

WHY INVEST IN BLACE?

December 2019





10.651 (85.115)

Area

Number of Inhabitants
(est. 2017)



306 (2.623) km²

Area



6.525 (54.760)

Area

Working Age Population
(est. 2017)



96

Number of Business
Enterprises



1,272 (10.460)

Area

Registered Unemployed
(October 2019)



354 (384)

Area €

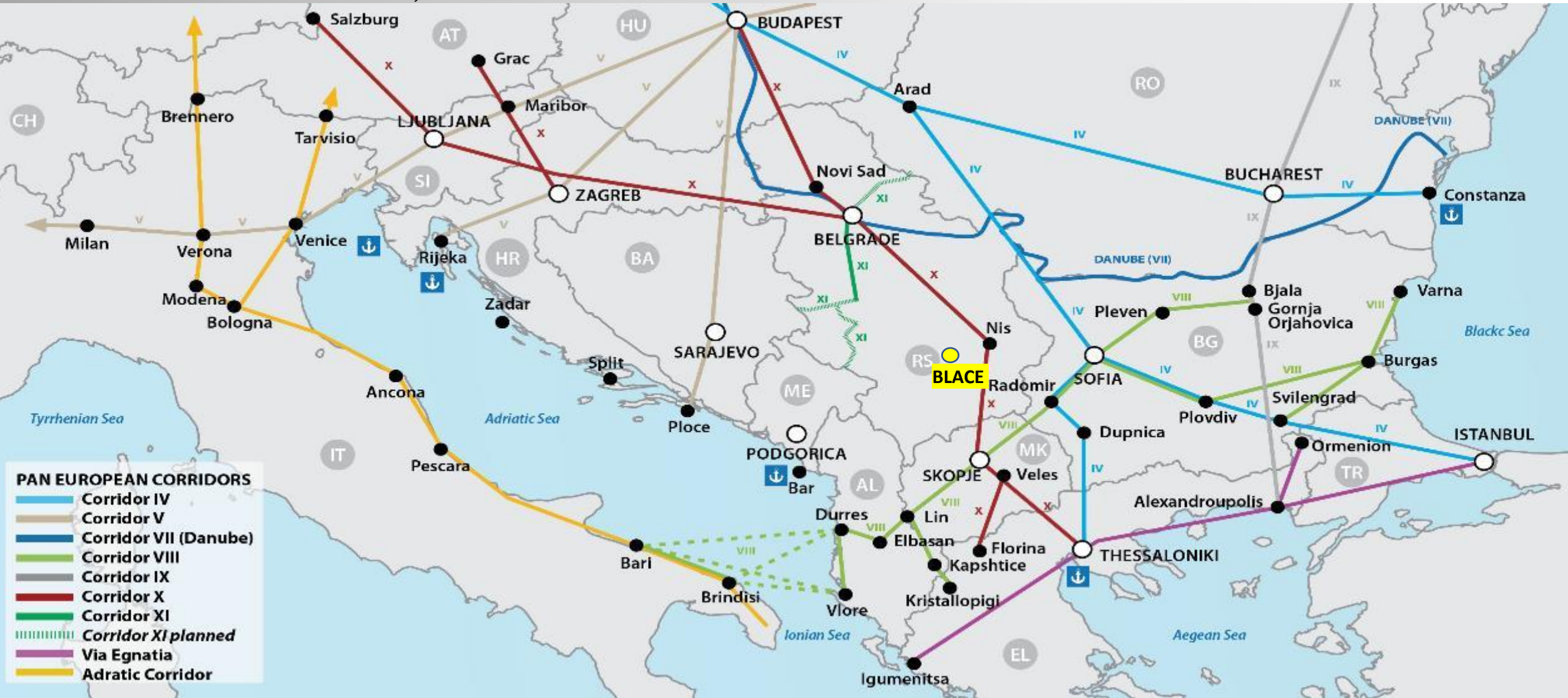
Average Net Salary
(Jan-June 2018)

Note: Blace Area includes Prokuplje, Kursumlija and Brus

Source: Statistical Office of the Republic of Serbia; National Employment Agency; Business Registers Agency



Distance from Corridor X 55km, distance from the route of the future Nis-Merdare-Pristina 11k km.



Blace accessibility:



Highway A1 (55 km away)



Prokuplje – Merdare (11km)



Belgrade, Serbia (256 km)



Niš, Serbia (63 km)



Accessibility overview:



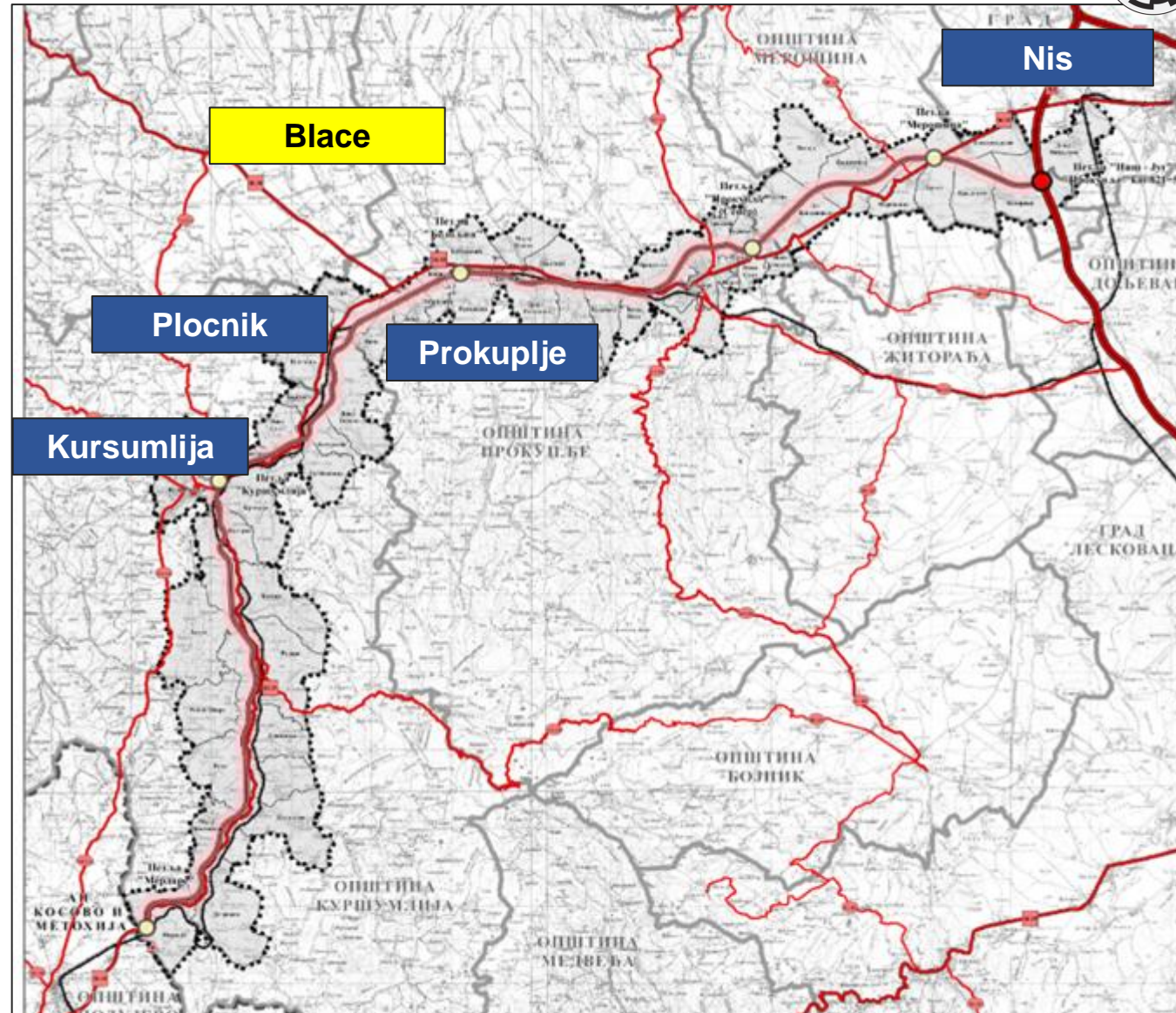
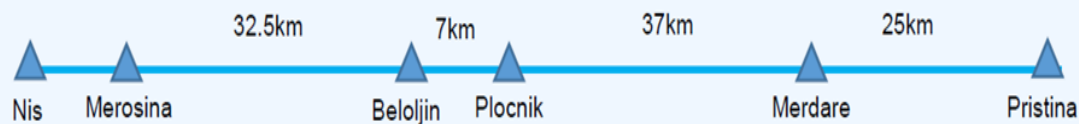
Destination	Distance from the Blace (km)	Estimated Travel Time (h)
Belgrade International Airport Nikola Tesla	256 km	3h 04min
Niš Airport Constantine the Great	57km	1h 11min
Budapest, Hungary	616 km	6h 44min
Vienna, Austria	851 km	8h 59min
Treviso, Italy	990 km	10h 25min
Munich, Germany	1.176 km	12h 02min
Bratislava, Slovakia	808 km	8h 33min
Ljubljana, Slovenia	770 km	8h 06min
Port of Koper (Slovenia)	870 km	8h 49min
Port of Rijeka (Croatia)	788 km	8h 02min
Timisoara, Romania	350 km	4h 52m
Skopje, Republic of Macedonia	234km	2h 51min
Sofia, Bulgaria	220km	3h 12min
Port of Thessaloniki, Greece	437 km	4h 57min

- International Airport Constantine the Great is the second largest airport in Serbia and it is one hour away from Kursumlija
- The expansion in traffic began in 2015 when low-cost airlines Wizz Air and Ryanair launched their flights
- After these events airport experienced triple-digit growth in passenger traffic, exceeding the previous record figure
- In addition, there are charter cargo flights operating as well
- Airport in Nis will continue to develop, and the Government plans further investments



Airline companies	Destinations from Airport
Wizz Air (offers 5 direct flights)	Eindhoven, Dortmund, Basel, Memmingen, Viena (from 17.11.2018)
Ryanair (offers 5 direct flights)	Berlin, Milan, Bratislava, Dusseldorf, and Stockholm
“SWISS”	offer flights to Zurich

- One of the important highways for Serbia is the one that will connect city of Nis with Pristina (Nis-Merdare-Pristina)
- This general scope of the overall project is to connect Nis with Albania and the Adriatic/Ionian Sea and their ports
- New highway will ensure much faster and better connectivity between Kosovo and the other parts in Serbia
- Municipalities such as Blace, Merosina, Prokuplje, Kursumlija will have a better connectivity with faster access to Corridor X
- The works on the first part Nis-Plocnik (39,5 km) will start at the end of the 2019 and the deadline is 3 years i.e 2023





Doing Business
in Blace



1

Industrial
Heritage

2

Available
Qualified
Labor Force

3

Competitive
Operating
Costs

4

Available
Locations

5

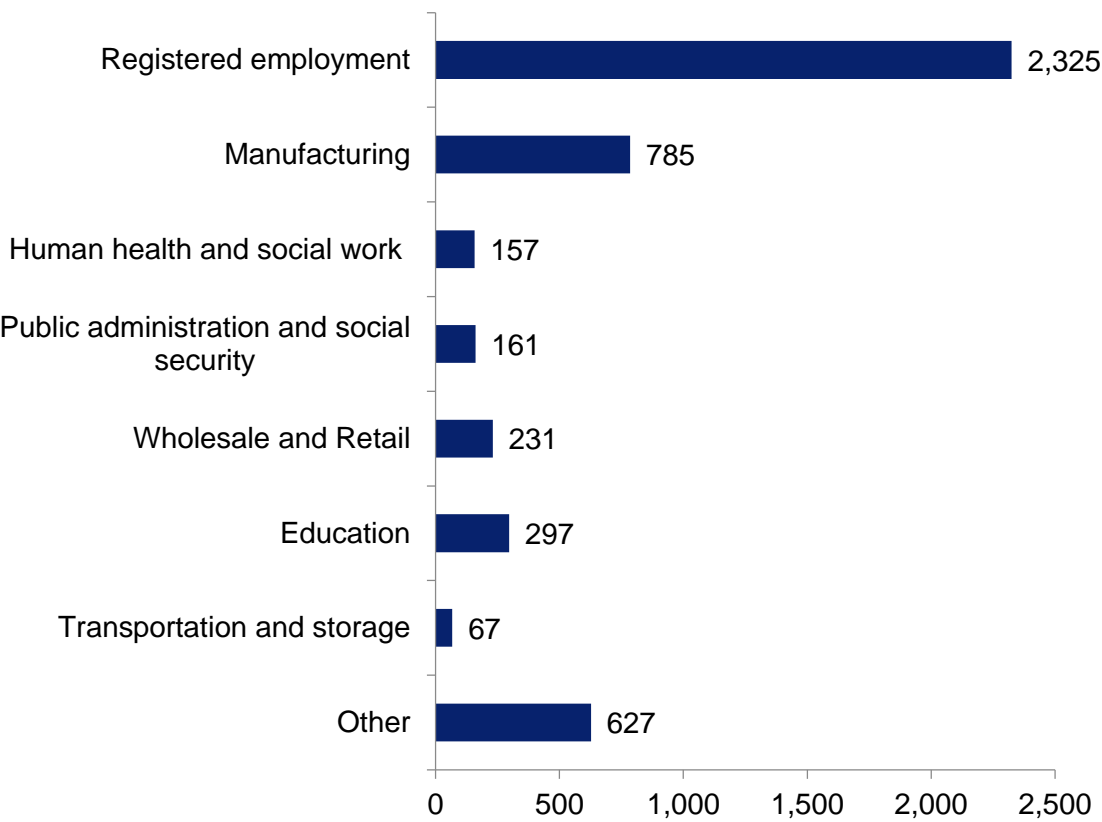
High Priority
Government
Location

- Municipality of Blace was a developed industry center, that after a long period of time under sanctions and the general economic crisis greatly deteriorated
- The dominant industries were - textile, metal industry, agricultural and tourism which they employed about 1.300 people
- Today, the dominant industry is still agricultural, agro-industry, textile, rubber and metal processing and there is an increased interest from foreign investors

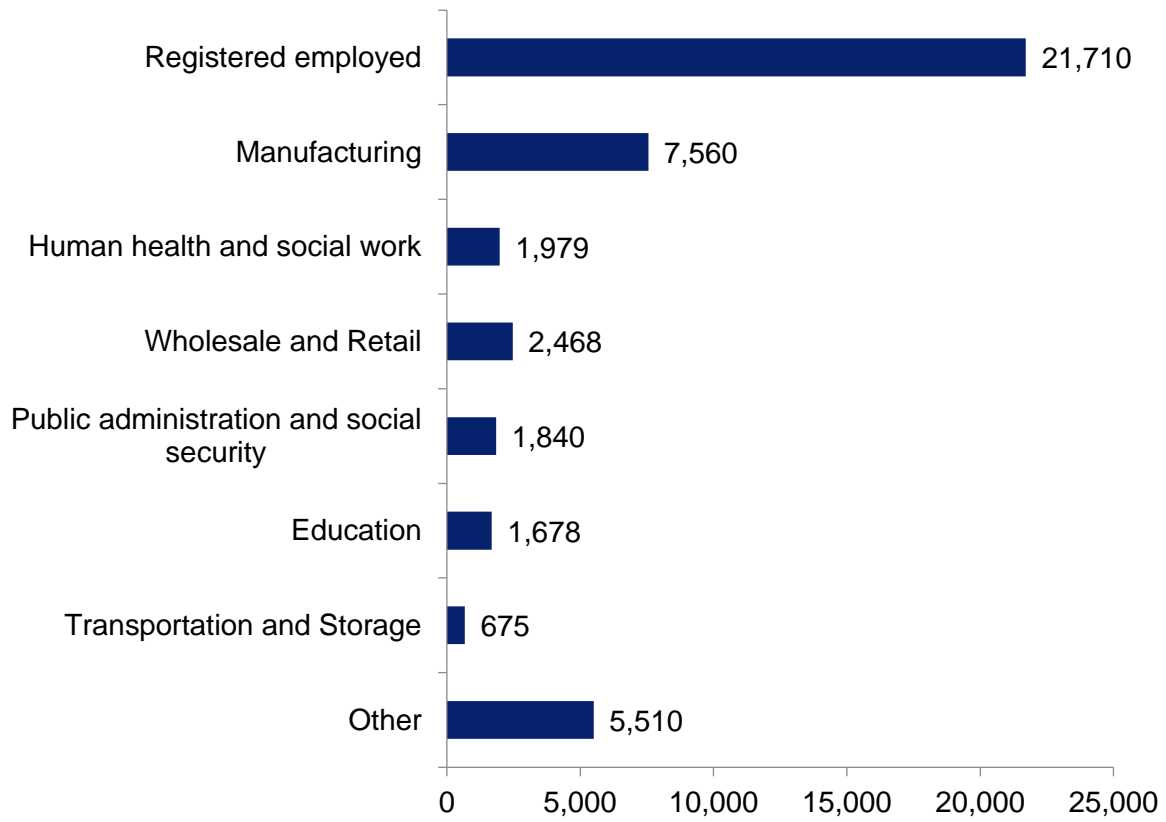
Company Name	Products Manufactured	Number of Employees in 1980s	Current Number of Employees	Current Status
Textile industry Blace	Production of yarns, fabrics twill, damask, gauze, cloth, diapers, HTZ equipment and garments	422	/	Not operating
Metal processing industry „5. December“	Manufacture of attachment machines for agriculture and forestry, hammer mills, tractor mills, tillers, harrows, haymakers, mixers, carts, fertilizer spreaders	225	/	Not operating
The Vuksanović brothers company	Production and processing of rubber, thermogum and polyderm, rubber-technical goods, rubber soles and gumolan.	180	/	Not operating
Agricultural Cooperative Toplica	Primary agricultural production, fruit production, grapes, milk processing	200	/	Not operating
Frutto	Fruit and vegetable processing plant	250 seasonal workers	/	Not operating
Kopaonik	Tourism and catering trade company	69	/	Not operating
TOTAL		1.346		



BLACE, REGISTERED EMPLOYED, 2018



AREA, REGISTERED EMPLOYED, 2018



Source: Statistical Office of the Republic of Serbia; Area refers to Blace + municipalities within 35 min drive- Kursumlija, Prokuplje and Brus



- Lazar Ltd - production of dairy products
- Medium-sized enterprise, processes 60,000 liters of milk a day, owns a cow farm in the village of Gornja Draguša with a capacity of 1000 heads
- Directs its activities towards increasing the amount of raw milk. Conservation and expansion of livestock stock, introduction of new production lines and export to EU countries



REVENUE IN 2018 (M EUR)

12,05

EMPLOYEES IN 2018

224



- Telekomunikacija Ltd is one of the leading companies dealing with infrastructure constructions and engineering in the field of telecommunications, electric and gas systems, water supply systems, sewerage systems, buildings, steel truss structures and ecology.
- Telekominikacija Ltd is fully committed to keeping its activities at the highest level by investing in technical and technology resources. The company also focuses on developing the infrastructure of its own staff, particularly in the areas of management, constantly striving to approach potential customers - small and medium enterprises as well as large corporations.



REVENUE IN 2018 (M EUR)

9,5

EMPLOYEES IN 2018

210



Available
Qualified
Workforce

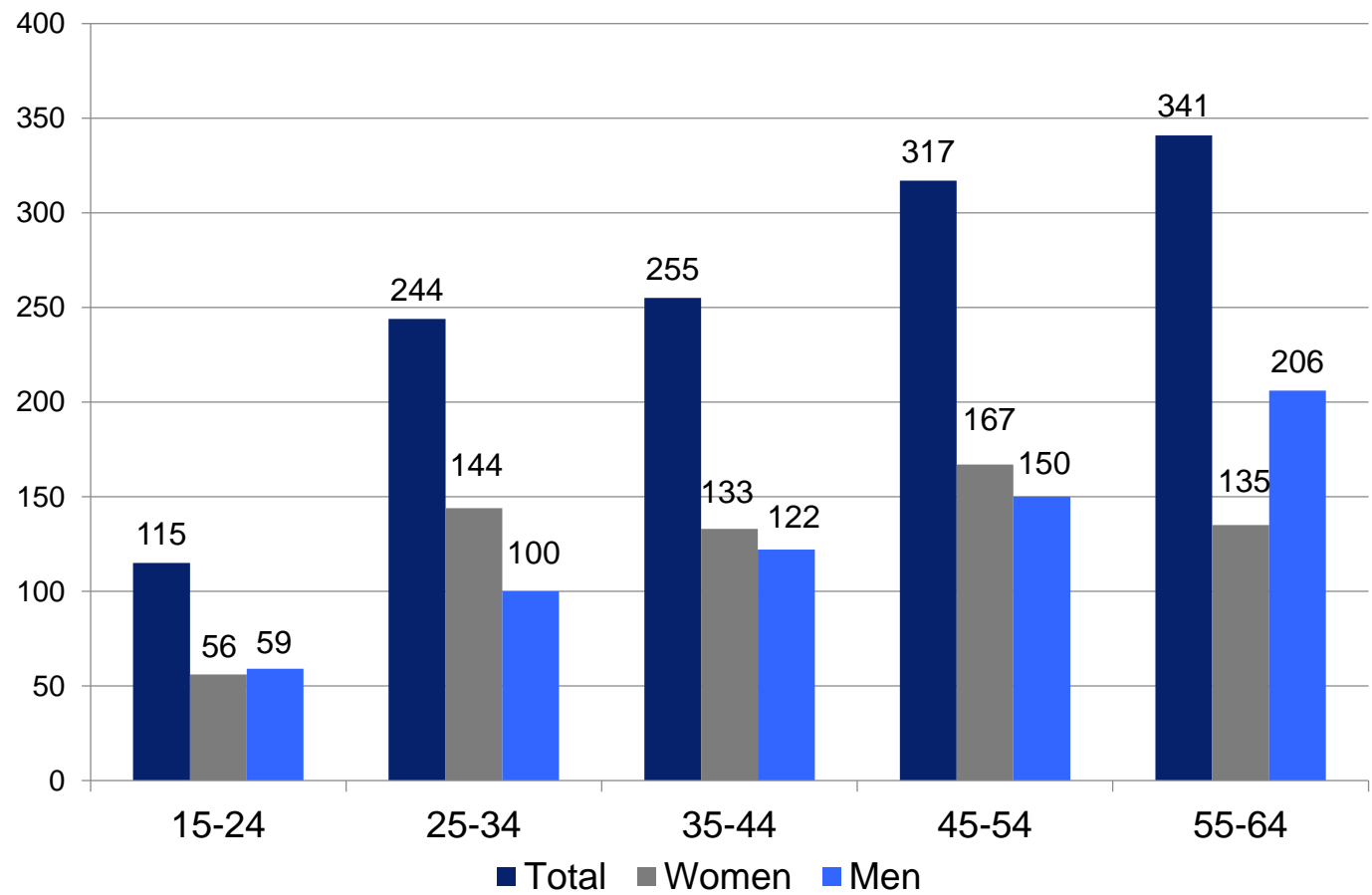
Secondary Schools Blace- Fields	Total Enrolled Students
Gymnasium (general education)	128
Agricultural production and food processing	143
Trade, catering and tourism	31
TOTAL	302

Universities	Faculties	Total Enrolled Students
University of Nis	Faculty of Civil Engineering and Architecture Faculty of Economy/ Faculty of Electronic Engineering Faculty of Mechanical Engineering Faculty of Sciences and Mathematics/ Faculty of Law Other (Occupational Safety, Fine Arts, Medicine, Philosophy)	20,000
Various colleges	Business, Technical sciences	2,500
TOTAL		22,500

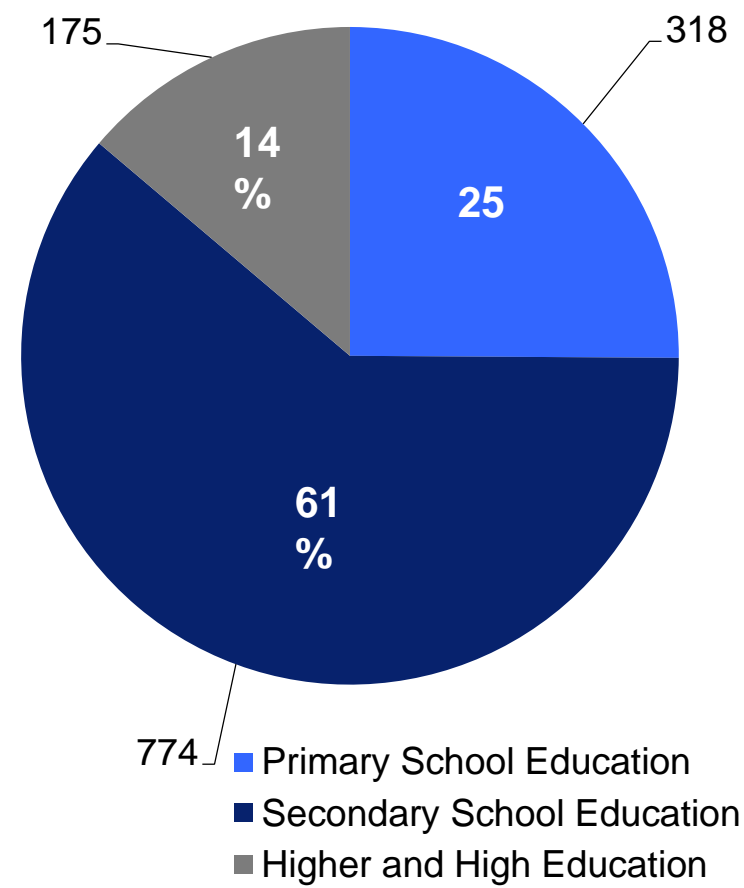
Note: Higher education institutions are located in the city of Nis, which is 55 km away



UNEMPLOYED BY AGE GROUPS AND GENDER,
OCTOBER 2019

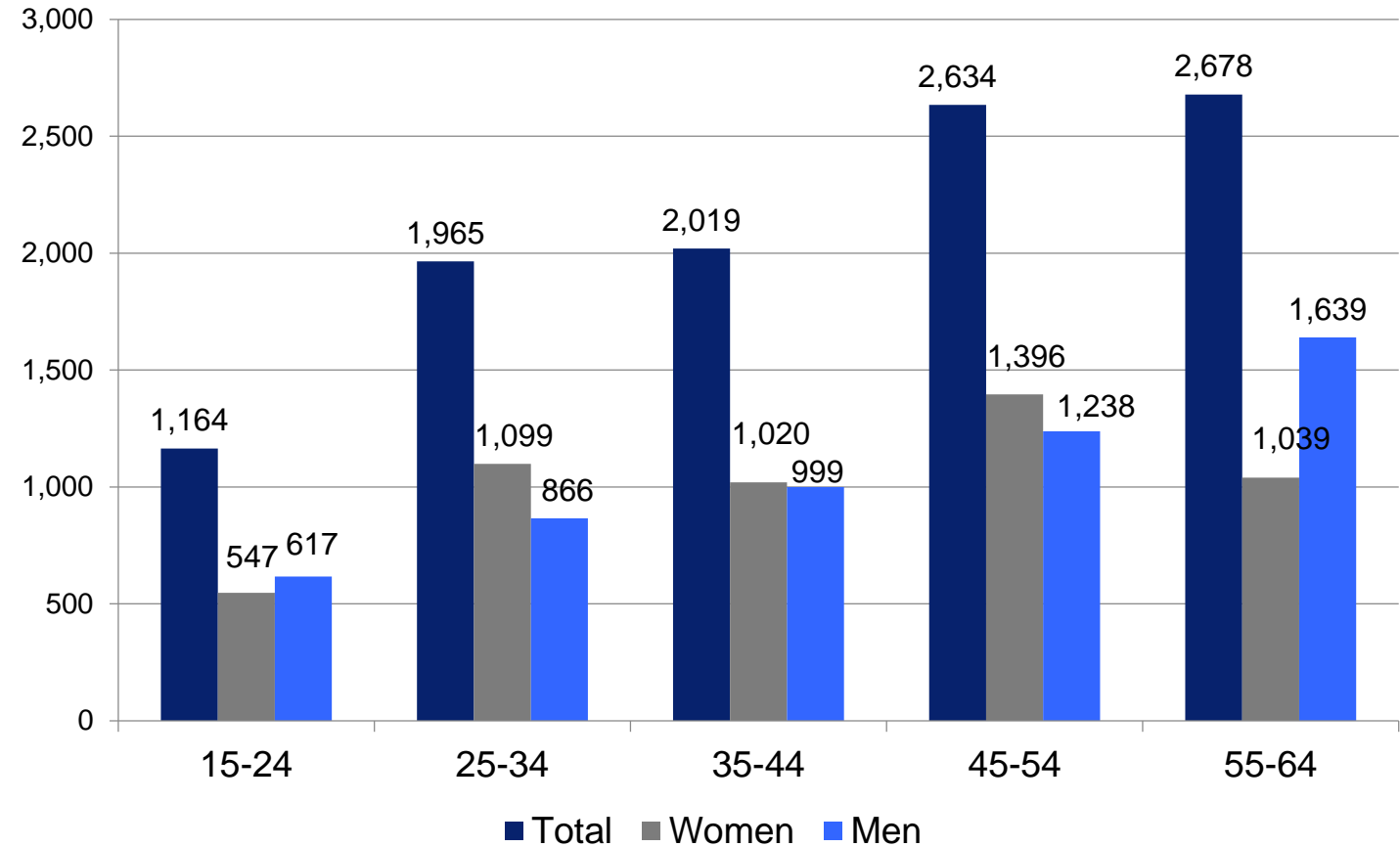


UNEMPLOYED BY EDUCATIONAL LEVEL

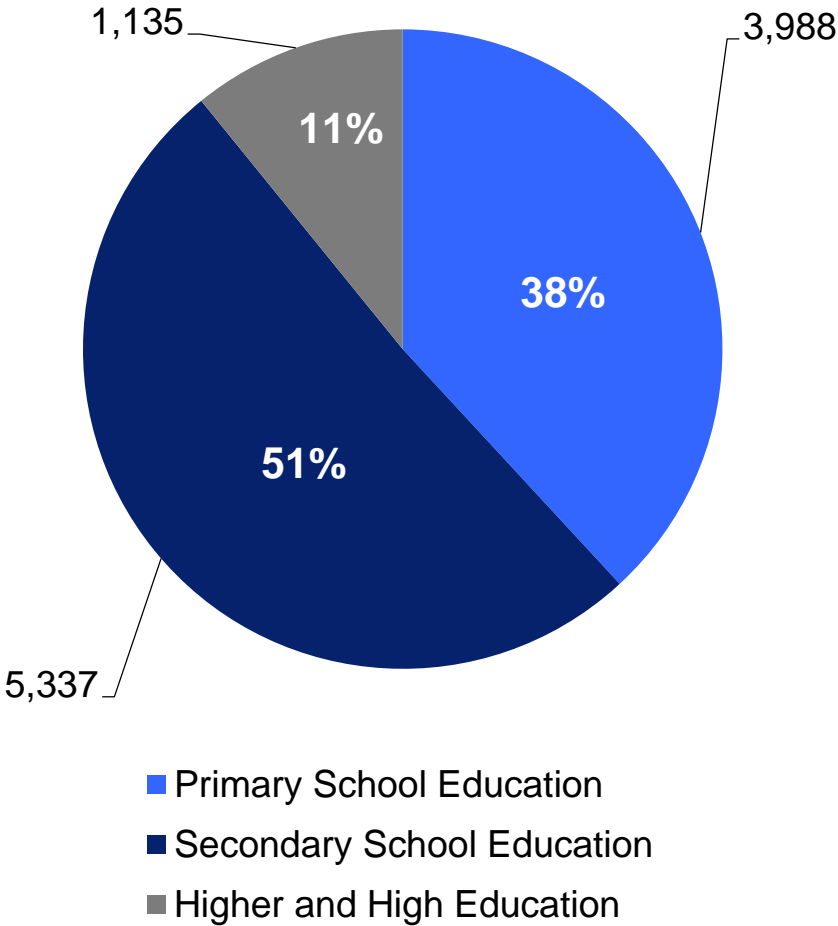




UNEMPLOYED BY AGE GROUPS AND GENDER,
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UNEMPLOYED BY EDUCATIONAL LEVEL

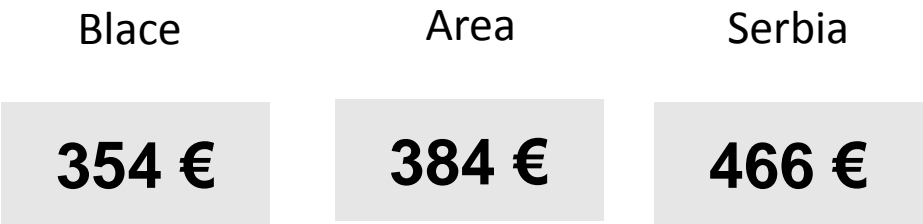


Note: Area refers to Blace and neighbouring municipalities within 30 min drive (Kursumlija, Prokuplje and Brus)

costs



Competitive
Operating
Costs



Average Net Salaries 2019

Labor Cost, Blace	Amount
Average Net Salary	354 €
Contributions and Taxes (Employee)	133 €
Contributions and Taxes (Employer)	87 €
Total Contributions	220 €
Average Gross Salary (Total Cost)	574 €

WATER



0,92 EUR/m3

SEWAGE



0,95 EUR/m3

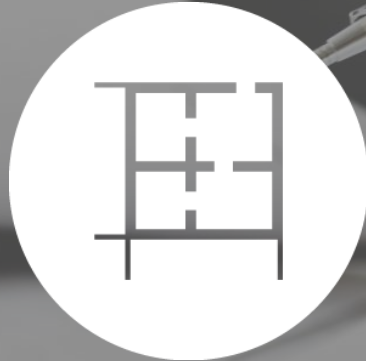
ELECTRICITY



0,067 EUR/kwh

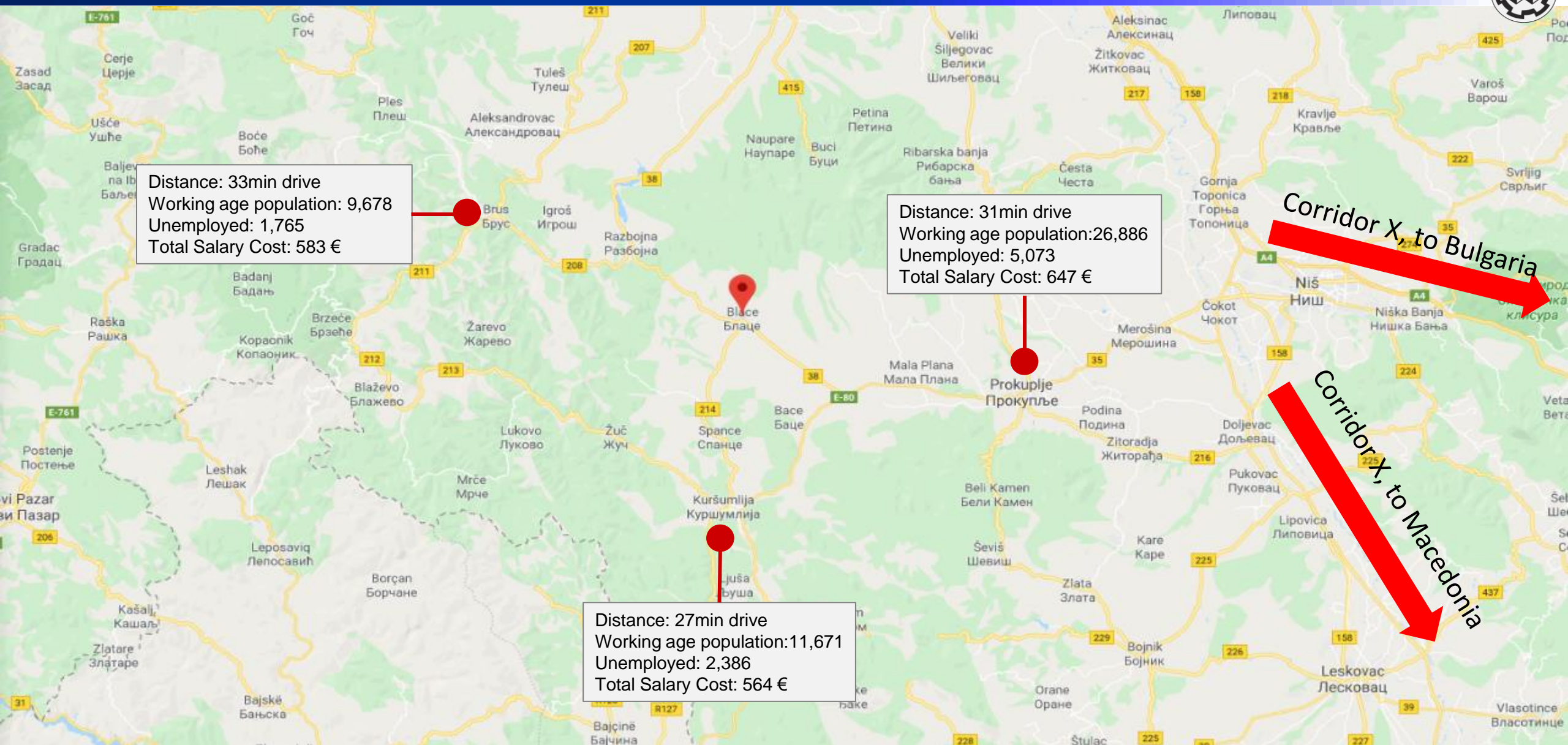
All prices are average and include VAT

Source: Statistical Office of the Republic of Serbia; RAS calculations



Available
Locations

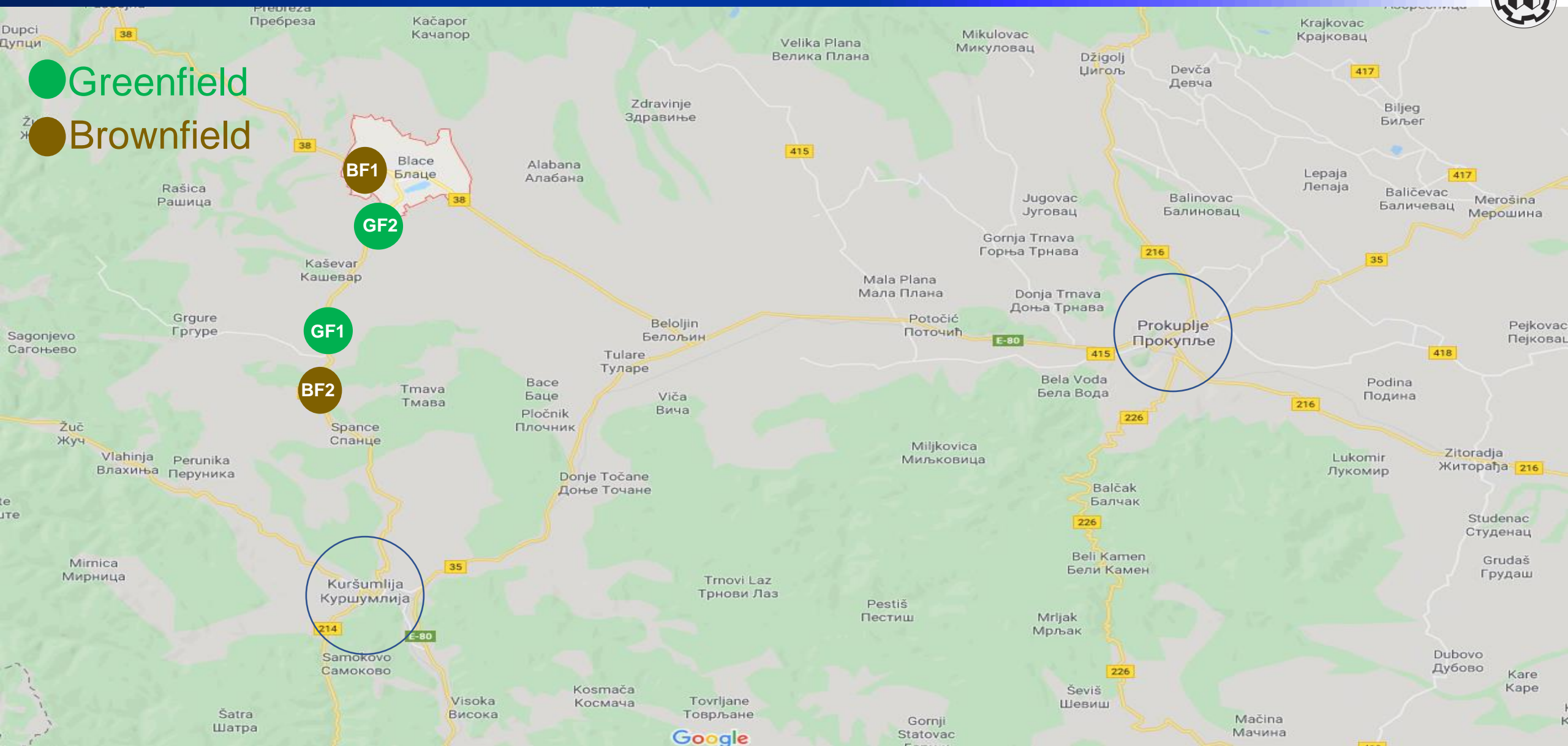
MUNICIPALITIES WITHIN 30 MINUTES DRIVE FROM BLACE



READY TO GO PROPOSED LOCATION



● Greenfield
● Brownfield



GREENFIELD LOCATION 1 - „BARBATOVAC 1 and 2“ SATELIT SHOT





Greenfield location Barbatovac 1 and 2 share the state road IIA of the Blace - Kuršumljia line so that the two locations are located across from each other.



Location Information	
Ownership	Republic of Serbia
Land Size	12,5HA
Electricity	10/0,4kv - connection at distance of 800m
Gas	No
Water	Connection at distance of 700m. Nearby is a potable water source that can be used.
Sewer	The city sewer network is located in Blace at a distance of 6km. Building own network (septic tanks).
Access roads	Yes
Optical cable	Yes, pass through Blace – Kuršumljia road







Fruto 2 is a work area defined by the Detailed Regulation Plan of Blace 2017. It is located in an attractive location, at the exit from Blace towards Kursumlija, next to the Frutto Fruit Processing Factory. It is equipped with complete infrastructure - electrical and ptt network, city water supply, sewage, suitable for construction of all types of industrial facilities.



Location Information	
Ownership	Private
Land Size	3,2HA
Electricity	10/0,4kv - connection at distance of 200m
Gas	No
Water	Yes
Sewer	Yes
Access roads	Yes
Internet	Yes

The location is located 1km from the city center, next to the Blace-Krusevac state road, is equipped with infrastructure (city water supply, sewage, road, electricity and ptt network), the original purpose of the building is rubber processing, the economic yard is asphalted, fenced, large manipulative the space between the objects, it is possible to change activities (production, trade, etc.). 1.154m2 are usable and the rest are devastated.



Location Information	
Ownership	Private
Form of transfer of rights	Sale
Land Size	17HA
Building Size	5.800m2
Electricity	3x400kv, 3 transformer stations
Gas	No
Water	Yes
Sewer	Yes
Access roads	Yes
Internet	Yes



The location is located on the main road Blace-Kursumlija, distance from Blace is 8 km. The office building is fully adapted to the needs of the textile industry, that is, knitwear, with the necessary infrastructure. On the ground floor there is a production hall and on the first floor an office space, the economic yard is fenced, easy access to trucks from the main road is provided. Until 2001, it was the production plant for the Blace garment "Napredak".



Location Information	
Ownership	Republic of Serbia
Form of transfer of rights	Sale or rent
Land Size	2500m2
Building Size	354m2
Electricity	80kv
Gas	No
Water	Yes
Sewer	Yes, septic tank
Access roads	Yes
Internet	Yes





High Priority
Government
Location

- Government of the Republic of Serbia is strongly oriented towards fostering balanced regional economic development
- Blace municipality is classified into the 4th group according to the level of development (underdeveloped municipalities with a degree of development below 50% of the national average)
- Therefore it is in focus of Government of the RoS to foster economic development in this municipality
- To attract investors that would create positive economic effects to the local community, Government of the Republic of Serbia is offering a competitive incentive package and all the necessary administrative support



Tourism and Culture

- Blace is a safe and visitor-friendly municipality.
- **Wine Tourism** - Doja Winery- "TODY" Ltd - Donja Josanica
- **Birthplace of the poet Rade Drainac** - the famous Serbian poet, essayist and storyteller Rade Drainac, was born in the village of Trbunje in Blace on August 17 in 1899. in a house that retained its authentic appearance with numerous exhibits from the time when he lived in it
- **Monument to Kosta Vojinovic to the leader of the Toplica Uprising** at the place of death in the village of Grguru, twelve kilometers from Blace. There is also an ethnographic room in the village, which presents the ambience from the time of the Toplica Uprising
- **Palereza paleontological site** - a paleontological site of fossil vertebrates, that is mammalian bones from the epoch of geological history, designated as Middle Miocene, with a Neogene mammalian fauna of 14-16 million years old.
- **Plum days** - at the end of August, an economic and tourist manifestation in honor of the plum that makes Blace Municipality recognizable
- **Drainch literature meetings** - During the month of August, they are held in honor of the great Serbian poet Rade Drainac, with the participation of the most eminent writers from Serbia and neighboring countries.





Investment
opportunities

- Agricultural land is the most significant natural potential of Blace municipality.
- Agricultural land is 18,557 ha, or 59.36% of the total area.
- Arable land (arable land, orchards and vineyards) cover 16,144 ha, or 87% of the total agricultural area.
- The total average annual yield of all fruit species is estimated at about 3.5 thousand wagons, and over the birth years, which is a huge raw material base for raising the processing capacity of the agro-industry.



Conclusion

- Blace is a municipality with industrial background creating opportunities and benefits for businesses in the manufacturing sector
- In addition, Blace is abundant in natural resources creating opportunities in various industries based on raw materials
- In the area, high-quality unemployed people are present across all age groups and educational levels which represents a strong base for businesses to flourish
- Blace one hour away from the city Nis, 3rd largest city of Serbia which is also a university center and has airport
- With all of the above, Blace is one of the most attractive investment locations in Serbia for different types of businesses



Blace Municipality

Local Economic Development Office

P: +381 27 371 110

E-mail: priv@blace.org.rs



RAS

Development Agency of Serbia

Development Agency of Serbia

Kneza Milosa 12, 11 000 Belgrade

P: +381 11 3398 900

office@ras.gov.rs

www.ras.gov.rs/en