

PIROT

SERBIA





Business Friendly Municipality





Pirot is municipality with favourable geo-strategic position. It is situated in the very heart of the Balkan, on international road between Europe and Near and Middle East. It is characterized by rich cultural-historical heritage and, since it is located on Stara planina with natural resource.

In a last few years investments in infrastructure and improving public services have been intensified. The EU has supported the implementation of many projects: Sports hall Kej, Historical Archives, Tourist organization, Local Economic Development office, Regional sanitary landfill... At this moment we are realizing the following projects: construction indoor swimming pool, reconstruction of the stadium, sports fields, new city heating plant, reconstruction of the town square, business incubator...

In 2010. Pirot municipality awarded Certificate of business friendly environment which means fulfillment of high standards or a valid warranty that existing businesses, as well as potential investors, will receive services and information in jurisdiction of local governments in order to enhance business growth and prosperity.

The guide in front of you, will approximate business ambience in Pirot and open up a stream of opportunities to invest your capital right here.

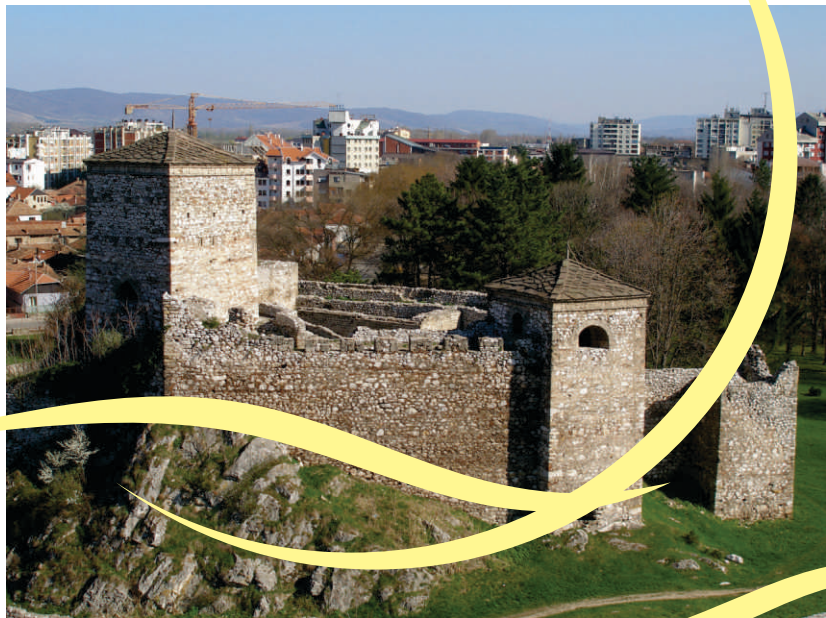
Mayor
Mr Vladan Vasic

A handwritten signature in blue ink, appearing to read "BBace" followed by a large, stylized closing mark.



History of Pirot

Pirot is established on the basis of Ancient Roman colony Tures, which is his first name in the first half of the 3rd Century. Via Militaris, famous ancient road, was passing by this area. Since the 12th Century Pirot is in the country of the Serbian ruler Stefan Nemanja. Pirot gets its name in the 14th Century, after Greek word Pirgos („Tower“). During the five centuries of Turkish rule, his name was Šehirkej. After getting the freedom of Turkish rule in 1877, Pirot experiencing a strong educational and cultural development, and in the nearest past economic development also, making it the leading Municipality in the region.



Geographical information and location

Pirot 43°09' 11" north, 22° 35' 10"

Pirot, with its area of 1232 km², is one of the largest Municipality in Serbia. It is situated in the south-east part of Serbia, on the international motorway E-80, near the border with Bulgaria. River Nisava runs through the valley of Pirot. Pirot is from all sides surrounded by mountains, where is dominate Stara Planina, which peak Midzor is 2169m high. The climate is moderately continental. The municipality area is very well connected by road and railroad network with other parts of Serbia and the neighbouring Bulgaria.

Road: Corridor 10, and international motorway E-80.

Distance from Pirot:

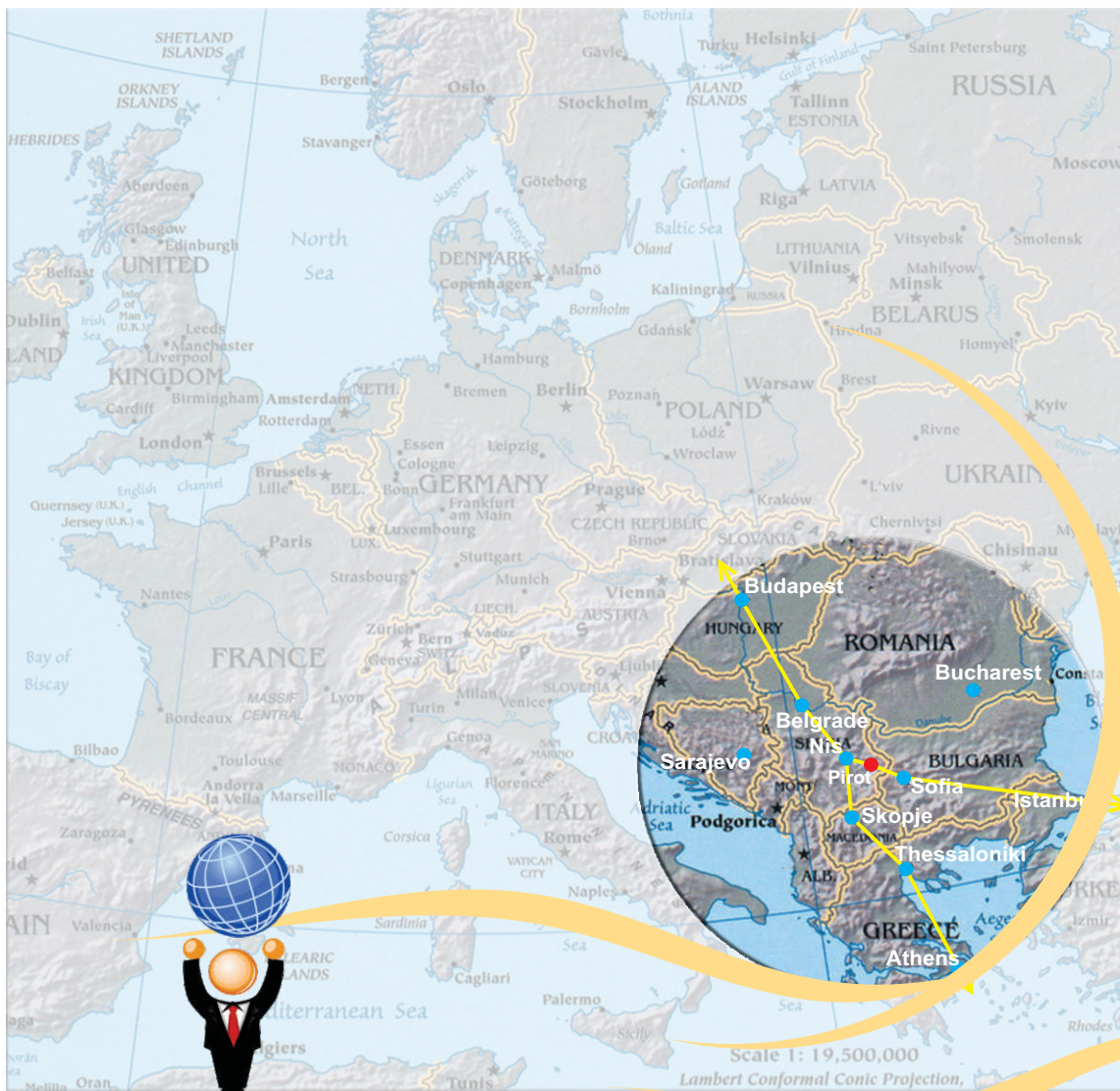
- Belgrade 303 km,
- Nis 72 km,
- Sofia 80 km,
- Bulgarian border 30km.

Railroad: intercontinental main road

Airports: Nis 70 km, and Sofia 80 km



Favourable geographic location



Pirot – economic informations

There are 419 companies and 1247 entrepreneurs in Pirot.

Main industrial branches are: rubber, textile, food processing and chemical industry.

Largest foreign investor: Michelin, Mura AHA group

The biggest companies: Tigar tyres (Michelin) - 2300 employed, Tigar ad – 2000 employed, AHA Mura Prvi maj – 1500 employed.

Average gross salary: 385 euros

People resources:

Population in Pirot district: 92 479

Population in Pirot: 57 928

Number of working population: 65 % of total number

Number of unemployed: 7990



Why invest in Serbia?

- Favourable geographic position
- Serbia is at the crossroads between two significant transport corridors which are connecting Western Europe and Middle East (Pan European corridors No.10 and No.7)
- Serbia enjoys the privileges of free trade with the Russian Federation, offering access to a market of 150 million people
- The local market in Serbia is one of the largest in the region
- Cheap labour force
- Serbia is a stable democratic country with a fast-growing market economy
- It is a full member of the International Monetary Fund, World Bank, European Bank for Reconstruction and Development, and others international organizations
- Serbia has become a candidate for entering in the European Union
- Serbia has a privileged status in the trade with the European Union and the USA
- Serbia has a high level of foreign investments



Where to invest?

Industrial zone Beg Basca

Area: 6.5 ha (3 ha free)

Activities: industry and storage

Infrastructure: water, sewer, road, electricity

The land is parceled into lots sizes from 730 m² – 1700 m²

Type of sale: auction

Distance from the center: 2km, it is located on the regional road Pirot – Knjazevac, and international road E-80



**Industrial zone
Beg Basca**



Benefits for investors to invest in the industrial zone

For construction and using facilities within the Industrial Zone:

- Land lease and sale
- The investor will be free from paying the fee for all acts and administrative actions in construction and urban planning
- The investor will be free from paying the fee for development of the construction land
- The investor is free from paying the fee for issuing documents in the procedure of approval for the construction of facilities and connecting the facilities into the waterworks and heating network
- The investor is free from paying the fee for the issuance of all planning documents related to construction
- **For use of facilities within the Industrial Zone:**
 - The investor is free from paying the fee for using of construction land and local public taxes

Special privileges for use of facilities
(In accordance with the decision of the municipality of Pirot)



Pirot Free Zone Area 103 ha



Available for Greenfield 150.000 m²

1. Business operations in Free Zone

Exempted from customs duties and VAT in accordance with the Law on Free Zones. No payment obligations for customs duties and other customs duties (reference to VAT) for import of raw materials, equipment and construction material to be used for construction in the free zone.

2. Construction in the Free Zone Pirot

Construction license and ownership of an object belong to the investor while the renting of land under the building is to be paid. The municipality of Pirot, one of the founders of the Free Zone, when issuing documents required for construction, exempts the investor from paying:

Within the Department of city planning, communal services, construction and inspection services and the Department of Economy and Finance of the Pirot municipal administration:

- Fees for the issuance of documentation within the resolving of current requests (from the Program of processing of spatial planning documents, the urbanistic and technical conditions, town planning approval, issuance of information of the location permit, notifications and etc...),
- Fees for the municipal administration expenses (fees for the issuance of location permits, city planning approvals, construction permits, the Decision on approval for the construction and other),
- Fees for utility taxes,
- Fees for certificates of rights for priority of the construction.

Within the Public Agency "City Land Development Fund":

- Land development fees (50% discount)

Within the Public company "Water supply and sewerage system" and the Public company "Heating system":

- Fees for issuing the conditions for connection to the network,
- Fees for issuance of approval for connection to the network,
- Fees for connection to the network (excluding material costs).

Within the Urban Public Company Pirot:

- Fees for issuing documents for re-parcellation during the process of solving current requests

3. Utilization of facilities within the Free Zone Pirot

During the operation of facilities, from the moment of issuance of Certificate of Occupancy for the constructed object until the expiration period of 5 years (with possibility to extend the deadline), the following fees are exempted from paying:

Within the Department of city planning, communal services, construction and inspection services the Pirot municipal administration:

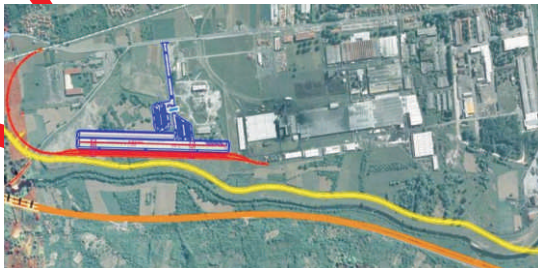
- Fees for communal taxes

Within the public agency "City Land Development Fund":

- Land development fees

Within the Public company "Komunalac", the Public company "Heating system" and the Public company "Water supply and sewerage system":

- Utility services fee (50% of current prices for industrial facilities)





Benefits for business

Exemption from payment of:

- Customs
- VAT on energy
- Corporation tax
- Part of the income tax
- Part of the property tax
- Municipal taxes for construction
- Municipal taxes during the using of facilities

www.freezonepirot.com

4. Municipal incentives for operation in the Free Zone Pirot

New users-manufacturers within the Free Zone Pirot are released from paying of the following taxes (from the moment of decision making until the expiration time of 10 years) :

Within the Department of Economy and Finance of the Pirot municipal tax administration:

- Property tax - 50% exemption of property taxes for users in free zones
- Income taxes, for production companies in the Free Zone which employ 200 or more employees (30% of the part which belongs to local government).

5. Benefits of intermodal terminal services in the logistics center Pirot

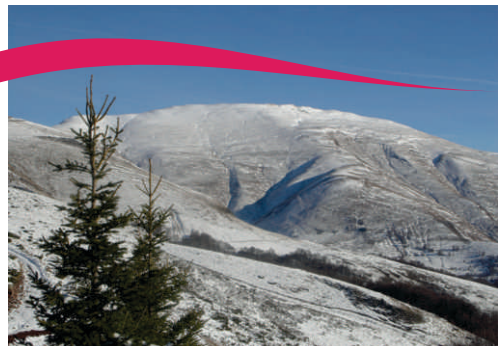
Municipality of Pirot and Free Zone Pirot are working actively on construction of an Intermodal terminal. The result of the Project will be a logistics terminal equipped with infrastructure and all necessary equipment, owned by partners (Municipality of Pirot and Free Zone Pirot). The terminal will be managed by the Free Zone Pirot as an operator within all activities (services) intended for users of Free Zone and the principle of public-private partnerships.



Main users of the Free Zone Pirot:
Tigar Tyres (member of the Michelin group), Joint Stock Company Tigar Pirot, Tigar Footwear, Tigar Technical Rubber, Novadis, Elisa Pro, RBL...

Natural potentials

- Rich springs of drinking water
- Great water potential (a large number of rivers and lakes)
- Great area covered in meadows is favourable for cattle breeding
- Several springs of medical waters, such as Dag Banjica and Zvonacka banja
- Stara planina, Lake Zavoj, the canyon of Jerma and Temstica are ideal for recreation and hunting tourism, as well as fishing
- Spatial plan provides 58 locations for construction mini hydropower plants; 43 of them are on the territory of Stara planina and 6 are in the process of construction
- Spatial plan provides 1 location for construction Vetro Park on Stara planina.



Stara planina

Stara planina extends, with its southern slopes, in the northeastern part of Pirot. It is a natural and administrative border with neighbouring Bulgaria (border extends mountain crest). Peak Midzor, the highest point on Stara planina with its 2170 m, is on the territory of Pirot municipality. Because of this, Stara planina is one of the highest mountain in Serbia and at the Balkans.



Jabucko ravniste

Jabucko ravniste is located in Stara planina, on the half way between Pirot and Knjazevac. There are opportunities for investment in the construction of ski and sport-recreation center in Stara planina. The construction of the hotel „Stara planina“ on Jabucko ravniste is near the end, and Urban plans for building 6 more hotels are done. Hotel „Stara planina“ will have 147 rooms and 454 beds. It will have 2 restaurants, 3 conference rooms, a pizzeria, etno restaurant with national food, wellness and spa program and an indoor swimming pool.



Culture and tourism



In tourist offer of Pirot an important position takes cultural-historical heritage of this region – Tvrdjava Kale (Fortress Kale, Momcilov grad), Monastery Poganovo, Monastery Temac, Monastery Sukovo.

Pirot has a large number of manifestations of culture and sport: Pirot's summer festival, International Folklore Festival, book fairs, literary events, concerts, theatrical performances...

Pirot's most famous brands are handmade carpet (a traditional woven carpet, highly regarded in Serbian culture) and cheese. Also, there are: opanak-traditional shoes, pottery, leather and embroidered products, Pirot's lamb, sausage and handicrafts from this region.

Pirot has a rich spiritual culture that is reflected in music, speech, folklore and customs specific for this area.

The most famous picnic areas are: Planinarski dom, Vrelo, Temac, Lake Zavoj.





Investment processes

- Construction of swimming pool
- Regional sanitary landfill
- Reconstruction of the town square





Organized local government

- Municipal service center (for all informations, submissions...)
- Local economic development office (the first contact with potential investors)

Thanks to good organization and human capacities Municipality of Pirot is, in the past few years, realized numerous projects from different activities: economy, social activities, tourism, agriculture, children and social protection...

There is continuous cooperation with nongovernment sector, foreign embassies and other interested groups.



Word of investors

*“ **Michelin** is present in Serbia and Pirot in production of tyres, since 2003. We are very satisfied with operations of this factory, with employees, results and overall business environment.”*

On behalf of the Group,
Stephane Roy de LACHAISE



BUSINESS FRIENDLY MUNICIPALITY
PIROT

On the Right Track

CERTIFIED
www.naled-serbia.org

Business Friendly Municipality

- Located halfway between Niš and Sofia (70 km away), on the E80 highway
- Duty Free Zone offering 17 ha of developed land
- Export-oriented rubber industry as one of the key economy drivers
- Success story: **TIGAR** member of **MICHELIN** group

www.jedo.pirot.rs

NALED





LINKS:
www.ledo.pirots.rs
www.pirots.rs



www.ledo.pirots.rs
www.pirots.rs