



Pirot Free Zone enables to their users efficient operations and significant cost savings by integrating all the benefits of investing and doing business at one place. It also provides logistics services all in one place: freight forwarding services, organization of international transport, customs clearance, warehousing, land infrastructure, professional assistance in customs brokerage.



Panoramic photograph of the Free Zone Pirot taken in 2014

It is located at the Pan-European Corridor Xc and near Corridor VIII and IV within 25km from the Serbian-Bulgarian border. It started operations in 1998 to a total of 17ha, and now extends to the 120 ha and includes "greenfield" and "brownfield" sites. In the regime of Free Zone Pirot operates 113 trade and 16 production companies, among which are large, small and medium enterprises which employ about 5,200 workers. Our users have realized in 2014 a total turnover of 730 million euros.

In addition to the benefits provided by the Republic of Serbia, the law on free zones, users are exempted from local taxes and fees for the construction and operation of facilities and the possibility of greenfield and brownfield operations at the infrastructure equipped land.

#### GENERAL INCENTIVES THAT SERBIA OFFERS INVESTORS

- Low tax rates: VAT tax 20% - in the free zone 0%
- Corporate income tax 15%
- Access to a free trade market for over a billion people through a large number of free trade agreements (EU, CEFTA, EFTA, Russia, Belarus, Kazakhstan, Turkey, USA)
- Exports of goods and services from the zone and import of goods and services in the free zone are exempted of custom and other export/import duties.
- Import of equipment, machinery and materials for construction for use within the Free Zone Pirot is free of duty and other charges.
- Value added tax is not paid for goods which enter the territory of the Free Zone Pirot.
- Value added tax is not paid for provision of transportation and other services to users of free zones that are directly

#### INCENTIVES PROVIDED BY THE CITY OF PIROT

Regarding the decision of the City of Pirot on provision of de Minimis state aid to business entities on the territory of the City of Pirot (No. 06/37-16 od 19 November 2016) will be granted special incentives to business entities:

##### 1. For construction of a facility:

- By the City Administration Pirot shell not be paid:
  - a. all administrative fees and local municipal taxes that are collected in the process of obtaining approval for the construction and use permits,
  - b. fee for the development of city construction land,
  - c. fee for a certificate of right of the construction priority.
- By public utility companies shell not be paid:
  - a. fee for issuing the requirements for connection to the utility infrastructure,
  - b. fee for issuing approval for connection to municipal infrastructure,
  - c. fee for connection to utility infrastructure (except for material costs).

##### 2. For exploitation of the facility for a period of 3 years from the moment of issuance of the decision on use permit for newly constructed objects as follows:

- a. By the City administration of Pirot shell not be paid local utility taxes,
- b. By the public utility companies is paid half of the fees for municipal services according to the current price,
- c. 50% of property tax by Local Tax Administration of the City Administration of Pirot.

## BENEFITS OF THE LOGISTICS CENTER OF FREE ZONE PIROT

Staff at the Free Zone in the freight forwarding sector with licenses for Customs representation allows very fast realization of import / export procedures. The efficiency contributes presence of the Customs office, Customs terminal for inspection of goods. We also have a parking lot for trucks which is secured by the security service.

In addition to shipping services, we provide services of the organizations of domestic and international transportation, warehousing, loading/unloading of goods to the open and closed storage space at affordable prices. To users of the free zone Pirot is also at disposal a professional workforce of different profiles for the physical and administrative tasks. On the infrastructure equipped land in the industrial park users can construct their own storage or production facilities.

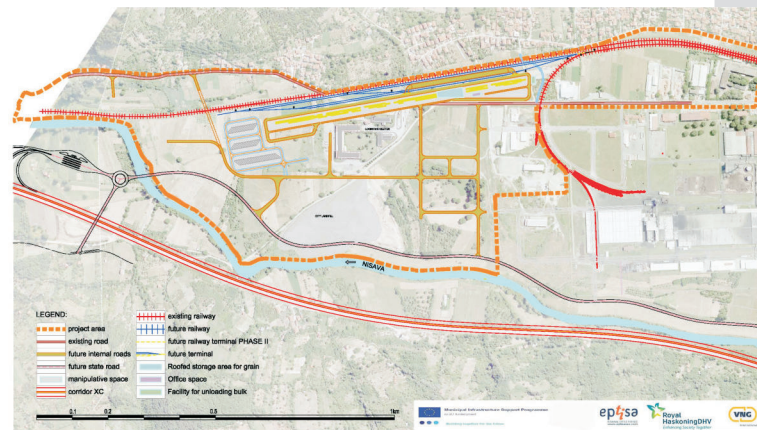
## INFRASTRUKTURNA OPRELJNOST

Electric power supply: 4 substations 10 / 0.4 KV power 2880 KW, 1 substation 35/10 KV power of 4000 KW, 1 substation 35/10 KV 20 MVA. Water supply (domestic and industrial)  $\phi$  300mm. Complete hydrant network  $\phi$  150 mm (12 + 65 + 24 ha). Sewage  $\phi$  1200/800 mm. Telecommunications: 150 telephone lines and fiber optic cable (fast internet). Transport links: on the international road E-80 (Pan European Corridor Xc), 10km of roads in the zone, industrial railway length of 3km.

## LOGISTIC CENTER PIROT – INFRASTRUCTURE PROJECT

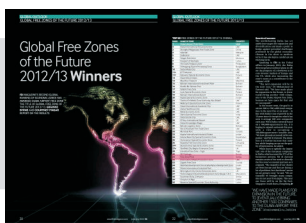
Project "Logistics Center Pirot" will enable users fast transshipment of goods from rail to truck and vice versa, appropriate storage facilities, industrial infrastructure, the connection with intermodal nodes of South Eastern Europe and improve existing transport lines between the industrial zone in Pirot and ports such as Varna, Burgas, Thessaloniki, Smederevo, Constanta etc. The projected capacity of the terminal is 25,000 TEU per year and the start of operation of the terminal is expected in 2020.

Within the Logistics Center Pirot will be constructed intermodal terminal with three railway tracks: 304m, 304m and 548m and a plateau in the first phase, while the second phase is planned extension of the track on 650-680m. It is also planned infrastructural equipment of 38 hectares of land, the construction of 3.2 km of roads and other necessary business and industrial infrastructure.



## AWARDS AND RECOGNITIONS

Free zone Pirot has won four national awards "Best of Serbia", and it is ranked among top 50 free zones in the world for 2012-2016 by the FDI Magazine "Financijal Times", the most relevant media center for evaluation of investment locations in the World.



## PRODUCTION USERS OF FREE ZONE PIROT



Part of Michelin Group



## CONTACT

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