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AGREEMENT WITH BENETTON SIGNED

Niš City Mayor Miloš Simonović, Serbian Government Vice President and Minister of Economy and Regional Development, Mlađan Dinkić and Operations Director Fabio Sartori, signed an Agreement on Regulation of Mutual Rights and Obligations regarding the investment in Niš.



Operations Director Fabio Sartori, Serbian Government Vice President and Minister of Economy and Regional Development, Mlađan Dinkić and Niš City Mayor Miloš Simonović

Benetton intends to employ 2,700 new workers within the period of next four years. Total amount of investments will be 43 million Euros and the state will support this project with 9000 Euros per each newly opened work place. The Benetton production facilities are planned to be located in the premises of Nitex factory. As well, based on the contract, Benetton should bring to Niš its subsidiaries and suppliers

and establish cooperation with domestic companies that can meet the standards of this company. The production will be primarily intended for export and it is planned that annual turn-over in the full capacity of the factory will reach 72 million Euros.

On the occasion of signing the Agreement Mayor Simonović said that it was the big day for Niš.

All of us in public offices are finding solutions on daily basis for



different problems that our citizens are faced with. Today, I feel that this is one of the best days on the job. This investment wakes up hope for the future of textile industry and creates possibility for the City of Niš to become again the center of this branch of industry", said Mayor Simonović. He emphasized that it was not only upon the state to move economy forward but that it was also the task for local administration. He also added that without cooperation between state and local authorities good results could not be achieved.

"Now, when Benetton is here, there is a whole new image of Nitex. We believe that we will realize this Agreement efficiently and fast since

we have proved so far that the City of Niš has always fulfilled its Agreements with the Ministry of Economy and SIEPA", said Mayor Simonović.

Benetton intends to reconstruct some of Nitex facilities, while those that are suitable for future production will be demolished and the new ones will be built. The production facilities will be equipped with entirely new equipment. The City of Niš will support Benetton within the jurisdiction of local authorities, assuming all responsibility for providing proper and expeditious administrative service and support, which includes issuing building and other permits. City of Niš, in cooperation with Free Customs Zones Administration and

upon approval of Government of Republic of Serbia, will proclaim the Nitex-site as a new free customs zone. The custom clearance will be provided by a custom office inside the Nitex site.

"The biggest textile company in Europe came to Niš and this investment is the biggest investment in textile industry in our country ever. Niš deserves only the best", said Minister Dinkić on this occasion. According to him, Benetton intends to buy Nitex assets and in the process of hiring of new employees Benetton will in the first place interview and test all current employees of Nitex.

NEW BRITISH AMBASSADOR IN NIŠ

Niš City Mayor met with newly appointed Ambassador of Great Britain in Belgrade, H.E. Mr. Michael Davenport, at Niš City Hall.

Honorary Consul of Great Britain in Serbia Predrag Bošnjaković and Assistant to the Mayor Miodrag Manić also joined the meeting.

Ambassador Davenport chose the City of Niš for his first official visit since the beginning of his mandate in Serbia. Mayor Simonović and Ambassador Michael Davenport discussed possibilities for future cooperation. Ambassador Davenport expressed his

interest in Niš City investment potentials and development plans as well as in cooperation in the area of culture and education.

Mayor Simonović used this opportunity to inform the Ambassador Davenport about preparations for celebration of 1700 years of Milan Edict Signing and the established cooperation with British York and Italian Milan on this project.



H.E. Mr. Michael Davenport
at Niš City Hall

DONATION FOR SAFE HOUSE

The manager of OTP Bank Regional Center in Niš Mr. Dragan Radivojević presented the donation of 500.000 dinars to Niš City Mayor Miloš Simonović intended for the adaptation and furnishing of the first regional Safe House in Niš.

On this occasion Mr. Radivojević pointed out that OTP bank often donated the funds to the health care and social care institutions.

At the reception at Niš City Hall organised on this occasion, Niš City Council member Mrs. Dušica Davidović said that the reconstruction works on the Safe House building were

almost done and that official opening could be expected in February. This new institution will be able to provide accommodation for 25 women and children. The whole building was adapted and reconstructed with the help from the donations from different companies while RS Ministry for Labor and Social Care allocated from the



Donation for Safe House

budget a million dinars. The building with total area of 388 m² has been transferred from republican to city authorities as the property.

WHAT 2010 PROMISED, 2011 MAKES TRUE

Actual City Government is probably the first one that has not used the alibi that local self-government is not in charge of economy on its territory. It stressed out that factories were a part of the city, that employees were Niš citizens and it started intense involvement in the solution of problems that firms in trouble had.

Source: "NARODNE NOVINE"

"Until recently I was criticized for speaking about economy because it was considered politically harmful" said Miloš Simonović, Mayor of Niš City. "I cannot see any other more important task for someone who is a leader of a local self-government, but to do his best to create as many new jobs as possible".

During last several years, Niš was between two realities. On one side, there were bad privatizations, strikes, mass dismissals and on the other side there were announcements that new investors would come to the City and that there would be new job positions. In several cases the City pressured Agency for privatization to terminate the purchase agreement because the buyers did not fulfill agreed obligations'. On the other hand, industrial zone in Donje Međurovo begins to live and it proves to be too small for all interested investors. There is also a growing interest for other parts of the city that are foreseen for the opening of new capacities.

At the same time, the reconstruction of the roads with highest frequency started in 2009 and it was continued during last year. Construction of new infrastructural facilities started and not many people believed in that. However, the boulevards are being constructed; central city streets are being reconstructed. All mentioned above and skepticism and apathy that one can feel in very poor Niš, were the subject of the interview with Miloš Simonović, Mayor of Niš.

NN: According to your opinion, which problems inherited from 2010 will Niš citizens experience this year and how to deal with them?

MS: The biggest problem that we are going to face this year is the unemployment rate but as well lost trust of our citizens in better future. For that reason, this year is very important

for Niš and this region for it should give concrete evidence that "Niš can make it".

This year will be the year when the contracts from 2010 and 2009 will be realized. Several factories will be built and they will employ a great number of people. By the end of March Yura will have finished its big factory where 2000 people will be employed. First employments should start these days. Italian company Dytech has also started with the construction works and by the end of July it should finish the works, while the production should start in September. It will employ 400 workers. One more South Korean company "Yura Eltec" in Serbia called "Sehva", has plans to start the construction works by the end of March and to finalize the works in June when it will employ around 300 people. In the spring, "Sagem" will start the construction works on its new factory. All the mentioned companies are located or will be located in the industrial zone "Donje Međurovo". One investment is accompanied by another; one positive example inspires confidence among other investors. We are already in discussions with interested investors both for this zone and other parts of the City.

NN: What will be other important issues that this city government will face this year?

MS: The other problem that we are facing is the efficiency of City institutions and generally, public systems. Often, the projects that are being implemented lack necessary qualities. Nobody foresees at the beginning all the things that one comprehensive investment should comprise.

After that we have, either incomplete investment or an investment of low quality. The examples of this are the projects of kindergartens that we were building for 5 or 6 years. In the end there is a problem that urban development plan does not allow

landscaping and land development of the yard or playground. As a final product we have either incomplete investment or an investment of poor quality where you cannot get the usage permit. There are a lot of things that an ordinary citizen does not see. Still, they have to be done. Let me remind you, Milojka Lešjanina and Voždova streets were reconstructed 2 years ago. Everyone was against that because it was an enormous work, above all because of dislocation of installations that were under the road. Now it is much easier and cheaper to fix the breakdowns. It was a risk to start reconstruction and construction of Zorana Đinđića and Cara Konstantina boulevards and now it is the priority task that will be finalized by the end of the first half of this year. The second one will have three roundabouts and one will finally solve the problem of the cross-road on Trošarina. The priorities will, as well, be the completion of works on Somborska Boulevard and Mediana Boulevard, reconstruction of Ivana Milutinovića Boulevard, and once all these are finalized, around the half of the year, we will have the finalized transport ring around the city and core streets Milojka Lešjanina and Voždova and boulevards Zorana Đinđića and Cara Konstantina.

NN: What are other public facilities that Niš will invest in?

MS: Besides mentioned, great works in 2011 are reconstruction of two capital sport facilities- Sports Arena Čair and City Stadium. As well, I have to mention the construction of kindergartens. Last year we opened three new kindergartens in Niš and this year we will open the same number. One was built in the rural area and this year we will open another one. As well, this year we will finish the network of health care centers. We will construct a health care center in Niška Banja, complete works on HCC in Branko Bjegović settlement and



dislocate and reconstruct HCC in Brzi Brod.

NN: What are the things done in the last year that you are proud of?

MS: We are proud of having concretized the agreements with investors for the construction of new factories and for having received a certificate for a business friendly environment. Niš is, besides Indjija, municipality with the greatest number of references. It means that investments in Niš are safe, that investors have clear support of local self-government and that it is an efficient service. This certificate and interest in our city among the investors show that the efforts that we have made for the last two years were not in vain. There is enough space to speak with the investors, especially national ones. At one of the following Assembly sessions I will suggest the change in the decision regarding the land development fee in order to facilitate the development of production units, especially for domestic investors.

There were objections that we are doing favours only for international investors and that national ones, who already have the land, pay too high communal fees.

NN: What are the things that created the greatest problems in the work of local governments in Niš?

MS: The thing that caused the greatest problems in 2010 was bad economic situation in the country because financial crisis happened parallel to the mandate of current local self-government. If the circumstances were better, the results of our efforts would be more visible. Personally, I am bothered with a great number of critics in Niš. I am not talking about political parties; I am talking about the public milieu, people who criticize every step that we make while, at the same time, they do not have their ideas or initiative. Until recently I was criticized for speaking about economy, since it was believed to be harmful. They said that it was not up to the City to make efforts to open new factories. I cannot see anything

more important than finding jobs for unemployed people. Now, many people start to ascribe to themselves merits for that.

NN: Are you satisfied with the work of your closest associates?

MS: It can always be better. I am sure that everyone in City administration as well as in my office can work more, especially those who do not work very hard right now. For me, it is very important to maintain political stability, not in order to preserve the power but to have a stable situation in order to attract new investors. It took two years for the Government and the City to regain the trust of investors and make them come to Niš. We are aware that everything that we have reached could be lost with only one bad move. It is very important to maintain the continuity of cooperation with the investors after the next elections, no matter who is in the Government. There are also "side winds" that are trying to de-stabilize climate in Niš.

NIŠ, CITY OF INVESTMENTS

At the beginning of the following month, 50 people will start working for South Korean company "Yura" which will employ 1500 people.

Newly employed workers will be trained in Rača where first Yura factory for the production of spare parts for car industry is located. Potential workers of "Yura" can get information regarding the required level of education and other matters of interest in the National Employment Service and Job Center in Niš. As it was said earlier, there is a possibility that Yura authorities would select workers whose level of education and knowledge are in line with their systematization.

Niš City Mayor said that he was much satisfied with the dynamics of works for the realization of this 8.5 million € investment. He especially stressed out that all the works were carried out by companies from Niš City. Simonović also said that the City of Niš was in final negotiations with Yura's sister company "Yura Eltec" about the construction of its production unit on the land property

located next to the one where Yura factory would be build. New factory that also produces spare parts for car industry should employ 300 people.

Excellent cooperation between the local self government and Korean company Yura was a recommendation for other companies from this country to start up their business operations in Niš. Efficiency of administration and accuracy of local institutions were one of preconditions for the respect of dynamics of work on the construction of new factory.

Investment of Italian "Dytech" is being implemented in line with already defined steps, based on signed Memorandum. The value of the investment is 12 million € and the factory will employ 400 workers.

Niš City Council adopted a Conclusion which has launched an initiative to develop a feasibility study

of leasing construction land to the companies, "Yura Eltec", "Sagem" and "Haj Ararat". First two factories will be located in the industrial zone "Donje Međurovo". Third factory will be located in the part of Electronic Industry Complex and will produce confectionary products.

The City of Niš is the first city in Serbia to develop the feasibility study of leasing construction land in line with new Law on Planning and Construction. The City of Niš leased the land property free of charge to two big companies- Dytech and Yura, for the construction of two factories in Donje Međurovo industrial zone. According to the feasibility study of leasing construction land to these two companies, the City of Niš will not charge 2.5 million € for land developing fee and lease of construction land to foreign investors, but direct and indirect income of these two investments will be between 70 and 100 million €.

THE YEAR WHEN CITY OF NIŠ EXPECTS REVIVAL

Niš City Mayor Miloš Simonović said that the extraordinary base for the development of the economy, creation of new jobs and increase of living standard in the city was made for the last three years.

Source: National Daily Newspapers Politika

NIŠ - At the end of the previous year City of Niš received the Certificate on satisfying the criteria for becoming the city with business friendly environment from National Alliance for Local Economic Development. This certificate among other things proves that a lot of has been done to set things in motion and thus create the base for faster and more efficient way out of the great economic crisis which have been lasting for several decades as it has been said by Niš City Mayor Miloš Simonović during the interview for the national daily newspaper Politika. He added that the years which were ahead of us represented the literal crossroads for the city:

- There are realistic prospects that this year will bring a stop to the decline of the economy which was one of the main reasons for difficult economic situation in the city due to the industrial devastation which made the living standards of Niš citizens the lowest for last half a century. The very NALED certificate that the city received as well as the fact that Niš had the greatest number of direct foreign and national investments in 2010 represented the best guarantee for secure investments and real offer to future partners - said Mayor Simonović.

What has been actually done to make the city economy healthier and to create the favourable atmosphere for coming of the investors?

- Niš City Council and Assembly adopted the necessary decisions to offer under favorable conditions publically owned undeveloped land properties. The procedures for obtaining construction and other necessary

permits became more efficient. The City signed contracts for the implementation of the investments projects for opening new production facilities in the industrial zone Donje Medjurovo. Yura Corporation from South Korea already builds the factory for the production of the automobile industry components. Yura associate company Yura Eltec announced intention of constructing the factory on the land property immediately by Yura Corporation new factory. Italian company Dytech Dynamic Fluid Technology which produces fluids and oils for automobile industry is about to start the construction of new factory. The agreement has also been reached with French company Sagem.

How much will new investments and new factories mean for the decrease of unemployment?

- We expect that new Yura and Dytech factories will employ at least 2000 new workers. But that is not all. We expect new investors and the realisation of important projects from National Investment Programme.

What are priorities for 2011?

- There are great needs for the reconstruction of the Airport Constantine the Great. The construction of the cargo center at Niš airport with Austrian partners is still the priority. There will be some investments into construction of the facility for the University of Niš. We allocated the funds for the rehabilitation of the Fortress walls. Of course we are continuing with the reconstruction of the roads and streets in the city. We have applied to National Investment Fund for finances needed for the construction of sports and recreational center in the Niš settlement of Duvanište, near primary school Duško Radović. The center will have stadium for football,



Niš City Mayor Miloš Simonović

athletic competitions and other sports. We intend to continue with the social housing as well.

What are the long term plans?

- We have sold land property near the spa of Niska Banja. The property is intended for the construction of leisure and entertainment activities and we expect Italian and Serbian investors to finish this project by 2015. Previously we had sold the land property in the very city center intended for the construction of the modern business and residential premises. Efforts have been made to establish Technological Park in the premises of the former electronic industry factories. All these new investment will create new jobs. Then, again, we have undertaken serious steps to prepare ourselves to be the hosts of the central event in marking 17 century of Edict of Milan signing. The city will build big complex dedicated to the Constantine the Great on the nearby hill Vinik. Last year three new kindergartens were open. This year we tried to allocate the significant funds for the construction of new educational and social care institutions for children.

WINNERS OF TRADITIONAL NIŠ CITY AWARDS FOR YEAR 2010

The liberation of Nis on January 11, 1878, Niš from almost 500-years-old Turkish rule marked a turning point in the development of Niš, which grew from a small Turkish provincial town into a modern European town, developing rapidly both politically and culturally.



Ceremonial session of Niš City Assembly

Every year Niš City Assembly holds ceremonial session on January 11, at which the traditional city awards are given to the citizens who contributed the most to city affirmation and promotion and whose deeds and achievements made them exceptional during last year.

The winners for the year 2010 are:

Professor Stojan Bogdanović from the University of Niš Faculty of Economics, for his contribution in the area of mathematical sciences and establishing the recognizable Niš school of mathematical theory;

Perica Donkov, famous contemporary painter from Niš whose work has been recognized for more than 30 years on the national and international scenes;

Niš City Scouts Association, which is celebrating anniversary of its existence for cherishing the informal education of children and youth for more than a hundred years; and

Team for the Introduction and Development of Cardio Surgery at Niš Clinic Center which managed to prepare the surgical team and facilitate performance of cardio surgeries in Niš.

Petar Seratlić who recently died was recognized as well for his contribution for the development of economy and sports, especially handball, in the City of Niš.

„Cherishing tradition of our ancestors we are giving the most important city award to individuals and teams who have deserved to be recorded in the city history chronicles by working in Niš and for Niš”, said Mayor Simonović on this occasion.

Special appreciation award the Gratitude Note Saint Sava was given to the Foundation of H.M. Princess Katarina for cherishing the spirituality, faith, generosity and truth. The humanitarian activities of this foundation since its beginning have been directed towards health care institutions and child care homes in the City of Niš.

BEST STUDENTS AWARDED

Best students from 13 faculties of Niš University were presented awards for the achieved success during the studies at the formal ceremony held in the City Hall.

The City of Niš awards traditionally its best students every year on the occasion of celebrating liberation from Turks anniversary. Each of 13 selected students was presented with the diploma and 50.000,00 dinars award. Mayor Simonović congratulated the best students on their last year achievements and he wished them success in their further studies.

“One of the priorities for the City is to create conditions to keep the students here in Niš after they finish their studies and that is not easy. All the authorities should make contribution to create better living and working conditions. The cooperation between the University and the City should be improved. Faculties and universities should continue with standardization of their services and harmonization of their programs with the programs of well-known European universities.

This year a big investment project of constructing the Technological Park will be implemented with RS Ministry of Science. Total value of the project is 12 million Euros and it will be financed from European Investment Bank funds. Besides that, we are continuing the construction of 98 flats for young scientific workers. We are trying to expand this project together with Ministry and build more flats on new locations.

If we all make efforts and contribute to the creation of conditions for best possible education and application of the acquired knowledge on the jobs they will get here in their town, it will help students stay in the country and thus contribute to the development of the City and the Region”, said Simonović.