

BUSINESS

YOUR BUSINESS NETWORK **LINK**

**A NEW NARRATIVE
FOR SOUTH-EAST
EUROPE**

KARIN KNEISSL

**VISION OF
MONTENEGRO**

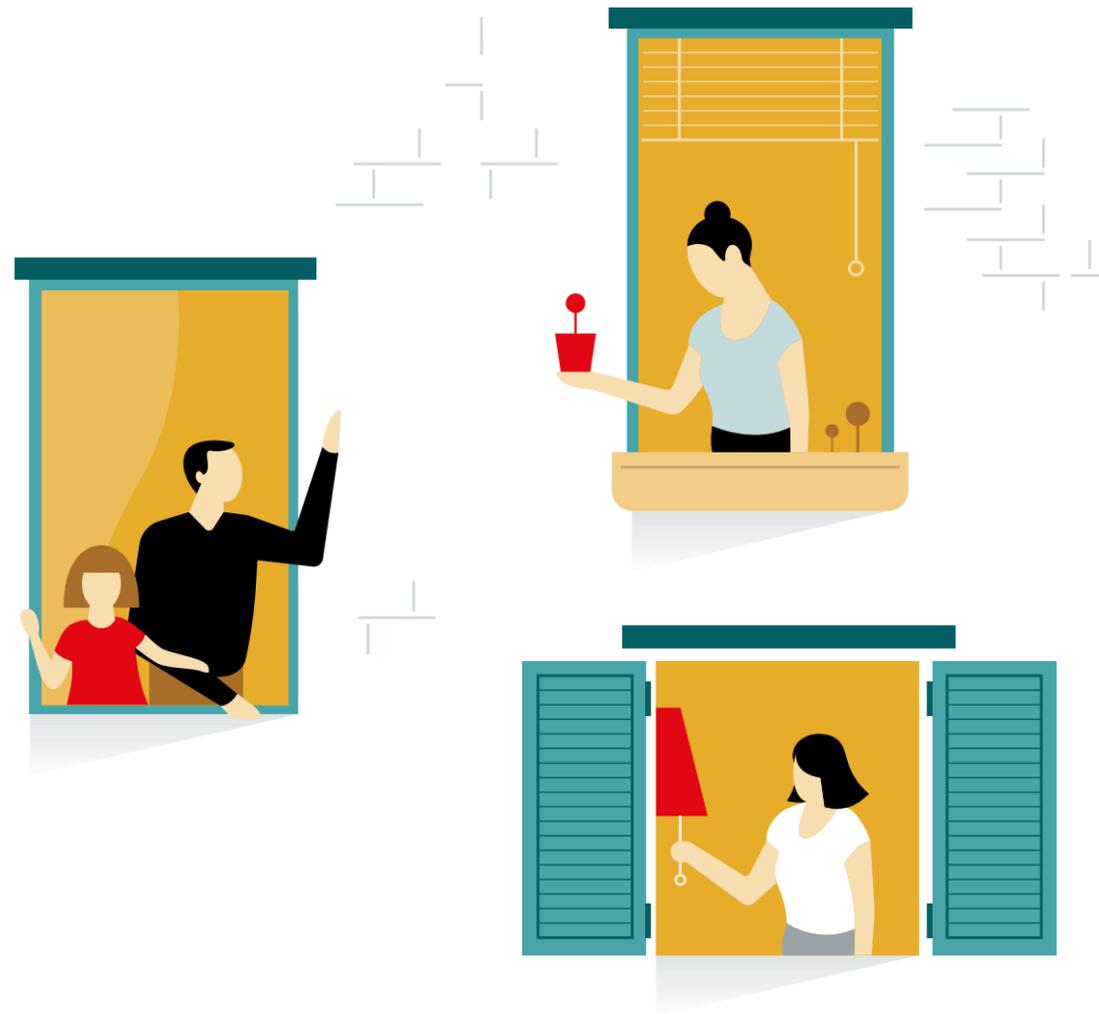
Milutin Simovic

**LINKING WITH EU
AND BEYOND
IS ESSENTIAL
FOR BUSINESS**

Johanna Mikl-Leitner



SEEBDN



MULTINATIONAL

Protecting what matters.

We see diversity as one of our strengths. With around 50 Group companies in 25 countries, we share our experience and expertise with each other. We build on innovative ideas and influences from various cultures for the benefit of our customers, partners, shareholders and employees. Diversity is part of everything we do. To find out what also matters to us, visit www.vig.com



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SEEBDN – A YOUNG, SUCCESSFUL, AND GROWING ORGANIZATION

Southeast Europe Business Development Network (SEEBDN) shares a vision that private sector in Southeast Europe (SEE), through the process of networking and joining forces, can give a boost to economic growth in that region. Cooperation with the private sector is one of important factors for stability and prosperity in this part of Europe. This is where we see a role of SEEBDN.

SEEBDN's mission is to contribute with its activities in Southeast Europe to faster development of the region, to provide full support to its members, and to back up EU candidate countries in Southeast Europe on their path to the European Union.

Although we are a very young organization, we can proudly say that we have already achieved remarkable results, while our plans for the next period are even more ambitious.

Let's start from the beginning. Last year we established SEEBDN and successfully marked the occasion at a conference held on 22 November 2018 at the Diplomatic Academy of Vienna. We are honored by the fact that the importance of our organization has already been recognized by some of the most prominent figures in the world



ALEKSANDAR GROS

General Secretary of the SEEBDN
Executive Director at Grimex
Consult



FRITZ KALTENEGER

Chairman of the Board of the
SEEBDN
CEO at café+co International
Holding GmbH

of economy, finance, politics and diplomacy. Hence, the number of SEEBDN members is growing rapidly, along with a proportionate growth of support we are getting from both policy makers and economic decision makers from countries of Southeast Europe, Austria and Germany.

In order to present what we do in SEEBDN, we have launched the Business Link magazine. The magazine features up-to-date topics and authors from the spheres of economy, politics, innovation and digitization. We plan to distribute the magazine at least twice a year directly to companies, government institutions and non-governmental organisations from the countries in which we are active.

Speaking of our next steps, for sure we will continue to work on connecting and directly networking our members with new potential business partners, as well as on providing them with opportunities to expand their businesses in the new SEE and German-speaking markets.

We also plan to organise important meetings in a new format. For example, we are currently active in organising the SEE Business Circle - an exclusive event which will gather members of our Managing Board and Advisory Committee,

We are using this opportunity to invite, one more time, all companies that share our values or find interest in taking part in our activities to join us and become part of a wider picture, part of the SEEBDN family. Let's make positive changes together!

business people and diplomats. The first SEE Business Circle will be held in Vienna on 18 March 2019, and during this year more gatherings of this kind will ensue.

The conference "Destinations on the Rise" is also a new format of events aimed at showcasing one country from the SEE region each year, which will have an opportunity to present its economy, companies and investment projects. The partner of SEEBDN at these conferences is the famous Austrian media company "Die Presse".

Montenegro is the first country to be presented in this format, at the conference "DESTINATIONS ON THE RISE 2019 - MONTENEGRO", which will be held in Vienna on 15 May 2019. We plan to organise these conferences once a year, always with the support of the government of the country concerned.

We are using this opportunity to invite, one more time, all companies that share our values or find interest in taking part in our activities to join us and become part of a wider picture, part of the SEEBDN family. Let's make positive changes together!



Dr Wolfgang Petritsch at the SEEBDN Launch Event in Vienna



Fritz Kaltenegger at the SEEBDN Launch Event in Vienna

A NEW NARRATIVE FOR SOUTH-EAST EUROPE

KARIN KNEISSL

Austrian Minister for Europe, Integration & Foreign Affairs



Austria is bridge builder for EU partners who are geographically further away from the region

During the 2018 Austrian Presidency of the Council of the European Union, we quite naturally built on the EU-“Western Balkans” focus, which had taken shape under the preceding Bulgarian EU Presidency. In fact, by 2018 the region had fully moved back towards the centre of EU attention.

Since taking office, I visited every single country of the region. SEE is very familiar to me, hence I prefer to replace the term “Western Balkans”, whenever appropriate, by using “Southeast Europe” instead: “Western Balkans” was effectively coined at an EU-forum in 1999 and has come to be established. However, it blurs the geographic picture and stresses the term Balkans, which carries a somewhat derogatory connotation. I received many positive reactions: language is powerful; words reflect realities – but they also help to shape them. Let me therefore use “Southeast Europe” - and feel free to emulate this exercise!

Of course, I can understand the scepticism concerning the current developments in SEE, as voiced in some EU capitals. Nevertheless, the EU cannot be complete without the integration of all the countries in Southeast Europe. My conviction is not derived from lofty principles or romantic dreams, and neither does it stem from Austria’s geographic vicinity and historical links to the region. In SEE, the EU is challenged by various threats and influences, from

illegal migration to third actors who turn our neighbourhood into a geopolitical theatre.

Austria is bridge builder for EU partners who are geographically further away from the region. We try to complement their picture of the region with the realities, problems, but also opportunities and advantages, which we know SEE has. The region has been a reliable partner during the migration crisis, essential in fighting illegal migration.

Geography is a constant fact of history: when geography and history meet, geopolitical analysis kicks in. When adding the geography of the EU MS and SEE as well as our common history, it becomes obvious, that the future of South-east Europe must be inside the EU.

Over the last years, the countries of the region have improved their mutual contacts, connected some of their infrastructure and eased some of their exchanges. Yet, progress is too slow: with each passing year, the stream of migrants to the EU from every single SEE country is increasing substantially. At the same time, the leading regions of this world, Asia first, are taking strides in technological breakthroughs, challenging Europe.

Let me cast a brief glance into the rear mirror - we are looking back on several years of slow progress in reforms in the region and on its path towards the EU, but also on a recent significant positive change: Regarding both Skopje and Tirana, genuine reforms have led the Commission to recommend the

opening of accession negotiations. In June 2018, the Council acknowledged this progress and paved the way for opening negotiations in 2019. The breakthrough in the name-issue between Athens and Skopje highlights how joint diplomatic and political efforts can lead to peaceful solutions and neighbourhood.

Concerning the Belgrade-Pristina Dialogue, one important point needs to be clarified: it is a myth to think that bilateral issues cannot be resolved and should best be placed under quarantine: all it takes is political will, courage and a spirit of compromise.

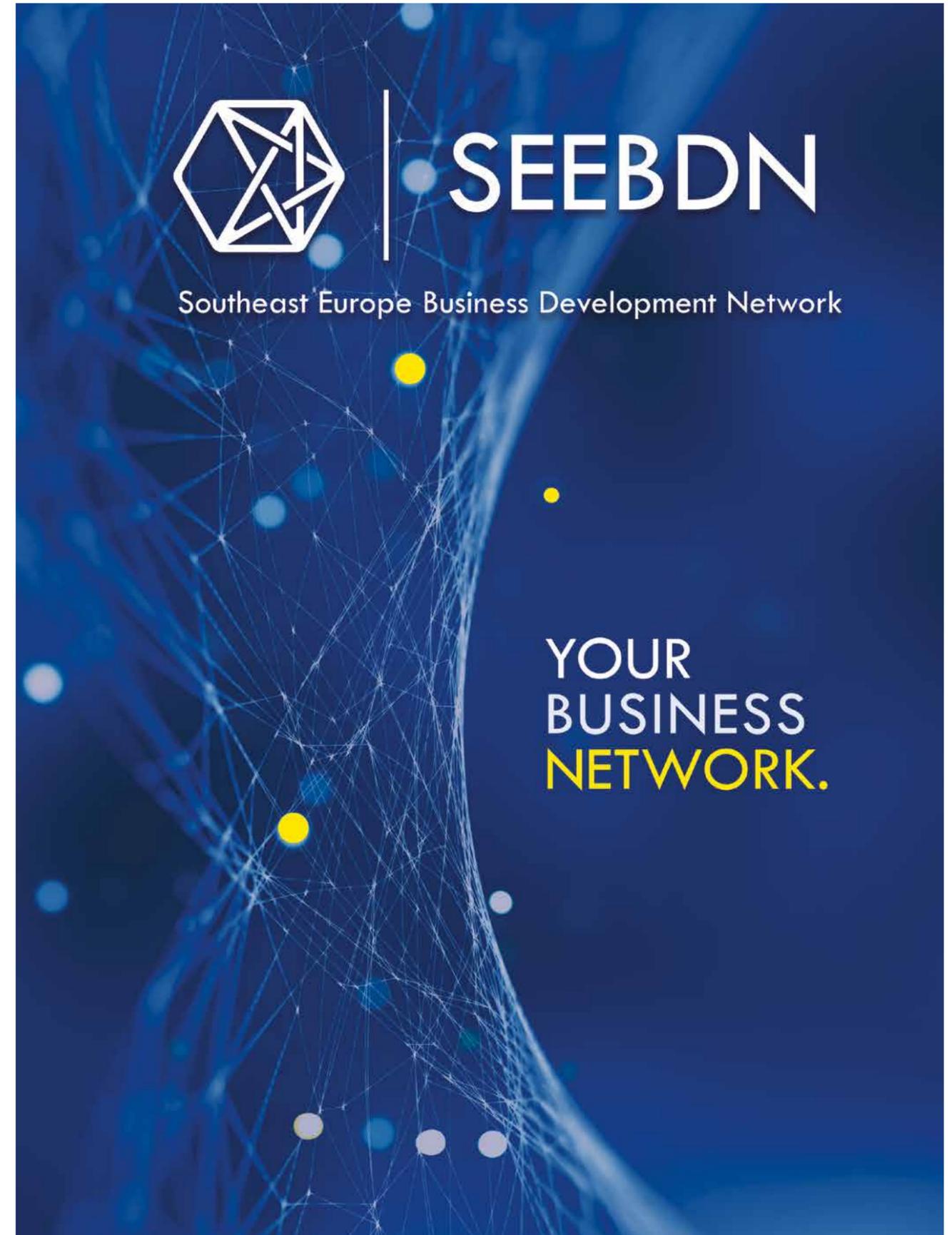
Today we are discussing EU enlargement with renewed acumen. This is a positive sign, and yet, breakthroughs are overdue. People in the region deserve a better future - they should be able to profit from and contribute to it, not only by emigrating to EU member states, but by staying in their regions and contributing to the endeavours for prosperity.

I can only repeat that the EU - and Austria - stand ready to support the countries of South-East Europe on their way towards the European Union, because it is in our shared interest.

Viribus unitis, with unified forces and determination, the EU and its members, together with the SEE-6, can put into action a new and positive narrative for South-East Europe, strengthening our entire continent in the age of global competitiveness.



The EU cannot be complete without the integration of all the countries in Southeast Europe





Lower Austria's location in the heart of Europe makes it a hub between the west and the east. As we earn €22 billion through exports, we generate more than 50% of our gross regional product outside Austria

SHOWCASING REGIONS

LINKING WITH EU AND BEYOND IS ESSENTIAL FOR BUSINESS

INTERVIEW: **JOHANNA MIKL-LEITNER**, The governor of Lower Austria

Economic collaboration with other countries is essential, particularly for a region with the target to position itself strongly as a modern economy and science focused in the European Union. Since joining the EU in 1995, we have succeeded in doubling our economic processes and in drastically increasing our export business. Every second work place is linked to export – this is how Johanna Mikl-Leitner, acting governor of Lower Austria replied to the Business Link Magazine, answering question - what is the significance of linking not just countries, but regions as well.

“We do not only focus on export to EU countries, but also on other continents. And in order to do so we have an internationalisation strategy”, she said.

SEEBDN: What is the economic strategy of the Lower Austrian region and what are your foreign trade priorities?

Mikl-Leitner: Today, Lower Austria is already a leading economic performer among the regions of Europe, which has been confirmed by numerous EU awards we have received. Besides our reputation as a high-tech location, our region is export- and innovation-driven and has an excellent research infrastructure. In order to stay competitive we have developed our Lower Austrian economic strategy 2020, which focuses on four core strategies:

Sustainable Business Success and Internationalisation: supporting companies in their sustainable growth and in their internationalisation activities, as well as with appropriate financing mechanism and our assistance with site establishment and expansion projects.

Research, Development and Market Implementation: fostering research and development with the particular focus on marketing, development and the backing of cooperative R&D&I projects and providing the sponsorship of cooperative innovation projects.

Start-ups with Growth Potential: promoting and funding business start-ups with growth potential, offering innovative financing forms such as participation interests and venture capital with an emphasis on innovative business ideas and improving the business start-up environment.

Attractive Business Sites: developing and managing technology and research centres, as well as business parks and business site co-operations and promoting regional flagship projects as well as identifying and supporting top business establishment and expansion projects.

SEEBDN: Lower Austrian exports are growing year on year. How do you support exporters?

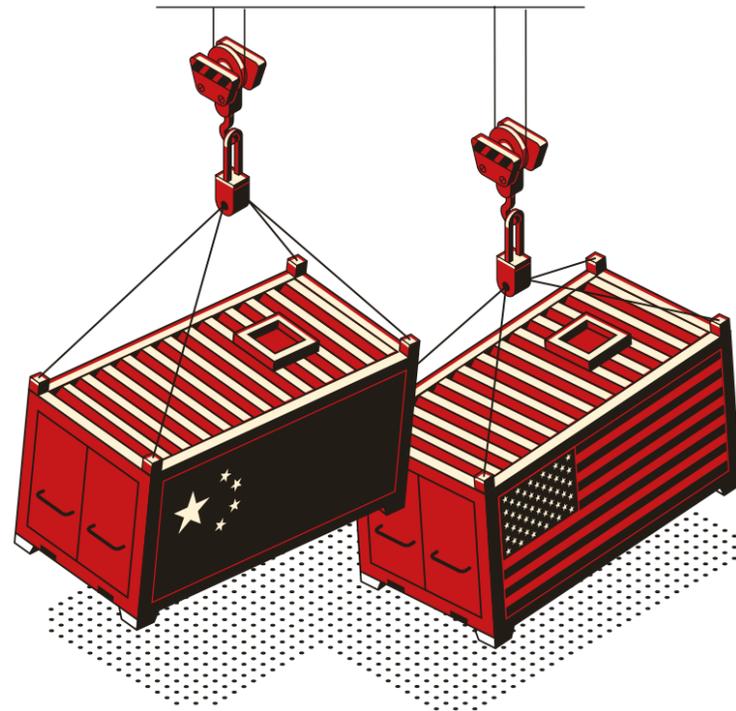
Mikl-Leitner: Lower Austria's location in the heart of Europe makes it a hub between the west and the east. The fall of the "Iron Curtain", the expansion of the EU and the resulting opening of borders made it even easier for SMEs to expand internationally. As we earn €22 billion through exports, we generate more than 50% of our gross regional product outside Austria. Traditionally, Lower Austria's key markets are our neighbouring countries as well as the EU member states. It is not surprising, that Germany is by far the most important export market for us. This is followed by the Czech Republic, Italy, Hungary and the United States. In fact, five out of our ten most important export markets are located in CEE/SEE countries, underlining the importance of these markets for our companies. Over 75% of all our exports of goods go to the EU. Regional diversification is important for our export economy – we also have the US market and Asian countries "on our radar". In April this year I will have the privilege of leading a high-level Lower Austrian business delegation to China.

SEEBDN: What other areas of the Western Balkans have potential for economic cooperation? What are the preconditions?

Mikl-Leitner: In 2017, Slovenia – to which we exported goods to a value of €570 million – was in the 10th place in the league of most

important Lower Austrian export destinations, while Croatia was in the 21st place (€200 million). Both countries are members of the EU which, of course, both considerably facilitates and promotes trade. Serbia was in the 23rd place (€160 million) and Bosnia and Herzegovina in the 35th place (€67 million), whereby Bosnia and Herzegovina seems to be in the process of establishing itself as a hub with a focus on contract production. Since 2016, there has been a significantly positive upward trend in exports from Lower Austria to Croatia and Serbia – however, when we compare this with the sit-

uation in the case of countries such as Slovakia and Hungary, there is undoubtedly potential for improvement here. Political stability, the rule of law, minimal bureaucracy and a good infrastructure are essential prerequisites, while a dynamic economy, willingness to invest and spend are fundamental factors that determine whether an export market is of interest. Macedonia, Albania, Kosovo and Montenegro are not among the top 60 of Lower Austria's export markets. These countries are not yet fully on the radar of businesses based in Lower Austria.



Regional diversification is important for our export economy – we also have the US market and Asian countries "on our radar".

SEEBDN: To what extent can associations such as SEEBDN contribute to the enhancement of business relationships?

Mikl-Leitner: At regional level, people are closer to the citizens and it is easier to develop tailor-made solutions. That is why we - in Lower Austria - maintain our international contacts by ourselves. In April we are going to visit our Chinese partner province in Zhejiang with an economic delegation in order to keep our economic contacts and to conclude cooperation agreements in the fields of technology, science and tertiary education. In Europe, we are in close and regular contact with numerous regions both within and outside the EU. This is why we are leading an initiative to ensure that all regions keep getting sufficient funding from the EU in the future, too. The first drafts of the EU's Multiannual Financial Framework

have shown that our initiative has been a success. In fact, organisations such as SEEBDN, help regions to position themselves internationally - and this benefits both the economy and society.

SEEBDN: As the former Austrian Minister of the Interior, how important do you consider the Balkan countries as regards the fight against illegal migration?

Mikl-Leitner: I think the Balkans is a key region on this issue. In my previous role, I was always looking for dialogue with the countries and worked to combat illegal migration together with the local partners on site. As the current government with Federal Chancellor Sebastian Kurz continues to pursue this path, we seem to have been on the right track. This is, in fact, a great example of how major challenges can only be solved by working together across national borders.

SEEBDN: Do immigrants contribute to the economy of Lower Austria and if so - how?

Mikl-Leitner: In view of the demographic development and the ageing of our society associated as a result, there is no alternative to controlled and qualified immigration. To my understanding, it facilitates integration when immigrant people go to work. In addition, the economy also benefits from qualified immigration, as we have a shortage of skilled workers despite the good economic times. The challenge is to manage and direct immigration in a way that benefits both migrants and the local economy and society. I am happy to live in a country where people are trying to meet this challenge with both their brains and their hearts.

LOWER AUSTRIAN EXPORT TO WESTERN BALKANS

| | |
|----------|--------------|
| SLOVENIA | €570 MILLION |
| CROATIA | €200 MILLION |
| SERBIA | €160 MILLION |
| B&H | €67 MILLION |

In fact, organisations such as SEEBDN, help regions to position themselves internationally - and this benefits both the economy and society.

SHOWCASING REGIONS

TAKE INITIATIVE, DON'T JUST WAIT!

INTERVIEW: **IGOR MIROVIC**, President of the Government of the Autonomous Province of Vojvodina

The Provincial Government that I am leading established last year the Vojvodina Development Agency to directly stimulate the opening of new factories and creating new jobs, and this has already yielded tangible results



**1.7 MILLION
HECTARES**



OF ARABLE LAND

"Vojvodina has considerable potential, mostly in agriculture, but also in all other areas. Thus, it is only natural that we have the largest number of foreign companies that have decided to invest in Vojvodina", Igor Mirovic, President of the Government of the Autonomous Province of Vojvodina, told the Business Link Magazine in an interview.

"As for agriculture, we have more than 1.7 million hectares of arable land, with the potential to irrigate as many as 1.2 million hectares of land thanks to our rivers and our canal network. We boast a long and rich tradition in modern agricultural practices; we use pesticides considerably less than other countries do and our people are very skilled and committed to their work", Mirovic said.

SEEBDN: What are your specific advantages for attracting investors?

Mirovic: Our people have excellent education and professional skills required for all production levels, including high-tech. Therefore, it's no wonder that the city of Novi Sad, the administrative capital of Vojvodina, is an IT hub, not only in Serbia, but also beyond. All of this is thanks to the excellent quality of education, primarily that provided at the Novi Sad University, which has more than 50,000 students, as well as that provided by other educational and scientific institutions. Another advantage is the fact that Serbia has free trade agreements with many countries, i.e. large markets, which provide for financial facilities and tax relief at both state and provincial levels. It is for this very purpose that the Provincial Government that I am leading established last year the Vojvodina Development Agency to directly stimulate the opening of new factories and creating new jobs, and this has already yielded tangible results.

SEEBDN: What methods of promoting the Autonomous Province of Vojvodina have you used and which one appears to be the most efficient?

Mirovic: One of the key commitments of my government since it was formed in mid 2016 has been to take initiatives rather than just wait for things to happen, and our initial experience shows that this is an effective formula. Hence, we have continuous communication with potential investors from re-



Igor Mirovic visiting Austria

gions of other countries, including Austria, of course; we are deepening the existing regional cooperation agreements and signing new ones. In line with our strategic commitments, we have been present on regular basis at prestigious international trade fairs all over the world, like the ones in Frankfurt, Berlin or Beijing, and attending expert conferences aimed at enhancing economic cooperation and all other types of cooperation. One such conference was "Serbia meets Austria – Explore Serbia's Industrial Hub Vojvodina", a business conference organized in 2017, which I personally attended and which brought together more than 70 companies from Austria and Serbia.

SEEBDN: How important to you is regional connectivity, i.e. inter-provincial connectivity, and why?

Mirovic: The importance we attach to this type of connectivity is best illustrated by the fact that since the current Provincial Government was formed to-date, i.e. in the period of about two and a half years, we have signed 11 new inter-regional agreements with our partners from Europe and Asia. Among them are agreements with Italy's Lombardy region, the French department of Val D'Oise, Chinese provinces of Fujian and Hainan, Nizhegorod Oblast and Arkhangelsk Oblast of the Russian Federation, etc. As a rule, decentralized cooperation is much easier and more efficient and, in all cases, we seek to focus on enhancing trade relations and economic relations as a whole, which, in turn, facilitates and accelerates the enhancement of cooperation in culture, education, science and other areas, as well. In the world that we are living in today the flow of

capital, goods, people, ideas and everything else that our development depends upon often accelerates incredibly, which impacts our everyday life. All of this increasingly steps up the importance of regional connectivity and sharing of all kinds of experiences.

SEEBDN: Have you used any of EU's regional connectivity projects and programmes that are available and what are your plans and capabilities to that effect?

Mirovic: This type of connectivity also implies involvement of non-EU member states. To that effect, the Republic of Serbia is currently participating in 23 cross-border and trans-national programmes. The Interreg-IPA programmes of cross-border cooperation are mostly implemented with Hungary, Romania and Croatia and, of course, our province is involved in them. Under those programmes, we have implemented a project of construction of the Serbian Cultural Centre in Hungary's Mórahalom tourist resort. Last year, we also laid a foundation stone for the Hungarian Cultural Centre at Palic, Vojvodina. A strategic project on revitalization of the Begej river canal navigation infrastructure is currently being implemented with our Romanian partners. Our goal is to keep expanding and developing this kind of cooperation in the time to come.

SEEBDN: Vojvodina has been cooperating with Styria and since last year with Lower Austria as well. Are you satisfied with this cooperation? What are its benefits for Vojvodina?

We have agreed with our partners from Lower Austria to expand and strengthen our cooperation primarily in the processing industry, agriculture, environmental protection and culture

Mirovic: The province of Styria has been Vojvodina's long-standing partner and we have established multiple ties, from economic ones to those in education. In the field of education, thanks to the Memorandum of Understanding signed between the University of Graz and the University of Novi Sad, i.e. the cooperation agreement between the Law Schools of the two universities, a significant number of young people from Vojvodina are studying in Graz. As for our cooperation with Lower Austria, mainly there is cooperation between the provincial assemblies, but during the previous visit to Vojvodina by our partners from Lower Austria, we have agreed to expand and strengthen our cooperation primarily in the processing industry, agriculture, environmental protection and culture.

SEEBDN: Where do you perceive room for enhancement of cooperation with Austria?

Mirovic: Cooperation with Austria is of great importance to us, primarily economic cooperation, as well as cooperation in all other areas. What we find encouraging is the fact that our mutual trade is

constantly on the rise, having increased from about 280 million in 2015 to nearly 409 million euros in 2018, which is the largest scope of cooperation we have achieved so far. However, we want this scope of trade to be even larger and we believe that there is a lot of room for further increasing our cooperation in a wide range of areas – from manufacture of motor vehicles and electrical equipment, agriculture and food processing industry to the production of computers and electronic and optical equipment.

**MUTUAL TRADE
INCREASED FROM
280 MILLION**



**TO
409 MILLION**



SEEBDN

Southeast Europe Business Development Network

**YOUR
BUSINESS
NETWORK.**

ECONOMIC GROWTH IS NOW A KEY ISSUE FOR SERBIA

PAVLE PETROVIC

President of the Fiscal Council, Republic of Serbia

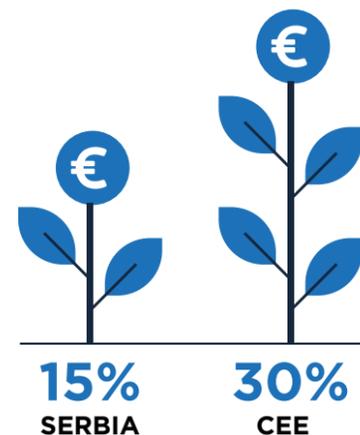
Serbia successfully implemented a sizeable fiscal adjustment in the 2015-2017 period and avoided a potential crisis – from an enormous fiscal deficit in 2014 of 6.4% of GDP, a structurally balanced budget was achieved in just three years and public debt is now firmly put on a downward path. While restoring macroeconomic stability was an excellent result, many issues that Serbian economy is facing have remained unresolved because the majority of planned reforms (including loss-making public enterprises and SOEs, local governments, education and healthcare systems, increase in public investments, etc.) have mostly failed. Due to a lack of crucial reforms in the public sector, fiscal policy is still not fully sustainable, nor is it appropriate for boosting insufficient economic growth – which has been the main structural problem for almost a decade. Serbia ranks at the very bottom with respect to economic development and living standard, when compared to EU countries. Its GDP per capita (in PPP) is half that of Central and Eastern Europe and a mere third of the devel-

oped EU countries. To start catching up with CEE countries, Serbia needs to have a lasting economic growth that is substantially higher than theirs - but this is not happening. From 2010 to 2018, the Serbian cumulative growth was about 15% and, on average, CEE countries had doubled this growth (30%), which means that the living standard in Serbia actually lags further and further behind comparable countries. This very same conclusion, with minor differences, can be generalized to the Western Balkan region as a whole. It is important to understand that low growth in Serbia (and most probably in the region) is not caused by transient factors limited to individual sectors, but by the fundamental economic and social issues: pervasive corruption, gap in the rule of law, low level of state and private investments and poor quality of education. These factors alone – deficient institutions and low investment – can explain why Serbia is currently growing almost 2 percentage points below its potential: above 3% instead of around 5% annually. What is of particular concern is the fact that these indicators of institutional



The Government can directly contribute to the increase of total investment as well, by increasing its own investment in basic infrastructure (roads, railroads, municipal infrastructure) and investment of public enterprises

CUMULATIVE GROWTH FROM 2010 TO 2018



While restoring macroeconomic stability was an excellent result, many issues that Serbian economy is facing have remained unresolved

quality – especially the rule of law and corruption – have deteriorated in the previous four to five years. Going forward, it is absolutely necessary to lock-in good results of the fiscal consolidation of 2015-2017. Maintaining the macroeconomic stability is the crucial precondition for stronger growth of the Serbian economy in the future and, in addition, keeping the low fiscal deficit and a further decrease of still elevated public debt can facilitate raising its current low credit rating. The Government

can directly contribute to the increase of total investment as well, by increasing its own investment in basic infrastructure (roads, railroads, municipal infrastructure) and investment of public enterprises. Furthermore, it can stimulate private investments by improving the currently very poor business climate in Serbia, specifically control of corruption and the rule of law, which seems to be the most significant factor that hampers the economic growth at the moment.

EIB - RELIABLE PARTNER FOR DEVELOPMENT OF WESTERN BALKANS



DUBRAVKA NEGRE

Head of the Western Balkan Regional Office of the EIB

Lending is by far our principal activity and in the last 10 years, the Bank has financed projects in the Western Balkans worth EUR 8 billion

The EIB Group, consisting of the European Investment bank (EIB) and the European Investment Fund (EIF), is the financing arm of the European Union. Our extensive lending, blending and advisory capacities are at the service of all EU citizens, as well as citizens of over 160 countries worldwide in which we operate. The EIB has been active in the Western Balkans since 1977, and today is one of the largest international financiers in the region. As the EU Bank, we support the Western Balkans in its integration process with the EU. This is reflected in our operations that promote economic development, transport, energy and digital connectivity, climate change adaptation and

improvements in the living standards.

Lending is by far our principal activity and in the last 10 years, the Bank has financed projects in the Western Balkans worth EUR 8 billion, supporting all major infrastructure, as well as small and medium sized enterprises, industry, education, health care services and local authorities.

With EUR 2.6 billion of financing provided since 2007 to transport sector, the EIB is supporting the reconstruction and upgrade of key infrastructure and in particular the Priority Corridors under the Connectivity Agenda (Corridors X in Serbia and North Macedonia, Corridor Vc in Bosnia and Herzegovina).



Alongside connectivity and infrastructure, support to Small and Medium Size Enterprises (SMEs) is a key part of our business

We are also increasing our financing in the region by combining EU grants with our loans not only for project financing but also for much needed project preparation and implementation. EUR 4.4 billion of EIB financing is blended with EU grants under the Western Balkan Investment Framework (WBIF) to support 74 projects. Alongside connectivity and infrastructure, support to Small and Medium Size Enterprises (SMEs) is a key part of our business. By providing funding and guarantees to the local commercial banks, we are contributing to local enterprises accessing funding under more favourable conditions and competitive interest rates with longer maturities.

Since 2009, the EIB provided EUR 3.3 billion credit lines to SMEs

through local commercial banks, sustaining over 500,000 jobs across the region. The EIB Group also supports riskier, innovative companies. In particular, the EIF specialises in providing risk finance for the benefit of SMEs. In the last two years, the EIF has entered into 19 guarantee agreements stimulating more than EUR 900 million of new SME lending in the Western Balkans.

As we look ahead, the EIB will further intensify its support to the region through its Economic Resilience Initiative (ERI), with the objective of addressing in particular social and environmental challenges. Over the four year period that started in 2016, ERI will bring the total mobilisation of investments in the Western Balkans to around EUR 6 billion.



ECONOMIC POLICY SHOULD FOCUS ON INVESTMENT GROWTH



ALEKSANDAR VLAHOVIC

President of the Serbian Association of Economists

It is vital to encourage domestic private investments, as well as to increase capital budgeting investments in order for the level of total investments to reach 25% of GDP by 2022

Since the outbreak of the economic crisis in 2009, the major problem for the Western Balkan countries has been a significant decrease in FDI and financial capital inflows. Almost all countries in the region were unprepared to manage the economic crisis, burdened by their own inherent structural problems. In the years of high foreign capital inflow, these problems were not so obvious. Increasing internal and external deficits were managed with accelerated loans. The shift in the economic policy of most countries in the region occurred only after 2014. Nowadays, they are basing fiscal consolidation, more or less successfully, on savings, while simultaneously implement-

Serbia, as the largest economy in the Western Balkans, has a prevailing influence on the overall performance of the region

ing a structural reform program. In the Western Balkans region the growth reached the projected level of 3.5% last year, mainly due to the acceleration in economic activities in Serbia. The employment rate reached the pre-crisis level. Unemployment, especially youth unemployment, along with unfavorable demographic development and migration of population, still pose the biggest problem, with some significant differences between the Western Balkan countries. Generally speaking, the mid-term projection of the development of economic activity is positive and therefore, its increase is expected to be 3.5% and 3.4% this year and next year, respectively. However, external risks

are becoming a crucial factor that will affect the realization of the projected levels. At the same time, ensuring fiscal sustainability and macroeconomic stability remains the main priority. It implies further reduction of the share of public debt to GDP, maintenance of fiscal deficits at the level up to the average 1.5% of GDP, reduction of external deficits, and more intensive implementation of structural reforms.

Serbia, as the largest economy in the Western Balkans, has a prevailing influence on the overall performance of the region. Fiscal stability has been preserved, budget surplus has been recorded for the second consecutive year, and public debt has been reduced by 8 pp. However, the growth is still slow, unstable and insufficient to reach the average EU standard quickly. Hence, the current economic policy should focus on investment growth. Current total investments account for only 19% of GDP. The investment growth should be twice as fast, at the rate of 12% and more per year. In other words, it is vital to encourage domestic private investments, as well as to increase capital budgeting investments in order for the level of total investments to reach 25% of GDP by 2022. Only then will it be feasible to achieve the economic growth at the rate of 5% or more per year.



The level of total investments to reach 25% of GDP by 2022

NORTH MACEDONIA: COMMITMENT TO LONG-TERM GROWTH AND PROSPERITY

GLIGOR BISHEV PhD

University Professor and CEO of Sparkasse Bank Macedonia

Berlin Process opened a new chapter of challenges and opportunities for Western Balkan Countries (Albania, Bosnia and Herzegovina, Kosovo, FYR Macedonia, Montenegro and Serbia). Instead of producing history, the region made a choice to produce peace, growth and prosperity.

After years of strong political tensions: 2016-2017, FYR Macedonia entered into swift and comprehensive reforms, political stability and rebound of growth. In 2018 and beginning of 2019, the disputes with Greece regarding the name issue were solved. In January 2019 the Constitution was amended, and since February 2019 the name of the country has become Republic North Macedonia. In the same month, North Macedonia, became the 30th NATO country and a process of ratification of membership per particular countries started. There is a high probability that from June 2019, North Macedonia will start accession negotiation with the EU.

Integration with the EU is opening great challenges and opportunities. The EU has already been the main trading partner for North Macedonia, accounting for more than 60 percent of foreign trade. The

same goes for FDIs. Net export (a 19-percent increase in 2018) is a main driving force of economic growth, which in 2018 was modest, around 2.2 percent. Integration with the EU is perceived as the main tool to accelerate institutional and structural reforms. This should enable currently assessed long-term potential for growth of around 3.5 percent to increase to around 5 percent. Projections are that when North Macedonia joins EU around 2025-2028, GDP per capita will be between 45-48 percent of the EU average.

This will require efficient allocation and increase of investments: private and public; foreign and domestic, in order to change the structure of the economy, make it more competitive and boost growth.

Financial sector, especially banks, which account for 93 percent of the total financial sector, will play a crucial role in efficient intermediation and allocation of funds. Growth will require significant credit support to the private sector. As Schumpeter noted, credit is not an explanatory variable in growth equation, but without credit you cannot buy equipment and become entrepreneur.

The banking sector in North Mac-

Integration with the EU is perceived as the main tool to accelerate institutional and structural reforms



edonia is well capitalized (capital adequacy ratio of 16 percent on average), profitable (RoE of 14 percent, Cost to Income of 54 percent), and has excess funds (loans to deposit ratio of 82 percent), with NPLs at historically the lowest level, 5.1 percent, and among the lowest in the region (only Kosovo has a lower NPL rate: 2.5 percent; Serbia 7.8 percent and Albania 9 percent). The banking industry has an appropriate risk appetite, which enabled credit to grow during all periods after the great financial crisis. In 2018 credit growth was 8 percent. However, the credit growth was mainly driven by loan growth to households, where credit risk measured by NPLs is three times lower than in the corporate sector.

Supporting economic growth and restructuring of the economy will require shifting the credit growth from household consumption to corporate investments. This will require better management of credit risk and better macroprudential standards prescribed by the Central Bank. In the period of swift convergence towards the EU it is highly likely that some sort of risk sharing between banks and the state or with some multilateral institutions like the EBRD will be needed. In addition, the economic growth should rely not only on credit growth, but also on the increase of shareholders' capital, as well. This will require a transformation of the current big partnership companies into shareholding companies and subscribing additional capital.

Better management of credit risk will be supported by the consolidation process within the industry, which is underway. In the period after the global crisis the number of banks was reduced by one third, from 21 to 14 banks. It is expected that consolidation will continue in the future and that the number of banks will be additionally reduced by 20 percent. The current presence of EU-owned banks is also expected to increase further, which will enable big companies and big projects to be financed on a bank group level, where better know-how exists and then the risk will be diversified within the Group.



HRVOJE KRESIC
Reporter / Producer
of N1 Television

Sustainable peace, economic and social progress and reconciliation are only possible when all six Balkan countries that are still not member states have a European perspective, said Johannes Hahn

DAVOS 2019: A LOOK INSIDE

If the world was ever a truly unipolar place, that world has ceased to be. If there was a political system with absolute sovereignty - at least within the last few decades - its sovereignty no longer exists. As pretentious as it may sound, the world is profoundly changing.

The technological, political, economic and societal changes that are underway are not limited to a particular country, industry or issue. The engagement of all stakeholders in sustained dialogue is crucial, as is the imagination to think systemically and beyond short-term institutional and national considerations.

These were the organizing principles of the World Economic Forum's Annual Meeting 2019 in Davos-Klosters, which convened over 3000 participants under the theme "Globalization 4.0: Shaping a New Architecture in the Age of the Fourth Industrial Revolution". Among them were, however, only three leaders of the Group of Seven most industrialized countries: Japanese Prime Minister Shinzo Abe, German Chancellor Angela Merkel and Italian Premier Giuseppe Conte. Donald Trump, Theresa May and Emmanuel Macron cancelled their visits not long before the kick-off.

The debate in Davos confirmed once again that closer global collaboration is needed for many



reasons: the unprecedented complexity of the global system; the accelerating speed of change caused by the ongoing Fourth Industrial Revolution; the insufficiency of the steering mechanism for global governance to deal with current challenges; and populist uprisings around the world driven by a broad-based urge to take back control of society.

Above all, however, is the need to tackle climate change. Or in the words of Sir David Attenborough, whose presence dominated this year's Forum: "The Garden of Eden is no more. We have changed the world so much that scientists say we are in a new geological age:

"We have changed the world so much that scientists say we are in a new geological age: the Anthropocene, the age of humans. What we do now, and in the next few years, will profoundly affect the next few thousand years."



the Anthropocene, the age of humans. What we do now, and in the next few years, will profoundly affect the next few thousand years." The Forum continued diplomacy dialogues aimed at advancing peace and prosperity efforts on other key global fault lines, including the Western Balkans. NATO Secretary General Jens Stoltenberg said that the security situation in the Balkans was a "mixed picture," as some problems are becoming more serious, while progress can be seen regarding other issues. "Either the EU will stabilize the Balkans or the Balkans will destabilize the EU", the Union's Commissioner for Neighborhood Policy and Enlargement Negoti-

ations, Johannes Hahn, added in an interview. Sustainable peace, economic and social progress and reconciliation are only possible when all six Balkan countries that are still not member states have a European perspective, he said, adding that both those countries and the EU profit from that. But despite many optimistic messages, the general atmosphere of this year's WEF was rather gloomy: with the global growth slowing down, many CEOs worry that the political issues - US-China trade war and no-deal Brexit being the biggest of many - have the potential to launch the global economy towards another crisis.

The debate in Davos confirmed once again that closer global collaboration is needed for many reasons

DESTINATIONS ON THE RISE – MONTENEGRO 2019

VISION OF MONTENEGRO AS A MODERN, OPEN AND DEMOCRATIC SOCIETY

MILUTIN SIMOVIC

Deputy Prime Minister for Economic Policy and Financial System of Montenegro



We are actively participating and strongly contributing to the processes of regional integration, cooperation, stabilisation, peace-building and particularly to the economic development processes, improvement of living standards and creation of an attractive investment environment in the region of Western Balkans

Since the renewal of its independence on 21 May 2006, until today, Montenegro, once the least-developed Republic of the former Yugoslavia, has become, according to all parameters, the most developed Western Balkan economy, a NATO member state and a leader in the process of European integration in our part of Europe. We have a clear vision of the development of our country and its European perspective. We are committed to creating a modern, open, democratic and civil society, attractive for business start-

ups and direct foreign investment. Thanks to our dedicated work, persistence and unwavering commitment, especially in the times and circumstances that were not often favourable for us at the global, regional and local levels, we have made great, let me say even historic breakthroughs and visible, undeniable results. All relevant international stakeholders have recognised these results in all areas, from political to economic and financial. In 2007 we became a member of the International Monetary Fund and the World Bank. We have been a member

of the World Trade Organization since 2012. Without a doubt, the biggest step forward on our path to obtaining membership in the associations of the most developed countries of the world was achieved in June 2017 when we became a NATO member state. This year we also expect to open the last remaining chapter in the EU accession negotiations and to begin an accelerated process of closing the chapters, in order to create all the prerequisites on our part for becoming the next EU member state.

We are actively participating and strongly contributing to the processes of regional integration, cooperation, stabilisation, peace-building and particularly to the economic development processes, improvement of living standards and creation of an attractive investment environment in the region of Western Balkans. In this regard, we highly value and place a special emphasis on the Western Balkans Initiative, which has offered a practical and efficient model of cooperation between the countries in our region for the benefit of each country individually, for the benefit of all our citizens and of course for the benefit of the overall European perspective of the region. Today, Montenegro is a democratic, economically stable country and a respected partner in the international community. Thanks to the Free Trade Agreements with the EU, CEFTA and EFTA countries, Russia, Ukraine and Turkey, we have access to markets with a total of about 800 million consumers. We have signed agreements on economic cooperation with 20 countries, agree-



Today, Montenegro is a democratic, economically stable country and a respected partner in the international community.



ments on mutual promotion and protection of investments with 23 countries, as well as double taxation treaties regarding income and property with 43 countries.

From 2006 to 2016, which was the period largely under the burden of the global economic crisis and its consequences, Montenegro had an average annual growth of 3.2% and attracted more than 5.5 billion euros of FDIs in the energy, tourism, telecommunications, manufacturing industry and financial sectors.

Global economic crisis was inevitably reflected on Montenegro as an open economy and investment destination, but with a wise state policy and rational approach, which, on the one hand, took into account the reality at the global level in the post-crisis period, and through the fiscal consolidation policy, on the other, we have ensured economic and financial stability, but not to the detriment of development and quality of life of our citizens or to the detriment of those who have invested or plan to invest in Montenegro. On the contrary. This is proved by the fact that in the last three years we have stepped up the implementation of capital projects in the field of road infrastructure, tourism and energy, and yet consolidated our finances. Implementation of investment projects in tourism, based on private capital, such as Porto Montenegro, Luštica Bay, Portonovi, have continued with a full swing, while the state, on its part, acting together with its partners, intensified the construction of the highway from the Port of Bar to the northern border of our country, with Serbia.

Implementation of the energy connectivity project of Montenegro with Italy has been carried out very successfully by laying a submarine energy cable, in the total length of 455 kilometres. Testing of this project of energy interconnection, which is the first connection of such kind in our region with the European Union began at the end of last year. This project makes Montenegro one of the key energy hubs. Courage, wisdom, determination, knowledge and hard work always bring benefits. From the second half of this decade, we have been noticing more intensified growth, which is one of the largest in Europe at the annual level. Recently, the Government of Montenegro has adopted a new Economic Reform Programme for the period 2019-2021, as the most important document in the economic dialogue with the European Union. This Program is also a strategic document for medium-term macroeconomic and fiscal programming, containing a structural reform agenda important for reducing or eliminating obstacles to economic growth and strengthening competitiveness. This document implies that the acceleration of economic activity under the strong influence of the investment impetus, which began in 2017, led to a stronger growth than expected.

I should emphasise that such a growth was “unexpected” for often overly cautious economic analysts, financial institutions and organisations disinclined and unprepared to perceive and acknowledge factors that inevitably influence more positive forecasts. However, the Government of

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Montenegro was convinced that the result of wise and hard work must be noticed. Thus, for example, the Montenegrin economy in 2017 achieved a real GDP growth of 4.7%. The result has not lulled us, but only motivated us to achieve more. The growth continued, and according to preliminary data, it amounted to 4.5% in the first quarter, 4.9% in the second quarter and 5.0% in the third quarter of the 2018.

The fact that Montenegro is currently at the level of 46% of the average EU quality of life, although, having in mind that some of the current EU members had a much lower rate at the time of accession, it could make us indolent, and from our point of view, this is not a satisfactory indicator. Nevertheless, this should not demotivate us, but rather encourage us to work more and even hard-

er. We are constantly committed to launching projects that imply opening of new jobs, creating added value and improving the quality of life of our citizens. This is also supported by figures - in 2018, the number of employees increased by 25,000 in comparison to 2011, and by 11,000 compared to 2016. From February 2017 to February 2019, the unemployment rate declined from 22.46% to 16.61%.

As the Minister of Agriculture and Rural Development, I will underline results and plans in this field, which is one of the key pillars for the overall economic development of Montenegro, and the field with significant opportunities for foreign direct investments. In 2017, the European Commission decided to assign EU export numbers to Montenegrin food producers. Is there a better confirmation that in this field we have met the demanding standards of quality and food safety, as well as the new technologies and new knowledge, self-control systems, to the level of full compliance with EU standards? In addition to allowing our products to be exported to the EU market, we have significantly increased the competitiveness of our products in the domestic and regional markets. The Government of Montenegro recently adopted the “Agri Budget for 2019” with the total amount of 52.4 million euros, which is 12.4 million euros or 31% higher than the previous budget. Our aim is to achieve an even more dynamic development of agriculture, which will be fostered through this year’s stronger investment momentum both in the processing sector and in the primary production.

For the purpose of attracting for-

ign direct investments and further economic development we have adopted another important and justified decision - on the criteria, method and procedure of selection of persons who may acquire Montenegrin citizenship by admission for the implementation of a special investment program of particular importance for the business and economic interest of Montenegro. We have recognised the global trends, analysed in detail the comparative practice and created a framework that best suits Montenegro and our development needs and overall goals of economic policy. The emphasis is placed on two key fields - tourism and agriculture. Through these two “frames” in this programme, we want to contribute to the diversification of our economy. It is important to point out that the programme is created in a way that not a single part thereof endangers our European path and a quite certain European perspective.

In the previously mentioned Economic Reform Programme it is also noted that Montenegro has a very active role in strengthening regional cooperation, reflected in the Berlin Process, as an important enhancement of the negotiation process for the EU membership. It is pointed out that the new manner of communication between the region’s leaders has been promoted through intensive dialogue at the highest level, taking place not only in Brussels and European capitals, but also in the countries of the region. The final, practical goal is strengthening regional economic cooperation and implementation of the Connectivity Agenda and the Multi-Annual Action Plan

for a Regional Economic Area of the six countries of the Western Balkans within the CEFTA legal framework.

Economic stability, progress and development are impossible without political stability of the region. Therefore, the overcoming of the decade-long misunderstanding between Greece and North Macedonia is an extremely large and firmly embedded stone that will underpin a steadier political and economic architecture of the Western Balkans.

Montenegro especially welcomes the accelerated process of integration of the North Macedonia into NATO, given the fact that after just over a year and a half since

Economic stability, progress and development are impossible without political stability of the region

our accession, we have already witnessed the immense benefits of membership in this security alliance. I am deeply convinced that, after the elections for the European Parliament, in May this year, our European partners will pay even more attention to the Western Balkans and be the wind in our sails on the path to full-fledged European Union membership in the near future. The alternative does not exist. The activities in the enlargement process cannot be reduced only to rhetoric, on both sides. I believe that through the support of relevant international stakehold-

ers, the countries of the Western Balkans will be more motivated and supported to resolve mutual misunderstandings and that they will individually make true and big breakthrough towards fulfilment of the European agenda in the years to come. Montenegro can be an example and a motive. We are not those who give praise to Montenegro, we just convey what is constantly being confirmed at all levels and structures in Brussels – that we are a positive example and leader in the region. We are willing to share our experience and help our neighbours, because the EU membership is a common interest. On the other hand, it is a quite realistic expectation that EU should value properly and fairly the results each country individually makes. Montenegro is not asking for an award or a gift for its achievements, it does not want to have a “sale and purchase” relationship with the EU. The primary purpose of our reform breakthrough, efforts in the aim of further democratisation, strengthening the rule of law, creating political and economic system based on the respect for the law, creation of a free society with equal opportunities for all, or “Europeanisation” of our country, is in our own internal interest. Everything that we do and therefore achieve is for the purpose of satisfaction of our citizens and stability and development of our country, and we expect from our European friends a relationship of partnership and a recognition of our achievements, with the hope that it will result in the common goal – a full-fledged membership of the EU.

MONTENEGRO – “HOME” FOR OVER 120 BUSINESS IDEAS



VLASTIMIR GOLUBOVIC

President of the Chamber of Economy of Montenegro

Investors from over 120 countries have realized their business ideas in Montenegro, which resulted in investments worth over €9 billion since the restoration of the country's independence

In the last decade, Montenegro has recorded a dynamic growth, which amounted to 4.7% in 2017. In 2018, GDP per capita was estimated at around €7,397, while according to the purchasing power parity it is currently at the EU average level of 46%. The growth of the economy is also expected in the medium term, enhanced by the implementation of the capital investment projects in the infrastructure, transport, tourism and energy sectors.

Investors from over 120 countries have realized their business ideas in Montenegro, which have resulted in investments worth over €9 billion since the restoration of the country's independence. The high potential for the FDI inflow, especially in the sectors of tourism, agriculture, energy and manufacturing, is the basis for optimistic expectations even in the upcoming period. The Montenegrin economy needs renowned companies, which will valorize its potentials and as such represent a generator of economic growth, competitiveness and the overall progress of the country.

Montenegro is a member of the World Trade Organization, while the Free Trade Agreements, signed with the EU, EFTA, CEFTA, the Russian Federation, Turkey and Ukraine, enable Montenegrin companies to access the market of over 800 million inhabitants. Today,



the largest volume of foreign trade exchange is realized with the EU and the CEFTA Agreement signatories.

Tourism is a strategic economic branch, which in recent years has been generating record results measured by the number of tourists, overnight stays and revenues. Montenegro is becoming a more attractive destination even for tourists from Western Europe - France, Great Britain, Germany and Scandinavia – which is demonstrated by high growth rates of arrivals from these countries. According to the estimates of the World Travel and Tourism Council (WTTC), in the next ten years the revenues generated in tourism are expected to increase at a rate of 3.9% per year.

Within the reform and EU integration processes, efforts are being made continually to create a more attractive business environment through partnership between the state administration and the economy. The NATO membership confirmed Montenegro's aspiration to share the system of values which is cherished by developed European countries such as the market economy, rule of law, preservation and promotion of human rights and the development of democracy.

In the next ten years the revenues generated in tourism are expected to increase at a rate of 3.9% per year.



**3.9%
PER YEAR.**

KEY ROLE FOR LONG TERM BUSINESS – MEETING THE NEEDS OF THE CUSTOMERS



dr.sc. MLADENKA GRGIC
President of Supervisory Board of Euroherc Insurance

Euroherc Insurance was founded in the year 1992 as the first privately owned Croatian insurance company. The Company's headquarter is located in Zagreb. Its main business operations are conducted in the Republic of Croatia and the Republic of Austria.

The Company vision since its beginnings has been to adapt to an ever-changing business environment, outcompete its business competitors and to be the leader in innovations, all the while guided by the principles of business excellence and fairness.

Consequently, in the year 2017 Euroherc Insurance made a historic entrance into the Austrian insurance market as the first, and until today the only, Croatian insurance company present in the Republic of Austria.

Since its early years, the Company has been growing rapidly and continuously. In 2018, the total insurance premium amounted to 170 million EUR. Its market share in the segment of non-life insurance in the Republic of Croatia reached 16.4%. The Company is at the same time the market leader in third-party vehicle insurance in the Republic of Croatia with the market share of 27%.

As mentioned before, the Company is privately owned with the unique feature of the Company's managers actively participating not only in its business operations, but also in its shareholder structure. Their number is growing year by year. This lays foundations for stability and growth, bringing long-term business goals of the Company to the forefront of its business strategy.

Today the Company employs more than one thousand employees. Its business operations are spread across 14 branches in the Republic of Croatia and 5 main branches in the Republic of Austria. The well-established organizational structure, the well-known market brand



Since its early years, the Company has been growing rapidly and continuously. In 2018, the total insurance premium amounted to 170 million EUR

as well as skilled and professional staff are the core of the Company's business success providing a stable foundation for continuing business growth.

The distinctive feature of the Company is investment in its own business infrastructure recognizable in numerous prestigious business premises in the Republic of Croatia as well as in the Republic of Austria. The Company thus declares its intention to permanently provide insurance services and to continuously offer quality insurance products for its business partners as well as to present and future policyholders.

The Company's customers and meeting their needs have always been and will continue to be the main focus of the Company. Its ramified sales network, therefore, is not only a prerequisite of the business success of the Company, but also an indispensable help to all of its clients in meeting their existential and professional needs.

SHOWCASING CITIES

BELGRADE MAYOR **ZORAN RADOJICIC**,
LJUBLJANA MAYOR **ZORAN JANKOVIC** AND
ZAGREB MAYOR **MILAN BANDIC**
SHOWCASE THEIR RESPECTIVE CITIES IN THE
INTERVIEWS WITH THE BUSINESS LINK MAGAZINE

MY VISION IS A SMART, GREEN AND CHILDREN'S CITY



INTERVIEW:

Zoran Radojicic, Mayor of Belgrade, the capital of Serbia

I see Belgrade as a smart city, a green city, a college city. My wish is for Belgrade to also be a children's city, a city of promenades, bicycle paths, a city with green areas", Zoran Radojicic, the Mayor of Serbian capital Belgrade, told the Business Link Magazine in an interview. "It is not difficult to conclude that my vision of Belgrade is to continue with large infrastructure projects and accelerated development of the city, but with a greater emphasis on green and smart solutions in our capital", he said.

SEEBDN: What are your main projects? How do you see the capital in the three years, and how do you see it in five years?

Z. Radojicic: We work a lot in the field of ecology, social policy, large infrastructure projects, and also on reducing the emissions of harmful gases. Preparing our candidacy for the European Green Capital is a big step towards my vision of making Belgrade a healthier and greener city. As a socially responsible capital, we think about vulnerable categories, thus we have opened the doors of the new Children's Shelter. There are also investments in the economy and tourism. We are entering the final stage of preparation for the construction of the Belgrade gondola, from the Kalemegdan fortress to Usce, which will be a new tourist attraction in the region. As for projects like Tirsova 2 children's hospital, this is the main reason why I have decided to venture into politics - I believed that we could do great things. This project was motivating me personally as a doctor, and it was also an opportunity to do something for the common good, as it shall be the most modern children's hospital in this part of the world. Tirsova 2 is a project for many generations of children and doctors who will succeed us. Belgrade also joins the global fight against diabetes with the "Cities Changing Diabetes" project in alliance with world cities such as Copenhagen, Rome, and Mexico City. I will insist on the urban development of Belgrade, on raising the awareness of our population about the problem of diabetes and how to prevent it.

It is important that we entered 2019 with a budget which allocates 40% more funds for investments than in 2018. Belgrade is now a city of cranes. We will build a subway (Belgrade metro), the new Sava Bridge, and we will reconstruct some of the busiest roads. My goal and top priority is to make Belgrade an even better place to live, and for all its citizens to feel such improvement.



Preparing our candidacy for the European Green Capital is a big step towards my vision of making Belgrade a healthier and greener city

SEEBDN: Are the fourth industrial revolution, i.e. Industry 4.0 and the concept of smart cities a part of your plans? Which tangible steps have you taken in this direction?

Z. Radojicic: Of course they are an important part of my plans. The transition from the Information Age to the Digital Age brings great changes, with which we have to keep pace. We use high-end technology and smart solutions in various areas, from improving the communication between the administration and citizens, solving municipal problems, reducing traffic jams... In accordance with my vision of Belgrade as a smart and green city, the solutions we strive for are ecological in nature. One of the priorities is to perceive waste as a resource, and to use the technology in this direction. We also plan the placement of dumpsters for primary waste selection, which will be connected with an operator via the software system, which, in this case, is a public utility company "Gradska cistoca". I would also like to stress that I have signed an agreement with the company "Boos Lighting Group" in January, on the basis of which we will work on a new concept of environmentally-friendly public lighting in the Serbian capital in the future period.

SEEBDN: How much does the development strategy build on experiences of Vienna and Berlin, and of other developed European capital cities?

Z. Radojicic: As much as expert meetings and exchange of opinions with my colleagues meant for my professional development as a physician, so are the experiences of European metropolises important to me now as a mayor in terms of the development of Belgrade. Both cities, Vienna and Berlin represent

Vienna and Berlin represent genuine treasuries of good practices in a wide variety of segments. I am particularly interested in their experiences in the areas that I have defined as priorities for the development of Belgrade

genuine treasuries of good practices in a wide variety of segments. I am particularly interested in their experiences in the areas that I have defined as priorities for the development of Belgrade. Thus, we are learning from them, and are looking up to them in terms of green and smart solutions, healthcare system, commitment to academics and children, and high level of quality of life for all citizens. I think that, in order to advance and preserve the uniqueness of Belgrade, it is important that we do not copy good examples from other cities, but that we fit them into the framework of our city. Vienna presents a real role model in terms of the quality of life of its citizens, the healthcare system, as well as in terms of clearly defined postulates of smart development in the field of energy, mobility,



construction and infrastructure. Berlin is a smart and green city, which is in line with my vision of Belgrade's development, and we are open to cooperation in numerous segments, such as infrastructure projects, environmental and social policies. Considering that more than 50 German companies operate in Belgrade, we have also learned a lot from Berlin about work, quality, efficiency, and speed.

SEEBDN: What is the essence of cooperation with colleagues from Western Balkan countries and where do you see the potential for deepening cooperation? What needs to happen in order for this potential to become a practice? Who needs to make the first step and in which direction?

Z. Radojicic: I see the core of cooperation with my counterparts from Western Balkans countries not only in the fact that our cities are geographically close and that they face similar challenges, but also in that our citizens are of a similar mentality. I think that the first steps have already been made, because I have established good and open relations with my counterparts in the region with whom I have met so far. We have agreed that it is important to cooperate in the fields of culture, tourism, and education, to connect young people from our countries through student exchanges, and to develop joint projects. At a trilateral meeting with the Mayor of Zagreb, Mr. Bandic, and the Mayor of Sarajevo, Mr. Skaka, we have considered connecting our cities through a unique tourist route, so that tour-



From my perspective, a smart city and a digital city are inseparable concepts that lead to the essential goal of our administration, which is to improve the quality of life of our citizens, i.e. to achieve the vision of a healthier and greener city

ists who come to one of the capitals could extend their stay in others as well. It is also important to exchange experiences of our cities and to learn from the best examples from the region. In that context, I would like to stress my cooperation with colleague Jankovic, with whom I have met several times. The experiences of Ljubljana as the European Green Capital are significant for Belgrade, which now strives to achieve this title in the forthcoming period.

SEEBDN: Digital cities and digital interconnection of cities are topics that have very often been discussed recently. Which experiences can you use when we talk about connecting with the capital cities of ex-Yugoslavia?

Z. Radojicic: From my perspective, a smart city and a digital city are inseparable concepts that lead to the essential goal of our administration, which is to improve the quality of life of our citizens, i.e. to achieve the vision of a healthier and greener city. While a smart city is addressing the needs of its residents by applying increasingly innovative solutions to urban problems, a digital city is focused on new technologies by which it consults, integrates and provides services to its citizens. I will try my best to make both of these concepts an integral part of our aspirations in the field of social policy, ecology, as well as of large infrastructure projects with which we shall solve huge problems of Belgrade that have lasted for decades.

The exchange of experiences with cities from the region is very valuable, as was shown by the recent talks I have had with the officials of Zagreb, Sarajevo and Podgorica at the Third Forum of Mayors of Capital Cities of Central and Eastern Europe and China ("16+1" Summit) held a few months ago in Belgrade.

In order to achieve the vision of Belgrade as a healthier and greener city, the experiences of both Zagreb and Ljubljana, which in 2016 achieved the prestigious title of the European Green Capital, have been of great help. The afforestation of the area of Belgrade, the greening of open public spaces, the closure of the central city zone for motor traffic (with achieving compromises with residents) are the topics that are ranked very high on our agenda. Being in the company of the award-winning Ljubljana, as well as in the company of Stockholm, Hamburg, Copenhagen, Oslo and other green capitals, would contribute to recognizing Belgrade as a sustainable city, building its own, strong "green" identity.

Zagreb and Belgrade have a common aspiration to finally achieve a dream spanning decades of unhindered construction by the river or rivers, and to implement significant strategic projects on the shoreline ("Zagreb on the Sava", "Belgrade Waterfront") which will activate numerous urban, economic and other potentials.

SEEBDN: What do you expect from your colleagues and what are you doing in this segment?

Z. Radojicic: At the moment, Belgrade sets the foundation for developing its own smart city strategy, which is in line with the current City of Belgrade Development Strategy by 2021. We are aware of this great challenge, and are making important steps towards making Belgrade a smart/digital city.

We have also demonstrated this by our active participation at the Smart City Expo World Congress in Barcelona, where we have discussed possible solutions to traffic problems in Belgrade with representatives of other world cities. There are numerous challenges in regard to improving the public transport and traffic and transport in Belgrade in general. We have recently defined several scenarios for the development of the traffic system, and are actively working on smart solutions in order to reduce traffic jams that almost every citizen is experiencing in the capital. Simultaneously with the introduction of sensors for optimizing traffic flows, we shall increase the number of electric buses, build new bike paths, promote cycling, and contribute to the reduction of jams in traffic of motor vehicles and pollution.

We have also demonstrated our commitment by fostering cooperation with the City of Vienna, which has enjoyed the top ranking in the world for many years in terms of quality of life, with which we want to talk about the innovative concepts that they have applied. Our current projects and initiatives aim towards the development of a "green network" to connect the

existing open public spaces and ambient units of importance for the identity of the city.

In this sense, exchange with colleagues from all the cities of the region is precious to me, especially in those segments where other communities have already pioneered some technologically advanced solutions and have achieved significant results for their communities.

SEEBDN: How does politics impede or otherwise influence business? Which are the political preconditions for closer cooperation?

Z. Radojicic: The main preconditions for any form of cooperation are peace and stability. I agreed on this with the mayors of Zagreb and Sarajevo at a trilateral meeting held last year, when we reached an agreement to continue to direct our efforts towards finding solutions that would enable everyone to live in prosperity in the long run. With regular meetings and joint projects, we can intensify and expand our cooperation. Politics run by the cities goes beyond the burden of national divisions and intolerance from a bygone era hauled by our peoples, which is often not the case with international cooperation. This gives us more space to focus on tourism, culture, and economy. I also consider business as a positive driver of cooperation among the cities, all for the better life of citizens, their economic empowerment, and higher incomes.

LJUBLJANA VISION 2025 FOR A SUSTAINABLE DEVELOPMENT



INTERVIEW:

Zoran Jankovic, Mayor of Ljubljana, the capital of Slovenia

"We have set out the development of Ljubljana at the beginning of my first mandate, in 2007, when we adopted the ambitious Ljubljana Vision 2025. Serving as proof we have been successful in its implementation are over 60 global awards putting Ljubljana at the very top, with the title European Green Capital playing a key role", said Zoran Jankovic, Mayor of Slovenian capital Ljubljana. He said that the European Commission underlined that Ljubljana made the highest number of changes in the right direction in the shortest period of time and that they had been following the sustainable oriented Ljubljana Vision 2025 which was formed when that title had not yet existed.

SEEBDN: What are your main projects? How do you see the capital in the three years, and how do you see it in five years?

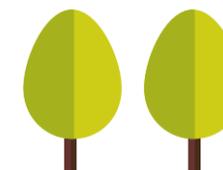
Z. Jankovic: In the past 12 years we have carried out over 2,000 projects in all areas aimed at improving the quality of life, and in this mandate we are continuing our work with 500 new ones. Currently we are implementing the largest environmental project in the country consisting of three parts: the construction of a C0 connecting canal through Ljubljana and two neighbouring municipalities, the upgrade of the central wastewater treatment plant and the expansion of the sewage system.

When I was first elected mayor the connectivity to the sewage system was 68% and at the conclusion of the project it is going to be 98%. In addition, we are going to build 1,500 non-profit apartments, in the field of culture we are renovating the former sugar factory Cukrarna which is going to be the largest exhibition space in this part of Europe, we are also going to set up the new creative centre Center Rog, build a new multiplex as the present city cinema is in need of new premises because of a great number of visitors. In the area of sports we are going to construct a track and field stadium, renovate the Ilirija swimming pool complex and build a new indoor pool, a curling hall and a tennis centre. New construction and renovation works in Ljubljana are also planned in the field of healthcare, and we intend to carry on with the construction of day centres for the elderly and the comprehensive renovation of the main market.

IMPROVING ENERGY EFFICIENCY IN



48
MUNICIPAL
BUILDINGS



PRESERVING
172,000
TREES



SAVING
1 MILLION
EUROS PER YEAR

I am convinced that in future Ljubljana will still be a city following sustainable development guidelines and that it will remain a safe city, friendly towards everyone, where diverse people live together in harmony and mutual respect

I am convinced that in future Ljubljana will still be a city following sustainable development guidelines and that it will remain a safe city, friendly towards everyone, where diverse people live together in harmony and mutual respect.

SEEBDN: Are the fourth industrial revolution, i.e. Industry 4.0 and the concept of smart cities a part of your plans? Which tangible steps have you taken in this direction?

Z. Jankovic: In this area, as well, we have achieved many ambitious goals in Ljubljana, namely, we are introducing numerous smart solutions tailored to the needs and capacities of our city. According to the survey titled "Smart cities – ranking of European medium-sized cities" conducted by the Centre of Regional Science at the Vienna University of Technology we were placed at the high 15th place among 77 cities compared. Within the largest public-private partnership project aimed at improving energy efficiency of buildings we have renovated, in cooperation with the companies Petrol and Resalta, as many as 48 municipal buildings and by doing so ensured energy savings, increased the share of renewable resources and decreased greenhouse gas emissions while preserving as many as 172,000 trees and saving one million euros per year; in October we have signed a contract for the renovation of additional 11 buildings. With Acquis software we are developing a smart water management system, and with the renovation and upgrade of the city lighting system we have decreased light pollution and energy usage



by three times. As many as 96 crossroads with traffic lights and pedestrian crossings in the city are equipped with sensors enabling the operation of light control programmes reactive to traffic, citizens and visitors can use the PROMinfo traffic portal providing them with current traffic information so they can plan their route, they can take a free ride with 6 Kavalir electric vehicles and the Urban electric train operating in the city centre, the bicycle rental system BicikeLJ is highly popular, there are over 100 charging stations for electric vehicles on public surfaces available to users free of charge, and in the city administration, public institutions and companies we are using over 200 vehicles powered by compressed natural gas.

In the Regional Waste Management Centre Ljubljana - RCERO we are processing waste for as much as one third of Slovenia, and Ljubljana is the first and so far the only European city in the Zero Waste Europe network. The National Geographic has recently featured us as one of 25 cities in the world committed to the zero-waste society.

We have also started developing the RuNE project providing broadband internet access in all parts of Ljubljana, and citizens and visitors can use the Urbana smart city card, which has received numerous national and international awards, to ride the public transport buses operated by LPP, rent bikes in the BicikeLJ system, park on public parking lots and in

When I was elected mayor 12 years ago I wished Ljubljana could be a combination of Vienna's orderliness and Barcelona's way of life. Today I proudly ascertain that Ljubljana is unique and that it can serve as an example to many other cities

If political cooperation between countries is fair, than business management in the economic sense is also easier. In my opinion, people are fed up with political games and strive towards good relations

city parking houses, take the funicular up to the Ljubljana Castle, visit the city tourist sites and use the services of the Ljubljana City Library.

SEEBDN: How much does the development strategy build on experiences of Vienna and Berlin, and of other developed European capital cities?

Z. Jankovic: When I was elected mayor 12 years ago I wished Ljubljana could be a combination of Vienna's orderliness and Barcelona's way of life. Today I proudly ascertain that Ljubljana is unique and that it can serve as an example to many other cities. Sharing of good practices between cities is desired – in Ljubljana, which in my

opinion is the most beautiful city in the world, we often host delegations wanting to learn from us. Experiences of other cities are welcome but they have to be tailored to the needs of our own cities and our citizens. Mere copying will not bear fruit. A good team, a clear vision as well as perseverance and courage play a key role in implementing what has been planned.

SEEBDN: What is the essence of cooperation with colleagues from Western Balkan countries and where do you see the potential for deepening cooperation? What needs to happen in order for this potential to become a practice? Who needs to make the first step and in which direction?

Z. Jankovic: We do not have to make any first steps, namely, during all of my time as mayor our cooperation with capital cities of former republics of the common state has been very good and we have been exchanging experiences and good practices. Among them with Zagreb, Belgrade, Sarajevo, Skopje and Podgorica, just to name a few. For example, we are cooperating with Zagreb in the cultural field and in the framework of the Eurocities network, and most recently we have been sharing experiences with Belgrade in the field of providing efficient public transport, waste management, electric vehicle rental system and the title European Green Capital. On the topic of digitalisation, which was in the focus of the Ljubljana Forum held last year, for instance, we were also happy to share our experiences and listen to other cities, as we are all facing more or less the same challenges; the aim of any advancement, also technical, is to improve the quality of life of our citizens, and here we are using innovations and following trends.

SEEBDN: How does politics impede or otherwise influence business? Which are the political preconditions for closer cooperation?

Z. Jankovic: If political cooperation between countries is fair, then business management in the economic sense is also easier. In my opinion, people are fed up with political games and strive towards good relations. It happens that politicians complicate matters too often, while business people only want good cooperation. The economic openness between countries also effects the development of a country as foreign investors arrive, new jobs are created and thus the quality of life is improving. For instance, last year Mr Miškovic opened the first five star hotel in Ljubljana, which is very successful in its operation, and there are plans to open Ikea, three new hotels, a commercial centre and a new development centre in the Technology Park Ljubljana, just to mention a few examples.



WE WANT TO PUSH THE BOUNDARIES IN ALL IMPORTANT AREAS



INTERVIEW:

Milan Bandić, Mayor of Zagreb, the capital of Croatia

Milan Bandić, Mayor of the City of Zagreb, says that today, Zagreb is a modern, safe European city, pleasant to live in, a recognisable tourist destination, a city which lives multiethnicity, multiculturalism and multiconfessionality. In an interview with the Business Link Magazine, he says that the vision of the City of Zagreb is the vision of a smart, sustainable and inclusive city and, by their development strategy, they have defined Zagreb as an urban incubator of sustainable concepts, entrepreneurship and new values.

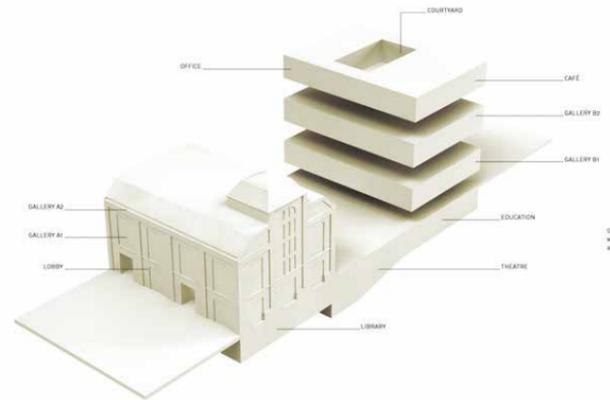
“We want to push the boundaries in all important areas of activity through the implementation of an entrepreneurial approach which aims to look for new ideas and create new values”, Bandić said.

SEEBDN: What are your main projects? How do you see the capital in the three years, and how do you see it in five years?

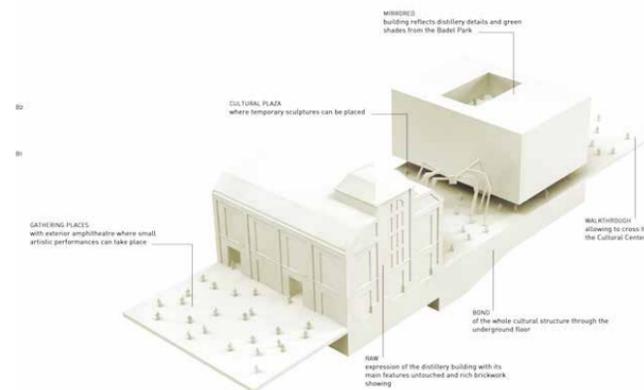
M. Bandic: In line with the EU policies which promote further strengthening of the roles of cities as drivers of economic development, 2016 saw the creation of the Zagreb Urban Agglomeration. In 2017, the Development Strategy of the Zagreb Urban Agglomeration by 2020, which, among other things, created preconditions for the use of special EU funds through the Integrated Territorial Investments mechanism in the amount of almost 1 billion kuna.

Currently, we are focused on the realisation of the Sljeme funicular, which will enable better use of the Medvednica mountain potentials, on the big reconstruction of Novi Zagreb roundabout, which for many years has been a bottleneck on the way to the broader city centre, and on projects which should, after remediation of the disposal facility used during the construction of the latest wastewater purification plant, result in the realisation of the third component of waste management – system of separation and recycling in line with European standards. We work on the tram connection between Zagreb and Dr Franjo Tuđman Airport, new bridges across the Sava river.

We also want to transform old industrial and commercial buildings and areas, and, by attracting new activities and investments, create new values while respecting the existing ones. Those projects are: Badel block in Kvaternik Square, Zagrepcanka, Gredelj and Paromlin complex, complex of the ex-factory Sljeme in Sesvete, military hospital Vlačka, and a call for expression of interest addressed to the investors in relation to the participation in the development and realisation of the "City within the City" project has just been issued. The latter includes an extraordinarily attractive area surrounding the Zagreb Fair of the surface of around one million square metres. These projects will further reshape the city.



We also want to transform old industrial and commercial buildings and areas, and, by attracting new activities and investments, create new values while respecting the existing ones



SEEBDN: How much does the development strategy build on experiences of Vienna and Berlin, and of other developed European capital cities?

M. Bandic: We do not hesitate to take over good solutions and good guidelines from our sister cities which have gone through some processes and experiences before us or have moved further. Cities find themselves in front of ever so complex requirements in the area of urban planning, traffic infrastructure, public transport, water and energy supply, sustainable waste management and goods delivery. This has brought about the need to develop smart solutions for the City of Zagreb. We are developing our smart concept by analysing and using the examples of advanced European cities, first and foremost Vienna, Berlin, Amsterdam, Copenhagen etc., whose strength and success are based on quality long-term decisions rela-

tive to city infrastructure and sustainable development. Therefore, we continuously apply experiences of our neighbours and cities from EU member states via joint projects within EU programmes, transnational cooperation programmes and cross-border cooperation programmes. We are also happy when other cities learn from us as well. When we talk about intercity and international cooperation and exchange of experiences, it has to be mentioned that the City of Zagreb takes part in a series of European and international projects and initiatives. We would especially like to point out the participation in the creation of the Urban Agenda which is a new and innovative working method which promotes the cooperation between member states, cities, the European Commission and other participants in order to overcome challenges and encourage growth, innovation and quality of life in cities.

We do not hesitate to take over good solutions and good guidelines from our sister cities which have gone through some processes and experiences before us or have moved further.

SEEBDN: What is the essence of cooperation with colleagues from Western Balkan countries and where do you see the potential for deepening cooperation? What needs to happen in order for this potential to become a practice? Who needs to make the first step and in which direction?

M. Bandic: Generally, there is no alternative to cooperation and cooperation with colleagues from Western Balkan countries is only natural. The role of cities, especially capitals, cannot be replaced and by recognising their importance as primary drivers of development, the European Union, after years of pushing forward development based on regions, has finally begun to invest into cities and urban development. In the spirit of good and friendly relations with a number of cities in neighbouring countries, Zagreb will for sure support our neighbours on their way to EU accession.

We are happy to share the knowledge and experiences we have acquired, we are open to joint projects in all areas and with time, I expect effects to be more and more concrete. And yes, in my opinion, thinking about who has made or should make the first step is totally irrelevant. Every good idea and initiative which can bring benefits for all parties involved, for concrete people in concrete countries and cities will be welcomed in every community. It's on us to deepen dialogue, understanding and tolerance and therefore promote values which push us forward, at the cultural, economic and every other level.

SEEBDN: Digital cities and digital interconnection of cities are topics that have very often been discussed recently. Which experiences can you use when we talk about connecting with the capital cities of ex-Yugoslavia? What do you expect from your colleagues and what are you doing in this segment?

M. Bandic: Today, digital interconnection of cities has become a reality. This type of transformation of cities transcends geopolitical boundaries and obstacles in the exchange of information, technologies and knowledge. In today's globalised world, it is impossible to solve any challenges and make progress by keeping yourself within your own borders.



In today's globalised world, it is impossible to solve any challenges and make progress by keeping yourself within your own borders.

We have recognised this as an opportunity to be better and quicker in our work. During the last six years, the City of Zagreb has been working on the establishment of a business process management system by which the modelling of business processes as a continuous activity has been implemented into City administration. By shaping services according to users' requirements and their interconnection with business processes of the City administration, the City of Zagreb has formed a basis for the digitalisation of processes and creation of quality, transparent, citizen-oriented, rational, professional, economic and efficient City administration.

The City of Zagreb has already established a series of e-services. These include registry, cadastre, physical planning and construction, City of Zagreb registry office, Moj Zagreb ("My Zagreb") portal, City of Zagreb Geoportals and other services.

We have also launched a comprehensive e-Zagreb project whose final objective is to digitalise all City of Zagreb processes. For example, last year the process of filing applications for the financing of programmes and projects of associations was digitalised and the process of digitalisation of a whole series of services provided by the City was also initiated. Currently, we are focused on the complex process of introducing e-invoicing into the City of Zagreb due to the application of the directive and legal framework on electronic invoicing in public procurement, which have introduced provisions on the obligation of issue and receipt of electronic invoices in public procurement.

The digitalisation of public administration, which is inevitable and necessary, will facilitate the digital connection between cities. One can surely recognise the benefits which such interconnection can bring, first and foremost through the exchange of experiences and good solutions, i.e. examples of good practices.

Experience teaches us that cities can always learn from one another, regardless of their size and level of development. Someone is always better in some segments and this has to be recognised as an opportunity for learning and easier solution of challenges faced by all of us, which are often very similar.



Politics should create a favourable framework for economic prosperity and sustainable development within countries, as well as internationally.

SEEBDN: How does politics impede or otherwise influence business? Which are the political preconditions for closer cooperation?

M. Bandic: These influences work both ways. Politics should create a favourable framework for economic prosperity and sustainable development within countries, as well as internationally. If there is understanding of this complex relationship, if there is awareness of the strategic interest for building good neighbourly relations on a sound basis, for interconnection and cooperation which can have synergistic effects, then we have politics or policies which, by taking account of the general economic interest, broaden possibilities

and identify additional potentials. Otherwise, politics impedes business and in the globalised world, business moves to places with better conditions, simpler procedures and more security. We certainly do have room for progress in that regard, and this has to be understood both as an opportunity and a challenge.

We need even more initiative, trust, courage and concrete projects because, when you have a common goal, a common interest, potential obstacles are easier to overcome. As far as cities are concerned, I think we can help here and promote cooperation in this region. I know that my colleagues, mayors, also share these positions.



MIHAILO JOVANOVIĆ

Director at Office for Information Technologies and E-Government Government of the Republic of Serbia

The Serbian government recognized the potential of the IT industry and took concrete steps to ensure its additional growth

DIGITAL TRANSFORMATION FOR MORE EFFICIENT SOCIETY

Digitization of the state administration and the improved provision of services to citizens, positioned themselves as some of the key priorities of the Government of Serbia and Prime Minister Ana Brnabic. Therefore, the Office for Information Technologies and E-Government was established, with the main task of consolidating state IT resources, ensuring the connection of various information systems, and providing strong support and foundation for the development of Serbia's E-Government services.

The Office deals with the development and implementation of standards in the introduction of information and communication technologies in state administration bodies and government services, while providing support in the application of information and communication technologies in state administration bodies and government services, through the design, development, construction, maintenance and improvement of the computer network of Republic authorities. The office launched several complex information systems that have, already in the first year of their implementation, enabled tens of millions of electronic services and saved citizens millions of hours of going from counter to counter: E-ZUP, E-Baby, E-Kindergarten, E-Participation, vehicle registration, traffic examination, Local Tax Administration, etc., while many new projects have been planned and prepared for launch.

By establishing an efficient and modern E-Government system, which is to be implemented professionally by the newly established Office, the Government of Serbia presented its strong commitment to educational reforms. Information Technologies (IT) became a mandatory subject in primary schools, as of the fifth grade. At the same time, a pilot project for the introduction of digital educational materials into 2,000 "digital classrooms" was implemented, with investments in full digitization of textbooks and the introduction of a 30Mbps broadband internet in the first 500 schools will continue this year. The number of specialized IT departments in high schools increased this school year by almost five times compared to 2017, to a total of 44 in 36 high schools throughout Serbia. The capacities of technical faculties have been increased to allow 20% more students to enroll than two years ago. The third round of IT reskilling program is in progress, enabling those who are not in the IT profession to become IT junior developers, in a maximum of one year, through intensive education. Digital transformation brings a fundamental change in all spheres of human society, prompted by the use of information technologies. The Serbian government recognized the potential of the IT industry and took concrete steps to ensure its additional growth and provide a new vision of Serbia's innovation-based development. The Serbian government has set aside around €100 million for investments in infrastructure in order to provide a better environment for startups, innovative companies and research and development.

Last year, the export of ICT services exceeded €1.1 billion, with a large surplus of over €600 million, which makes up more than a half of the total surplus Serbia achieved in the export of services.

With digitization set as one of the priorities of the Government of the Republic of Serbia, digital transformation has begun to penetrate all pores of our society, leading to fundamental changes reflected in the emergence of an efficient, economical and transparent public administration.

EXPORT OF ICT SERVICES IN 2018.



EXCEEDED €1.1 BILLION

The office launched several complex information systems that have, already in the first year of their implementation, enabled tens of millions of electronic services



"EYES AND EARS" FOR AUSTRIAN COMPANIES IN THE WORLD



MICHAEL SCHERZ PhD
Head of Innovation
AUSSENWIRTSCHAFT AUSTRIA

ADVANTAGEAUSTRIA is the international Innovation Agency of the Austrian Federal Economic Chamber. Its mission is to identify trends and know-how all over the world and to bring this knowledge to Austrian businesses as well as other institutions. Furthermore, ADVANTAGEAUSTRIA supports Austrian companies to market their innovations abroad.

One main pillar of the innovation activities of ADVANTAGEAUSTRIA are cooperations with world renowned universities, such as Stanford, MIT, NTU Singapore. The cooperation agreements provide Austrian businesses with access to the international networks and research of the partner institutions.

Dedicated innovation events, such as learning journeys, conferences and workshops with international researchers, allow Austrian companies to learn and experience first hand the latest trends and technologies.

The Austrian Start Up community is of particular interest for ADVANTAGEAUSTRIA. Various initiatives (such as GO Silicon Valley, GO Tel Aviv, GO Hongkong) support Austrian Start Ups searching for customers and investors all over the world.

ADVANTAGEAUSTRIA also tracks international trends and technologies and provides impulses and ideas from all over the world to Austrian companies in a systematic way.



SEEBDN

Southeast Europe Business Development Network

YOUR
BUSINESS
NETWORK.



MIHA JURGEC
Co-owner and CEO of LANCom

AHEAD OF THE CURVE – AND HOW LANCOM INTENDS TO STAY THERE

Since 1989, LANCom has been one of the most prospective IT companies in the region of Central and Eastern Europe - firstly in Yugoslavia, then in Slovenia. Today, it employs 55 people and offers a diverse hardware and software portfolio. LANCom advises, plans, builds and maintains IT solutions for some of the biggest companies in Slovenia, among them the Post of Slovenia, the National Radio & TV and the Slovenian Railways.

Since the IT industry is “fluid” and full of challenges, constant development and progress are a must. For more than 20 years, LANCom has primarily been known only as a system integrator, working with brands like HP, Lenovo, IBM and Hitachi. In 1999, it decided to add a software section to its portfolio, specifically the ERP (Enterprise Resource Planning), which was a good basis for what was to come.

I inherited LANCom in 2013, and I was not slowed down for a minute. When I came into the company from a completely different media background, I was an outsider who knew little about IT. Therefore, I could be completely objective about where we were and what we could yet achieve.

Our core hardware team has always been doing a fantastic work. But we also realized that having our own software would have the biggest added value and building an ambitious development team was helpful, too.

What was to follow was a string of project suc-



If your competition is too similar to you, then you know you have to take a turn somewhere and offer something different

cesses. LANCom would establish its regional presence with real-time Passenger Information System software, which was initially present in the Slovenian Railways and then, through a network of partners, it was expanded to Bosnia and Herzegovina, FYR of Macedonia, Turkey, Russia and Ethiopia. Now, they are trying their hand in rolling stock management, having just signed their first contract for the solution.

If your competition is too similar to you, then you know you have to take a turn somewhere and offer something different, and we hope to have found that again with a niche system in Rolling Stock Management.

It is my dream that LANCom would become present globally. Otherwise, what's the point? While we are happy with local impact, getting to know different cultures, places and people, combined with business, would be something just perfect to me. But knowing we have a good strategy makes the entire team stronger and more agile.



It is my dream that LANCom would become present globally. Otherwise, what's the point?

INNOVATION AND HIGH TECHNOLOGY

AS A BUSINESS MODEL



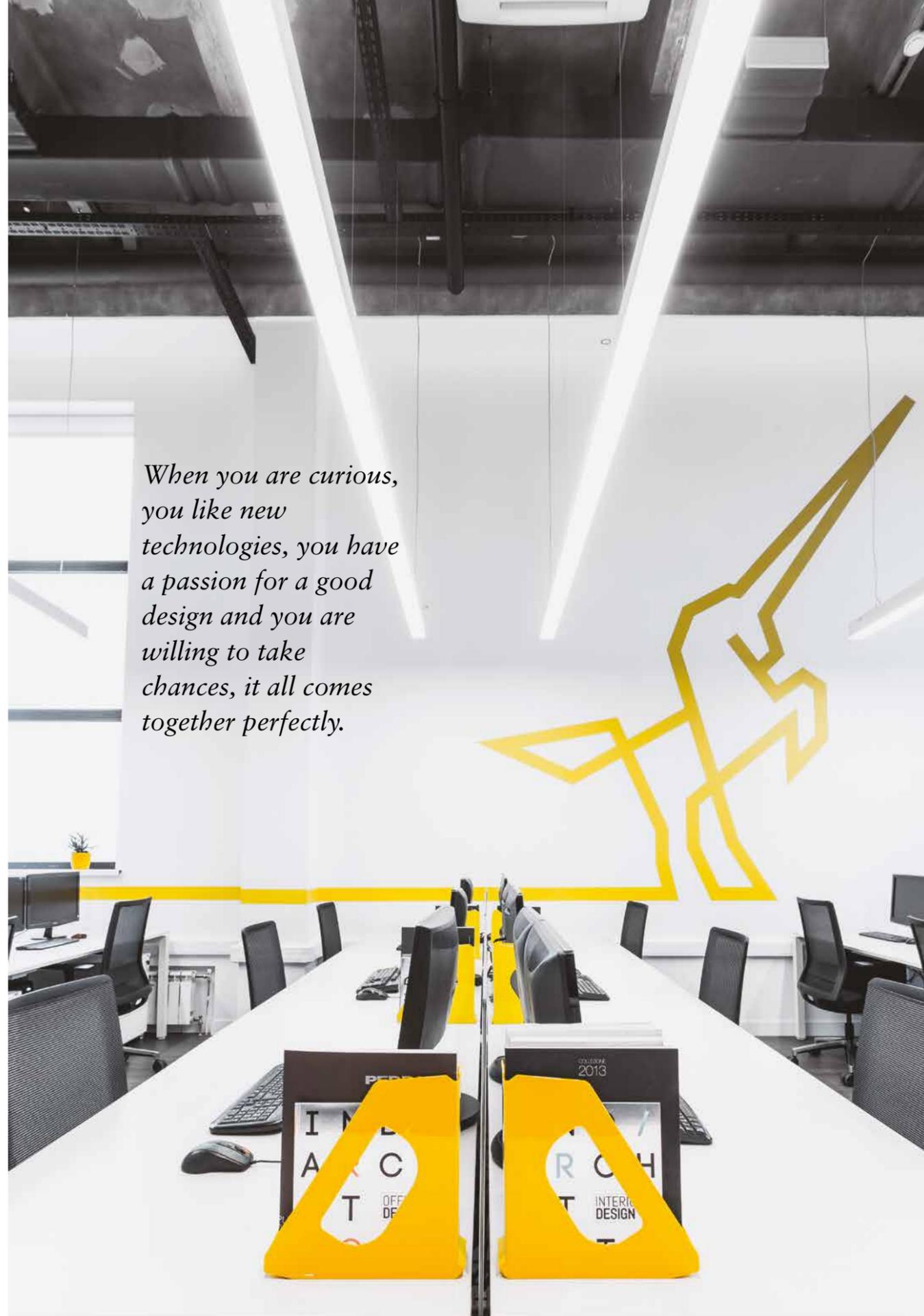
DARKO BUDEC

Founder and President of BUCK

We are introducing BUCK, an award-winning lighting producer that boasts 27 years of business experience. If you are a lighting professional and you work with office, industrial, medical, sport and public lighting, you must have heard about us. Otherwise, we are 'just' a company producing excellent light fixtures, keeping a low profile.

Regarding BUCK's achievements, an interesting fact is that I was the first national winner of the EY Entrepreneur of the Year award in 2012. This is how I explain the philosophy behind our success story:

When you are curious, you like new technologies, you have a passion for a good design and you are willing to take chances, it all comes together perfectly.



When you are curious, you like new technologies, you have a passion for a good design and you are willing to take chances, it all comes together perfectly. I had started with a team of enthusiasts and professionals, gathered around the same idea, driven by the same interest. This has resulted in hundreds of finished projects in the areas of business, medicine, pharmaceuticals, sports, industry and public lighting.

I am particularly proud of twenty international awards we have won for industrial design, including graphic design, communication design, etc. We create and consume design, we use architecture for branding, but also provide tools to architects for their work. This is a symbiosis of mutual understanding and teamwork.

It is very exciting to witness the creation and launch of a new product, and even more exciting to experience a football match on a stadium where the lighting design, adjustment, release and lighting equipment, software included, were done by your own company, and that this stadium is one of the first to feature LED lighting with enormous energy savings! This is a highly motivating factor not only for me as the company owner, but it also for our employees, especially the ones who are football fans.

The company is strategically located on three addresses, with production and R&D facilities in Belgrade, Serbia, an office in Frankfurt am Main, Germany, and a representative office in Moscow, Russia.

The market is global, so by having three offices, we are able to cover the EU, CIS region and other markets. In essence, we are covering most of the world. We have so far exported to 46 different countries, which is almost one-third of the whole world. You can do that only by having a great organization behind you: from R&D, production, sale, to logistics and post-sales services. And this is what we provide.



ALEKSANDRA POPOVIC
Chairperson of the Board of
Directors of Lovcen bank

*Lovcen Bank's clients
will remain in the
centre of our reality.*

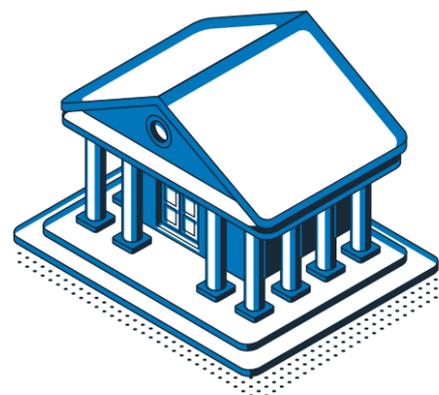
LOVCEN BANK VISION FOR THE FUTURE

The local team, supported by German DEG (KfW Group) as a strategic partner, came up with the idea of establishing Lovcen Bank. We jointly brought in fresh capital, local and international know-how and have already improved the lives of many Montenegrin companies and households. Development is the very sense of the existence of this team - further development of the Bank and Montenegro.

Today, after only four years of operation, the Bank is facing many challenges of the future. Digitalization is here and everywhere around. The global banking sector is becoming more strategically focused and technologically advanced to respond to increasing clients' expectations.

We, in Lovcen Bank, think about the future, about digitalizing core business processes and internal HR processes in order to be better prepared for the future. While new technological developments and big financial players bring great

opportunities, our market is also becoming more advanced and is making an increasing pressure on traditional service providers to become more digitalized. For many banks, such transformation will mean a change in the existing business partnership model and banks will need to adapt to new reality. Lovcen Bank's clients will remain in the centre of our reality. The bank will continuously follow the clients' needs and will continue to accelerate its investments in innovation in order to keep up with global trends. Recognized Montenegrin openness and professionalism with Lovcen Bank ready to invest in the development of the Montenegrin economy will create new opportunities for our clients – winning of new and stronger positions in the European and world markets and making it possible for Montenegrin brands and innovations to find their place in Vienna, Berlin, Frankfurt, Rome, Paris, London, etc.



LOVCEN BANKA^{AD}

Welcome to the Hotel group **"BUDVANSKA RIVIJERA"** AT THE ADRIATIC COST OF MONTENEGRO




**BUDVANSKA
RIVIJERA**
HOTELSKA GRUPA

Budvanska Rivijera Hotel Group, is the major tourism company in Montenegro. It's the long and rich history of providing hospitality services what makes the image of "Budvanska Rivijera" Hotel Group recognised in the tourism market of Europe. Budvanska Rivijera Hotel Group operates 5 hotels and over 3,800 beds: Slovenska plaža Resort 3+ and 4*, the Aleksandar Hotel 4*, the Palas Hotel 4 plus*, Hotel Castellastva 4*, and Hotel Mogren 3 plus *. In addition to the supreme service, the exquisite location of these hotels – in the immediate vicinity of sandy beaches – makes the hotels especially attractive.

Apart from the above, the hotel group also owns Hotel Sveti Stefan and Hotel Milocer, subject to thirty-year lease by the Adriatic Properties company and the globally well known brand of Aman Resorts.

During the long period of its existence, by holding the step with global trends, the Hotel group "Budvanska rivijera" constantly invests significant funds in order to raise the quality of the hotel facilities and services, which ultimately produces outstanding operating results, a good image and, above all, satisfied customers and guests. Decades of presence in the tourism market, a continuous work on hotel category upgrades and

investing into the quality thereof have resulted in numerous international and national awards to Budvanska Rivijera Hotel Group and in the employees there of, having won numerous prizes at vocational skills competitions.

Breathtaking nature, supreme service, rich and imaginative cuisine, friendly words by hosts and the abundance of culture and entertainment events make a long-term basis for successful business operations of the Hotel Group. Enjoy the comfort and various offer in our hotels.

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SEEBDN

WHO WE ARE AND WHAT WE DO?

The Southeast European Business Development Network (SEEBDN) is an independent business association of prominent managers, entrepreneurs and diplomats from the countries of Southeast Europe, Germany and Austria. We are a not-for-profit association (eingetragener Verein) based in Vienna.

The SEEBDN aims to enhance international business operations of SEE economies, particularly with the EU market, focusing particularly on developing new business networks and stimulating business operations of small and medium-sized enterprises (SMEs) on external markets, but we are not neglecting large companies either.

In this process, the SEEBDN will seek to support inclusion of SEE economies in European Commission's development projects, as well as in national projects of EU members states, aimed at boosting foreign economic ties.

For the benefit of its members, the SEEBDN will use different resources. The SEEBDN shall seek to link business people, scientists, politicians and other stakeholders in European and regional processes of importance for the SEE economies. We shall also strengthen the flow of reliable, topical, economic, financial, business and political information and analyses of importance for the SEE region.

We are offering advertising opportunities in the region, as well as in the EU and the international market, mainly through the Business Link magazine, and organization of occasional meetings for business people from the SEE and the EU in order to connect them with companies interested in business partnerships.

Our organization would mainly focus on business activities of small and medium-sized enterprises, modern technology transfer, know-how, and would also stimulate the use of digitalization and enhanced activities towards developing a business network aimed at linking SEE countries with interested companies in the EU.

The SEEBDN shall provide additional financial resources from EU funds, funds of EU member states and other sources. Provision of regular online access to programs of support to SMEs, which are offered by the EU or state and business agencies from the region and the EU (tenders, other calls for proposals).

If you wish to join our association and use all business opportunities that we can offer to our members, for more information please visit our official website: www.seebdn.eu.

CONTACT US

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