*

Serbia's Minister of Health Slavica Djukic-Dejanovic will from 4 to 6 September be on a three-day visit to Cuba at the invitation of Cuban Health Minister Roberto Morales Ojeda.

The Minister will be presented with Cuba's national health system, its major programmes and achievements, the system of staff training, health, educational and research centres, as well as the results achieved in the field of biotechnology, production of vaccines and generics.

The health ministers of Serbia and Cuba will also discuss possibilities for cooperation, which includes professional training and exchange of experts and the transfer of knowledge and experience related to the field of biotechnology, in which Cuba is far advanced, and the area of surgery, where Serbian experts can help their Cuban colleagues.

