

Overseas Market Information



Serbia

NIS to invest EUR 132.5 million in oil refineries, EUR 31 million in fuel stations in 2008. State oil company Naftna Industrija Srbije (NIS) would allocate EUR 62.5 million for the modernization of its oil refineries this year. A further EUR 35 million would be set aside for environmental protection projects and EUR 15 million for projects to improve the quality of fuels.

Engineer Energoprojekt to build part of Mondi paper plant in Russia in EUR 40 million deal. Energoprojekt Visokogradnja, part of Belgrade-based engineering company Energoprojekt Holding, has signed a EUR 40 million contract to build the first stage of a paper plant in Syktyvkar, Russia, for the local unit of South African paper and packaging maker Mondi. The deadline for the Serbian engineering company to complete construction is January 2010.

Car battery maker FAS to increase capacity to two million units in EUR 7 million investment. Car battery manufacturer Fabrika Akumulatora Sombor (FAS) would complete a EUR 7 million investment project in June, in what would improve the quality of its products and increase production capacities to two million car batteries a year. FAS, owned by Sabac-based concern Farmakom MB, churned out 600,000 batteries in 2007. It plans to boost output to 1.2 million batteries in 2008 and two million units in 2009.

Lohr Backa Topola launches EUR 2.5 million project to start making new car-carrier truck model. Lohr Backa Topola, the Serbian subsidiary of France's Lohr Industrie, has launched a EUR 2.5 million project that would allow it to start producing special car-carrier trucks for the Russian market. The new model is designed to carry four to six automobiles. The investment project, which includes the reconstruction of one of the company's production facilities and the construction of another facility, is targeted for completion in mid-2008. Lohr Backa Topola, which officially started operations in October 2007, plans to produce 1,000 semitrailers for passenger car shipping this year and export the entire output, worth EUR 60 million, to Russia.

India's investment interests

The following Serbian companies could be interesting for acquisition :

(a) "Majevica Holding"

1. Joint Stock Company, Backa Palanka, Severni Salas bb, Serbia. "MAJEVICA" Holding a.d. is the founder five of the share companies with 100% of share capital. "Majevica-Livnica" a.d., foundry: produces annually 3.000 tons of castings GG 180 – GG 300 and GGG-50 grade weight from 0.20 to 8000 kg. It produces the castings from tool to agricultural machines, sewer and commercial cast.
2. "Majevica-Masine alatke" a.d., manufacturer machine : Universal tool grinders for metal and wood working, CNC grinders for surface, profile & creep feed grinding, CNC machining centres, short-pace planing machines, slotting machines, roller bearing case.
3. "Majevica-Pumpe i cisterne" a.d., manufacturer: stationary fuel tank, petrol pump, mobile cisterns for liquid fuel, measuring vessels, mobile cisterns for water, cisterns for liquid fertilizer, cement mixers.
4. "Majevica-Poljooprema" a.d., manufacturer agricultural machines : machine for soil preparation, universal pneumatic precision seed drills, inter-row cultivators, plant wastes cutter, potato harvesters, corn on the cob harvester, sugar beet harvesters, trailers, manure spreaders, spreaders, pumps for irrigation, trenchers.



5. “Majevica – Lopare” a.d., produces ever-heating hot water boilers from 25 to 100 KW power, manufacturer : castings, machine tools, petrol pump, cisterns and agricultural machines.
- (b) Bids for truck maker Zastava Kamioni (Zastava trucks) to be invited by May, GM says. Bids for Kragujevac’s truck manufacturer Zastava Kamioni would be invited by May 2008. The minimum price is reported to be EUR 3.9 million. Zastava Kamioni has reportedly drawn the attention of Austria’s Magna Steyr, Slovenia’s Viator & Vektor, Russia’s AMS Group, and China’s Beijing Automotive Industry Holding Company (BAIC), according to earlier reports. The first attempt to privatize the company, in 2006, failed for lack of bidders.
- (c) Minel Power Transformers Co. is one of the largest producers and repairers of power transformers in South East Europe. This joint – stock company is offered for sale by privatisation by the Republic of Serbia which is selling 70% of socially owned capital, representing 65.15% of the company’s total share capital. The remaining 30% of socially owned capital (27.92% of total share capital) will be in equal portion distributed to the employees and former employees of the company and the Government managed Share fund. During privatisation or subsequent to it, may be possible to negotiate share purchase from all small shareholders and thus to acquire 86.04% of the total share capital of the company.

More details may be seen at the Privatization Agency’s Website : <http://www.priv.yu/vesti/vesti.php?jezik=english#>

(Source : Embassy of India, Belgrade)