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Top Stories

SERBIA OPENS CHAPTERS 23 AND 24 OF EU TALKS

SERBIA OPENS RULE OF LAW CHAPTERS OF EU ACCESSION TALKS. Serbia yesterday opened two key



political chapters of EU accession talks – chapter 23, which deals with judiciary and fundamental rights, and chapter 24, which deals with justice, freedom, and security – following Croatia's three-month blockade of the opening of chapter 23, local media reported. These two chapters are expected to be among the last to be closed. Croatia had blocked the opening of chapter 23 over Serbia's universal jurisdiction to prosecute war crimes committed on the entire territory of the former Yugoslavia and other issues, according to earlier reports. Following the intergovernmental conference in Brussels yesterday, Slovak Foreign Minister Miroslav Lajcak, whose country currently holds the EU's rotating presidency, told reporters that the opening of chapters 23 and 24 is good news for both Serbia

and the EU, while EU enlargement negotiations commissioner Johannes Hahn described the chapter opening as important and positive. Serbian Prime Minister-designate Aleksandar Vucic said that there will be many obstacles in reforms covered by chapters 23 and 24, but that Serbia will do everything it can to meet expectations and deliver results. Vucic noted that rule of law is important for both citizens and companies and that it helps attract foreign investments, according to RTS. Serbia formally started EU membership negotiations in January 2014, but it waited until December 2015 to open the first two chapters – 32, which deals with financial control, and 35, which deals with Kosovo.

Serbian PM-designate meets with US state secretary in Brussels to discuss ways to “improve already good ties,” government says. Serbian Prime Minister-designate Aleksandar Vucic met with US Secretary of State John Kerry in Brussels yesterday to discuss ways to “improve the already good ties” between Serbia and the US, according to a statement on the Serbian government's website. Vucic thanked Kerry on the US support for Serbia's EU integration, especially the process of opening the rule of law chapters 23 and 24 of the country's membership negotiations with the bloc, according to the statement. Kerry praised the Serbian government's regional stability policy, and he urged Vucic to continue the active and honest approach to the process of reconciliation among Western Balkan nations, which he said had produced significant results in easing tensions in the region, according to the statement. *(continued in Politics)*

Court accepts auditor KPMG's new assessment of drug maker Jugoremedija's capital putting value at EUR 17 million, daily learns. Auditor KPMG has produced a new assessment of drug maker Jugoremedija's capital as part of the company's bankruptcy proceedings, and the Commercial Court in Zrenjanin has accepted the EUR 17 million assessment, Vecernje Novosti has learned. Bankruptcy judge Aleksandar Stoiljkovski has given Belgrade-based Heta Real Estate, which is now the biggest creditor of Jugoremedija, claiming RSD 1 billion, until mid-August to align a reorganization plan proposed back in 2003 with the new assessment of the value of Jugoremedija, the daily has learned. *(continued in Business & Economy)*

First case of lumpy skin disease of cattle registered in Toplica district in south of Serbia, news agency told. The first case of lumpy skin disease (LSD) of cattle has been registered in the Toplica district in southern Serbia, Beta was told yesterday. A total of 12,068 heads of cattle were vaccinated in the district as of July 17, and vaccination in the entire district is expected to be completed in the coming days, said district head Nebojsa Vukadinovic. LSD cases were previously registered in certain other areas of Serbia, mostly in the south, with the Pcinja district being the worst affected. The EU has banned imports of beef and beef products from the Pcinja district in the south of Serbia over LSD. At the same time, Bosnia-Herzegovina has banned imports of beef and beef products from the entire territory of Serbia, while Montenegro and Macedonia have banned imports from the Pcinja district, according to earlier reports. Serbia earlier banned the import and transit of live cattle and beef from Macedonia, Bulgaria, and Greece over LSD, while the authorities have also warned that cattle smuggling would render efforts to curb the disease pointless. The disease spread to Europe from Africa.

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Politics

(continued from Top Stories) The meeting was also attended by US Assistant Secretary of State for European and Eurasian Affairs Victoria Nuland. Vucic is expected to meet with EU foreign policy chief Federica Mogherini in Brussels today, N1 reported.

Business & Economy

(continued from Top Stories) Failing this, a bankruptcy decision would be adopted and Jugoremedija's assets sold off, said bankruptcy manager Radovan Savic. Vecernje Novosti also wrote that Heta has put its claims against Jugoremedija up for sale, adding that it has learned that Heta is in talks with a buyer interested in taking over Jugoremedija and continuing its drug production. The possibility that the buyer in question is pharmaceutical firm Union-Medic "is not excluded," the daily wrote. Union-Medic leased Jugoremedija's facilities for EUR 30,000 per month two years ago and took over the company's licenses, resuming production of a number of products, the daily recalled. Jugoremedija was privatized in 2002, when it was sold to a Macedonian firm owned by Serbian businessman Jovica "Nini" Stefanovic. Macedonian company Jaka 80 held a 41.9% stake in Jugoremedija until the Commercial Court in Belgrade annulled the privatization in September 2006.

Dinar on four-day winning run, as NBS buys EUR 30 million on forex market. The dinar rose 0.1% versus the euro in yesterday's trading, extending gains to a fourth day, as the National Bank of Serbia (NBS) bought EUR 30 million on the foreign exchange market to prevent a sharp one-day increase of the domestic currency, local media reported. The NBS' median exchange rate for today is RSD 123.1904 to a euro, compared with yesterday's RSD 123.2629. Including yesterday's intervention, the NBS has bought EUR 310 million so far this year to avert major one-day strengthening of the dinar. The central bank has also sold EUR 870 million in 2016 to bolster the domestic currency. Since the beginning of the year, the dinar has weakened 1.3% against Europe's single currency, according to the central bank's website.

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Energy regulator approves decision on prices of non-standard services adopted by power distribution system operator EPS Distribucija. The Energy Agency (AERS) have approved a decision on prices of non-standard services adopted by state power utility Elektroprivreda Srbije's (EPS) power distribution system operator, EPS Distribucija, according to a news release from the energy regulator yesterday, local media reported. The services in question include disconnecting and reconnecting supply and other services.

Charter flights between Belgrade, Slovenia's Portoroz available through Croatian incoming tour operator Mediteran Adria, MK Group says. Charter flights between Belgrade and Slovenian coastal resort of Portoroz are available through Croatian incoming tour operator Mediteran Adria, according to a news release from Serbian agribusiness-to-tourism company MK Group, which operates the five-star Kempinski Palace Portoroz hotel, local media reported yesterday. The charter flights have been restored thanks to joint efforts of MK Group, the Portoroz airport operator, Slovenian partners, and Mediteran Adria, Mk Group said. The charter flights are available as part of travel packages including hotel stays on medadria.com.

Belgrade's public transit operator GSP Beograd inks EUR 1.9 million deal with bus maker Ikarbus, UniCredit Leasing Srbija to procure 10 new rigid-bodied busses. Belgrade's public transit operator GSP Beograd yesterday signed a EUR 1.9 million agreement with bus maker Ikarbus and leasing company UniCredit Leasing Srbija to buy 10 new rigid-bodied busses from the Serbian bus maker, according to a news release on the City of Belgrade's website. In 2016, GSP will also launch the procurement of 30 new articulated busses and 10 new low-floor rigid-bodied busses, said assistant mayor Borko Milosavljevic, who attended the signing.

Economy Ministry seeks applications from regional development agencies for RSD 30 million in grants for local projects. The Economy Ministry has invited accredited regional development agencies to apply for a total of RSD 30 million in grants to co-finance projects aimed at supporting local and regional development, according to an announcement on the ministry's website. The ministry will co-finance up to 50% of the value of projects, involving improvements to business infrastructure, environment, and municipal services, the promotion of cooperation between municipalities and between rural and urban areas, as well as public-private partnership (PPP) projects. Applications are due by October 1.

2nd community technology, entrepreneurship conference Voxxed Days to be held in Belgrade in late September. The second edition of community technology and entrepreneurship conference Voxxed Days will be held at Belgrade's Belexpo center, from September 28 to 30, according to a statement from HeapSpace, the event's organizer. The conference will feature experts and lecturers from the world's major internet and technology companies, including Amazon, Google, IBM, Red Hat, JetBrains, Indiegogo, Pivotal, Yammer and Atlassian. The event is an opportunity to exchange knowledge about the latest technological trends and business practices and to make contacts with more than 1,000 programmers, entrepreneurs, and start-up and technology enthusiasts from across the world.

Pension funds' net assets grow 2.7% in Q1, as FONDex index climbs 1.4%. The total net assets of the pension funds in Serbia stood at RSD 29.6 billion at the end of March 2016, up 2.7% from the end of 2015, according to a report on the National Bank of Serbia's (NBS) website. FONDex, an index tracking the per-share net asset values (NAV) of all pension funds on the market, climbed 1.4% in Q1 to 2,441.53 points. Only four pension fund management companies, one custody bank, and four banks for intermediaries operated in Serbia at the end of last year. The pension fund managers had most of their assets, a total of 82.6%, invested in the state's debt securities, 12.8% in custodial accounts and term deposits, and 4.3% in stocks. At the end of the first quarter, the overall number of customers in the accumulation phase stood at 185,759.

UniCredit Bank Srbija prolongs "super transfer" campaign, raises maximum amount on MasterCard gift cards to RSD 20,000 per each client referring new clients. UniCredit Bank Srbija has extended its "super transfer" campaign until the end of 2016 and increased the maximum amount it offers on a MasterCard gift card to each client who refers new clients, from RSD 10,000 to RSD 20,000, according to a media release from the bank yesterday. The bank offers up to RSD 2,000 per new client referred.

BSE indexes snap five-day winning streak on Monday. The Belgrade Stock Exchange's (BSE) blue-chip index BELEX15 dropped 0.87% to 611.02 points yesterday, and composite index BELEXline shed 0.49% to 1,338.14 points, following five days of gains for both. On the regulated market, trading in listed stocks and bonds was worth nearly RSD 1.09 billion, almost all of which was trading in bonds, as trading in unlisted stocks amounted to RSD 727,055. The multilateral trading facility registered stock trading worth RSD 613,390. Vital was the only advancer on the regulated market, rallying 26.32% to RSD 720. Komercijalna Banka topped the loser board, sliding 3.31% to RSD 1,402. Also in the red, Metalac shaved off 1.36% to RSD 1,450 and NIS slipped 1.28% to RSD 617. Sojaprotein had the largest trade value, of RSD 1.48 million, ahead of NIS, with RSD 793,669, and Energoprojekt Holding, with RSD 612,000.

Belgrade stocks gain ground last week as bonds push overall trading to RSD 1.1 billion. The Belgrade Stock Exchange's (BSE) blue-chip index BELEX15 closed 2.22% up at 616.38 points last week, and composite index BELEXline climbed 2.72% to 1,344.69 points last. Overall trading totaled nearly RSD 1.1 billion, owing to bond trading, which was worth some RSD 1 billion. The regulated market registered stock trading worth RSD 41.4 million, while the multilateral trading facility saw stock trading worth RSD 7.4 million. Energoprojekt Industrija was the top gainer, skyrocketing 53.26% to RSD 1,928. Also on the upside, Kopaonik surged 15.3% to RSD 1,500 and Energoprojekt Entel rose 14.54% to RSD 14,859. Lasta was the biggest decliner, sinking 6.58% to RSD 355. Also operating in negative territory, Sojaprotein shed 5.85% to RSD 660, and Tigar dropped 4% to RSD 96. Metalac registered the top trade value, of RSD 3.52 million, followed by Energoprojekt Holding, with almost RSD 3.5 million, and Galenika Fitofarmacija, with just under RSD 988,000.

Weather Forecast

Tuesday, July 19

Mostly cloudy. Low 17° C. High 26° C.

Wednesday, July 20

Partly cloudy. Low 17° C. High 27° C.

Currency Exchange Rates

Country	Currency	Median Exchange rate (RSD)
EU	1 Euro	123.2629
Australia	1 Dollar	84.5483
Canada	1 Dollar	86.0054
China	1 Yuan	16.6246
Denmark	1 Crown	16.5658
Japan	100 Yen	105.7053
Norway	1 Crown	13.1664
Russia	1 Ruble	1.7549
Sweden	1 Crown	13.0216
Switzerland	1 Franc	113.2411
Great Britain	1 Pound	147.3908
USA	1 Dollar	111.3888

Source: NBS (July 18, 2016 - latest update on www.bizinfo.co.rs)

Belgrade Overnight Index Average – July 18, 2016

BEONIA	RATE	TOTAL VOLUME
	2.73	3,260

Source: NBS

Belgrade Interbank Offered Rates – July 18, 2016

BELIBOR	RATE
T/N	3.02
S/N	3.02
1W	3.17
2W	3.21
1M	3.33
2M	3.47
3M	3.56
6M	3.82

Source: NBS

Trading on BSE – July 18, 2016

Prime Market

STOCKS	Closing Price (RSD)	Change (%)	High (RSD)	Low (RSD)	Traded Volume	Traded Value (RSD)
Aerodrom Nikola Tesla, Belgrade	941	-0.21	943	927	85	79,084
Energoprojekt Holding, Belgrade	1,200	-0.08	1,200	1,200	510	612,000
NIS, Novi Sad	617	-1.28	620	613	1,286	793,669
Sojaprotein, Becej	660	0.00	673	657	2,249	1,483,774

BOND SERIES	Closing Price	Annual Yield (%)	Price Change (%)	Low - High	Traded Value (RSD)
RSO15109	105,2312	-	0.1560	105,2312-105,2312	526,156,000
RSO15112	112,0556	-	0.6699	112,0556-112,0556	560,278,000

Standard Market

STOCKS	Closing Price (RSD)	Change (%)	High (RSD)	Low (RSD)	Traded Volume	Traded Value (RSD)
Metalac, Gornji Milanovac	1,450	-1.36	1,450	1,450	193	279,850
Komercijalna Banka, Belgrade	1,402	-3.31	1,405	1,401	160	224,370

Over-the-Counter Market

STOCKS	Closing Price (RSD)	Change (%)	High (RSD)	Low (RSD)	Traded Volume	Traded Value (RSD)
Messer Tehnogas, Belgrade	8,490	-0.09	8,490	8,490	51	432,990
Impol Seval, Sevojno	1,709	-0.35	1,715	1,700	151	258,065
Vital, Vrbas	720	+26.32	720	720	50	36,000

Multilateral Trading Facility

STOCKS	Closing Price (RSD)	Change (%)	Demand	Supply	Traded Volume	Traded Value (RSD)
AMS Osiguranje, Belgrade	500	0.00	1,892	18,755	700	350,000
Gosa FOM, Smederevska Palanka	370	0.00	350	310	220	81,400
Central, Vrbas	510	-8.93	421	119	119	60,690
Termovent SC Livnica Celika, Backa Topola	2,700	0.00	58	138	18	48,600
Neoprojekt, Belgrade	300	0.00	258	119	119	35,700
TSM Property, Sremska Mitrovica	600	0.00	65	45	45	27,000
Invest - Import, Belgrade	5,000	+2.04	2	37	2	10,000

Source: BSE

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