



### Highlights of the Month

Serbia Started Application of the Transient Trade Agreement with the EU [Read more >>>](#)



### Meet Us

This month you can meet us at different fairs around Europe. [Read more >>>](#)



### Sector Close Up

#### Energy Sector 2008

The energy sector is individually the most important sector in the Serbian economy. [Read more >>>](#)



### Q & A

**Mr. Ernst Bode** President of German Economic Associations in Serbia  
According to German Chamber of Commerce (AHK) research, Serbia is rated as one of the most interesting investment locations.

[Read more >>>](#)



### Monthly Reporting

#### Crisis Impact on Consumer Behaviour

Curbing the Crisis: Less Luxury Might Help [Read more >>>](#)



### Arts & Entertainment

Enjoy James Blunt, Ennio Morricone or watch the best movies of the year at FEST to help take the edge off the winter chill. [Read more >>>](#)



### The Other Home

**Alessandra Bertini**, Director of the Italian Institute of Culture  
Kalemegdan Fortress – A Place That Frees Imagination and Fantasy

[Read more >>>](#)



### Must See

#### Parks of Belgrade

Throughout 10 urban municipalities you can enjoy 65 public parks that cover 362 ha, while the seven suburban municipalities feature a further 14 parks. [Read more >>>](#)

## A Big Deal

Serbian power company Elektroprivreda Srbije (EPS) has announced pre-qualifying tenders for the selection of a strategic partner for the construction of the Kolubara B thermal power plant and the new block at TE Nikola Tesla B. In separate tenders, investors have been invited to submit letters of interest to EPS by March 20 for the construction of two 350 megawatt blocks at TE Kolubara and the new 700 MW block in TE Nikola Tesla B. The total value of the investments is about €2 billion. EPS's stake in the new facilities should range from 20-40 percent, though the final exact figure will depend on the partner and the conditions offered. EPS Director Vladimir Djordjevic said that 16 international companies had thus far expressed an interest in participating in this tender. The best offer is due to be selected by the end of 2009, and the entire project should take four to five years.

## Unilateral Application

Serbia started application of the Interim Trade Agreement with the EU on January 20th, 2009. This agreement envisions reducing duty on goods from the EU by 5 percent to 20 percent in 2009.

## Overcoming the Crisis

The Government of Serbia adopted a programme of measures aimed at mitigating the impact of the economic crisis on January 29, 2009, which envisions the allotment of RSD 122 billion-worth of banking loans in 2009 with state assistance. The aim is to increase production and export through increasing both the solvency of the economic sector and the purchasing power of the population.

## Monitoring Development

Recent announcements suggest that construction of the Holiday Inn hotel in Kragujevac should commence in mid-

2009. This €25 million-hotel will be built in the vicinity of Corridor 10. There are already several industrial zones near that location, and they will be occupied by numerous local and foreign companies, primarily Italian companies that produce spare parts and components for Fiat cars.

## More Jobs in Vlasotince

In addition to its existing factory employing 300 people, the Slovenian electric component manufacturer, Elrad, is to build another factory in Vlasotince and create a further 150 jobs, says Municipal President Bosko Stancic. The Vlasotince authorities have decided to sell a lot in the industrial zone to Elrad and fully equip the site. Production units in the Vlasotince Industrial Zone have already been built by German electric appliance manufacturer Gruner and Italian textile company Fiorentino.

## Supporting Development

German Development Bank KfW has signed a contract with five banks in Serbia for the allocation of a credit line worth €75 million for financing public utility infrastructure and energy efficiency. Local self-governments and small and mid-sized enterprises will be able to apply for the loans with an annual interest rate of up to 6 percent, while maximum repayment periods will be seven years. The value of the projects should not exceed €2.5 million.

## Tender for RTB Bor

RTB Bor will not be sold at the ongoing tender as nobody has bought the documentation yet, so that a new method for selecting a strategic partner will have to be found, said Economy Minister Mladjan Dinkic on January 29, 2009. "There are companies that are interested in a strategic partnership with RTB Bor, but they want the Government to change the tender terms and lower the starting price of \$300 million."

According to daily Novosti, the Economy Ministry is soon likely to receive an offer for a strategic partnership from Swiss Glencore.

## Will They Speak Japanese?

Novi Sad-based company ICM Electronics will soon finish construction of the first Serbian factory for the production and assembly of robot lines in Platicveo, near Ruma. Production in this factory is due to start at the end of February. The production unit and the ICM headquarters will be built over 1,000 square meters, while the initial investment in the first Serbian robot factory amounted to approximately €1 million in 2008.

ICM Electronics enjoys excellent cooperation in the domain of robotics with several world-famous manufacturers, including Japanese Fanuc and Omron and Swedish Motoman.

## Meet Us

February 19 – 22, 2009

### Biofach

Nuremberg, Germany

February 23 – 26, 2009

### Gulfood

Dubai, UAE

February 24 – 27, 2009

### KievBuild

Kiev, Ukraine

March 3 – 5, 2009

### Embedded World

Nuremberg, Germany

March 3 – 8, 2009

### Cebit 2009

Hanover, Germany

March 3 – 6, 2009

### Foodex Japan 2009

Tokyo, Japan

## A Punto

Fiat Automobiles Serbia CEO Giovanni de Filippis confirmed on January 21 that the production of Fiat Punto cars would start in March. However, because of the global financial crisis, implementation of part of the long-term investments will take somewhat longer, De Filippis told a meeting in Rome to mark the 130<sup>th</sup> anniversary of diplomatic relations between Italy and Serbia.

## Different Kind of Tourism

It seems that foreign tourists are seeking something more than just common entertainment and tourist attractions in Serbia. In addition to ever rising numbers of "conventional" tourists (annual growth of 5.25 percent over the last four years), the number of those taking part in one of the so-called Europe's Last Adventure programmes has risen sharply. Data provided by the masterminds of these programmes – Belgrade-based tourist agency Vekol Tourist ([www.gotoserbia.eu](http://www.gotoserbia.eu)) – tourist numbers doubled in 2008/2007, with the largest interest shown by Swiss, Cypriot and Chinese tourists. City breaks, specialised breaks like the Nikola Tesla break, rides on the famous Blue Train as part of the Tito-Marshall of Yugoslavia tour, rafting and camping on River Tara, and swinging to the rhythms of the Serbian brass band capital Guca, are just some of the treats on offer. It's worth checking out.

## Fresh As Dutch Tulips

Dutch-Serbian company Sonder-Duks is going to finance construction of a fruit cold storage and packing plant in the Leskovac village of Turekovac in 2009. The fruit from that plant will be exported to the West. The co-owner of Dutch company Sonder Jansen, Geri

Sonder, said that the plant, with a capacity of 2,500 tons, would be complete by May 2009.

Sonder Jansen is the biggest purchaser of fruit in Europe and has been present on the Serbian market since 1996.

## Learning to Fly

In addition to only Austria, the UK and the Netherlands, Serbia is to receive an Aviation Staff Training Centre in April 2009. The centre will be regional, covering Croatia, Macedonia, Bosnia and Herzegovina, Montenegro, Romania and Bulgaria.

## Quest for Grail

Zlatara Majdanpek, a manufacturer of jewellery, decorative and chemical products, will be offered for sale at a public auction on February 20. Production, metallurgy and forging units, the company head office, a central warehouse, a branch office in Belgrade, ten outlets with a total surface area of 625 square meters in several cities in Serbia and Podgorica, equipment, materials and ready-made products in stock will be offered at a total price of €6.5 million. The future owner will have to continue production of jewellery for at least five years.

SIEPA

## Seventh Business Round Table with the Government of Serbia

The Economist and SIEPA invite you to join us at the Seventh Business Round Table with the Government of Serbia - Redefining Serbia's Role in European Business, March 18, 2009, Hyatt Regency, Belgrade. This is a unique opportunity to explore these issues and more with Serbia's political and business leaders. Our speakers include Prime Minister Mirko Cvetkovic, as well as key government ministers. Experts from the Economist Intelligence Unit and leading business figures will engage in heated debate, raise the issues that matter, and search for possible solutions.

Why you should attend

- Get the latest, in-depth and authoritative overview of the business environment in Serbia
- Meet and challenge government leaders
- Network with key decision-makers and peers in a discreet, off-the-record setting
- Review and renew your strategy at a top-level, high-value event

See the full event programme for details of the speakers and the topics we'll be addressing. Join us for the key strategic business event in Serbia, and equip yourself to meet the future with greater focus and certainty. The Round Table has limited capacity, so book now – contact Verena Wasenegger at [verenawasenegger@economist.com](mailto:verenawasenegger@economist.com) or phone +43 (0)1 712 41 61 60

## Fruit Logistica

Another successful showing by Serbian producers of fresh and dried fruit and vegetables at Fruit Logistica. Eighteen companies, two stands, one of which played host exclusively to newcomers on the international scene, hundreds of new contacts, and almost €6.5 million of export deals made this event an unqualified success. The stand was organised in partnership with the Ministry of Agriculture, Forestry and Water Management, USAID and GTZ.

## Energy Sector

Source: Ekonomist Magazin

### The Absolute Leader

The energy sector is individually the most important sector in the Serbian economy. The Oil Industry of Serbia (NIS) and the Power Industry of Serbia (EPS), in spite of slower growth compared to the rest of the sector, still hold the top two places in the list of the leading Serbian companies, while the rest of the list features a further 29 enterprises from the energy industry. 2008 was a big year for the energy sector, both globally and in Serbia. The middle of 2007 saw a new surge in world oil market prices, resulting in an increase in crude oil prices of more than 70 percent (from \$55.9 per barrel at the beginning of the year to \$96.6 at the end of 2007). This trend continued in the first three quarters of 2008; in the middle of the year oil reached a record price of more than \$140 per barrel, before returning to the level from the first half of 2007 in October and November. Such trends impacted on the Serbian economy as well, in two ways – both on energy sector companies (previously from the oil

and gas industry), and on the overall macro-economic climate, as the leap in oil prices led to higher inflation.

In January 2008, Serbia and the Russian Federation signed an Agreement on cooperation in the oil and gas industry. The Agreement is important for two reasons, and is expected to have a significant impact on the Serbian energy sector in the upcoming period: 1) The Agreement stipulates the sale of a 51 percent stake in the Oil Industry of Serbia to Russian energy giant Gazprom, and 2) The Agreement stipulates the construction of a major gas pipeline through Serbia, as well as completion of construction of the Banatski Dvor underground gas reservoir. The plan is to form a joint company between Srbijagas and Gazprom for the purposes of the construction of the gas pipeline.

As for the institutional framework of the energy sector, it is important to note that amendments are planned to the current Law on Energy, which should enable further liberalisation of the Serbian energy market and create the conditions for greater use of renewable energy sources. Enactment of this law will give renewed impetus to the further growth and development of this sector.

### Absolutely the Biggest

While holding a dominant position in Serbia, NIS and EPS are the best positioned Serbian enterprises in regional terms too. According to the Financial Times' list of the Top 500 companies in Central Europe, NIS is ranked 20<sup>th</sup>, and EPS 79<sup>th</sup>.

Companies from the energy sector are dominant in the group of the 300 leading enterprises, and they account for 26.6 percent of overall operating revenue. In 2007, companies from the energy sector generated combined operating revenue of €7.738 million, 25.6 percent up on the previous year. The energy sector is also the biggest employer, accounting for 17.5 percent of total workforce in the Top 300 companies.



In terms of operating revenue, NIS is the absolute leader in Serbia. NIS generated total revenue of €3.162 million in 2007, 3.1 percent more than the previous year when calculated in Euros (in terms of dinars, NIS' operating revenue fell 2 percent). Another important indicator of NIS's operations last year's was a 6.3 percent drop in the number of employees, from 13,415 to 12,615. Recorded EBITDA of €167 million constituted a 15.1 percent increase on the year before. This is certainly a positive trend, since, in 2006, EBITDA was €10 million lower than in 2005.

Although NIS is the absolute leader in terms of operating revenue, EPS is the absolute leader when it comes to the number of employees. In 2007, EPS had 33,410 employees, 2.7 percent more than the previous year. The basic factor that determines EPS's operations is the price of electricity, which is still considerably lower than prices in neighbouring countries. With occasional exceptions, the Government used the price of electricity in days of old for the purposes of maintaining social order, especially at election time.





Low electricity prices led to EPS ending 2007 with a loss, having recorded profits of about €200 million in 2006. EBITDA and EBITDA margin are still high and amount to €372.9 million and 24.7 percent respectively. EPS' operations this year and next will greatly depend on the state's electricity production strategy, especially when it comes to electricity prices and investment plans. This is especially important given the strong growth of the electricity production sector in neighbouring countries. For the second consecutive year, Srbijagas took third place for operating revenues in the energy sector with €626 million, an increase of 11.9 percent on the previous year, which is nonetheless considerably lower than the 119.9 percent growth recorded in 2006. Like NIS and EPS, Srbijagas figures on the list of the Top 500 largest companies in Central Europe, at number 253.

When analysing the performance of the Serbian energy sector, it is important to note that trade in energy resources is still growing sharply. In this context, we should highlight the growth of the

Jugorosgas company, a gas distributor, whose revenue increased more than 800 percent, reaching €411 million. This company is now second on the list of energy distributors, behind Lukoil-Beopetrol, whose growth slowed from 54.9 percent in 2006 to 39.4 percent in 2007. Companies like Energy Financing Team, NP Co, E.ON Trading and Sales Serbia have also recorded extraordinary growth.

Of all the companies on the list, Elektromreze Srbije (Electricity Networks of Serbia) generated the highest EBITDA of 48.2 percent, with Nafta the only company to suffer a fall in operating revenue, of almost 30 percent.

Energy Sector							
Rank	Company	Operating revenues 2007	Operating revenues 2006	Growth of Operating revenues	Number of employees 2007	EBITDA 2007	EBITDA margin 2007
1	Naftna Industrija Srbije	252,837,172	257,994,414	-2.0%	12,615	13,407,322	5.3%
2	Elektroprivreda Srbije	120,583,086	104,843,774	15.0%	33,410	29,817,420	24.7%
3	Srbijagas	50,087,060	47,104,933	6.3%	1,665	2,458,039	4.9%
4	Lukoil-Beopetrol	34,095,956	25,741,504	32.5%	1,517	194,650	0.6%
5	Yugorosgas	32,868,029	411,939	7,878.9%	31	1,101,667	3.4%
6	OMV Srbija	20,286,464	17,219,064	17.8%	37	1,374,705	6.8%
7	Beogradske Elektrane	12,471,755	9,423,723	32.3%	2,338	1,281,904	10.3%
8	Energy Financing Team	11,892,529	1,589,522	648.2%	34	20,864	0.2%
9	Petrobart	9,114,799	7,452,490	22.3%	26	81,440	0.9%
10	Eko Yu	6,342,700	4,031,067	57.3%	37	123,796	2.0%
11	Elektromreza Srbije	6,139,535	5,135,025	19.6%	1,501	2,960,409	48.2%
12	Atako	6,109,789	4,785,230	27.7%	79	68,250	1.1%
13	NP Co	5,642,938	811,866	595.1%	8	29,570	0.5%
14	Nafta AD Beograd	5,441,111	7,656,057	-28.9%	10	-9,291	-0.2%
15	Knez Petrol	5,369,494	4,720,314	13.8%	40	69,754	1.3%
16	Intermol	4,524,543	1,845,000	145.2%	322	8,616	0.2%
17	Novosadska Toplana	3,561,651	3,056,657	16.5%	284	518,688	14.6%
18	Team Oil	3,235,357	1,159,502	179.0%	8	43,522	1.3%
19	Euro Gas	3,229,801	3,059,091	5.6%	178	163,340	5.1%
20	EON Sales and Trading Serbia	3,220,118	24,887	12,758.6%	0	66,720	2.1%
21	Javno preduzece za podzemnu eksploataciju uglja	3,108,926	2,395,105	29.8%	4,252	-889,952	-28.6%
22	Atel Energija	2,749,811	421,114	553.0%	0	-7,272	-0.3%
23	Daxin Petrol	2,742,290	1,595,941	71.8%	8	37,231	1.4%
24	Euroluxpetrol ELP	2,714,792	2,066,910	31.3%	320	111,531	4.1%
25	Euro Petrol	2,299,150	1,221,193	88.3%	113	74,188	3.2%
26	Novi Sad Gas	2,2250,049	2,160,383	4.2%	80	-49,247	-2.2%

**Mr. Ernst Bode**

President of German Economic Associations in Serbia



The reality of the Serbian economy is much better than the impression that people have. Cooperation with the authorities can be complicated and there are problems. I hope that this government will pay more attention to the development of its economy.

Mr. Ernst Bode is managing director of Messer Tehnogas, one of the leading German and foreign investors in Serbia. At the same time, he is president of the German Economic Associations in Serbia – an organisation with considerable leverage, which currently brings together over 150 members. In these complicated international times for the arrival of new investors, Mr. Bode is one of the people best placed to outline the perceptions foreign investors have towards Serbia.

Being present in Serbia for several years, you are connected to our country, regarding business and private as well. How do you describe Serbia for example, when you represent it to the potential investors?

The reality of Serbian economy is much better than the impression that people have. Serbia still has a bad image, because of the recent past. However, what German businessmen usually do not know is that Serbia is a very interesting location for investment. The infrastructure is good, especially comparing with other countries in the region, its southeastern

neighbors. Fiscal policy is excellent and, above all, everybody is working hard to be able to attract foreign investments, which makes it easier for the potential business investors.

Germany is one of the largest investors in Serbia and companies from this country have invested over 1.5 billion euros. German economic association, of which you are president, carries out the investigation among German companies in Serbia. How they describe the investment climate?

Serbia currently occupies first place among the countries of Eastern and Southeastern Europe, according to research carried out by Germany Chamber of Commerce (AHK). In this research, Serbia is assessed as most interesting investment locations.

According to your opinion, what do you think the state should do in order to improve the investment climate further more?

First of all is a legal security. However, in the last few years it has already been done a lot, as well as in the field of financial incentives. In my opinion, what is shocking is the policy of forming gas prices. Bump up the price of gas for 60 percent is a big deal. So “shocking prices” have happened with the electricity and gas, and for example toll is really high.

Our country's image abroad is mainly negative. How is it possible to change the negative image of Serbia?

Serbia, just need a better PR agency. Reality in Serbia and its image are in complete contradiction. I would personally welcome if the Government had less interference in the determination of the fuel prices. Lots of good things have been done in recent years in the formation of a good business environment, necessary for attracting foreign investment. However, something that identify a country as a good investment location is competitive prices of electricity, gas, petrol, toll etc.. We can not say that “we have a good tax policy, and, on the other hand, take out companies money over the fuel prices.

What is your experience in cooperation with the administration, especially at the local level?

This cooperation can be complicated and there are problems. It is often the draw to any administration, you'll find in a municipality. Life and work, can not fit and wait for someone's good will to stamp hammer, although all the required documentation is submitted. Slow bureaucracy is manually guilty for illegally building, because people believe they have no alternative. Therefore, I think that the proposed “guillotine of regulations” is a great thing. The state requires a simple and precise rules, and strict control of their implementation.

Serbia has recently received a new government. How would you assess the past work?

Political course towards Europe is certainly valid, and perhaps the only possible. Sometimes I do not fully understand attitude of the European Union towards Serbia. Regarding economy, I hope that this government will paid more attention on economy, that will quickly and consequently decide to take measures that are turned towards the future. Some of the decisions recently made, unfortunately, have not been stimulating for the economy.

The world financial crisis is in the focus. Serbia begin to feel the consequences as well. How will the crisis affect Serbia?

National Bank of Serbia is often criticized because of strict policies and expensive money, but now it seems to be a good thing. Financial sector will probably remain stable and there wont be direct consequences. But, it will be indirect, and it can be expected decrease of exports due to less demand. You can see that the car industry is already in crisis. Unfortunately, the reduction of foreign investment can be expected, because a large number of companies first want to see how the situation will develop in the world, before making a decision on further investments.

Even 97 percent of German companies that have invested in Serbia say that would invest again.

## Crisis Impact on Consumer Behaviour

In this edition of the Newsletter, we continue the analysis of the impact the global crisis will have on Serbia. This time, the analysis extends to customers' behaviour and the ways it will change as the money dries up. Understandably, it seems that bread will be the last item on the give-up list. Nor do tobacco companies appear to have anything to worry about as bread is followed immediately by cigarettes. Next on the list are milk and dairy products, fruit, vegetables, water and meat, all the basic foodstuffs. Nor are Serbian citizens ready to give up alcohol and refreshments, but they view sweets and snacks as a luxury and source of weight problems that can be given up

easily. Although personal health-care products and household chemistry fall somewhere in the middle of the list, there will be a perceptible change in buyers' behaviour. They will try to make savings by buying cheaper brands and changing the place of purchase.

Consumers also sense the way companies will adapt to the crisis, and the vast majority of them believe it will lead to price rises, fiercer competition, and increased promotional pressure on them. However, almost a third think they might even benefit from the crisis and from a possible reduction in prices.

The GfK survey also included a comparative analysis of how people in different CEE countries react to companies' direct marketing strategies. Consumers seem to be

least impressed by leaflet campaigns, with only 5 percent percent receiving, reading or acting upon them. Moreover, Serbian consumers are least exposed to such campaigns, which says quite a lot about the advertisers too.

Finally, the survey shows almost identical tendencies among consumers in the EU – they are turning to budget own-brands, while sales of premium labels and healthy food have suffered. Only sales of organic food seem to have remained bullish as high-income segment buyers, with extravagant lifestyles don't have to, nor will, accept anything less. We will continue to monitor the impact of the crisis in our next edition.

Source: GfK Belgrade





### Consumers will buy cheaper brands and change place of purchase


	Bread and pastry	Milk and dairy	Fruits and vegetables	Meat and processed meat	Cigarettes	Alcoholic Drinks	Sweets and snacks	Soft drinks	Bottled water	Personal care products	HH care products
Not change behaviour	63%	52%	41%	25%	54%	19%	10%	20%	31%	13%	20%
Prepare at home	14%	1%	-	3%	-	-	20%	-	-	-	-
Change place of purchase	14%	19%	27%	30%	8%	17%	21%	28%	17%	36%	37%
Buy less often	-	7%	13%	18%	12%	29%	29%	24%	20%	17%	8%
Buy less quantity	11%	15%	21%	37%	8%	19%	23%	23%	13%	15%	13%
Buy cheaper brands	-	13%	-	15%	12%	11%	18%	21%	9%	40%	40%
Stop buying	-	-	1%	1%	17%	28%	5%	5%	18%	3%	-


### Customers' attitude towards promotional leaflet campaigns in CEE

Bulgaria	6	19	10	65
Croatia	15	49	20	16
Czech R.	30	43	14	13
Poland	11	41	22	16
Romania	16	33	5	46
Russia	26	31	19	24
Serbia	5	21	8	66
Slovakia	29	53	11	8
Slovenia	10	58	24	9
Ukraine / Kiev	40	36	11	12

 I recive direct mail, read it and shop accordingly to it

 I recive direct mail, and read it

 I recive direct mail, but do not read it

 No, I recive no direct mail

### Consumers believe producers will increase prices

Increase product prices	56%
Decrease package i.e. quantity of content	33%
Cut product prices	29%
More advertisements	26%
More promotion and prize games	26%
Decrease product assortment	18%
Less advertisement	16%
Less promotion and prize games	14%
Increase product assortment	13%
Increase package i.e. quantity of content	5%
Other	0%
Don't know	2%

## Belgrade

February 14, 2009  
Ennio Morricone – Concert

The acclaimed Italian Academy Award-winning composer has composed and arranged scores for more than 500 film and television productions. Morricone wrote the iconic soundtracks to Sergio Leone's spaghetti westerns "A Fistful of Dollars" (1964), "The Good, the Bad and the Ugly" (1966), and "Once Upon a Time in the West" (1968). He will be performing for a Belgrade audience on Valentine's Day at the Belgrade Arena.

More info: [www.arenabeograd.com](http://www.arenabeograd.com).

February 20 – March 1, 2009  
FEST – International Film Festival

This year's festival will be opened by the famous English actor Ralph Fiennes and the schedule itself will traditionally include Europe out of Europe; Horizons (featuring the best from Cannes, Venice, Berlin, Toronto...), Discoveries, Facts and Puzzles and FantAsia, as well as a special programme entitled "New Argentinian Film". The Sava Centre, the Belgrade Cultural Centre, the Balkan cinema and Kinoteka will be the venues.

More info: [www.fest.rs](http://www.fest.rs).

## The Other Home

**Alessandra Bertini**, Director of the Italian Institute of Culture

What is your favourite place in Belgrade?

Without any hesitation: KALEMEGDAN! It is a very special place - at least it is for me. Whenever you go it is full of people (day or night, summer or winter), but, at the same time, you can also get the feeling that you're all by yourself. Huge green spaces, but also people, of all ages. And, after almost three years in Belgrade, I do as the citizens of Belgrade do: I walk towards the terrace where the two rivers meet and I forget to be part of this world. I free my imagination and fantasy, and I see the centuries passing before me, quietly and with great majesty. It is also a very romantic place at sunset, and definitely a favourite place for me and my partner. Whenever I have guests at work who want to be shown around Belgrade, I try to find the time to go there with them. I try to explain why it is a magical place, and not just for me, but for the history of Europe. Every time, I have something more to tell them.

## Must See

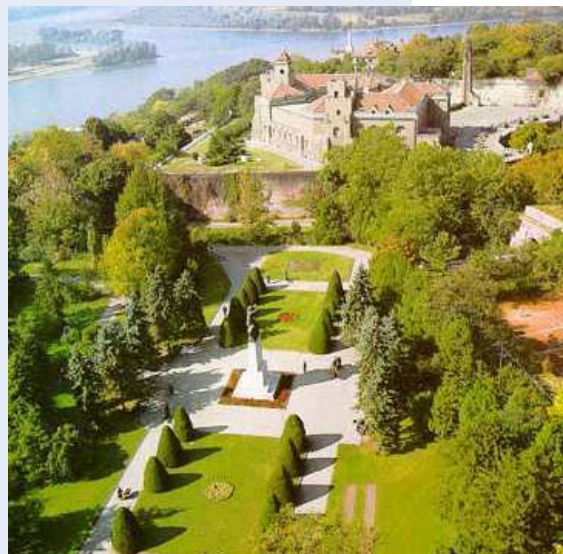
### Parks of Belgrade

Belgrade is one of "green" European capitals, with a large natural oasis in the suburbs and city centre. Throughout 10 urban municipalities you can enjoy 65 public parks that cover 362 ha, while the seven suburban municipalities feature a further 14 parks. Green expanses began popping up in Belgrade in the 19th century and the oldest park was formed in the valley of the Topcider river. In the first half of the 19th century, this landscape was dotted with vineyards and landowners' cottages. In 1831, Count Milos Obrenovic started designing a park and built a house, church, restaurant and barracks on the grounds.

Besides the parks, other picnic places were opened at the beginning of the 20<sup>th</sup> century. Kosutnjak, a park-forest and city picnic area that was also a hunting ground for the Royal Family until 1903, spans 330 ha.

For more info and a complete list of parks in Belgrade please go to:

[www.zelenibeograd.org.rs](http://www.zelenibeograd.org.rs).



February 23, 2009  
James Blunt – Concert

The famous British musician will be holding his first concert in Belgrade at the EXPO XXI venue. His "Back to Bedlam" album sold 11 million copies, making it the top selling album in the UK that year. Belgrade was chosen as the only ex-Yu capital for his concert after he received the most Internet fan mail from Serbia.

More info: [www.expoxxi.rs](http://www.expoxxi.rs).

January 28 – March 15  
70 Years since the Spanish Civil War Exhibition

Made up of the 30 best chronicles, rich with descriptions of people and places, written on battlefields renowned throughout the world. The historical ones include an interview given by Franco to a reporter from the Diario de Lisboa newspaper on August 10, 1936, where he set forth his vision and plans clearly for all to see. More info: [www.belgrado.cervantes.es](http://www.belgrado.cervantes.es).

SIEPA

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