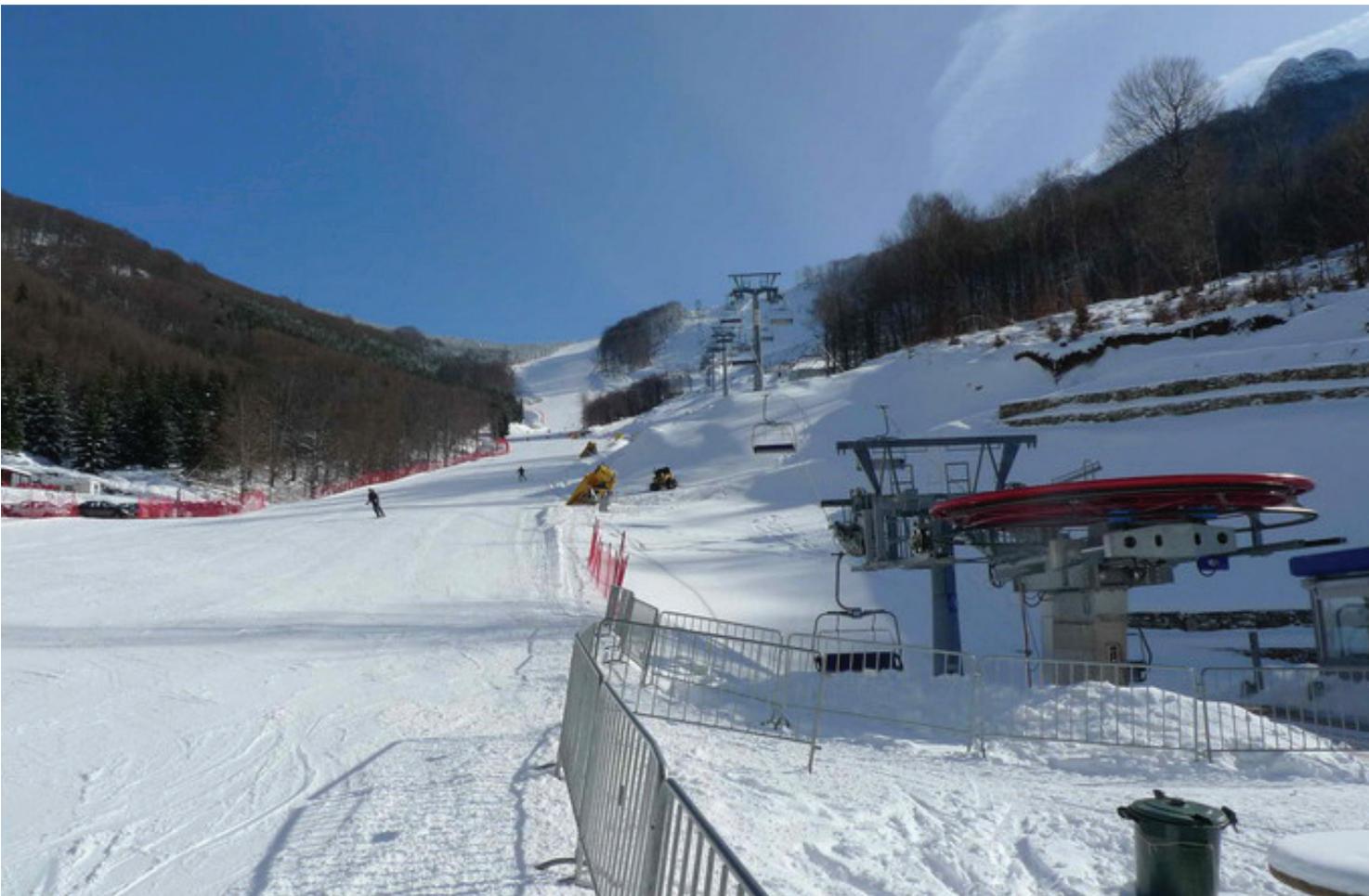


Eastern Serbia Surprisingly undiscovered...



EASTERN SERBIA



R • A • R • I • S

Regionalna agencija za razvoj istočne Srbije
Regional Development Agency Eastern Serbia

Tourism - a growing business

The Tourism offer of Serbia has further expanded in recent years. For example, in the period from January to August 2014, 1.489.833 tourists visited Serbia and a total of 4,319.359 overnights were recorded. Compared to August 2013, the number of tourist visits increased by 6.3%, while the number of overnight stays increased by 0.3%, in August 2014 in Serbia. It indicates a recovery of the tourism sector. Number of overnight stays of domestic tourists decreased by 9.3%, but the more important number of foreign tourists increased by 25.7%!

Based on the number of overnight stays, domestic tourists usually visit spas (42%), mountain resorts (34%), and other leisure facilities. Belgrade is the most frequented city with 48% of overnight stays.

The Number of overnight stays of foreign tourists details as follows:

Country	Foreign Tourists' overnight stays	% 2014/2013.
Russia	109.807	+ 31 %
Bosnia and Hercegovina	105.105	- 1 %
Montenegro	97.357	0 %
Germany	80.446	+ 13 %
Croatia	71.435	+ 18 %
Slovenia	68.372	- 10 %
Italy	70.368	-6 %
Romania	56.989	+ 20 %
Turkey	53.674	+ 51 %
Bulgaria	53.021	+ 26 %

The Republic of Serbia has significant competitive advantages in tourism due to a diverse structure of its tourism offer. It is located conveniently between traditional and new tourism markets. It has been well known for its preserved natural resources, good communication facilities and skilled labor.

The main tourism products are:

1. City Break;
2. Round trips (Touring);
3. Business tourism + MICE;
4. Medical Tourism (Spa/wellness);
5. Mountains and lakes (Mountain and Lake Holidays);
6. Navigation;
7. Events;
8. Rural tourism;
9. Special interests.

According to current statistics, the tourism sector accounted for 2.5% of GDP and engaged nearly 5% of employees in the Republic of Serbia. Despite the touristic attractiveness, the Serbian tourism products have not yet been adequately appreciated by or commercialized in the global tourism market.

The 87.000 existing beds do not meet needs of the market. There is a lack of modern accommodation facilities and tourist attractions to accommodate the rising (man-made attractions - golf courses, theme parks, entertainment centers, etc.). Based on the survey made in the scope of the Tourism Development Strategy of the Republic of Serbia it has been found that an average hotel in the Republic of Serbia is either a 2 or 3 star hotel, 42 years old, being refurbished 20 years ago, and with 105 rooms in it. This data clearly shows the potential for investment in this area. Investment dynamics in this sector can be seen under the light that 70 out of 317 existing hotels in Serbia are newly constructed.

In the last few years a cooperation with many international tour operators has been launched:

- Germany: Ex Oriente Lux Reisen, Tourproject, TUI and WTS Touristik
- Great Britain: Regent Holidays, Travellers Cities and Balkan Holidays
- Russia: Capital Tour, Paks, Planeta-tour and Putnik
- The Netherlands: Tiara Tours/City Togo, Time to Travel, Karatanova Tours and Dobry Den.
- Spain: Catai Tours
- France: Amslav and Intermedes.
- Italy: Il Piccolo Tiglio, Estland Tour and CTS.IT.

Eastern Serbia - still undiscovered....

Eastern Serbia abounds in tourism resources. Top ranked tourist attraction are: the Danube River, the famous Iron Gate Gorge, the National Park Djerdap with its wildlife, high mountains, the Mountain Stara Planina and Sokobanja Spa as one of two the largest Serbian spas. The cultural heritage is represented by archaeological sites, monuments of culture, traditional villages and archeological sites such as the Roman archeological sites Felix Romuliana, Gamzigrad, Ravna-Timacum, Diana-Zanes, Traiana, Trajan's Bridge, the spring of Šarkaman, the Mesolithic archaeological site Lepenski vir, the medieval fortress Fetislam, Sokograd Fortress, many monasteries, etc.

Thermal mineral resources and favorable climate allow year-round use of spa resources in Sokobanja, Gamzigrad and Brestovac. Tourism could be developed in Nikoličevo Spa, and Rgoška Spa, and Jošanica Spa.

Key tourism products of the region are:

- Medical Tourism
- Mountains and Lakes
- Rural tourism
- Special Interests
- Roundtrips

The Eastern Serbia Tourism Leaders are: Sokobanja Spa, archaeological sites "Felix Romuliana" and Lepenski Vir, the Nature Park Stara (Tribulus terrestris), the National Park Djerdap (Iron Gate), Gamzigrad Spa, Brestovac Spa.

For more information on tourist attraction in Eastern Serbia see, <http://www.traveleastserbia.org/deu>.

Number of visits to Eastern Serbia:

	Tourists			Overnight stays			Average number of overnights	
	Total	Domestic	Foreign	Total	Domestic	Foreign	Domestic	Foreign
TOTAL	150.200	136.694	13.506	595.235	565.602	29.633	3,8	2,2

The most visited tourist destination in the region is the Sokobanja Spa with 49 175 visitors and 306.566 overnight stays recorded in 2013.. It is followed by municipalities on the Danube bank: Majdanpek and Kladovo with nearly 30.000 tourists and 70.000 overnight stays recorded.

As a region that holds a lot of potential, there is a need for much more investments in tourism. These are the largest investments over last few years:

- Ski resort in Stara Planina – worth EUR 46 million
- Mesolithic archaeological site Lepenski vir- worth EUR4 million
- Aqua park, Sokobanja – worth EUR1 .6 million

Tourism represents an excellent business opportunity. The accommodation facilities in the region are not in accordance with the available potentials and demand. Their current status results from an insufficient investment in modernization and construction of tourist facilities, primarily hotels. Hotel rooms are relatively small. They are lower-category hotels. The best hotels in the region are 4-star hotels located in Kladovo (Hotel “Aquastar Danube”, 83 beds) and Knjaževac (Hotel „Stara planina“, 198 beds). There are 623 beds in 3-star hotels located in in Sokobanja, Majdanpek and Donji Milanovac). Based on the aforementioned, preliminary research suggests that investment in this sector could be an excellent business opportunity.

Master plans for tourist destinations

Master development plans of the following destinations have been developed by the Republic of Serbia. Four special target projects of the master plan are located in Eastern Serbia, as

1. Sokobanja (Spa)
2. Mt. Stara Planina (Old Mountain)
3. Roman Emperors Route/Felix Romuliana
4. Lower Danube

Key investments for development of these destinations have been defined by the national government master plan.

Grants that fund investment projects in tourism awarded by the Republic of Serbia are intended to assist financing strategic projects defined by the master plans only.

Key investment projects in tourism in Eastern Serbia

In Eastern Serbia there are two groups of investment projects in tourism, greenfield and brownfield investments. Most of the projects are designated as greenfield investment.

The following table gives information on the projects. For more information about the projects, <http://www.raris.org/invest/>

Location name	Municipality	Total land area (m ²)	Ownership status	Land use	Infrastructure
Bathing area Zmijanac	Boljevac	18.000	100% state owned	Construction of facilities for sport and recreation.	exists predominantly
Mt. Stara planina	Knjaževac	65.000	100% privately owned	Phase 1 - construction of accommodation facilities - approximately 6.000 beds.	exists partly
Tourist points Gravaljosa, Mirica i Kozarnica	Knjaževac	120.000	The land is state-owned and privately owned	Functional units within the tourist center of Stara Planina provided for construction of tourism infrastructure. Construction of accommodation capacities for 300 beds on every tourist point.	exists partly
Tourist resort Konjarnik	Knjaževac	55.000	Much of the land is state-owned, while a small part of it is a privately owned	“Greenfield” location in the Nature Park Stara Planina. Construction of accommodation facilities with a total of 550 beds.	exists partly
Rajkove livade	Majdanpek	94.880	100% state owned	Development of tourist facilities for winter sports	exists partly
Ski resort RAJKOVO	Majdanpek	391.214	100% state owned	Development of tourist facilities for winter sports	exists partly
Tourist area “Boljetinsko brdo”	Majdanpek / Donji Milanovac	500.000	100% state owned	Construction of tourist facilities / hotel / bungalows / in the form of an ethno villages	Unequipped land
The old stadium	Majdanpek / Donji Milanovac	72.192	100% state owned	Construction of facilities based on consultation with investor	exists predominantly

Bezeichnung	Gemeinde	Grundstücksfläche (m ²)	Eigentum	Grundstücksnutzung	Infrastrukturanlagen
Hotel location	Majdanpek /Donji Milanovac	3.681	100% state owned	Construction of a hotel of 5000m ²	teilweise
Sports and Recreation Complex "Pearl of the Danube"-Mihajlovac	Negotin	500.000	100% state owned	Construction of tourist facilities	exists predominantly
Hotel and recreation complex "Jabukar"	Sokobanja	65.900	100% state owned	Construction of sports - recreation complex	exists
Sports and Recreation Complex „Mednik“	Sokobanja	117.000	100% privately owned	Construction of sports - recreation complex	exists partly
Hotel and recreation complex „Podinarija“	Sokobanja	1.656.000	100% state owned	Construction of a hotel- recreation complex	exists
Sports and Recreation Complex 'Podina'	Sokobanja	151.000	100% state owned	Construction of sports - recreation complex	exists predominantly
Istočna Kraljevica – Pavilion	Zaječar	4.500.000	100% state owned	Construction of an Adrenaline - adventure park and a hotel with a restaurant and conference hall	exists partly
Nikoličevo Spa	Zaječar	103.882	86% privately owned 14% state owned	1. Construction of a hotel complex around the hot water spring 2. Construction of a SPA center	exists partly

In addition to these, there are several brownfield projects. These are excellent investment locations characterized with an extraordinary position and low selling price, as well as a possibility of the implementation of projects through partnerships.

Location name	Municipality	Total land area (m ²)	Total buildings area (m ²)	Ownership status	Description
Brestovačka banja-Srpska kruna	Bor	464.685	nearly 2.000	100% privately owned	Hotel and a number of accommodation units / medicine unit / thermal mineral water sources
Hotel Jelen HYATT	Bor	65.868	51.269	100% state owned	Unfinished accommodation facilities. The rough construction. Hyatt Standards used. Sports and Recreation Zone-ski resort.
Hotel Metallurg / in Bor Lake shores	Bor	nearly 70.000	nearly 800	100% state owned	Former hotel, located on Bor Lake shores, next to the renovated hotel "Jezero" and automobile camp
"Rtanj" resort	Boljevac	4.900	738	100% state owned	Collective accommodation facilities/at the foot of the mountain Rtanj. It could be converted into tourist facilities
Picnic resort "Baranica"	Knjaževac	/	205	100% state owned	Investment in restaurant & accommodation. Construction of a restaurant –function room 100 guests. Construction of accommodation facilities
Rgoška Spa	Knjaževac	5.061	197	100% state owned	Thermal springs, outdoor swimming pool. Construction of a wellness and spa center with 80 beds. Construction of an apartment complex with 350 beds.
HAZ- PLAST Hotel	Majdanpek /Donji Milanovac	1.000	1.232,86	100% privately owned	Former retail store with associated offices, on the banks of the Danube. Construction of a hotel (planned).
Hunting Lodge "Vrelo"	Sokobanja	600	440	100% state owned	A building constructed on forest land (pine forest, in Sokobanja).

For any additional information regarding the abovementioned investment locations or your business idea to develop, please do not hesitate to contact RARIS - Regional Agency for Development of Eastern Serbia. RARIS possesses a database of investment locations in the region and expertise to help you make your best investment decision. Depending on the business idea and preferred location, the Agency provides investors with information about the region, potential projects, investment opportunities and contacts with local self governments or commercial entities. The Agency is also happy to facilitate all necessary government contacts and public affairs works for you.

We would appreciate to provide you with additional information and help you with your new business ventures.

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