



business

# MAGAZINE

*new*

**CONFERENCE held in Mostar on favorable business environment in BIH**

***Governments of Western Balkan countries gather in VIENNA for the Summit of Infrastructure***

**Four bids at MOI car tender**

***Several agreements on COOPERATION between Serbia, Morocco signed***

# CONFERENCE

*held in MOSTAR on favorable  
business environment in BiH*

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*The first annual conference entitled "Favorable Business Environment in the FBiH (BFCFBiH) was held in Mostar today in organization of Organized by the FBiH Ministry of Development, Entrepreneurship and Trade and in cooperation with the National Alliance for Local Economic Development from Serbia (NALED) and the German Fund for Development (GIZ).*



## **The BiH Minister for Foreign Trade and Economic Relations Mirko Šarović opened the conference.**

According to him, this conference is vital in fostering a business environment not only in the FBiH, but also in BiH. He highlighted that the conference would demonstrate that this is an ongoing process that seeks to involve an array of layers of government, from municipalities, counties, entities and the state as well.

In turn, this would be possible if the conditions are set in the place that characterizes a stable society. This stems from having stable institutions and political stability, and is an ideal environment for attracting foreign investors.

Sanjin Halimović, the FBiH Minister for Development, Entrepreneurship and Crafts concurred with Šarović in that the conference is very important in showing what is considered conducive to promotion of a good business environment in the FBiH.

Halimović referred to start-up packages of financial support for new entrepreneurial activities and how everything that has been done until now with partners has paved the way for this possibility, particularly for young people. He specified that start-up packages focus on helping entrepreneurs by paying contributions for their employees, and assuming the burden of liability for the company registration of subsidizing interest rates on loans.

The role of the local community in fostering a favorable business environment was highlighted by the Minister of Administration and Local Self-Government Lejla Rešić. This indicates the importance of a bottom-up approach in creating and sustaining an attractive business environment. She explained that the state is only as strong as its local communities, and that the hub of economic activity takes place at the local level. According to her, government institutions should take on an active role in assisting local communities in fortifying economic development and employment opportunities.

The conference that took place today envisages further progress because the signing of an agreement on establishing networks for local economic development in the FBiH is expected. In addition, there was a promotion of a project of certification of cities and municipalities with a favorable business environment in the FBiH. The ultimate goal of this project would be to introduce a standardized system in the FBiH that would improve the efficacy of local governments.

*Source Balkan Agencies*

## SERBIA

# SERBIA EYES MOROCCO INVESTORS

*Ljajic and Buolif defined automotive industry, ICT, pharmaceutical, agriculture and energy industries as the biggest potentials for deepening cooperation.*

Serbia's Deputy Prime Minister and Minister of Foreign and Internal Trade and Telecommunications Rasim Ljajic met with Minister for General Affairs and Good Governance of Morocco Mohamed Najib Buolif to discuss the promotion of bilateral economic relations.

**They discussed the possibilities for the arrival of Moroccan investors in Serbia, and the potential appearance of business-men of the two countries in third markets.**

Ljajic and Buolif defined automotive industry, ICT, pharmaceutical, agriculture and energy industries as the biggest potentials for deepening cooperation.

**They noted that these sectors through joint ventures and creation of mixed companies have a chance to penetrate the markets of the Mediterranean, the Maghreb and sub-Saharan Africa.**



Buolif stressed the importance of free trade agreements that Morocco and Serbia have signed with a large number of countries.

He said that for this purpose a group of the most important Moroccan businessmen will soon visit Serbia to meet with Serbian partners and

discuss concrete forms of cooperation and sign the first commercial arrangements, according to a statement from the Minister's office.

*Source Serbia-Times*

# ZAGREB RECEIVES AWARD for *BEST* public TRANSPORT solution

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*The City of Zagreb has received the SYNAPTIC Award for Excellence for the best public transport solution relating to the safety of senior citizens, Mayor Milan Bandić announced on Friday.*



**The award was conferred as part of the Civitas Elan project in the Swedish city of Gävle on Friday, the day when Zagreb celebrates the Day of the City.**

“We are proud that the excellence of the City of Zagreb has been recognised once again in Europe,” Bandić told a press conference the city administration building.

“Considering a growing portion of elderly people in Europe, our example will certainly be an encouragement to others, just as we will be encouraged by examples from others,” he added.

Along with Zagreb, Switzerland received the award for the best multimodal door-to-door travel solution and London for the best

mobility management solution.

**SYNAPTIC project stands for Synergy of New Advanced/Adapted Public Transport Solutions Improving Connectivity in Northwest Europe. The purpose of the project is to with a view to enhancing public transport in Northwest Europe.**

*Source tportal.hr*

# CONTITECH INAUGURATES SERBIAN PLANT

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*ContiTech inaugurates Serbian plant. In the meantime, the site employs around 150. The head count is expected to climb to 250 by year's end.*

After a construction time span of just nine months, Hanover-based ContiTech AG has inaugurated a production plant for hose lines in northern Serbia. Since October 2012, the plant has already been supplying customers in the auto industry.

ContiTech inaugurates Serbian plant in the meantime, the site employs around 150. The head count is expected to climb to 250 by year's end.

ContiTech invested more than ten million euros in the new facility. Certified to all required quality standards, the plant expands the production capacity of hose line specialist ContiTech Fluid Technology, a ContiTech business group.

Subotica assembles hose lines for the powertrain and supplies these to European automakers. Each year, the plant produces a grand total of 1.8 million units, broken down into around eighty different parts. Citing one of the location's major advantages Matthias Schönberg, head of the ContiTech Fluid Technology business group notes: **"Subotica offers an**

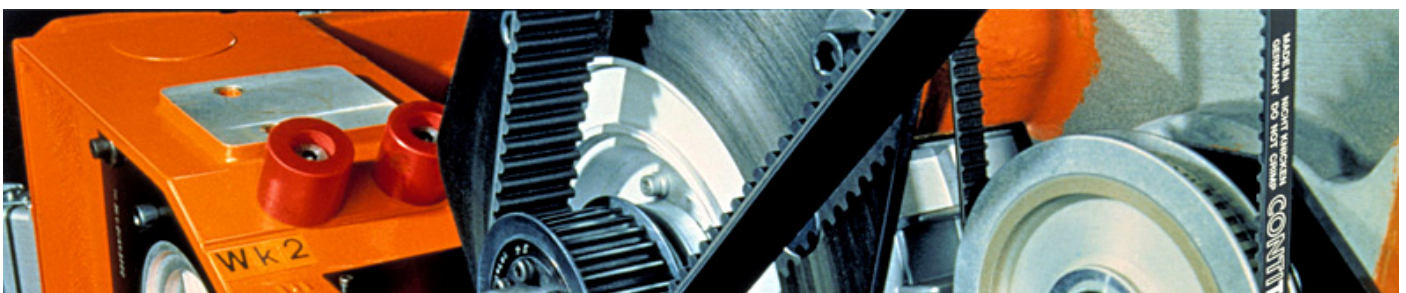
**excellent logistical hookup to our customers. Further advantages are a local labor market that offers just what we need and close proximity to sister plants in Szeged, Hungary, and Timișoara, Romania."**

There is enough room to eventually expand further on the plot in the bonded zone in the Mali Bajmok industrial park. The production hall originally erected there measures 7,200m<sup>2</sup>.

**ContiTech Fluid Technology produces hose line systems for the auto industry as well as for the plant and machine engineering, oil production and numerous other industries. In 2012, its over 14,000 employees realized €1,360 million in sales.**

In 2009, ContiTech previously purchases the Serbian conveyor belt company Kolubara Univerzal and has since produced conveyor belts in Veliki Crljeni, south of Belgrade, for the Central and Eastern European market.

*Source Serbia-Times*



# MONTENEGRO DECIDES TO OPEN

## *A DIPLOMATIC CENTER in KOSOVO*

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*The government of Montenegro has decided to open a diplomatic center in Kosovo and to send to Pristina its charge d'affaires.*

**Radovan Milanić is the newly appointed diplomat. Accompanied by Vladimir Radulovic, secretary of State for political issues at the Ministry of Foreign Affairs and Integration of Montenegro, he was received on Tuesday by the Foreign Minister of Kosovo, Enver Hoxhaj.**

During this meeting, minister Hoxhaj has praised the decision of Montenegro to send a charge d'affaires in the Republic of Koso-

vo and said that the Republic of Kosovo will soon appoint its diplomatic representative in Montenegro. Hoxhaj has stressed the bilateral cooperation that exists between the two countries, especially in terms of economic exchanges.

According to Hoxhaj, such step is very important for the relations between the two neighboring countries.

‘We consider the relations between the two neighboring countries as very important for the functioning of the diplomatic missions in the respective capitals’, said minister Hoxhaj.

On his part, the charge d'affaires of Montenegro in Kosovo, Radovan Miljanić said that during his mission in Kosovo, he will work in order to strengthen the relations between the two countries.

*Source Balkan Agencies*

## *TURKISH BUSINESSMEN INTERESTED IN COOPERATION WITH MACEDONIAN COUNTERPARTS*

About twenty Turkish companies from TUMSIAD businessmen association pay Monday a visit to Macedonia in order to meet with counterparts from diverse fields.

The Macedonian-Turkish business forum and meetings will be held in the Economic Chamber of Macedonia. *TUMSIAD* has over 12,000 members and 54 branch offices in Turkey, along with 3,000 members and seven centers across Europe.

*Source MIA*

## *HUGE POTENTIALS* FOR ECONOMIC COOPERATION BETWEEN CHINA and BIH

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*There are huge potentials for economic cooperations between China and Bosnia and Herzegovina (BiH), especially in the fields of energy and infrastructure, Chinese Ambassador to BiH Dong Chunfeng said on Sunday.*



During joint interview with Xinhua and Fena, Federal news agency of BiH, Dong said China is willing to import more products from BiH, thus making bilateral trade more balanced.

He called on the BiH side to do more to introduce its own products to the Chinese market, adding that there are huge potentials for cooperation in fields of energy and infrastructure. **He mentioned the 300-megawatt thermal power plant project in northern BiH as a successful example of economic cooperation between the two countries.**

*Source Balkans*

## ELECTRICITY PRICE *INCREASE* IN 3RD QUARTER OF 2013

Although the last price increase had been announced in the beginning of the year, it was postponed from month to month and KWHs still have the same price. Considering the current situation, this will last some time for sure, maybe until autumn because several steps that enable changing of electricity price need to be done.

*Source Serbia-Energy*

## MORE COOPERATION WITH *KAZAKHSTAN*

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*The commission's first meeting in June 2011 was followed by the signing of a protocol in which both sides highlighted the opportunities for expanding bilateral economic cooperation.*



FM Karl Erjavec will start a three-day visit to Kazakhstan on Wednesday as part of which he will discuss economic cooperation with Kazakhstani officials. The minister will be accompanied by a strong business delegation featuring representatives of more than 30 Slovenian companies.

As part of the visit, Erjavec will co-chair a session of the Slovenia-Kazakhstan Commission for Economic Cooperation, with the other chair being Kazakhstan Health Minister Salidat Kairbekova.

The commission's first meeting in June 2011 was followed by the signing of a protocol in which both sides highlighted the opportunities for expanding bilateral economic cooperation. Erjavec is also scheduled to make a stop at a sports hall of Nazarbayev University

in Astana, which has been built by Slovenian company Duol. The Slovenian and Kazakhstan business executives will have a chance to meet at business conferences in Astana and Almaty.

**According to the Foreign Ministry, there are opportunities for boosting cooperation in pharmaceutical industry, health care, spa tourism, energy efficiency and renewable energy sources as well as in IT, engineering and the construction sector.**

In 2011, Kazakh President Nursultan Nazarbayev hosted the then Slovenian President Danilo Türk. Since then officials of the two countries have held several meetings on the sidelines of international events.

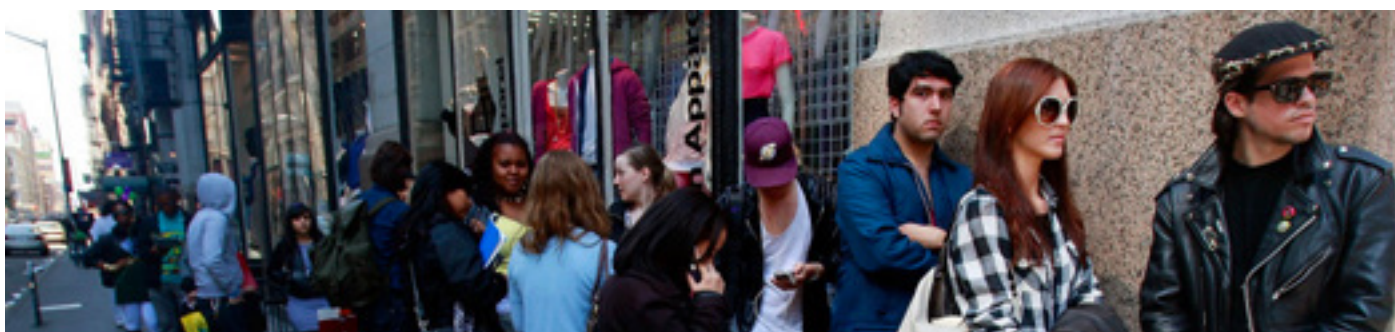
*Source The Slovenia Times*



## *Greece, Spain, Portugal and Italy* **TOP THE CHARTS FOR** *YOUTH UNEMPLOYMENT*

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*The euro area (EA17) seasonally-adjusted unemployment rate was 12.2% in April 2013, up from 12.1% in March. The EU27 unemployment rate was 11.0%, unchanged compared with the previous month. In both zones, rates have risen markedly compared with April 2012, when they were 11.2% and 10.3% respectively.*



**These figures are published by Eurostat, the statistical office of the European Union.** Eurostat estimates that 26.588 million men and women in the EU27, of whom 19.375 million were in the euro area, were unemployed in April 2013. Compared with March 2013, the number of persons unemployed increased by 104 000 in the EU27 and by 95 000 in the euro area. Compared with April 2012, unemployment rose by 1.673 million in the EU27 and by 1.644 million in the euro area.

Among the Member States, the lowest unemployment rates were recorded in **Austria** (4.9%), **Germany** (5.4%) and **Luxembourg** (5.6%), and the highest in **Greece** (27.0% in February 2013), **Spain** (26.8%) and **Portugal**(17.8%).

Compared with a year ago, the unemployment rate increased in eighteen Member States and fell in nine. The highest increases were registered in **Greece** (21.9% to 27.0% between February 2012 and February 2013), **Cyprus** (11.2% to 15.6%), **Spain** (24.4% to 26.8%) and **Portugal** (15.4% to 17.8%). The largest decreases were observed in **Latvia** (15.5% to 12.4% between the first quarters of 2012 and 2013), **Estonia** (10.6% to 8.7% between March 2012 and March 2013) and **Ireland** (14.9% to 13.5%).

In April 2013, the unemployment rate in the **United States** was 7.5%, down from 7.6% in the previous month and from 8.1% in April 2012.

In April 2013, 5.627 million young persons (under 25) were unemployed in the EU27, of whom 3.624 million were in the euro area. Compared with April 2012, youth unemployment rose by 100 000 in the EU27 and by 188 000 in the euro area. In April 2013, the youth unemployment rate was 23.5% in the EU27 and 24.4% in the euro area, compared with 22.6% in both zones in April 2012. In April 2013, the lowest rates were observed in **Germany** (7.5%), **Austria** (8.0%) and the **Netherlands** (10.6%), and the highest in **Greece** (62.5% in February 2013), **Spain** (56.4%), **Portugal** (42.5%) and **Italy** (40.5%).

*Source Balkans*

## SERBIA EXPECTS TO PROFIT FROM CROATIA'S ENTERING into EU

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*Serbia could benefit from Croatia entering the European Union on 1 July.*

Officials at the Serbian Chamber of Commerce have revealed they expect Croatian products to become too expensive for the region and that therefore, there will be more demand for Serbian products in the Balkan region. **The Serbian Chamber of Commerce sees in the Croatian move a crucial opportunity to export food to Bosnia and Herzegovina.**

*Source Croatian Times*

## SKOPJE HOSTS INTERNATIONAL CONFERENCE ON ELECTRIC CARS

*The first-ever conference on electric vehicles titled “Electric Vehicles – New Mobility Trends” was organised Thursday by the association for electric vehicles “Elektromobilnost Makedonija” at the Skopje-based Faculty of Mechanical Engineering.*

Guests from Slovenia and Bulgaria, representatives of the Ministry of Economy and the Electricity Transmission System Operator of Macedonia (MEPSO) and innovators delivered speeches at the conference where the first declaration on e-mobility was adopted.

President of NGO “Elektromobilnost Makedonija”, Kiril Minanov said the goal was not only to design electric vehicles, but also to transform urban environments. **“Provided that we divide it in two, the electric part will be dealt by engineers in which faculties and**

**institutes will be involved, whereas the second will cover the areas of anthropology, urbanization, traffic and safety,”** he said.



Several electric cars and an electric scooter developed for the first time in Macedonia were displayed in the faculty lobby.

“Elektromobilnost Makedonija” aims at initiating an interest in Macedonia in electric vehicles by promoting fresh trends in urban transportation, sustainable transport in Macedonia and by raising awareness on new technologies.

*Source MINA*

# *MINISTER DINKIĆ:* **66 PUBLIC COMPANIES** *FOR SALE*

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*The Serbian government did not reach consensus about the privatization of Telekom Srbija, but will offer 66 companies for sale.*

**It will also start bankruptcy proceedings in another 27, out of the 179 which are undergoing restructuring, Minister of Finance and Economy Mladen Dinkić has said.**

The ruling coalition did not come to an agreement about the privatization of Telekom, he noted.

The minister said that with the set of public sector reform measures agreed by the government, the status of the 179 companies, which employ a total of 54,000 people, should be resolved by June 30 next year.

**“These companies have been in restructuring for 12 years, they cost us EUR 750 million a year and this has to end,” said Dinkić.**

Under the plan, 27 companies which have not attracted interest from buyers, but have significant property and few employees, will file for bankruptcy by the end of the year. Another 66 companies will be up for sale by the year’s end.

A separate group is made up of 16 companies which can cover current expenses but cannot repay old debts, such as the Bor mining and smelting complex. The government is expected to provide debt relief and possibly redundancy packages. Dinkić said some companies will be nationalized, when he was talking about major industrial systems in restructuring such as Vehicles Maker “FAP Korporacija Priboj”, Industrial Machinery Maker “IMK 14. oktobar Kruševac” and hydraulics and pneumatics maker Grupa Prva Pe-toletka from Trstenik.

The government could invest in industrial system together with partners this way.

“The measures for public companies include the government withdrawing from management of compa-



nies such as the Resavica coal mine, Jat Airways, the Galenika pharmaceutical company, and Belgrade airport which will be offered for a long term lease with investment commitments,” said the minister.

A public invitation for the privatization of Resavica will be issued in September, while talks on a strategic partnership in Jat have started with Etihad Airways, said Dinkić. Galenika cannot survive without a reorganization - he said.

Dinkić added the state should back out of leading insurance company Dunav Osiguranje, and possibly also from Čačanska Bank.

*Source Serbia-Times*

# *PM ĐUKANOVIĆ PAYS OFFICIAL VISIT TO BRUSSELS*

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*Prime Minister Milo Đukanović met in Brussels with European Commissioner for Enlargement and Neighborhood Policy Štefan Füle for talks on the progress made by Montenegro over the last few months and the priorities for the coming period.*



“I took the opportunity to inform Commissioner Füle about the efforts made by the Montenegrin Government’s in the first 6 months of 2013, which were concentrated primarily on the issue of financial consolidation and creation of preconditions for the activation of development projects on one hand, and on strengthening the rule of law, on the other hand,” PM Đukanović told the press.

**PM Đukanović expects the actions plans for the negotiation chapters 23 and 24 to be adopted at the Cabinet session on 27 June and then submitted to the European Commission for further proceedings. Therefore, he expressed belief that Montenegro could open accession talks in these areas within the planned time frame.**

The two officials also emphasized the importance of adopting the constitutional amendments.

“I expect that we could create conditions for ensuring a two-thirds majority in the Parliament by the end of July and adopt those amendments. It is important as it creates conditions for amending a set of laws aimed at strengthening the rule of law, especially the efficiency of the judiciary,” the Prime Minister underlined on Brussels.

*Source Government of Montenegro*

## TRAGICOMEDY with *THERMO PLANT TEŠ 6* INVESTMENT GOES ON

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*The boss of power utility HSE Blaž Košorok and Peter Dermol of the TEŠ coal-fired power plant told the press on Monday that they were looking for ways to secure the extra EUR 140m needed to finish the new generator at TEŠ, whose costs have now ballooned to EUR 1.44bn. Talks with the main supplier, Alstom, will start soon.*



The boss of power utility HSE Blaž Košorok and Peter Dermol of the TEŠ coal-fired power plant told the press on Monday that they were looking for ways to secure the extra EUR 140m needed to finish the new generator at TEŠ, whose costs have now ballooned to EUR 1.44bn. Talks with the main supplier, Alstom, will start soon.

“We don’t have time to engage in a witch hunt for what happened in the past,” said Košorok of the state-owned HSE, which controls TEŠ, while adding that “nobody will escape accountability in case their guilt is proven”. He stressed he was not speaking only of the previous management but “managements” and did not exclude a detailed audit of past operations, arguing that the project had possibly been seriously mismanaged.

Dermol said that the talks with Alstom would include efforts to push forward the date of the completion of

the project, now expected in November 2015. While this will not make up for the EUR 140m missing, Dermol said that each month would save EUR 3m.

Dermol added the talks would be very demanding, since “it is a fact that the contracts have already been signed”, but he hopes that some contracts can be renegotiated or that Alstom will give up some of the bonuses it secured in the past.

Dermol moreover explained that the EUR 140m do not have to be secured immediately, although it needs to be examined when this will be necessary. “For now the financial situation is resolved until about the end of the year,” he said.

Košorok and Dermol meanwhile reiterated today that the project, whose costs have risen to EUR 1.44bn from what was an initial estimate of EUR 600m, did not suddenly become 140m dearer, but that certain

provisions causing the hike had been known already in December 2012 when MPs passed the law granting state guarantees for TEŠ 6.

Košorok told the parliamentary Finance and Monetary Policy Committee and Infrastructure and Spatial Planning Committee last week that the costs of the core investment had not been rising, but that eight annexes to the contract had been signed since 2008, pushing the total costs of the project up.

Head of a commission overseeing TEŠ 6 Marko Tandler moreover told the press today that EUR 900m had been spent on the project so far and that all the facilities secured by the European Investment Bank and the EBRD had been drawn. The construction is running normally, with around 1,200 people presently

on the site. Meanwhile, Simon Tot, who was in charge of TEŠ between 2010 and 2013, rejected most of Košorok's and Dermol's claims regarding the causes of the cost increase, saying that the previous managements of TEŠ and HSE had brought the costs back into the framework demanded by the state and in January this year the project was still executable with the commitments given.

Explaining that TEŠ was also envisaged to secure part of the funding from its own ongoing operations, Tot said that the costs increase was "virtual" and serving as an excuse to the present TEŠ management for a poorly led cost policy.

Toš is nonetheless in favor of an in-depth audit that will show what caused the present situation.

*Source The Slovenia Times*

## BOSNIA

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### *Governments of **WESTERN BALKAN** countries gather in **VIENNA** for the Summit of Infrastructure*

*Countries of Western Balkan gather in the capital of Austria, Vienna to participate in the first Balkans Infrastructure and Construction Summit. This summit is organized by the International Research Network.*

**The summit has invited to be participated by heads of governments and ministers of Montenegro, Serbia, Croatia, Albania, FYR Macedonia and Bosnia and Herzegovina.** Also present in the summit will be a large number of representatives from international financial institutions and investors from different countries of the world.

The scope of the summit is to establish concrete cooperation from the Western Balkan countries with international financial institutions and powerful international investors. **Infrastructure in the Balkan countries, production of energy, use of water sources are the main topics that will be discussed in the Summit.**

The International Research Network says that government representatives will have the opportunity to inform potential investors on the strategies and future infrastructural projects.

On the other hand, investors will be informed on the reforms that Western Balkan countries will carry out in order to draft laws that have similar standards with those of the European Union.

*Source Balkan Agencies*

## *COPPER MINE MAJDANPEK* **TO BE CLOSED** **AS THE STATE *FORGOT* ON DEVELOPMENT**

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*When appears the title like this, it is obligatory to add political connotations, probably in the absence of counter-arguments, which will probably happen also in this case. We hope that those who will read this text will be deprived of that pleasure because the argumentation will give completely realistic situation in Mining company Majdanpek that at the moment is not encouraging at all.*

*Source Serbia-Energy*



## *Is **CANADIAN REV** finally starts construction of its **HPPs BRODAREVO?***

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*Canadians are finishing preparations for construction of two HPPs on Lim near Brodarevo. Approval of Environmental Study has arrived. They are waiting on construction license.*

Canadian Company “Reservoir Capital” from Toronto and subsidiary company to “REV” from Belgrade stated that they got positive opinion from Ministry of Energy, Development and Environmental Protection about Study of Construction Environmental Influence of Lim’s HPPs near Brodarevo.

*Source Serbia-Energy*

## OTHER COUNTRIES

# *XEROX* TO HIRE 440 PEOPLE IN BUCHAREST AND IASI BY YEAR-END

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*Xerox will be expanding its business process outsourcing (BPO) operations in Romania to answer demand from its European clients. For this purpose, the company will be employing 440 people by the end of the year in its offices in Bucharest and Iasi, announced the company.*

“We are now employing both inexperienced young people as seniors in fields such as HR services, IT, financial and customer relations services,” says Florentina Vasiliu, HR manager, Xerox Business Services Romania.

**Applicants must know at least one foreign language, especially English, Italian or German.**

In Bucharest, 140 new people will be hired in the new Multigalaxy II building in the north of the city, alongside the existing team of 250 employees working in the first office of the company dedicated to equipment, technology, document management services and office fleet.

**“This is a very good opportunity for young people who speak foreign languages and have computer skills and for professionals with administrative ex-**

**perience who want more from their career,” said Vasiliu. “Currently, we are especially interested in German speakers for IT support services in our new Bucharest headquarters,” she added.**

Xerox also expanded its BPO services it provides in the two Iasi offices, including customer care, IT, financial- accounting services, marketing and HR. The company plans to reach 1,500 employees in Iasi by year-end.

In November 2012, Xerox opened its shared services center in Iasi, where it announced it planned to hire 500 people by the end of 2013. The company has already recruited 200 specialists for the center, and it plans to hire 300 more by the end of the year.

*Source Business-Review*

## BOSNIA

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# CONTRACT *FOR* CONSTRUCTION *of* NEW HPPS *on DRINA RIVER with RWE* CANCELLED

**RS Government cancelled a contract for strategic partnership in hydro power projects of upper Drina’s river flow signed with German Company RWE.**

This contract included a construction of 4 HPPs- Buk Bijela, Foca, Paunci and Sutjeska on Drina River- it is stated from RS Ministry of Industry, Energy and Mining.

*Source Serbia-Energy*



## *HGK* TO CLOSE OFFICES IN REGION AND OPEN *in* WASHINGTON

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*The Croatian Chamber of Commerce (HGK) will close its offices in Belgrade, Pristina, Sarajevo, Kotor, Banja Luka and Afghanistan but will send a request to the government to open a HGK office in Washington D.C., it was decided at the HGK Assembly on Wednesday.*



**“They have wrapped up an episode, after the war they have integrated the areas of the former Yugoslavia, economically speaking, visas have been abolished and the investment activities of Croatian companies have been boosted. We have a dominant role on all these markets and in that context this episode is finished,”** HGK President Nadan Vidosevic said.

A new era is coming, Croatia will be part of the European Union in a few days, funds for cross-border cooperation will go through Croatia and in that context the HGK wants to strengthen its county chambers which will develop cross-border cooperation with regions of our neighboring countries, he added.

The HGK will also intensify its activities in European associations and it wants to boost its role on the

Russian market and create a new platform for exports to Russia. Vidosevic said the HGK wants to enter the US market as the United States is the main strategic political partner with whom Croatia has no relations and the HGK wants to change that.

Commenting on employees working in HGK branches that are about to close down, Vidosevic said some would be integrated with the HGK system while others would unfortunately be laid off.

Commenting on the current state of economic affairs, Vidosevic said it was evident that Croatia was in a five-year long crisis and that central government debts were growing and the private sector does not have the strength for investments at this moment.

*Source tportal.hr*

## *HIDRIA is the most INNOVATIVE COMPANY in Europe*

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*Industrial conglomerate Hidria has been declared the most innovative company in Europe as part of the European Business Awards, which were conferred in Istanbul on Thursday.*

More than 15,000 companies competed for the award in 10 categories and Hidria was the only Slovenian company to get short-listed, the Idrija-based company said in a press release on Friday.



It was picked for its innovative solutions concerning products, technologies and business models, which “contribute significantly to a green mobility of the future and to raising air quality of buildings integrated into the natural environment”, Iztok Seljak of Hidria wrote.

He highlighted a “radical” exhaust emissions reduction in new-generation diesel engines, highly efficient hybrid and electrical propulsion for cars of the future, solar air-conditioning of buildings and the Feniks construction consortium for SE Europe as Hidria’s key achievements.

The European Business Awards are being handed out since 2007. The 15,000 companies which competed this year generate almost 10% of the entire GDP of the EU and employ almost three million people.

*Source The Slovenia Times*

## *SLOVENIA SIGNS AIR TRAFFIC AGREEMENT WITH KUWAIT*

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*Slovenia and Kuwait signed an air traffic agreement in Ljubljana on Tuesday in order to establish air connections between the countries. Slovenia hopes the agreement will promote economic ties between the countries.*

**The agreement was signed by Slovenian Infrastructure and Spatial Planning Minister Samo Omerzel and the head of the Kuwaiti Directorate for Civil Aviation Fawaz Abdul-Aziz Al-Faraha.** Omerzel said building closer ties with the Middle East should translate into closer business ties. The agreement can aid all areas of Slovenia’s economy, but especially tourism, he said. The agreement deals with technicalities of air connections between the countries, including the obligations of carriers, tariffs, safety standards and recognition of licenses. Al-Faraha hailed the agreement as an important milestone in bilateral relations and expressed hope that it would translate quickly into air connections between the countries.

*Source The Slovenia Times*

## *EBRD* ADOPTS NEW STRATEGY FOR *MACEDONIA*

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*The European Bank for Reconstruction and Development (EBRD) has adopted a new strategy for Macedonia which sets out the Bank's priorities for the country. The strategy aims at supporting the country's integration into regional and global markets through the Bank's investments and other activities, especially in intensified cooperation with key partners such as the European Union and the European Investment Bank.*

**The strategy, which covers the period 2013-16, defines the following priorities: attracting foreign direct investments, corporate and municipal sectors, energy efficiency and sustainable energy and regional integration.**

The economy was less affected by the global economic and financial crisis than many regional peers. However, the impact of the Eurozone crisis was felt quite strongly in 2012. Growth has been negatively affected by weaker demand for exports, especially from the Eurozone (the main export market), lower FDI and subdued domestic demand. Nevertheless, the government and the central bank have successfully maintained macroeconomic stability in the past few years.

External imbalances have remained relatively low, which is important in the context of the currency peg to the euro, and international reserves remain at relatively comfortable levels, covering about four months of imports. The short-term economic outlook for Macedonia, as for other countries in the region, is

highly uncertain given the current global turmoil and doubts about recovery prospects for the Eurozone.

Overall growth in 2012 was negligible but is expected to pick up to around 2 per cent in 2013. Beyond that, annual growth rates could reach 3-4 per cent, provided global conditions improve significantly and the country's authorities continue to pursue structural reforms. However, the downside risks are significant. Macedonia has made steady progress in transition over two decades, but still faces significant challenges across sectors. Given that the country is small and landlocked, the key challenge is to increase Macedonia's level of integration into regional and global markets.

The EBRD will continue to assist in attracting and supporting foreign investment. The Bank will also seek to assist local corporates and attract private sector involvement in the municipal sector with the aim of improving the quality of services.

**Energy efficiency and sustainable energy: The Bank's focus will be**

**to strengthen the capacity of the regulator and to develop renewable sources of energy through projects and policy dialogue. It will also use its expertise to further promote energy efficiency in the private and public sectors.**

Regional integration: The Bank will work closely with the authorities, other IFIs and private sector investors to help improve transport networks, thereby facilitating greater cross-border trade and investment. Developing further links with the regional energy market is also a priority. The Western Balkans Investment Framework will provide the ideal policy dialogue platform for regional integration.

The EBRD has been operating in Macedonia since 1993 and to date has signed 80 projects with a net cumulative business volume of €1.1 billion. Nearly 36 per cent of cumulative commitments are in the infrastructure sector, 28 per cent in the financial sector, 20 per cent in the energy sector and 16 per cent in industry, commerce and agribusiness.

*Source MIA*

## *SERBIA and INDONESIA* EYE INCREASE OF TRADE

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*Serbia's Prime Minister Ivica Dacic and Speaker of the People's Representative Council of Indonesia Marzuki Alie said today that political relations between the two countries have been good for decades, which, with a long tradition of friendly relations between Serbia and Indonesia and the two peoples makes a solid basis for improving economic and cultural cooperation.*

Dacic expressed his gratitude to the guests from Indonesia for the principled and firm support to Serbia to solve the problems in Kosovo-Metohija, in accordance with the principles of international law, and that he expects positive effects of their position in other Islamic and Non-Aligned countries.

Alie expressed his gratitude for the warm hospitality, and emphasised that Indonesia respects the development of relations between the two countries established during the Cold War and during the establishment of the Non-Aligned Movement. He stressed that his country will continue to support Serbia's efforts to address the issue of Kosovo by peaceful means and dialogue, in order to reach a fair solution.

It was concluded that there is much room for investment from Indonesia in Serbia, but also that there is room for the development of trade, due to the fact that Indonesia is a big market, where Serbia has a lot to offer.

*Source Serbia-Times*

## *RUSSIANS* PUT PROPERTIES OWNED IN *MONTENEGRO* FOR SALE

*Property market in Montenegro has been stunned and a serious impact is expected in the coming months, following the endorsement of a decree by the President of the Russian Federation, which prohibits Russian politicians to own properties outside Russia.*

The decree forces the Russian politicians and officials to sell their properties and close their offshore accounts outside Russia as of June 1st 2013.

Subject to this decree are high ranking politicians and officials in central or local government in Russia. Otherwise, those who do not sell their properties



outside Russia must step down from office. Many Russian politicians and businessmen own their properties in touristic areas in Montenegro, with Budva being the most popular one.

**A question arises: Will Russians sell the properties they own here?**

According to official resources in Montenegro, at least 25% of villas, bars and other touristic properties in Budva are owned by foreign citizens. Russians are on top of this ranking.

Ljubomir Novakovic is the manager of a real estate agency. He says that Russians are the dominating part of foreigners buying bars and houses in Budva.

He also says that the majority of them are Russian high ranking officials, or officials who work in different public institutions in Russia.

The manager in question, who also manages several other agencies, is concerned that a shockwave might occur in the property market in May.

In fact, tens of villas, restaurants and other objects have been put for sale recently. They are properties owned by Russians and should no longer be registered under their names as of 1st of June.

Managers of estate agencies say that the financial crisis in Europe has a great impact in Montenegro and the demand to buy these properties Russians are selling is not satisfactory.

**Real estate agencies say that Russians have bought expensive properties in tourist resort areas of Montenegro, but now, they are unable to get half of the asking price, due to the falling demand and the effects of the crisis.**

Meanwhile, Russian embassy in Montenegro doesn't yet possess a list of Russian officials or politicians who have properties in Montenegro, but further adds that the Property Registry of Montenegro has such information.

*Source Balkan Agencies*