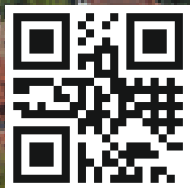


Invest in Pirot



www.pirot.rs



Welcome to Pirot



Pirot is a city with favorable geo-strategic position; it is located in the heart of the Balkan, on Corridor 10, which represents a link to the European continent, the Near and Middle East. It is characterized by a rich cultural - historical heritage, as well as extremely natural wealth since it is situated on the slopes of the mountain.

Pirot is the administrative center of the Pirot District, which include the municipalities of Babusnica, Dimitrovgrad and Bela Palanka.

In recent years, city of Pirot with realization of numerous projects intensified investment in infrastructure, and thereby got the looks of a modern European city. On the other hand managed to preserve their traditions and remain detectable by brands that are characterized by decades, and among them are the Pirot's carpet (kilim), lamb, cheese and recently Pirot's flattened sausage.

Thanks to the improvement of the quality of public services and numerous benefits provided to potential investors around, Pirot opens its doors to all who want to invest their capital.

Welcome!!!

Geographic position



Pirot

43°09'11" north

22°35'10" east

City of Pirot, lays on area of 1232 km², with a population of 57.928. Pirot is characterized with very favorable geographical position, and it is very well connected to road and rail networks with other parts of Serbia and neighboring Bulgaria.

Roads: Corridor 10, and international road E-80.

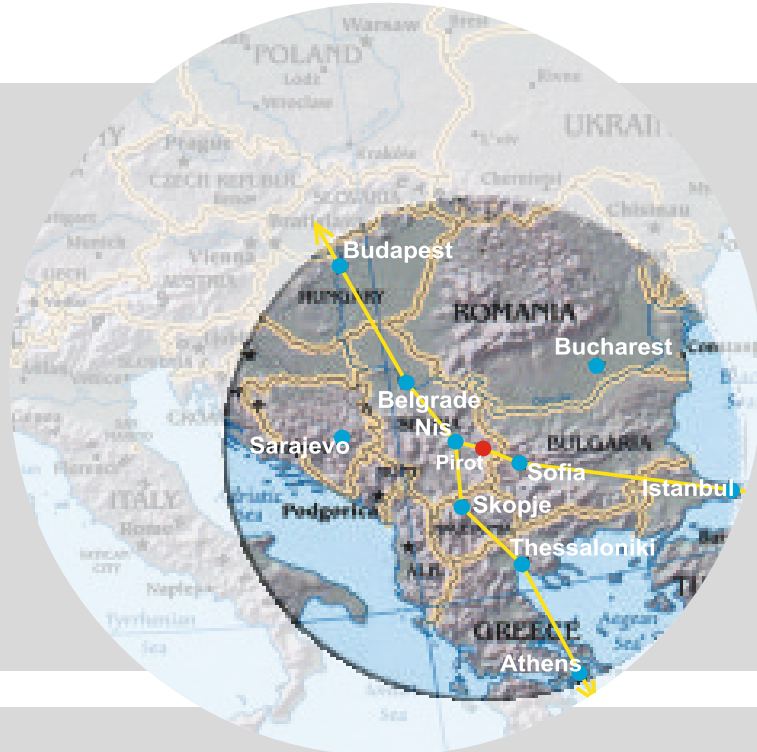
Pirot intersects the river Nisava, on all sides surrounded by mountains. The most prominent mountain Stara Planina and Midzor highest peak with elevation of 2,169 m is developing into one of the most popular ski resort in Serbia.

Distance from Pirot:

- Belgrade 303 km
- Nis 72 km
- Sofia 80 km
- Bulgarian border 30 km

The nearest airports:

- Nis 70 km
- Sofia 80 km





BRANDS

The City of Pirot is one of the few in Serbia that nurtures a recognizable brands such as Pirot cheese, Pirot rug, Pirot flattened sausage and famous Pirot carpet (kilim).

Pirot carpet (kilim)

Pirot carpet (kilim) is a true symbol of the Pirot region, which is by the way of weaving and patterns quite different from the Persian rug- making, pattern on the kilim are certainly indigenous. Pirot carpet overwhelmed by it's beauty, designs and colors. Total 122 patterns and 96 ornaments are registered in the directory of Pirot rug. Every carpet gets a name based on the pattern in the central area. What makes it unique is that it is the same on both sides, and he can last up to one hundred years.





Advantages of the city of Pirot are:

- The existence of the Free zone and Industrial park
 - The tradition of industry and trade
 - Benefits for investors
 - Greenfield and brownfield sites
- Great resources of unemployed labor force
- Established Geographic information system
 - Completed Master Plan of Pirot
 - Utility city administration
- Logistic support Local economic development office
 - The favorable geographical position
 - Nature park Stara Planina
- The natural wealth (sources of drinking water, forests, pastures meadows)



Where to invest:

- GUP are provided for the following industrial zone:

Industrial Zone "Beg Basca"

(a total of 9 ha), the free 3,3 ha
85 acres is fully equipped with infrastructure

- **Industrial zone "Pirot - Jug "**– 9,6 ha, free 100%

Why invest in Pirot

Features of the construction and use of facilities within the Industrial Park and Free Zone.
Users are free of Payment:

- Local fees and taxes
- Fees for planning and land usage
- Fees for the issuance of planning documentation
- Fees for the acts and actions in the field of urban planning and construction
- Fees for issuing requirements and approvals for connection to infrastructure networks
- Fees for connection to infrastructure networks

More information on the site: www.ledo.pirot.rs

Benefits for business in the Free Zone refers to the exemption:

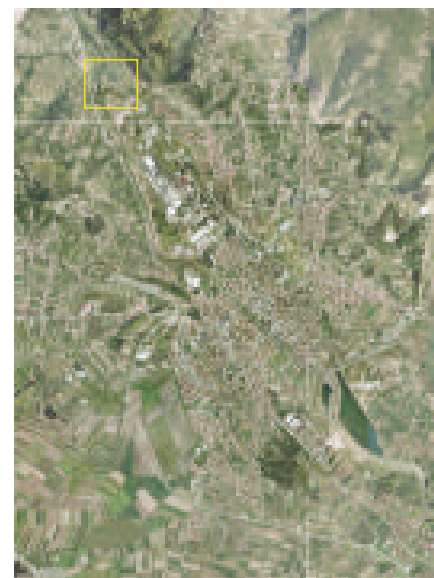
- customs
- VAT on energy
- Income tax Corporation
- The works in the payroll tax and property

More information on the site: www.freezone.com





Industrial Zone
"Beg Basca"
(a total of 9 ha)
the free **3.3 ha**



Where to invest



Industrial Zone
"Pirot - Jug"
(a total of 9.6 ha)
the free **100%**





Free Zone Pirot



Now extends on 116 hectares and in the future will be an extension to an additional 400 hectares (200 hectares in the first phase). In the Free Zone operates 60 trading companies and 14 production, including successfully operating Tigar Tyres - part of the Michelin group that produces car tires, as well as company Tigar A.D, which produces beside footwear, technical rubber and many other rubber products. In 2014 the total turnover in the Free Zone was 726 milion euros, while the total investment is estimated at 137 million euros.

General benefits offered by the Serbian government to the investors

- Products that are at least 51% of Serbian origin are exported to the Russian market with the duty of just 1%,
- Low tax rates; VAT 8%/20% in Free Zones 0%, property tax; 0,4%, tax on profit and capital gains 20%,
- Investments over 7,5 million usd and 100 newly employed workers are not subject to income tax in the period of 10 years,
- Tax exemptions for the eligible investors that invest in vocational training, vocational rehabilitation and employment of the disabled.





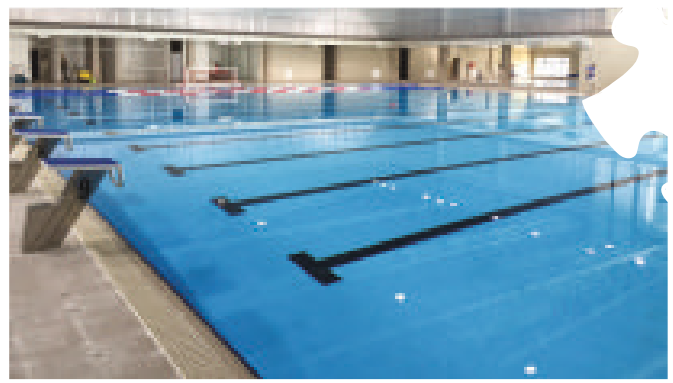
Benefits of the logistics centre of the Free Zone Pirot



- Customs operating in the Zone -customs papers
- Fast and efficient procedure of import/export
- Professionally trained staff with the appropriate certificates and licenses
- Terminal for customs inspections and parking of the vehicles monitored by the security service
- Set of logistics services-transportation organization, handling, loading, shipping services, etc.
- The proximity of EU - 25 km (Pan-European transport corridors 8, 10 and 4)
- Small operational logistics center (rail in the zone - transport cheaper 50%),
- Over 100 foreign companies already operating in Pirot
- Complete infrastructure equipped land (railways, roads, water, electricity, telephones, lighting, security)
- Construction of facilities without paying municipal taxes (20-30% cheaper construction)
- Available qualified and skilled workforce

With construction of the Logistic Center of Pirot ,competitiveness of the Free Zone Pirot will increase in attractting investors from the region. This project have a goal to provide users of the Free Zone Pirot the most advanced multi-modal transport services, improving the distribution supply chain for existing and future industry, the reduction of environmental pollution caused by transportation and cheaper services. It is currently in the phase of preparation project documentation, the estimated value is around 12 milion euro.

More information on site: www.freezonepirot.com



Indoor swimming pool

The value of investment : 480 million dinars

Investors: City of Pirot and Ministry of Sport



Investments



Bridge on the second traffic ring

The value of the investment is 122 million dinars.

The bridge was completed 27.08.2015.

Investors: City of Pirot and Ministry of Economy





City square

The value of investment: 3,5 million EUR

Investors: City of Pirot and NIP



Power Plant

The value of investments: 3,5 million EUR

Investors: City of Pirot and KFW Bank



BIG TIGAR

The value of investment: 215 million euros

Realization : 2014-2016

Investor: Tigar Tyres

planed to employ 1000 workers



HOTEL PIROT

The value of investment : 3 million euros

Investor: Company S & V Drilling





Pirot and the EU

The City of Pirot for many years successfully implementing projects funded by the European Union .

Cross – border Programme:

Cards Programme:

- " Establishment of the buro of local economic development of Pirot"
- " A succesfull model for economic cross border cooperation"

Bulgaria – Serbia IPA Cross – border Programme – First call:

- " Development of smale scale sport infrastructure in Cross- border region Montana – Pirot"
- " The future is in our hands"
- " Promotion of Cross- border cooperation through development of social sports infrastructure"

Bulgaria – Serbia IPA Cross – border Programme – Second call:

- " Optimization of the waste collection and transportation system in the Cross – border region Montana-Pirot"
- " Modernization of cultural infrastructure in the municipalities Chuprene – Pirot"
- " Modernization and renewal of the sport infrastucture in the Cross- boder region of Montana – Pirot"
- " Volorization of the cultural heritage in the Cross- border region Montana – Pirot"
- " Establishment of the centre for education and assistance to pregnat women and mothers"
- " Stimulation of economic exchange in the cross – border region Montana – Pirot"
- " Cross – border cooperation potential as a foundation of the sustainable development"
- " Modern and attractive educational facilities in the Cross- border region Montana - Pirot"

RSEDP 2:

- "Cheese cluster south"
- " Employment & Entrepreneurship centre for youth"

The Sout East Europe Transnational Cooperation Programme:

- " Adriatic- Danube Black sea multimodal platform"





City of Pirot have 72 villages that are mainly engaged in agriculture and cattle breeding. Agricultural land covers 702.12km², 417.56km² forests and 17.352km² water area. The climate is temperate continental.

Favourable resources for the development of agriculture in Pirot:

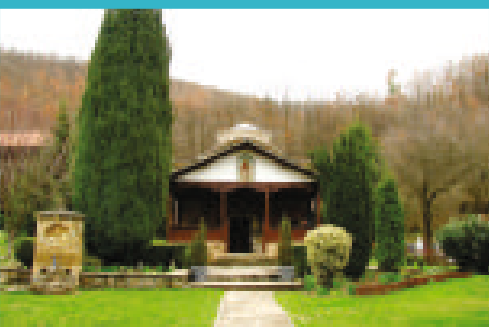
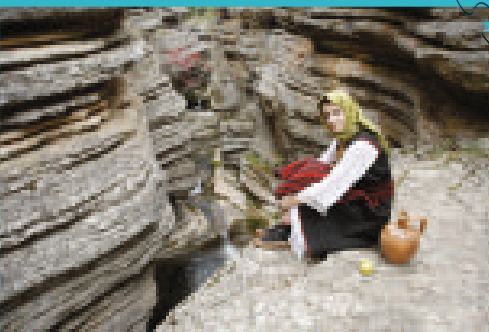
- great potential in natural resources (Stara planina mountain)
- favourable environment, water potentials, climate, land for organic growing of plants and animals, fruit and vegetables, fruit growing, especially grapes
- there is no chemical pollution in this region
- long tradition of agriculture as the leading branch
- organic farming leads to the continual growth of the local producers
- large grassland areas suitable for livestock development
- Support of local government and adopted a Strategy for agricultural development.

City of Pirot through the Fund for the development of agriculture subsidizes farmers in Pirot.

There are exceptional conditions for the development of livestock (cattle, sheep, goat) because of the large number of pastures on the Stara planina, which creates the necessary base of raw materials (leather, wool) for making carpets, jackets, yarn. The existence of such preconditions is announce the development opportunity for opening new farms.

Agriculture





Pirot is recognized by numerous cultural - historical buildings with centuries of existence. The most important are: fortress "Momchilo town", museum "Ponisavlje" monastery "Sv. Jovan Bogoslov" and monastery "Sv. Djordje", etc.



Rich cultural life in the city is characterized by different events such as: Pirot Cultural Summer, International Folklore Festival, Book Fairs, literary events, concerts, etc.

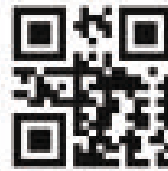


Pirot has about 400 accommodation facilities in the city.

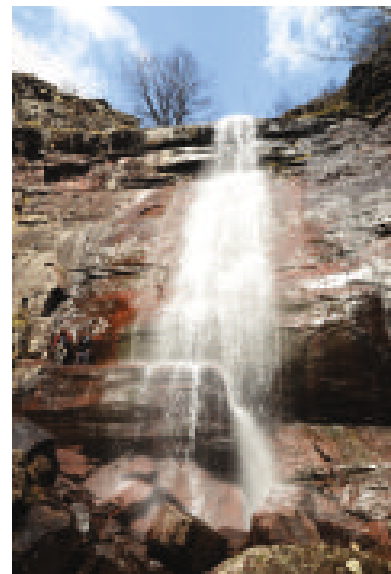
Culture and tourism

The greatest attention of domestic and foreign tourists attracts to the following events:

- Fair Pirot flattened sausage
- Festival of food from Stara Planina
- Lamb tasting (Jagnijada) - Krupac
- Scientific - research camp Stara Planina
- Music "Osvezenje" festival
- Sports - adventure race "Kopren 24"
- Men's and women's adventure race in the village Dojkinci
- Enduro Stara Planina – roof of Serbia
- Rafting and canoeing Visocica river



Pirot is located on the slopes of the mountain which has many picnic areas, canyons, cliffs, caves and impressive waterfalls. All this has led to a significant development of rural tourism within the categorized rural households.





Business environment

In the City of Pirot is registered 447 active business companies and 1.217 active entrepreneurs.

The biggest current investments in Pirot are:

Tigar Tyres company which is owned by French company Michelin, opened in October 2014 in Pirot. The company is engaged in the production of tires for cars, trucks, scooters and various inner tires. "Tigar Tyres" has 3,000 employees.

Tigar AD has a wide range of products such as rubber footwear, tehnical rubber goods and other chemical products. Tigar A.D has 1.600 employees.

Merkatus company leased part of the Aha Mura- ex Prvi Maj and deals with the textile, currently has 600 employees.
Significant investments as this moment:

D-company from Babusnica is building a factory for tools needed in rubber industry, they will employ about 200 people.

Irelly - company from Bulgaria is building a factory for the production of wood products, and they will employ about 100 people.

Average gross salary: 500 €

Human resources:

Population in Pirot district: 92.479

Population in Pirot: 57.928

Number of working population: 65%

Number of unemployed: 7.461



Pirot flattened sausage

Pirot flattened sausage is made from best kinds of meat (goat, sheep and beef), which are mixed with spices. These sausages are dried only in the draft, with the daily "board" in order to get water out and ensures long lasting.



Pirot cheese

Pirot cheese is made of sheep's, cow's or a mixture of these two milks. Old-fashioned production technique makes it special, and the particular taste and smell that milk provides mountain herbs. In the dairy school in Pirot with care and foster skills, they are converting the best milk in even better and widely famous cheeses.



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Turisticka organizacija Pirot

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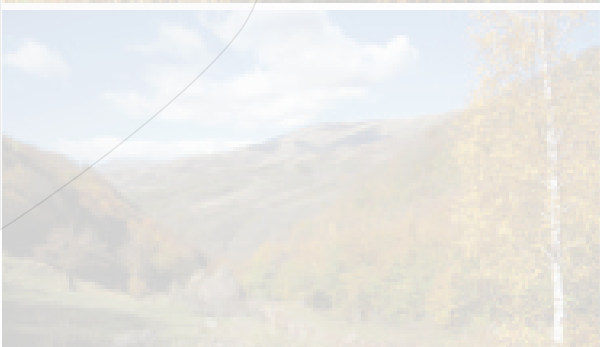
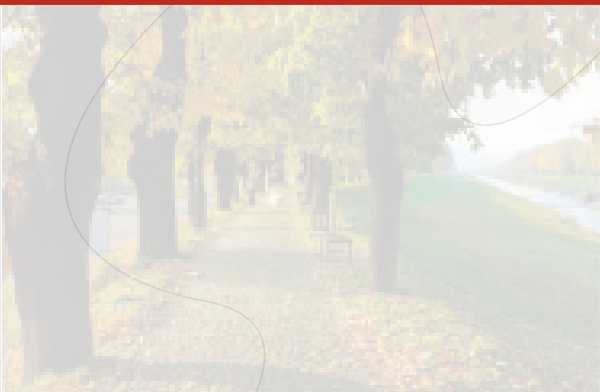
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fax: +38110 320 839

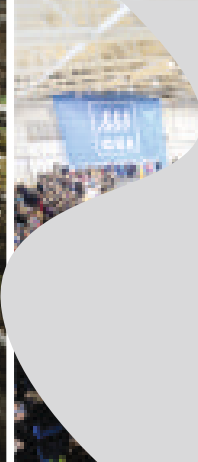
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