

Welcome to Kučevo

Reasons for investing in Kučevo



March 2018

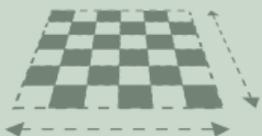
BRIEF OVERVIEW OF KUČEVO

Kučevo is one of the regional centers of the Braničevo district in which about 170,000 people are living



13,851

Number of Inhabitants
(est. 2016)



721 km²

Area



9,574

Working Age Population
(est. 2016)



100

Number of Business
Enterprises



614

Registered Unemployed
(February 2018)



296 €

Average Net Salary
(2017)

Kučevo accessibility:



Motorway A1 (70 km away)



River Corridor VII (45 km)



Regional Railway (1 km)



Belgrade (147 km away)



Niš (201 km away)



Accessibility overview:



- Companies HBIS Serbia and ABM International successfully use the railway through Kučevo for transportation of limestone and calcium carbonate
- Planned reconstruction of the railway Požarevac – Kučevo – Negotin will increase the load capacity from 16 tons to 22 tons
- There are ongoing reconstructions of Kučevo – Golubac (expected late 2018) and Kučevo – Žagubica (expected late 2019) state roads
- These projects will significantly improve the quality and speed of transportation in the Kučevo region

Destination	Distance from Kučevo (km)	Estimated travel time
Veliko Gradište International Port	45	49m
E75 Motorway (Belgrade - Niš)	70	1h
Smederevo International Port	80	1h 30m
Belgrade City Center	132	1h 45m
Belgrade International Airport	147	2h
Drobeta Turnu Severin, Romania	155	2h 40m
Niš International Airport	201	2h 45m
Timisioara, Romania	180	3h 30m
Sofia, Bulgaria	355	5h
Budapest, Hungary	509	5h 30m

Doing Business in Kučevo



1

Industrial
Heritage

2

Available
Qualified
Labor Force

3

Competitive
Operating
Costs

4

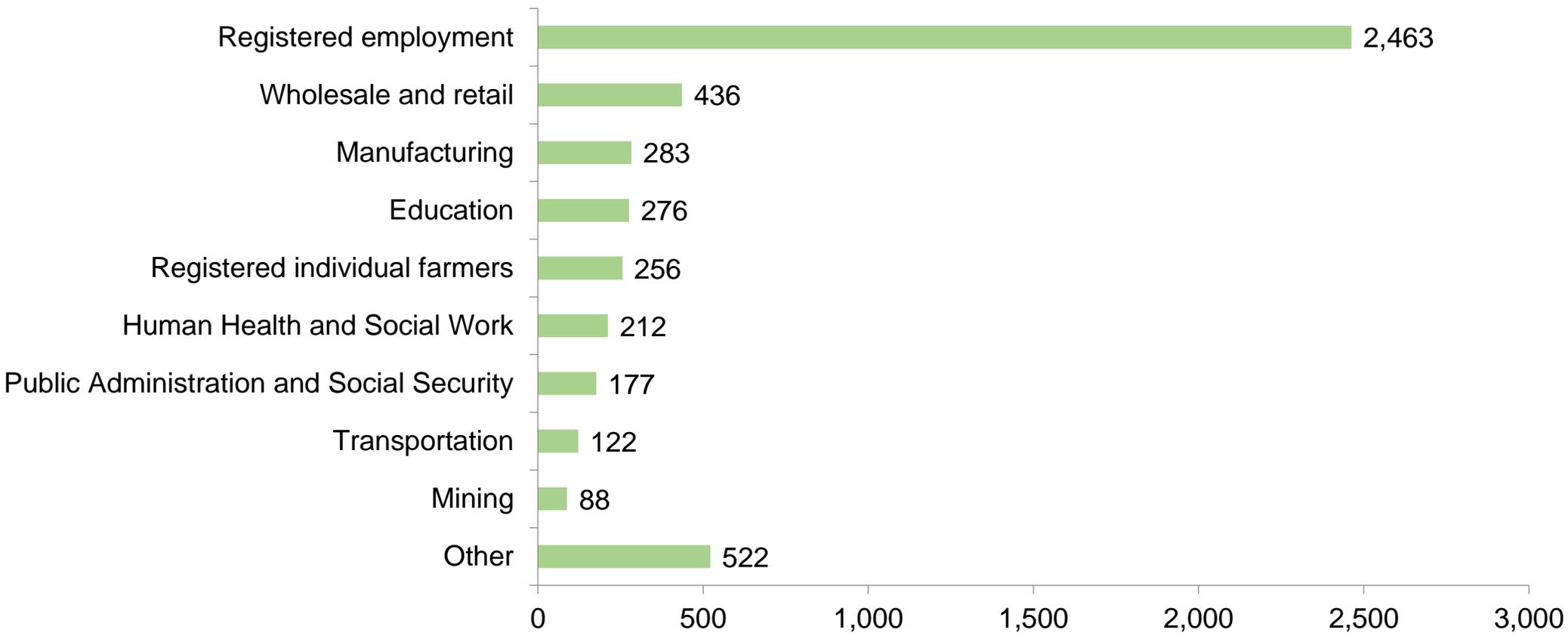
Available GF and
BF Locations

INDUSTRIAL HERITAGE

During the period between 1945 and 1990, Kučevo was an important economic center of the Braničevo district

Top Companies	Industry	Number of Employees in 1989	Current Number of Employees	Current status
Forestry Industrial Combine "Slobodan Jović"	Forestry	1,237	36	Privatized/bankruptcy
Quartzite and rock combine "Veljko Dugošević"	Mining	800	68	Privatized
"Zvižd Trade", Kučevo	Trade and Commerce	350	0	Not active
"Razvitak", Kučevo	Construction	128	15	Merged with public communal enterprise
"Pek", Kučevo	Agriculture	102	0	Bankruptcy
Copper mine, Copper wire production Majdanpek	Mining	~1,500	50	Active
	TOTAL	4,117	169	

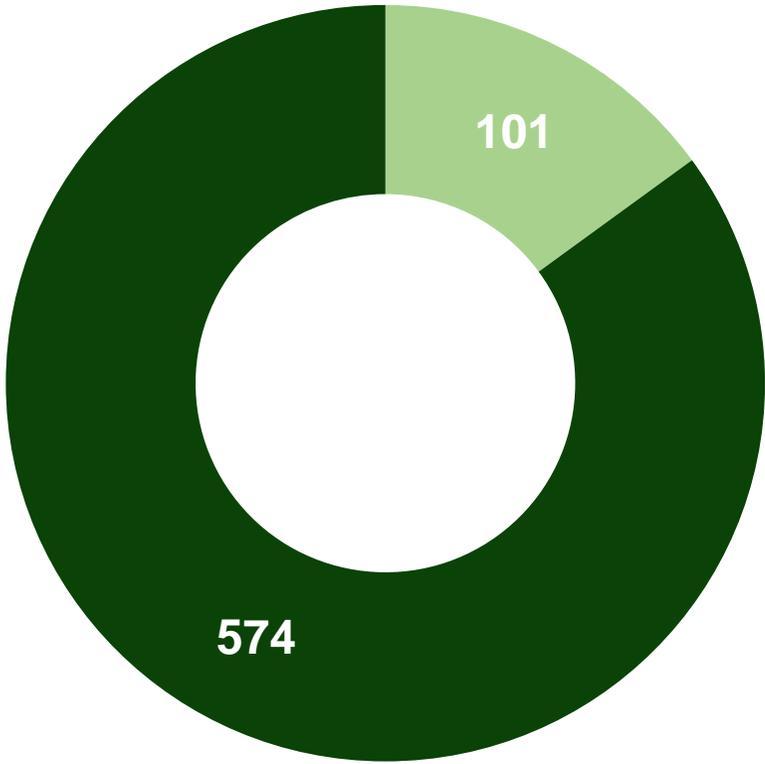
Registered employed (2017 Average)



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



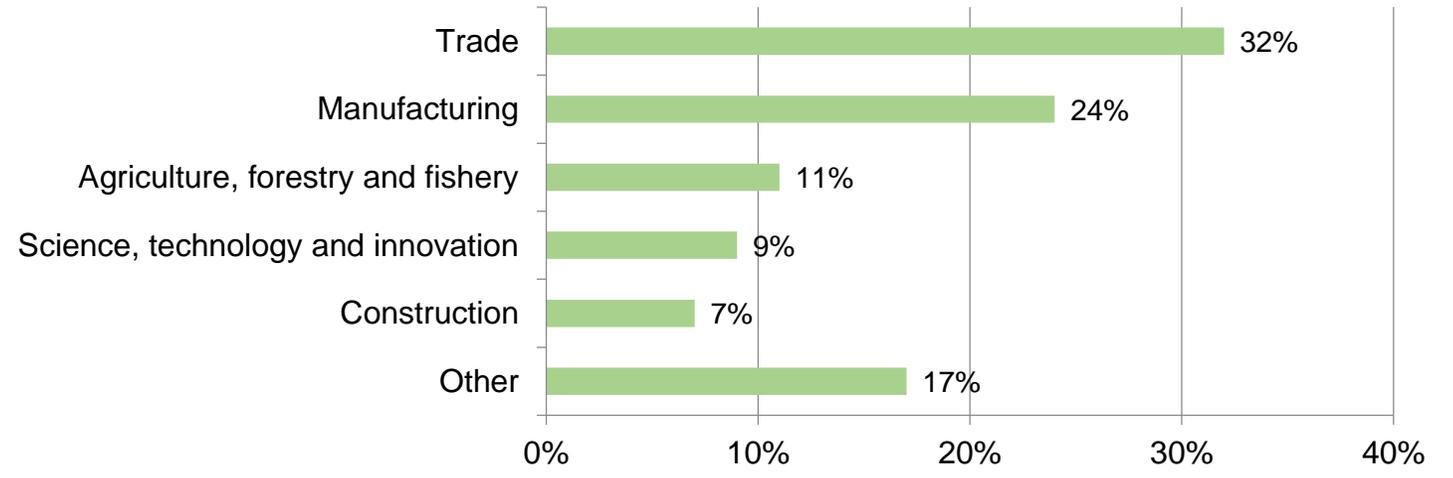
Number of companies vs entrepreneurs



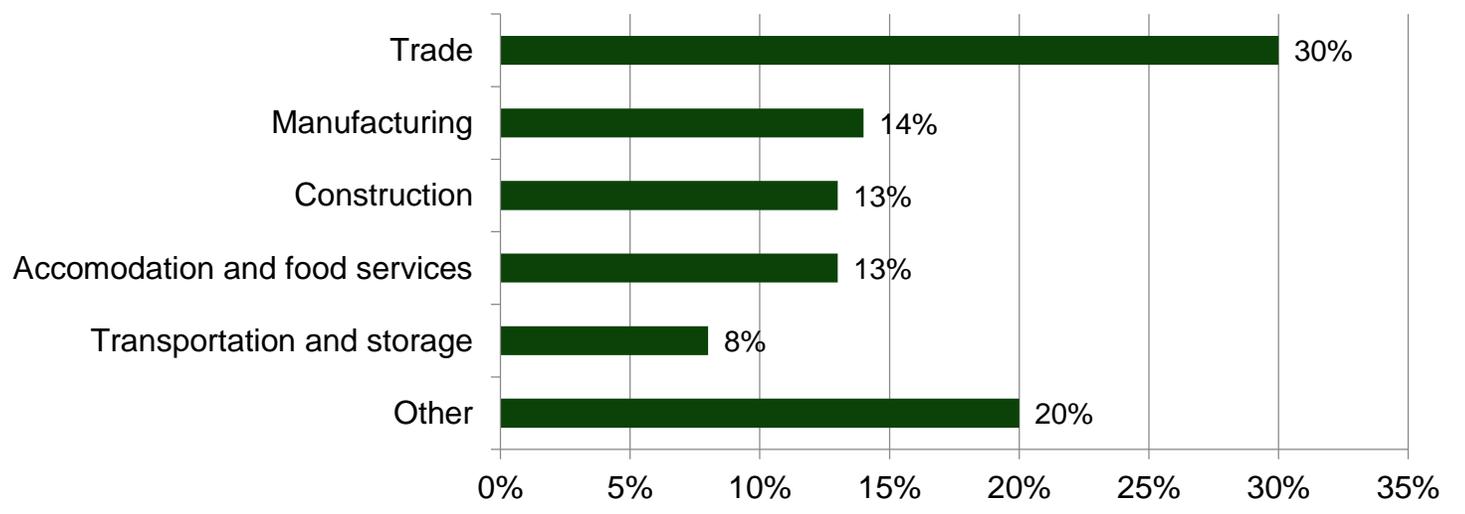
■ Companies ■ Entrepreneurs

Source: Business Registers Agency (APR)

Bussiness activities in 2017 by the number of companies



Bussiness activities in 2017 by the number of entrepreneurs



1. HBIS Group Iron & Steel
Limestone exploitation and processing



 **68**

FDI 



2. BRAMS
Aluminium and PVC doors and windows



 **55**



3. ABM International
Calcium carbonate exploitation and processing



 **35**



Available Qualified Workforce

AVAILABLE QUALIFIED WORKFORCE

Secondary School	Study Programs	Students per year	Total enrolled students
Technical School Kučevo*	Electrician Auto Mechanic Economic Technician Tourist Technician	60	190
School of Economics and Trade*	Financial Administrator Cook Waiter	30	110

*These schools take part in the Dual Education Program

- In Serbia Law on Dual Education has been recently formally passed and the program will officially start from 2018/2019
- Serbia is the only country in the region that has a Law on Dual Education, in line with European standards
- This system has been successfully implemented in Switzerland, Germany and Austria

AVAILABLE QUALIFIED WORKFORCE

- Local authorities believed that official figures regarding unemployment do not represent the real situation taking into consideration that people in Kučevo do not tend to register at the National Employment Office
- Therefore, a survey was conducted during March 2018 by the Municipality of Kučevo, encompassing 26 settlements, in order to get more precise and realistic information

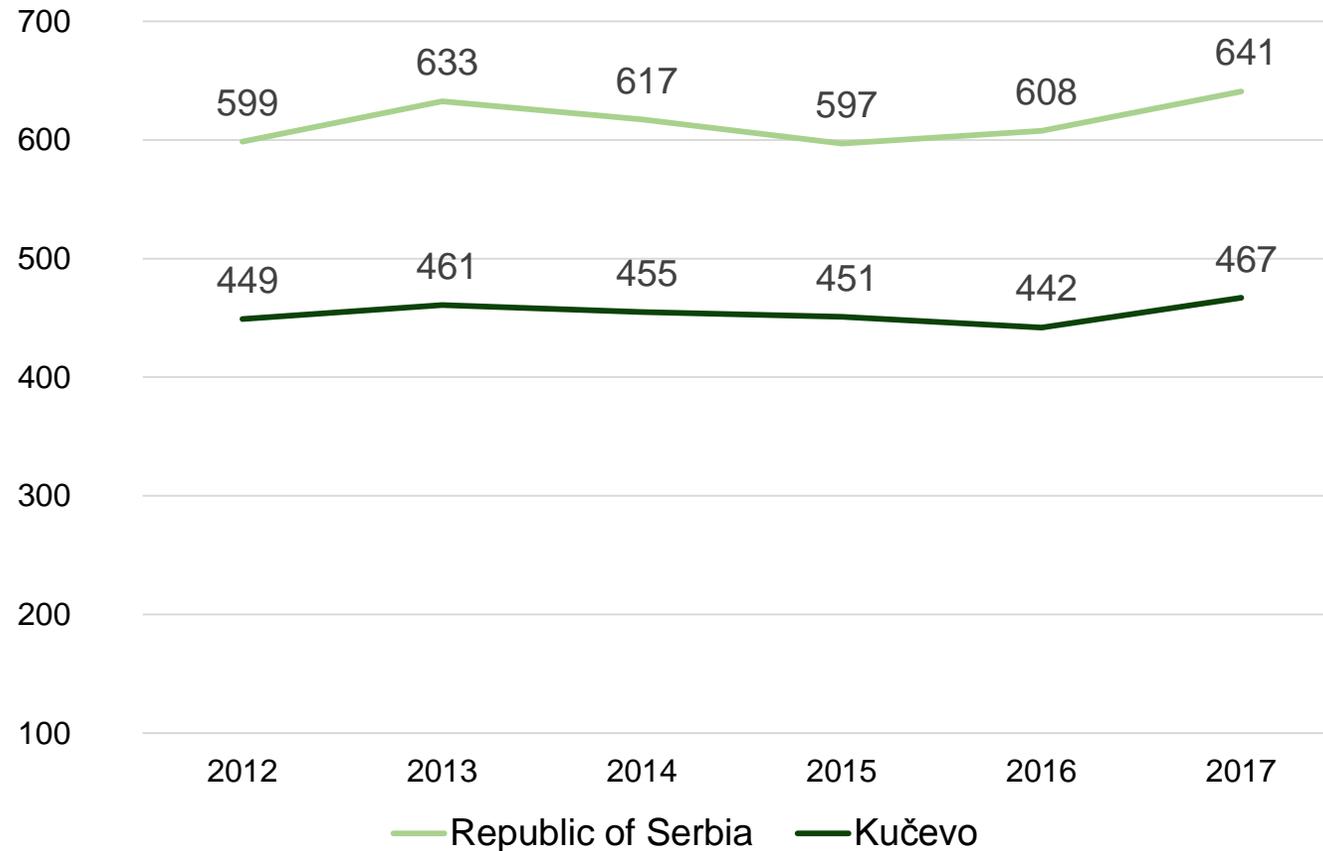


Source: National Employment Agency, Municipality of Kučevo

Competitive Operating Costs

COMPETITIVE OPERATING COSTS – LABOR COST

Average Total Labor Cost (EUR)

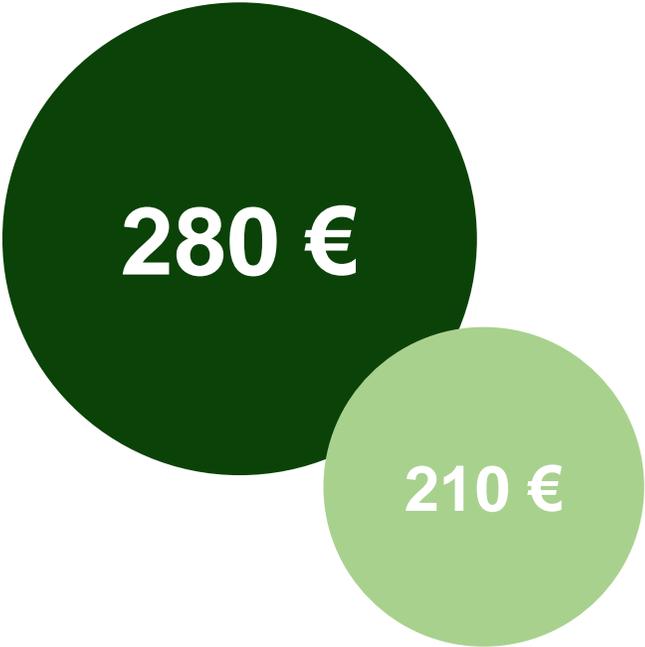


Labor Cost, Kučevo	Amount
Average Net Salary	296 €
Contributions and Taxes (Employee)	103 €
Contributions and Taxes (Employer)	68 €
Total Contributions	171 €
Average Gross II Salary (Total Cost)	467 €

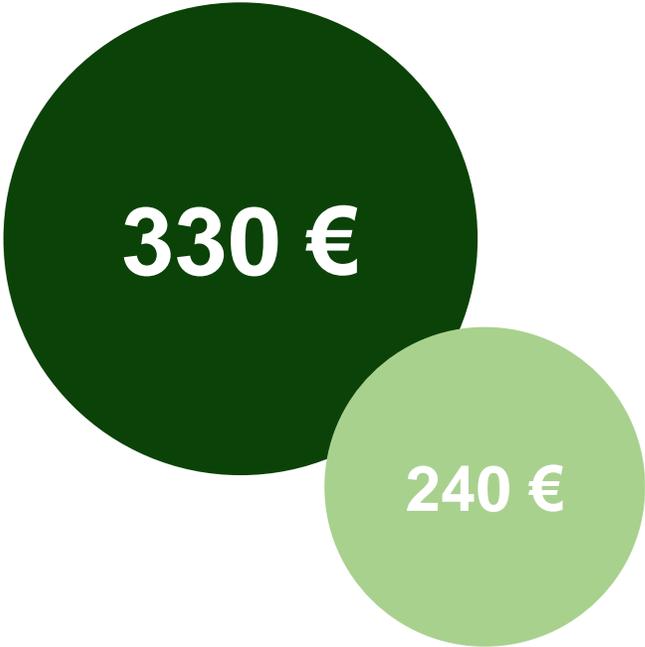
Source: Statistical Office of the Republic of Serbia; RAS calculations

COMPETITIVE OPERATING COSTS – LABOR COST

PRODUCTION



ADMINISTRATION



- Experienced
- No experience

Source: Municipality of Kučevo



COMPETITIVE OPERATING COSTS – UTILITIES

WATER



1,24 EUR/m³

WASTE WATER



0,35 EUR/m³

ELECTRICITY

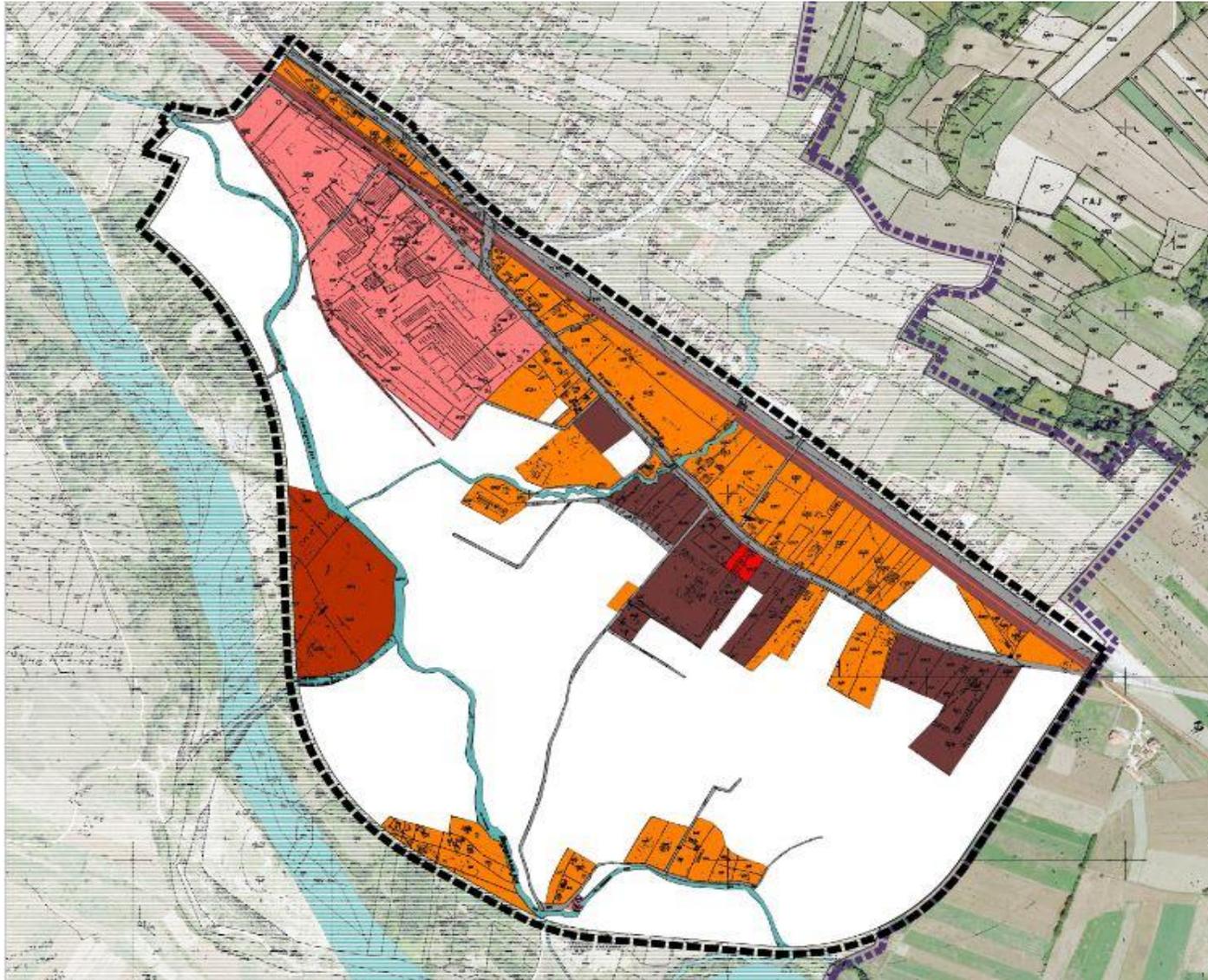


0,067 EUR/kwh,

All prices are average and include VAT

“Ready to Go” Proposed Locations

INDUSTRIAL ZONE KUČEVO - OVERVIEW



-  Production Area
-  Living Area
-  Mixed Business
-  Public Area
-  Available Construction Land

INDUSTRIAL ZONE KUČEVO - OVERVIEW

- It lies at an excellent strategic position, on the regional road 33
- The zone is mainly intended for industrial production and services sectors
- It is possible to accommodate the zone to best suit investors' tastes and business strategies
- New infrastructure plans aim to connect the Industrial zone with major surrounding cities
- Currently there are companies operating within the industrial zone, so not all of the land is available

Industrial Zone Kučevo	
Size	75.70 ha
Ownership	Republic of Serbia, Municipality of Kučevo and Private owners
Distance from City Center	2 km
Water	Yes
Sewage	Yes
Electricity	Yes

BROWNFIELD LOCATION

Kombinat Kučevo represents one of the most promising brownfield locations in the Eastern Serbia

- Total area of all buildings – 21,621 m²
- Total site area – 10 ha
- This site contains a building of 6,902 m², eight buildings of 1,000-2,000 m² and multiple smaller objects

Location Information

Ownership	Private (available for sale)
Site Area	10 ha
Buliding Area	21.621 m ²
Electricity	Yes
Water	Yes
Sewer	Yes



- Geographic location of Kučevo is especially favorable for the development of the wood industry and mining
- Eastern Serbia is abundant in woods and minerals
- Wooded area covers 45.1% of land in the Eastern Serbia which is twice the average of Serbia
- The most represented species is beech (52.1%) followed by oak (29.3%) and tilia (5.4%)
- Nearby are located mineral sites: iron, copper, gold, wolfram, limestone, sand...
- The quartzite site Kaona is located just 6 km from Kučevo
- None of the sites has yet been exploited





Tourism and Living

- Kučevo is a safe and visitor-friendly city
- Workers manage to maintain work-life balance: there are plentiful outdoor activities in the area to choose
- The region is well-known for its traditional cuisine: mountain cheese, young lamb, brandy...
- Ethno tourism has been growing in the previous years – visitors mostly discover nearby caves and enjoy fresh air and untouched nature
- Remains of the Roman city Krakus Lu Jordan (3. century BC) are just 14 km away
- Multiple cultural festivals celebrating old Serbian practices, music and food are held each year
- The most popular festival “Homoljski Motivi“ celebrates 50 years this coming May
- Đerdap, the biggest Serbian national park, is just 30 km away

TOURISM AND LIVING



Conclusion

CONCLUSION

- Kučevo is a city with available, qualified and affordable labor force creating opportunities and benefits for businesses
- In addition, Kučevo is abundant in raw materials making wood industry and mining especially attractive
- Unexploited quartzite, coal and gold sites are locations with highest potential
- Both greenfield and brownfield locations are available in the city
- The local government is efficient and helpful
- The region is surrounded by nature and stunning touristic sites
- With all of the above, Kučevo is one of the most attractive investment locations in Serbia

“Kučevo is an excellent investment location – here we found qualified labor force and excellent raw materials. The logistic support we receive from the municipality is also very important. I definitely recommend investing in the Municipality of Kučevo.”

Zoran Lazović, ABM International



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