

Top Stories

VUCIC'S SNS "UNANIMOUSLY" BACKS BRNABIC

SNS "UNANIMOUSLY" BACKS VUCIC'S PICK OF PM-DESIGNATE, BUT SNAP ELECTIONS TO BE HELD IF PARLIAMENTARY MAJORITY OF 128 IS NOT SECURED, PARTY OFFICIAL SAYS.



The Serbian Progressive Party (SNS) "unanimously" supported its leader and Serbian President Aleksandar Vucic's proposal for Ana Brnabic (pictured), a non-partisan member of the government, to become the next prime minister, but Serbia will head for early parliamentary elections if a majority of 128 MPs is not secured, even though 126 would be sufficient, SNS Vice President Marija Obradovic said yesterday, local media reported. According to Obradovic, it will be known by Thursday whether the ruling coalition can secure a majority of 128 MPs to vote in a new cabinet. She said that chances of snap elections are slim, and that she expects a strong majority to back the new government, but also that she does not wish to speculate whether the 128 would include all of about 100 MPs from the SNS' ranks. She added that the new government is hoped to be voted in by June 30.

Obradovic was speaking following a meeting between Vucic and the SNS' MPs, all of whom backed Vucic's pick of Brnabic, who is currently public administration and local government minister. For his part, Vucic said that the meeting "was not easy," but that he believes "everything will be alright." According to Aleksandar Martinovic, the SNS whip in the parliament, the party expects the entire bloc it leads to vote for Brnabic's appointment as prime minister in order to demonstrate it can secure a majority without the help of others. Certain parties belonging to the SNS-led bloc have voiced support for the prime minister-designate. (continued in Politics)

Serbia, Bosnia-Herzegovina, Montenegro, Macedonia set to ask EU to expand decision on repealing roaming charges to Western Balkans, Ljajic says.

The government ministers in charge of telecommunications from Serbia, Bosnia-Herzegovina, Montenegro, and Macedonia have reached an agreement to send a joint letter to the European Commission to seek expanding the EU's decision on scrapping roaming charges to the Western Balkans, according to Serbian Trade, Telecommunications, and Tourism Minister Rasim Ljajic, local media reported yesterday. The decision, which took effect on June 15, applies to all EU member states, but also non-members Norway, Iceland, and Lichtenstein. Serbia, Bosnia-Herzegovina, Montenegro, and Macedonia had a similar initiative two years ago, but it was not accepted at the time, Ljajic recalled, noting that there should be no great expectations from the planned new request either. He also recalled that the four countries have their own agreement in place on gradually lowering roaming charges.

IMF mission to be in Serbia from June 22 to July 4 for Article IV Consultation, talks on 7th review under stand-by deal, resident representative says.

An International Monetary Fund (IMF) mission led by James Roaf will be in Serbia from June 22 to July 4 for an Article IV Consultation and the seventh review under the ongoing three-year stand-by arrangement, concluded in February 2015, local media reported yesterday, citing IMF Resident Representative for Serbia Sebastian Sosa. The official part of the discussions will start on Monday, Sosa said. A successful completion of the seventh review talks would enable the IMF Executive Board to consider the review in late August, he said. The reviews are now conducted every six months, he recalled, noting that the seventh review comes eight months ahead of the completion of the stand-by arrangement. The seventh review talks will not cover an increase of public sector salaries and pensions, as such matters are usually discussed as part of preparations of the next year's state budget, according to Sosa. The reform of public companies is the priority of the IMF-backed program with Serbia.

Building firm Napred Razvoj, related entities announce intentions to bid for shares of two subsidiaries of Serbia's largest construction company Energoprojekt Holding.

Belgrade-based construction company Napred Razvoj and related entities have unveiled intentions to file takeover bids for shares of two subsidiaries of Serbia's largest construction and engineering company Energoprojekt Holding – Energoprojekt Entel and Energoprojekt Garant, local media reported yesterday. (continued in Business & Economy)

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Politics

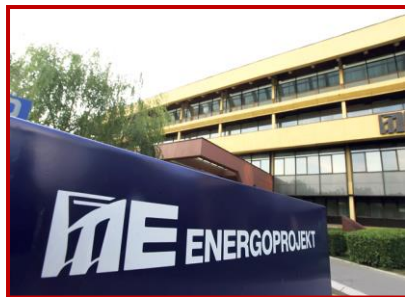
(continued from Top Stories) Martinovic said that the parliament is expected to start debating a bill on government ministries on Saturday, with the new cabinet to be on the agenda on Wednesday and Thursday next week. The new cabinet could take an oath of office on Thursday, he added. A bloc comprising Acting Prime Minister and Foreign Minister Ivica Dacic's Socialist Party of Serbia (SPS) and Dragan "Palma" Markovic's United Serbia (JS) has 29 seats, but the JS' seven MPs are expected to vote against Brnabic over her being openly gay. Vucic was sworn in as Serbia's president at the end of May, leaving the post of prime minister vacant. His inauguration ceremony will be held on Friday, according to earlier reports. For her part, Brnabic has said that the most important thing at the moment is for Serbia to get a government "within the legal timeframe," according to earlier reports. According to Danas' unnamed sources "close to" Vucic and the SNS, Sinisa Mali, currently Belgrade's mayor, is one of the candidates for Brnabic's chief of staff. In early May, Vucic said that Mali will step down as Belgrade mayor "during the summer months," well ahead of the city assembly elections, due in the spring of 2018. In late April, Mali announced that he will not run for reelection, saying that he has been subject to "attacks" since before the Savamala controversy.


NEDELJA 18:00
PONEDELJAK 12:10
UTORAK 00:10
ČETVRTAK 12:10


JEDINA REGIONALNA MUZIČKA TOP LISTA

Business & Economy

(continued from Top Stories) The intention is to bid to take over the shares not already owned by the majority stakeholder, Energoprojekt Holding. According to earlier reports, 35.32% of Energoprojekt is owned by Napred Razvoj and related entities, including businessman Dobroslav Bojovic, Belgrade-based building firms Montinvest and Napred, and Switzerland-headquartered Jopag, which also intend to bid to take over the remaining 64.68% of Energoprojekt. On Friday, the Securities Commission stripped businessman Bojovic and the related entities of their voting rights in Energoprojekt. The move came after the commission determined that a transaction in early 2017 boosted their holding in Energoprojekt to over 25%, but that they failed to later file a takeover bid for the remaining shares of Energoprojekt, even though it



was their legal obligation to do so. Also on Friday, the state, which has a stake of around 33.6% in Energoprojekt, and nearly 1,000 other shareholders rejected Bojovic's request to change the management structure at the Energoprojekt. Energoprojekt CEO Vladimir Milanovic has called on shareholders to refrain from selling their shares in Energoprojekt until prosecutors and a court complete their procedures. Milanovic has repeatedly warned that a hostile takeover of Energoprojekt's shares by Bojovic and related entities was under way. In early 2017, state-owned pension fund Dunav sold its 3.59% stake in Energoprojekt for EUR 4 million on the Belgrade Stock Exchange (BSE), which was followed by Swedish investment fund East Capital's sale of a 2.29% holding for about EUR 2.7 million, Milovanovic said earlier. He also noted that Energoprojekt's buyback averted a plunge of the company's share price following the two transactions.

Euro slides below RSD 122 as dinar strengthens for 7th day. The dinar added 0.1% against the euro in yesterday's trading, taking gains to a seventh day and rising to its fresh 2017 high, local media reported. The National Bank of Serbia (NBS) decided that there was no need for an intervention on the foreign exchange market. The NBS' median exchange rate for today is RSD 121.9363 to a euro, compared with yesterday's RSD 122.1076. So far this year, the NBS has bought a total of EUR 280 million on the forex market to avert sharp one-day increases of the dinar. It has also sold a total of EUR 345 million in 2017 to bolster the domestic currency. Since the beginning of the year, the dinar has gained 1.3% against the euro, according to the NBS' website.

Bids for Vinca waste management PPP project to be opened on July 13, City of Belgrade says. Bids for a public-private partnership (PPP) project for the provision of services of treatment and disposal of residual municipal solid waste at Belgrade's Vinca landfill will be opened on July 13, the City of Belgrade said on its website yesterday, citing Vecernje Novosti. At least three, or perhaps even all five qualified applicants, are expected to submit bids, Belgrade Mayor Sinisa Mali told Novosti. The qualified applicants include France's Suez

and Veolia and Spain's Urbaser and FCC, Mali said. The private partner is expected to invest some EUR 300 million, he said. In August 2016, Blic was told at the city government that "German" EVN had also cleared the qualification phase for the project, which is to involve building a waste-to-energy facility to produce heat and power. In November 2014, the City of Belgrade and the International Finance Corporation (IFC), a member of the World Bank Group, signed an agreement on advisory financial services, under which the IFC is to help the Serbian capital select a strategic partner for the undertaking.

HBIS Group Serbia Iron & Steel invests USD 140 million in 1st year of operations, boosts output by 55%. Steel producer HBIS Group Serbia Iron & Steel, which took over the assets of steelworks Zelezara Smederevo as part of China's One Belt, One Road initiative in mid-2016, increased the steelworks' production by some 55% in the first year of operations, having invested USD 140 million and halted a seven-year loss-making trend, local media reported yesterday, citing a news release from the steel producer. HBIS Group Serbia Iron & Steel "registered its first profit" since the takeover in December 2016. In 2017, the company has been the country's number-two exporter. It is entering its second year of operations with a plan to invest around USD 150 million, according to the news release.

State power utility EPS asks ministry to approve producing environmental impact study for Bistrica hydropower plant reconstruction. State power utility Elektroprivreda Srbije (EPS) has filed a request to the Agriculture and Environmental Protection Ministry to adopt a document on the need to produce an environmental impact study for a project to reconstruct the Bistrica hydropower plant with, local media reported, citing an announcement from the ministry. The plant on the Lim River in the municipality of Nova Varos in western Serbia has an installed capacity of 2x54 MW.

Marfin Bank changes name to Expobank. Expobank CZ, headquartered in the Czech Republic and owned by Russian banking investor Igor Kim, which bought Marfin Bank in Serbia earlier this year, has changed the name of the Belgrade-based bank to Expobank, local media reported yesterday, citing a statement from the bank. The new name is in use as of the beginning of this week, and rebranding across the bank's branches will be implemented throughout June, according to the statement. Expobank CZ completed the acquisition of Marfin on February 28, 2017, becoming the first Czech bank to enter the Serbian market, according to an earlier press release from Expobank CZ. Marfin was previously owned by Cyprus Popular Bank Public Co Ltd (CPB), according to earlier reports.

RATEL's report shows Telenor's 4G coverage in Serbia bigger than other two mobile providers' combined, company says. Telenor has covered 90% of the population and 60% of the territory of Serbia with its 4G network, which is more than the 4G coverage of the other two mobile operators in the country combined, Telenor said in a media release yesterday, citing a report by the Regulatory Agency for Electronic Communications and Postal Services (RATEL) for the first quarter of 2017. The report, which also deals with the 2G and 3G network coverage, shows that Telenor has the biggest number of base stations in Serbia, more than 7,000. Over the past year, Telenor has built the biggest number of 4G base stations in the country – 730 – and plans to increase their number by the end of 2017, the media release reads.

Chinese-owned Betec Resources eyes Zeleznicar hotel with thermal hot spring in Vranjska Banja. Chinese-owned Betec Resources is interested in buying hotel Zeleznicar, with a thermal hot spring, in the Vranjska Banja spa resort in southern Serbia, which has been shut since 2015, according to Jugmedia. The hotel, currently owned by Infrastruktura Zeleznice Srbije, a state-owned company which manages railway infrastructure, will be put up for sale upon the adoption of a reorganization plan to be implemented as part of a prepackaged bankruptcy, with the intent of reopening it under a new owner, according to an agreement with the Economy Ministry. The City of Vranje's administration has given its consent to a memorandum of cooperation between public utility Uprava Banje and Betec Resources, registered in Belgrade, concerning geothermal exploration in the southern Serbian city, according to a statement on Vranje's website last September.

State Geodetic Authority launching e-desk on July 1 to initially provide utilities cadaster services. The state Geodetic Authority (RGZ) is introducing a new electronic service, e-desk, on July 1, as part of reforms backed by the World Bank, local media reported yesterday, citing RGZ's news release. RGZ plans to organize training on June 26 on how to use its e-desk, especially for private geodetic organizations. The e-desk, which will enable two-way digital communication and the exchange of digitally signed documents, will initially provide the utilities cadaster services and later the real estate cadaster services, according to the news release.

Introduction of e-prescriptions faces delay, daily told at Health Ministry. The introduction of e-prescriptions, which was to take effect from June 1, is facing delays, but linking data in line with legislation on the protection of personal data is at its final stage, Blic was told at the Health Ministry. This will be followed by deploying the necessary software at pharmacies across Serbia to enable the new system to be functional, the daily was told.

According to unofficial estimates, the system will create some EUR 2 million in savings annually, the daily wrote. The system will also enable chronic patients to receive medications at a pharmacy without seeing a physician every single time they need a new batch.

Appraisal Associates and Consultants completes construction of EUR 15 million residential-commercial complex along Pancevo's river Tamis. Pancevo-based property management company Appraisal Associates and Consultants has completed construction of a modern residential-commercial complex along the river Tamis in Pancevo, in a project worth EUR 15 million, local media reported yesterday. The complex already has supermarkets, a post office, and a fitness center, and it will soon have ATMs, restaurants, another recreational zone, and a children's playground, Slobodan Hajdukovic, top man at the company.

City of Belgrade invites bids for office space on central Terazije Street, starting price set at EUR 1.47 million. The City of Belgrade has invited bids for office space on three floors in an office building on Terazije Street in downtown Belgrade, setting a starting price at nearly EUR 1.47 million, according to the City of Belgrade's website, local media reported. Bids for the office space, spanning a total of 1,451 square meters, are due by June 30, with an auction scheduled for July 5.

Alfa Plam moves from BSE's standard market to over-the-counter market. Furnace and stove manufacturer Alfa Plam yesterday started trading on the Belgrade Stock Exchange's (BSE) over-the-counter market, according to a filing on the BSE's website. Alfa Plam stock's move from the standard segment of the regulated market was approved on June 16, based on the company's request filed on May 31, according to the BSE website.

Belgrade stocks decline on Monday. The Belgrade Stock Exchange's (BSE) blue-chip index BELEX15 lost 0.28% to 708.39 points yesterday, as composite index BELEXline edged down 0.17% to 1,536.79 points. Overall trading stood at nearly RSD 7.16 million, RSD 4.46 million of which was trading in listed stocks and nearly RSD 2.69 million in unlisted stocks, while the multilateral trading facility registered stock trading worth RSD 10,030. Energoprojekt Entel was the biggest gainer, going up 1.64% to RSD 12,705, ahead of Aerodrom Nikola Tesla, which rose 1.09% to RSD 1,295, and Philip Morris Operations, which climbed 0.87% to RSD 2,674. Lasta topped the loser board, declining 5.6% to RSD 472. Also trading in negative territory, NIS fell 1.88% to RSD 677 and Komercijalna Banka shed 1.45% to RSD 1,768. Energoprojekt Holding registered the top trade value, of nearly RSD 2.08 million, followed by Komercijalna Banka, with RSD 1.43 million, and Energoprojekt Entel, with just under RSD 787,695.

BSE indexes extend losses to 2nd week as bonds dominate trading. The Belgrade Stock Exchange's (BSE) blue-chip index BELEX15 declined 1.16% to 710.41 points last week, and composite index BELEXline fell 0.72% to 1,539.38 points, in what was a second week of losses for both. Overall trading amounted to just under RSD 3.6 billion, RSD 3.34 billion of which was bond trading and some RSD 251.47 million stock trading. The multilateral trading facility saw stock trading worth RSD 5.71 million. Energoprojekt Industrija advanced the most, rallying 12.11% to RSD 2,000. Also trading in positive territory, Impol Seval gained 5.79% to RSD 3,491 and Galenika Fitofarmacija added 1.69% to RSD 2,650. Valjaonica Bakra Sevojno was the biggest loser, shaving off 19.7% to RSD 530. Also in the red, Globos Osiguranje dropped 16.67% to RSD 100 and Lasta sagged 5.66% to RSD 500. Energoprojekt Holding had the largest trade value, of nearly RSD 130.5 million, ahead of Aerodrom Nikola Tesla, with almost RSD 71.4 million, and Alfa Plam, with RSD 24.8 million.

Currency Exchange Rates

Country	Currency	Median Exchange rate (RSD)
EU	1 Euro	122.1076
Australia	1 Dollar	83.0720
Canada	1 Dollar	82.5051
China	1 Yuan	16.0093
Denmark	1 Crown	16.4156
Japan	100 Yen	98.2757
Norway	1 Crown	12.9083
Russia	1 Ruble	1.8920
Sweden	1 Crown	12.5277
Switzerland	1 Franc	111.9740
Great Britain	1 Pound	139.2968
USA	1 Dollar	109.0733

Source: NBS (June 19, 2017 - latest update on www.bizinfo.co.rs)

Trading on BSE – June 19, 2017

Prime Market

STOCKS	Closing Price (RSD)	Change (%)	High (RSD)	Low (RSD)	Traded Volume	Traded Value (RSD)
Aerodrom Nikola Tesla, Belgrade	1,295	+1.09	1,300	1,280	446	577,187
Energoprojekt Holding, Belgrade	1,430	+0.85	1,443	1,418	1,453	2,076,984
NIS, Novi Sad	677	-1.88	681	660	243	164,550

Standard Market

STOCKS	Closing Price (RSD)	Change (%)	High (RSD)	Low (RSD)	Traded Volume	Traded Value (RSD)
Komercijalna Banka, Belgrade	1,768	-1.45	1,771	1,762	810	1,432,276
Metalac, Gornji Milanovac	1,752	+0.11	1,752	1,751	120	210,237

Over-the-Counter Market

STOCKS	Closing Price (RSD)	Change (%)	High (RSD)	Low (RSD)	Traded Volume	Traded Value (RSD)
Energoprojekt Entel, Belgrade	12,705	+1.64	13,250	11,700	62	787,695
Alfa Plam, Vranje	34,000	0.00	34,000	34,000	21	714,000
Philip Morris Operations, Nis	2,674	+0.87	2,681	2,623	205	548,097
Galenika Fitofarmacija, Zemun	2,645	-0.19	2,645	2,645	200	529,000
Lasta, Belgrade	472	-5.60	472	472	220	103,840
Takovo, Gornji Milanovac	80	0.00	80	80	50	4,000

Multilateral Trading Facility

STOCKS	Closing Price (RSD)	Change (%)	Demand	Supply	Traded Volume	Traded Value (RSD)
Univerzal, Kanjiza	295	0.00	34	70	34	10,030

Source: BSE

Belgrade Overnight Index Average – June 19, 2017

BEONIA	RATE	TOTAL VOLUME
	2.83	1,250

Source: NBS

Belgrade Interbank Offered Rates – June 19, 2017

BELIBOR	RATE
T/N	3.00
S/N	3.01
1W	3.14
2W	3.21
1M	3.34
2M	3.46
3M	3.56
6M	3.75

Source: NBS

Weather Forecast

Tuesday, June 20

Sunny. Low 17° C. High 31° C.

Wednesday, June 21

Mostly sunny. Low 19° C. High 33° C.

EXECUTIVE NEWSLETTER

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Subscriptions and Advertising: info@bizinfo.co.rs
ISSN: 1451-7752, Published by Executive Group
Knez Mihailova 9, 11000 Belgrade; Tel: + 381 11 328-4488, 328-4480

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