Nis

Short Summary

Nis is the third largest city in Serbia, and the largest in Southeast Serbia. Within the project, partnerships have been established between Nis, Leskovac, Gadzin Han and Merosina. It is located at the crossroads that connect North Serbia and Central Europe with the South to Thessaloniki and Istanbul. Leskovac also has a favorable geographic position. It sits also on the route E-75 that is a part of Pan-European route X. The Pan-European railway corridor X also goes through Leskovac, which connects to Salzburg, Austria and Thessaloniki, Greece. Nis has its own airport, the second largest commercial airport, behind Belgrade's Nikola Tesla. Other airports nearby are in Skopje (203km) and Sofia (160km). The most developed industries in this part of the region are pharmaceutical, chemical and textile and tobacco. The city of Nis has a highly regarded education system and therefore many young, qualified people eager to work. The University of Nis has 13 faculties and attracts many students from all over the region. The biggest natural resource of this area is the South Morava river, which renders nearby land easy to cultivate.

Quick Facts

	Region	National level
Territory		
Total area	2,260 km^2	88,502 km^2
Agricultural area	120,274 ha	5,096,267 ha
Population	445,263	7,186,862
Number of formally employed	93,441	1,000,872
Average wage (net in July)	285 EUR	390 EUR
Number of enterprises	3,237	78,934
Number of entrepreneurs		
Submitting financial statements	1,601	15,630
Not submitting financial statements	12,041	224,997
Value added (in mill EUR)	409	14,078.8
Average success rate of companies (%)[*]	24.1	25.4
Main industries	Wholesale Trade, Manufacture of Tobacco Products, Electric Power Generation and Distribution, Retail Trade, Manufacture of Clothes	
Main exports	Tobacco products, Clothes, Processed Fruit and Vegetables	
Most important foreign direct investments	Manufacture of Tobacco Products, Manufacture of Computer, Electronic and Optical Products, Manufacture of Clothes, Manufacture of Pharmaceutical Products and Preparations	

Source: SORS, CEVES calculations based on SBRA data

[*] Successful companies are considered to have: 1) managed to overcome negative impacts of the financial crisis; 2) increased its real revenues and employment; and 3) operated profitably over the entire period.

Local Economy Basic Structure

Table 1: *Enterprise structure by size**

Size of enterprise	Number of enterprises			Number of employees			Business revenues		
	Region		National level	Region		National level	Region		National level
	#of firms (2013)	*Growth rate 2009-2013(%)*	*Growth rate 2009-2013(%)*	*# of employees (2013)*	*Growth rate 2009-2013(%)*	*Growth rate 2009-2013(%)*	*Value (2013; in mill RSD)*	*Growth rate 2009-2013(%)*	*Growth rate 2009-2013(%)*
Micro	4,279	-3.2	-2.0	8,304	-3.4	-2.2	46,494	-1.8	1.1
Small	432	-3.7	-2.6	8,551	-5.3	-2.7	41,073	-3.2	1.5
Medium	106	-0.9	-3.5	10,964	-1.8	-3.5	46,303	-0.3	2.2
Large	21	-4.3	-1.0	11,920	-6.3	-0.6	70,160	2.0	6.0
Total	4,838	-3.2	-2.1	39,739	-4.3	-2.0	204,030	0.5	3.3

Source: CEVES calculations based on SBRA data, in our analysis were included only those enterprises that have regularly submitted financial reports
*Enterprises are classified by number of employees (1-9 micro, 10-49 small, 50-249 medium, > 250 large)

Graph 1: *Overview of enterprise success rate during crisis period – region**
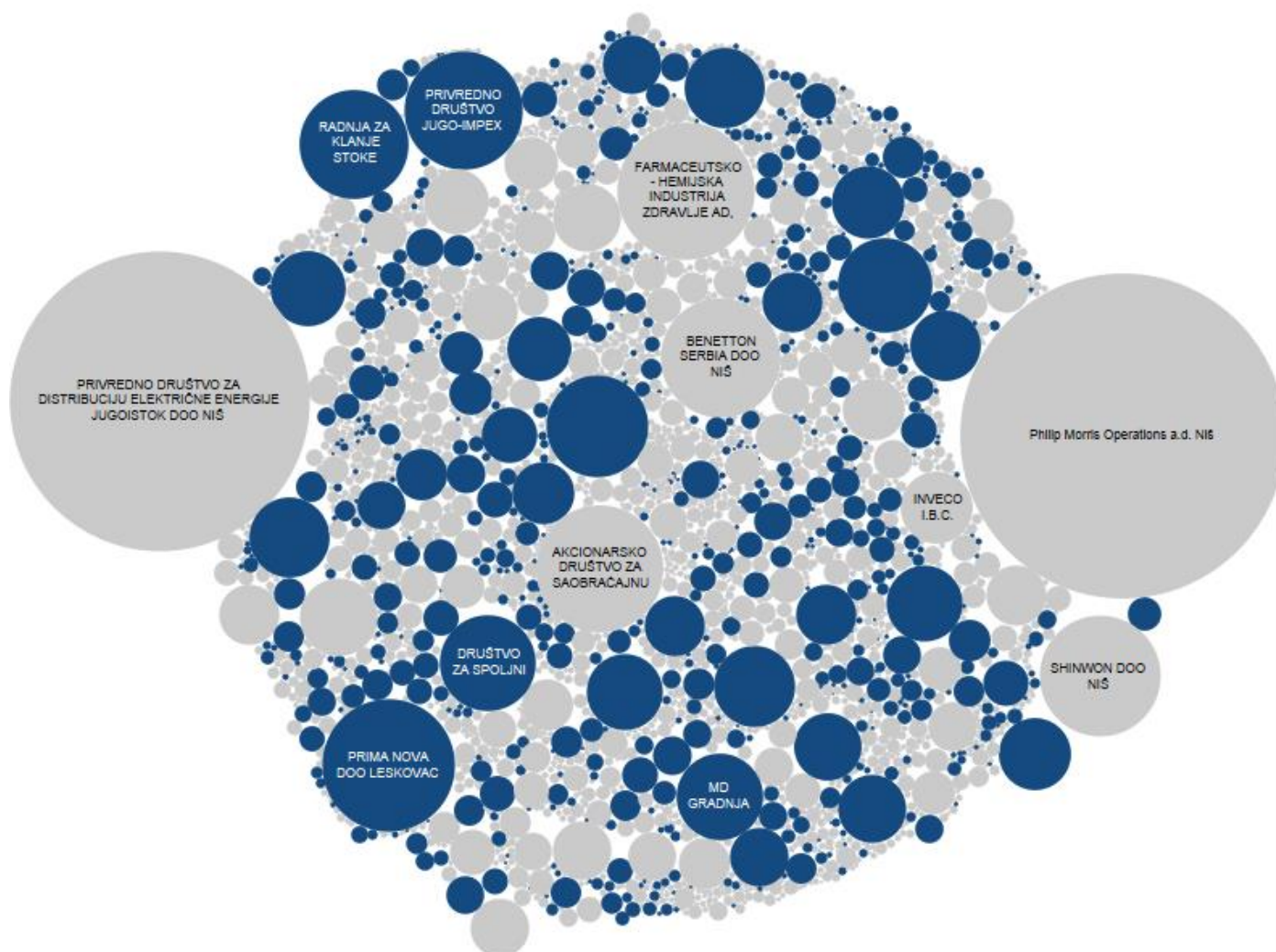
Source: CEVES calculations based on SBRA data
Size of bubbles: Business revenues; Color of bubbles: Successful during crisis period (blue) or not (gray)

Table 2: *Exporters (2013)*[*]

Size of enterprise	Number of exporters			Total value of exports (in mill EUR)		
	Region	National level	Share (%)	Region	National level	Share (%)
Micro	185	4,923	3.8	24.2	1,029.2	2.4
Small	113	2,918	3.9	29.0	1,228.4	2.4
Medium	54	1,003	5.4	82.8	2,090.7	4.0
Large	8	299	2.7	77.2	5,875.2	1.3
Total	360	9,143	3.9	213.3	10,223.5	2.1

Source: Customs Administration database, Ministry of Finance of Rep. of Serbia
[*]Note: Only includes companies that realized minimum exports of 5,000 EUR

Economic Vitality

Table 3: *Survival rate of companies*

Period	Number of enterprises established		Survived in 2013 (%)	
	Region	National level	Region	National level
2006 - 2008	1,791	35,430	42.3	48.1
2009 - 2010	1,104	20,763	57.5	61.6

Source: CEVES calculations based on SBRA data

Graph 2: *Average age of enterprises (year)*
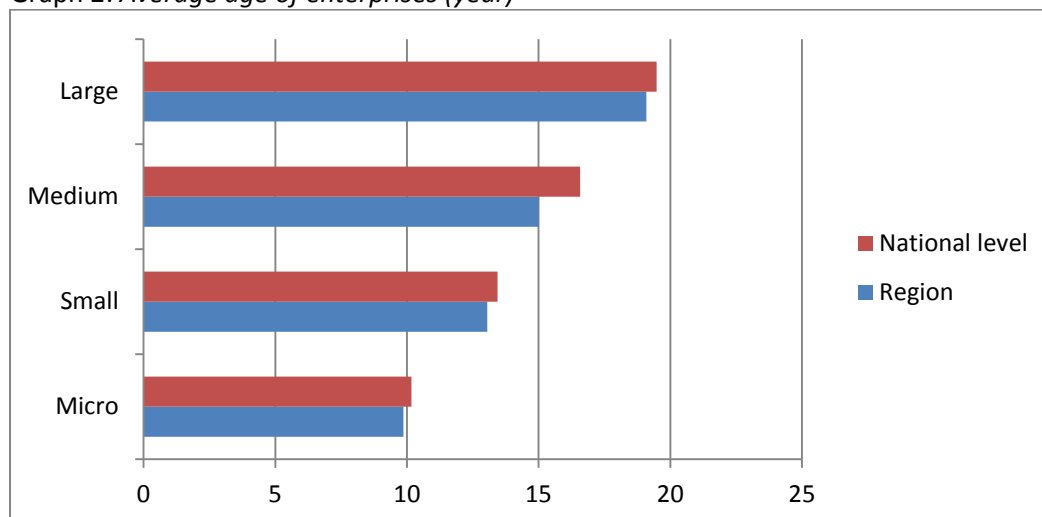
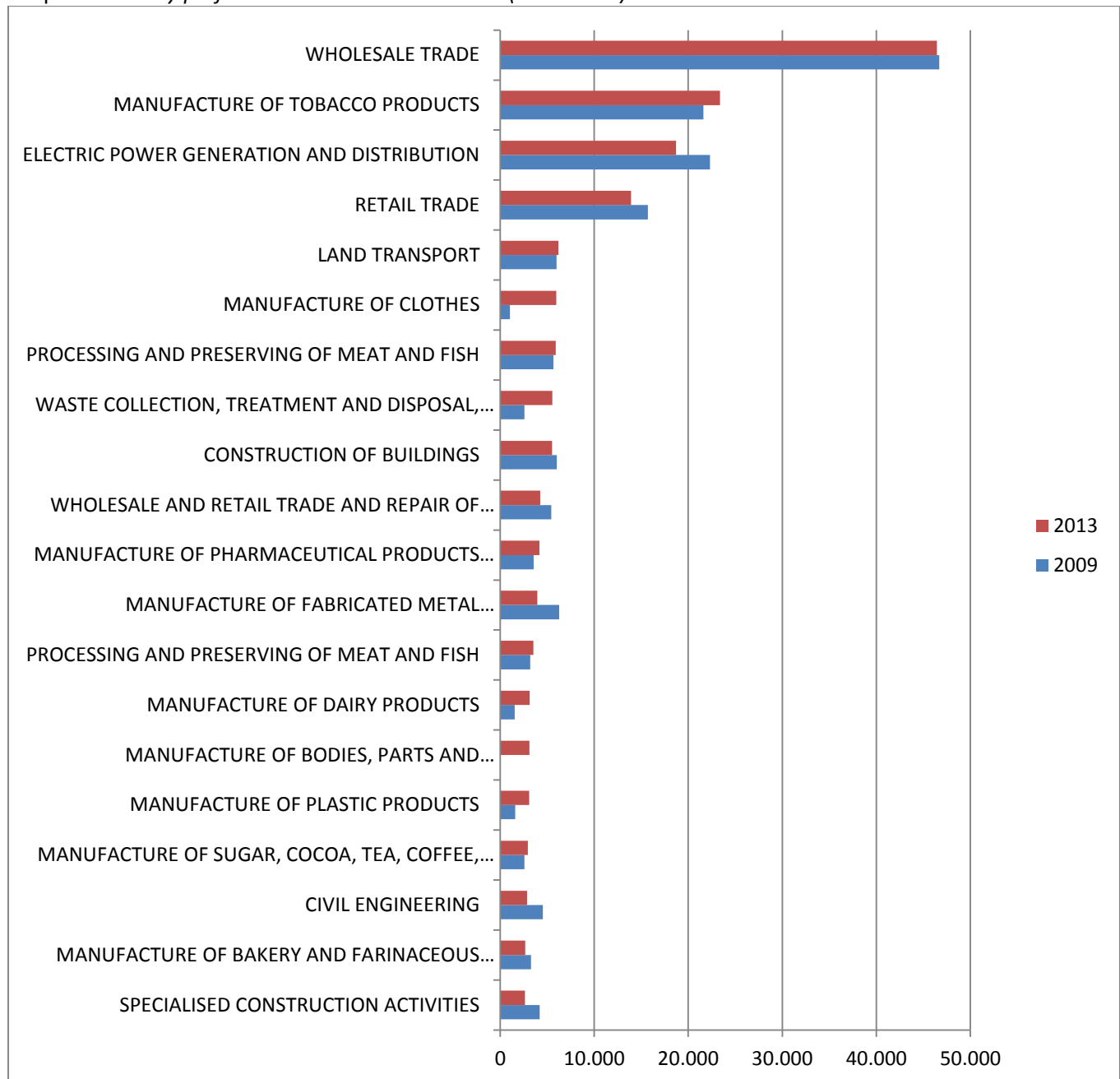Source: CEVES calculations based on SBRA data

Table 4: *Share of successful enterprises in total - region*

Size of enterprise	Number of enterprises (2013)		Successful ent. (%)		Ent. with blocked account (%)	
	Region	National level	Region	National level	Region	National level
Micro	4,279	82,453	21.1	21.8	21,3	22,6
Small	432	9,501	38.7	43.2	21,5	22,6
Medium	106	2,113	54.3	45.2	31,1	24,3
Large	21	497	35.3	41.1	23,8	23,1
Total	4,838	94,564	24.1	25.4	21,5	22,7

Source: CEVES calculations based on SBRA data

Industrial Structure

Graph 3: *Industry performance - business revenues (in mill RSD)*

Source: CEVES calculations based on SBRA data

Table 5: *Main industries' performance*

Industry	Number of enterprises			Number of employees			Business revenues		
	Region		National level	Region		National level	Region		National level
	# of Firms (2013)	Growth rate 2009-2013(%)	Growth rate 2009-2013(%)	# of employees (2013)	Growth rate 2009-2013(%)	Growth rate 2009-2013(%)	Value (2013; in mill RSD)	Growth rate 2009-2013(%)	Growth rate 2009-2013(%)
*IT Sector	68	3.6	5.1	542	9.4	11.5	1,068	15.8	16.5
*Agriculture	39	0.0	-1.5	404	-0.8	-4.9	2,365	6.4	8.2
Wholesale Trade	912	-4.7	-3.4	4,576	-0.6	-1.8	46,437	0.1	3.3
Manufacture of Tobacco Products	2	0.0	-4.5	420	-15.0	-12.2	23,386	2.3	-1.2
Electric Power Generation and Distribution	9	15.8	29.8	2,202	-0.9	1.3	18,690	-4.1	4.2
Retail Trade	660	-6.0	-4.7	2,035	-5.6	-1.0	13,918	-2.7	2.7
Land Transport	182	0.0	0.3	2,666	-4.0	-1.6	6,170	1.1	2.6

Source: CEVES calculations based on SBRA data
*Industry supported by USAID SLDP

Table 6: *Export competitiveness of main industries- region*

Industry	Status	Export rank	Export competitiveness
Wholesale Trade	Exporting	5	/
Manufacture of Tobacco Products	Exporting	1	Moderate Competitive
Electric Power Generation and Distribution	Non Exporting	/	Highly Competitive
Retail Trade	Exporting	41	/
Land Transport	Exporting	31	/
Manufacture of Clothes	Exporting	2	Highly Competitive
Processing And Preserving of Fruit and Vegetables	Exporting	3	Uncompetitive

Source: UN Comtrade database and Customs Administration database, Ministry of Finance of Rep. of Serbia
Notes:
Status - whether industry products are exported by the companies from region
Export rank - Industry export rank according to export value from region
Export competitiveness - CEVES analysis of industry export competitiveness based on export volume, dynamics, and diversification

Foreign Direct Investments

Table 7: *Foreign direct investments- region*

Industry	Number of investments	Total value of investments (in mill EUR)	Number of persons employed	Most important investors
Manufacture Of Tobacco Products	2	734.2	591	Philip Morris DIN (USA) & Tender S.A. (Romania)Leoni
Manufacture Of Computer, Electronic And Optical Products	7	69.1	4,983	Leoni Jaguar (Germany) & Yura Corporation (South Korea)
Manufacture Of Clothes	4	59.1	4,134	Benetton (Italy) & FALKE (Germany)
Manufacture Of Pharmaceutical Products And Preparations	2	51	580	Actavis (Iceland) & PharmaS (Croatia)
Manufacture Of Construction Materials	2	34	522	Alpine (Austria) & Intertrust (Bulgaria)

Source: SIEPA database

Disclaimer: Due to the lack of official information regarding the amount of individual investments, this information is sourced from research carried out the Serbia Investment and Export Promotion Agency (SIEPA) and includes both completed and forecasted investment projects. Although SIEPA is responsible for maintaining as precise investment data as possible, the agency does not assume any responsibility for any incomplete or potentially inaccurate information.