

Top Stories

PENSIONS, PUBLIC SECTOR PAY TO GO UP ON JANUARY 1

Pay at public services to increase 10%, as administrative personnel, pensioners to get 5% raise on January 1, 2018, PM says. Employees at public services will get a 10% pay raise, while salaries of administrative personnel in the public sector will be increased by 5% on January 1, 2018, Prime Minister Ana Brnabic told a news conference in Krusevac on Friday, local media reported. Pensions will also be raised by 5% on January 1, 2018, and pensioners will get a RSD 5,000 one-off assistance in November 2017, she said. Salaries that will be increased by 10% are those of educators and scientists, healthcare and social security employees, judges, prosecutors, and correctional officers, employees at cultural institutions, the Tax Administration's employees, and the police, military, and security personnel, Brnabic said. More than 90% of pensioners will see their pensions rise on January 1, 2018 to levels higher than they were prior to cuts undertaken as part of fiscal consolidation in 2014, according to her. According to President Aleksandar Vucic, salaries across the public sector, with the exception of 17,000 administrative employees, will be raised to pre-cut levels on January 1, 2018.



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Government to secure technical conditions for all-nation dialogue on Kosovo at next session, authorities to “boldly” make proposal to citizens, Serbian president says. Serbian President Aleksandar Vucic said on Friday that the government led by Prime Minister Ana Brnabic will secure all technical conditions at its next session for launching an all-nation dialogue on Kosovo that he has initiated, local media reported. A working group will be set up to secure logistical conditions, after which talks will be held with all stakeholders, according to Vucic. After the dialogue is completed, the authorities will “boldly” make a proposal to Serbian citizens, Vucic was quoted as saying at the close of the Belgrade Security Forum. He also said that he believes the solution to the Kosovo problem is “somewhere in between Serbian and ethnic-Albanian concessions,” noting that the international community “should make an effort to understand both sides.”

European Federation of Journalists to send international mission to Serbia over “worsened” media situation, warns of self-censorship. The European Federation of Journalists (EFJ)'s Steering Committee has agreed to send an international mission to Serbia “to shed more light to the state of the media in Serbia, which has worsened in recent years,” according to a news release on the EFJ's website. The EFJ also called on the Council of Europe (CoE) and the Organization for Security and Cooperation in Europe (OSCE) “to continue their pressure on the government,” according to the press release. “Critics say Western officials have turned a blind eye to [President Aleksandar] Vucic's stifling of democratic freedoms in Serbia as long as he cooperated in maintaining stability in the volatile Balkans,” the news release reads. According to a database of incidents against journalists maintained by the Independent Journalists' Association (NUNS), new trends indicate a shift from physical assaults to pressures including surveillance, court procedures, administrative harassment, public statements by officials against journalists, and economic pressures – “an environment that does not allow independent media to exist and that has given rise to self-censorship among journalists,” according to the EFJ's news release. *(continued in Politics)*

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Politics

(continued from Top Stories) “We ask the European Commission and in particular EU Commissioner Hahn, responsible for European Neighbourhood Policy & Enlargement Negotiations, to be firm and coherent when it comes to enforcement of European standards of freedom of expression and media freedom in Serbia,” said EFJ President Mogens Blicher Bjerregard. In an interview with Radio Free Europe, he said that the media situation in Serbia is the worst in the entire Western Balkans.

Government led by Ana Brnabic marks first 100 days in office. The government led by Prime Minister Ana Brnabic, formed after Aleksandar Vucic left the prime ministerial post to assume the office of Serbian president, has officially marked its first 100 days in office, local media reported on Saturday. Presenting the cabinet’s results at a ceremony in the central Serbian town of Krusevac, Brnabic noted that public debt had decreased to 65.4% of GDP at the end of September, as a RSD 66.5 billion surplus was registered. During the 100-day period, the social-economic council reached an agreement for the minimum hourly wage to be raised; the seventh review under the stand-by arrangement with the International Monetary Fund (IMF) was completed; and government members met with key leaders such as German Chancellor Angela Merkel, French President Emmanuel Macron, and US Vice President Mike Pence, she recalled. At the same time, the government adopted 42 bills, three of which have already passed parliament, Brnabic said. She also noted that seven new agreements, worth EUR 78 million, were signed with investors during the government’s first 100 days in office, in what will create 2,778 jobs. The cabinet’s focus is on education, health care, science, and culture, she said, adding that reform steps ahead will include those concerning the system of salaries in the public sector.

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Business & Economy

Finance minister expects 8th and final review under stand-by arrangement with IMF to be successfully completed, as senior IMF official praises Serbian government’s “hard work.”



Tao Zhang, deputy managing director at the International Monetary Fund (IMF), praised the Serbian government’s hard work in efforts to strengthen the economy and implement challenging reforms, the Finance Ministry said in a statement on its website yesterday. During a meeting with a Serbian delegation in Washington D.C., Zhang also said that the IMF intends to continue providing support to the government to implement reforms leading to stronger investor confidence and potential growth supported by the IMF program. At the meeting, organized as part of the Annual Meetings of the IMF and the World Bank Group, Serbian

Finance Minister Dusan Vujovic said he is proud of the fact that public debt has been lowered to 65.4% of GDP and that a RSD 66.5 billion surplus has been registered, adding that he is certain the eighth and final review under Serbia’s stand-by arrangement with the IMF will be successfully completed. For her part, National Bank of Serbia (NBS) Governor Jorgovanka Tabakovic said that inflation has been stabilized at a low level, while the share of non-performing loans (NPLs) in overall lending has shrunk by a third since the NPL resolution strategy was launched in August 2015.

Serbian energy minister, EU ambassador discuss Serbia-Bulgaria gas interconnector to be backed with EUR 49.6 million grant under IPA. Serbian Mining and Energy Minister Aleksandar Antic met with Head of the EU Delegation to Serbia Sem Fabrizi on Saturday to discuss a project to build a natural gas interconnector between Serbia and Bulgaria, which the EU will back with a EUR 49.6 million grant under its Instrument for Pre-Accession Assistance (IPA), according to a statement from the Mining and Energy Ministry, local media reported. Antic and Fabrizi also discussed Serbia’s plan for 500 MW of renewable energy facilities to be built, in addition to facilities with the capacity of 100 MW, in what would ensure Serbia meets the EU’s renewable energy targets, according to the statement. They also agreed for energy efficiency projects to come into focus over the coming

period, with the Mining and Energy Ministry to review, by the end of 2017, the possibility of setting up an energy efficiency fund, in cooperation with the European Integration Ministry and the European Commission, according to the statement.

Social-economic council did not support draft law on employees at public services, union association chairman says. The social-economic council, gathering representatives of the government, union associations, and the Employers' Association of Serbia (UPS), did not support the draft law on employees at public services on Friday, but it agreed to continue consultations until the next meeting of the working body in charge of the matter, Beta reported, citing Zoran Stojiljkovic, chairman of the Nezavisnost union association. According to Stojiljkovic, the health care sector accepts the draft, the education sector is against it, while cultural institutions want to be exempted. He added that he does not "see the point" of having a law on employees at public services given that Serbia has the labor law and other laws regulating employment. The social-economic council's working body did not even discuss the draft law on salaries at public services on Friday, as that draft merely accompanies the draft law on employees at public services, he said.

Maryland business, political delegation arrives on visit to Serbia, to attend Trade Winds conference today. A business and political delegation from the US State of Maryland has arrived on a visit to Serbia, at the invitation of Environmental Protection Minister Goran Trivan, according to a press release on the ministry's website. The delegation is headed by Maryland Secretary of State John Wobensmith and also comprises Deputy Secretary of State Luis Borunda, Secretary of the Environment Ben Grumbles, and Secretary of Natural Resources Mark Belton, as well as representatives of ten companies operating in the environmental sector. As part of the visit, the Serbian Chamber of Commerce (PKS) and the US Embassy's trade department are organizing a conference today, titled Trade Winds 2017, to present to US companies possibilities of cooperation and facilitate direct contact with potential partners in Serbia, according to an announcement on the PKS' website. During the stay in Serbia, until October 20, the delegation will also meet with top local officials and visit Novi Sad and Nis, where it will get acquainted with investment potentials and capital environmental projects. In August, Trivan visited Maryland to encourage US companies to invest in Serbia's environmental protection sector, according to earlier reports.

Symbolic handover of keys held to mark takeover of machinery manufacturer 14. Oktobar's assets by member of Czechoslovak Group. A symbolic handover of keys was held on October 14 to mark the takeover of Krusevac-based machinery producer IMK 14. Oktobar's assets by Slovakia's MSM Group, a member of Prague-based Czechoslovak Group (CSG), whose companies include Czech cargo truck producer Tatra Trucks and armored vehicle maker Tatra Defence Vehicle, local media reported. At the ceremony, attended by Prime Minister Ana Brnabic and several government ministers, MSM Group President Marian Goga pledged to transform the fallen Krusevac firm into a successful manufacturer, as was done with Tatra and Avia Motors, also a member of CSG. According to earlier reports, Belgrade-registered firm called SCMG - 14. Oktobar, owned by CSG, signed an agreement on the acquisition of assets of bankrupt 14. Oktobar on October 4. The Krusevac firm was declared bankrupt in January 2016. Following four failed sale attempts, the board of creditors agreed in late September to sell the company's assets for RSD 485 million, according to previous reports.

Groundbreaking ceremony held for EUR 14 million wastewater treatment plant in Krusevac, financed with loan from German development bank KfW. A groundbreaking ceremony for a EUR 14 million wastewater treatment facility in Krusevac was held on Saturday, local media reported. The plant, which should be completed in 15 months, is built under phase two of a EUR 24 million wastewater treatment and sewerage project financed from a loan provided by German development bank KfW. Works on the wastewater treatment facility will be carried out by a consortium of Greece's Aktor, Belgrade's LAD Group, and Belgium-based Waterleau Group NV, according to previous reports.

Serbia's protected natural areas expanded by 83,000 hectares in government's first 100 days in office, environmental protection minister says. In the government's first 100 days in office, Serbia's protected natural areas were expanded by 83,000 hectares, Environmental Protection Minister Goran Trivan has said, according to a news release on the government's website. He said that the 2020 spatial plan envisages that 10%, or some 306,000 hectares of Serbia's land, should be designated as protected natural areas. Trivan also said that "hundreds of millions of euros" will be invested in the environmental protection sector in the coming years, according to local media.

Economy Ministry seeks bids of at least EUR 1.09 million for assets of Ljubovija's tobacco processor Duvan. The Economy Ministry has invited bids for assets of tobacco processor Duvan in Ljubovija, including land and facilities, setting the minimum ask price at some EUR 1.09 million, or 100% of the assets' appraised value as of December 31, 2016, according to an announcement. A 10% deposit is required. Bids are due by November 1, with opening scheduled for November 3.

Grinding machine company Grindex agrees exports to India, owner says. Kikinda-based grinding machine manufacturer Grindex, whose products are used by the automotive industry, has agreed exports of two machines to India by the end of 2017, Vecernje Novosti has reported, citing the firm's owner, Jovan Bulatovic. The company is trying to enter the Chinese market as well, he said. Grindex' main market is Russia, where it ships 25 machines annually, the daily noted.

PKS, RAS organizing participation of Serbian firms at A+A Trade Fair and Forum in Dusseldorf this week. The Serbian Chamber of Commerce (PKS) and the Serbian Development Agency (RAS) have organized the participation of Serbian companies at A+A Trade Fair and Forum, which deals with safety, security and health at work, in Dusseldorf, Germany from October 17 to 20, according to a news release on the PKS' website. The A+A Trade Fair and Forum, held every two years, is one of the largest international trade forums in these fields, according to its website. In 2015, the event featured more than 1,896 exhibitors from 55 countries and attracted 65,244 visitors from 86 states.

Dinar continues to rise on Friday. The dinar strengthened 0.1% against the euro in Friday's trading, taking gains to a second day, with the National Bank of Serbia (NBS) again deciding that there was no need for an intervention on the foreign exchange market, local media reported. The NBS' median exchange rate for today is RSD 119.3322 to a euro, compared with Friday's RSD 119.4005. The national currency has strengthened 3.5% against the euro since the beginning of 2017, according to the central bank's website.

NBS sells EUR 5 million, buys EUR 5 million in two-week forex swap. The National Bank of Serbia (NBS) on Friday sold EUR 5 million in one leg of a two-week foreign exchange swap, at weighted average 1.200 swap points, according to a statement on the central bank's website. In the other leg, the NBS bought EUR 5 million, at weighted average 1.400 swap points.

BSE indexes lose ground on Friday. The Belgrade Stock Exchange's (BSE) blue-chip index BELEX15 ended 0.08% lower at 727.24 points on Friday, and composite index BELEXline inched down 0.03% to 1,618.83. Trading on the regulated market totaled almost RSD 452.28 million, mainly owing to bond trading, which stood at nearly RSD 427.98 million. The multilateral trading facility registered stock trading worth RSD 641,355. Only two stocks reported gains on the regulated market, with Metalac adding 2.33% to RSD 1,980 and Impol Seval increasing 1.53% to RSD 3,655. Veterinarski Zavod Subotica was the biggest loser, dipping 3.21% to RSD 151. Also trading in negative territory, Philip Morris Operations sagged 2.79% to RSD 3,490 and Sojaprotein shaved off 0.91% to RSD 327. Metalac had the top trade value, of almost RSD 19.8 million, followed by Messer Tehnogas, with slightly under RSD 280,000, and Impol Seval, with about RSD 55,000.

PRODEX up at 216.01 points last week as trading value surges to RSD 71.36 million. The Novi Sad Commodity Exchange's (NSCE) index PRODEX, which tracks wheat, corn, barley, sunflower, and soy, rose 6.23 points to 216.01 points last week, according to a statement from the NSCE on Friday. The value of trading swelled 59.78% week-on-week to almost RSD 71.36 million, with trading volume soaring 97.18% to 3,500 metric tons. Corn changed hands at the average price of RSD 19.88 per kilogram including value-added tax (VAT), an increase of 5.07% from the previous week. The average price of wheat was RSD 19.95 per kilogram including VAT, up 0.64% week-on-week. Soy bean went for the average price of RSD 55.55 per kilogram including VAT, a rise of 1% compared with the week before, while barely sold for RSD 19.58 per kilogram including VAT.

Currency Exchange Rates

Country	Currency	Median Exchange rate (RSD)
EU	1 Euro	119.4005
Australia	1 Dollar	78.9268
Canada	1 Dollar	80.8289
China	1 Yuan	15.3166
Denmark	1 Crown	16.0381
Japan	100 Yen	89.8829
Norway	1 Crown	12.7625
Russia	1 Ruble	1.7451
Sweden	1 Crown	12.4280
Switzerland	1 Franc	103.3502
Great Britain	1 Pound	133.7521
USA	1 Dollar	100.7514

Source: NBS (October 13, 2017 - latest update on www.bizinfo.co.rs)

Trading on BSE – October 13, 2017

Prime Market

STOCKS	Closing Price (RSD)	Change (%)	High (RSD)	Low (RSD)	Traded Volume	Traded Value (RSD)
NIS, Novi Sad	684	-0.15	687	673	2,628	1,797,919
Aerodrom Nikola Tesla, Belgrade	1,360	0.00	1,361	1,360	136	184,965
Energoprojekt Holding, Belgrade	1,201	-0.74	1,202	1,201	9	10,811
Sojaprotein, Becej	327	-0.91	330	317	5	1,637

BOND SERIES	Closing Price (% of face value)	Annual Yield (%)	Price Change (%)	Low - High	Traded Value (RSD)
RSO16134	106,9946	-	+2.5454	106,9946- 106,9946	427,978,400

Standard Market

STOCKS	Closing Price (RSD)	Change (%)	High (RSD)	Low (RSD)	Traded Volume	Traded Value (RSD)
Metalac, Gornji Milanovac	1,980	2.33	1,980	1,980	10,000	19,800,000
Komercijalna Banka, Belgrade	1,885	-0.63	1,885	1,885	110	207,350

Over-the-Counter Market

STOCKS	Closing Price (RSD)	Change (%)	High (RSD)	Low (RSD)	Traded Volume	Traded Value (RSD)
Alfa Plam, Vranje	35,260	-0.68	35,260	35,260	50	1,763,000
Messer Tehnogas, Belgrade	12,500	-0.79	12,500	12,002	23	279,532
Kopaonik, Belgrade	7,500	0.00	7,500	7,500	22	165,000
Impol Seval, Sevojno	3,655	+1.53	3,655	3,655	15	54,825
Philip Morris Operations, Nis	3,490	-2.79	3,490	3,490	10	34,900
Veterinarski Zavod Subotica, Subotica	151	-3.21	151	151	5	755

Multilateral Trading Facility

STOCKS	Closing Price (RSD)	Change (%)	Demand	Supply	Traded Volume	Traded Value (RSD)
Hempro, Belgrade	505	0.00	1,045	798	795	401,475
Invest - Import, Belgrade	4,000	0.00	50	83	40	160,000
Iritel, Belgrade	430	+2.38	215	605	100	43,000
Centroprom, Belgrade	950	0.00	20	20	20	19,000
Rudo, Belgrade	149	0.00	120	822	120	17,880

Source: BSE

Belgrade Interbank Offered Rate – October 13, 2017

BELIBOR	RATE
T/N	2.48
S/N	2.49
1W	2.59
2W	2.65
1M	2.81
2M	2.93
3M	3.06
6M	3.25

Source: NBS

Belgrade Overnight Index Average – October 13, 2017

BEONIA	RATE	TOTAL VOLUME
	2.31	3,860

Source: NBS

Weather Forecast

Monday, October 16

Sunny. Low 11° C. High 24° C.

Tuesday, October 17

Sunny. Low 12° C. High 25° C..

executive newsletter

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