



2012 ANNUAL REPORT



Patron Members



AmCham Mission Statement



AmCham Serbia acts as a catalyst in improving the business environment in Serbia, promotes American best business practices, values and responsible partnerships between the U.S. and Serbia, leading to economic development through trade and investments.

Annual Report 2012

CONTENTS

Letter from the President	6
Letter from the U.S. Ambassador	7
Executive Team for Members	8
2012 in Review	10
Business Advocacy	18
Communications	42
High-Level Events	56
B2B & AmCham Academia	62
Investment Promotion	68
CSR Report	72
Strengthen our Network	80
Financial Report	90
Membership List 2012	92



Miloš Đurković
President of the AmCham
Board of Governors

Letter from the President

Dear Fellow AmCham members,

2012 was a year of change for Serbia, and also for our organization.

In March 2012, the AmCham Board of Governors established guidelines for 2012 and agreed to promote a robust advocacy agenda for the new Government, increase member satisfaction, introduce fresh, topic-based events, and intensify the organization's role as a key economic commentator in the public eye. Here are the results:

AmCham finished the year with a 12% membership increase compared to the previous three years. We gained 36 new members for a total of 174 member companies.

We were the first business association to present the new Government with a list of 8 priorities for creating an environment more conducive for business.

Based on AmCham's previous input, the new Government adopted a systemic approach to parafiscal charges and accepted our recommendations for improving important laws on finance, taxes, trade and public procurement. The results of our advocacy efforts after five months of the Government in office can be seen mainly in the Government's firm commitment to reform and establishing concrete deadlines for amendments to key regulations on labor and construction laws, as well as finalizing reform of parafiscal charges.

In order to provide more networking, experience sharing and promotional value for our members, we have introduced four new, free of charge, event formats: AmCham Academia for young and aspiring middle managers, Briefing Sessions on regulatory and policy topics, Business Speed Dating for fast and efficient business matchmaking and Smart Breakfasts for relaxed and interactive discussions on management topics.

During the year there were over 500 positive media reports on AmCham activities, 13% more than in 2011, and our presence in Social Networks grew significantly.

AmCham continued to strongly support CSR activities of its member companies and partnered with various institutions promoting responsible business as a holistic concept.

We greatly appreciate our relationship with the US Embassy and Ambassador Kirby's willingness to be a strong partner of the private sector and a strong advocate for key economic reforms in Serbia.

Finally, I would like to thank our member companies, my colleagues on the Board of Governors, leaders of our advocacy committees and the AmCham Executive Team for their collaborative efforts that resulted in improved services and visibility of our organization during 2012.



Michael D. Kirby
U.S. Ambassador to Serbia

Letter from the U.S. Ambassador

Dear AmCham Members:

It is my pleasure to greet you in AmCham Serbia's 2012 annual report, re-energized for the new year! In my short few months in Serbia, I have seen AmCham's tireless efforts on behalf of the business community bear fruit, and I look forward to building on those successes in 2013. Reflecting on the last year, 2012 was characteristically busy and eventful for AmCham, and I congratulate everyone involved for your significant accomplishments. If the proof is in the pudding, membership increased by nearly 10 percent from a year ago: proof of the value that members find in AmCham's revamped networking, business, and advocacy programs.

We welcomed numerous American companies and investments to Serbia last year. Among the headlines, Nashville's Sitel Corporation, a worldwide leader in call center customer service, opened their Belgrade call center and now serves a wide variety of Fortune 500 clients from Serbia. NCR, the global business services provider, completed their Belgrade technical service center, which now services ATMs throughout Western Europe. Ohio-based Cooper Tire & Rubber Company bought a tire factory in Kruševac, becoming one of the largest employers in town, and has already announced plans to triple production from one to three million tires per year! These and other investments by American companies represent a strong signal that Serbia is taking the right steps to improve its image as a sound destination for foreign direct investment.

Serbia is not taking those steps alone, though, and the country benefits from our community's efforts to improve the business climate. One highlight was our success in reforming parafiscal charges. AmCham, together with USAID's Business Enabling Project, successfully advocated for the reduction or removal of more than 138 of these stifling and unnecessary charges. Our collective effort resulted in tangible, cost-saving benefits to Serbian and international companies, strengthened Serbia's global competitiveness, and enhanced its attractiveness to investors.

While I am proud of these achievements, this is no time to rest: much more must be done. I have gathered my economic development team and drafted an Action Plan on Business Environment Reform. In the coming year, we would like to partner with AmCham and the people of Serbia on six economic objectives: 1) advancing Serbia's accession to the World Trade Organization; 2) facilitating additional U.S. investments in Serbia; 3) streamlining the construction permit process; 4) improving the municipal business environment; 5) improving access to finance for SMEs; and 6) upgrading Serbia's e-government and information technology infrastructure. These are lofty goals, but, with our proven partnership, we can make real progress.

Congratulations to AmCham for your many successes in 2012, and best wishes for a healthy and prosperous 2013!

Executive Team for Members



Maja Pišćević
AmCham Executive Director

Looking back to the day I entered the AmCham premises for the first time, I am reminded of a roller-coaster ride. After four years with other business association, I thought I was prepared for a subtle variant of the same experiences. Boy was I wrong!

The initiatives of our five advocacy committees, plus regular AmCham events: Luncheons with VIPs, Briefing Sessions, student programs "Meet the Business First Hand" and "Kadar da budem kadar," as well as less formal After Hours and Christmas Cocktail Parties, seemed quite enough to keep us busy through 2012. But, as you all know, this wasn't the case. Brand new initiatives: most notably AmCham Academia, Smart Breakfast and Business Speed Dating have turned our premises into a movable feast. To this short list of AmCham endeavors, I must add the 10th Regional IPR Conference and, most definitely a hallmark of last year, "The First Lap Time – 100 Days of the Government" an effort in which the AmCham was joined by six other business associations in a focused and goal-oriented dialogue with the new Government.

What are the secret ingredients which distinguish AmCham from other seemingly similar organizations? I believe there are four of them, each standing as one of the irreplaceable pillars ensuring strength and stability to the organization. The first of these is

the excellent structure AmCham membership representing a high quality blend of best US companies, joined by successful international and local companies. The second pillar is the AmCham Board of Governors with President Miloš Đurković, whose guidance established our organization as a leading generator of economic change. Third is the US Embassy, His Excellence Ambassador Kirby personally and his Economic and Commercial experts. And last, but definitely not least, it is the AmCham Executive Team: my superb deputy, Amalija Pavić, devoted and tireless communication expert, Bane Čale, experienced and ever calm relationship and finance manager, Tina Kostić, always smiling and eager to help regulatory affairs coordinator, Milica Samardžić, focused and diligent marketing and CSR coordinator, Branislav Valent, and our office manager Anita Simendić, without whom we would be much slower and less efficient.

Dear members, I wish to thank each of you for your loyalty and dedication to AmCham. Without your support and commitment AmCham would not have become what it is today – the strongest voluntary business association in Serbia. I hope that in the year to come our family will keep growing and strengthening, and our results will help measurably and sustainably to improve the business climate in Serbia.

Executive Team

From left to right:

Tina Kostić
Relationship & Finance Manager

Milica Samardžić
Regulatory Affairs Coordinator

Maja Pišćević
Executive Director

Branislav Čale
Communications Manager

Amalija Pavić
Deputy Executive Director

Anita Simendić
Office Manager

Branislav Valent
Marketing & CSR Coordinator





The most prominent changes were:

- * MORE CREATIVE SPECIAL EVENTS AND NETWORKING OPPORTUNITIES - such as the Pre-election Debate, The First Lap Time - 100 days of Government and Cooking with AmCham

- * TOTAL OVERHAUL OF THE EVENTS FORMAT - with the introduction of four new and innovative Business -2-Business gatherings

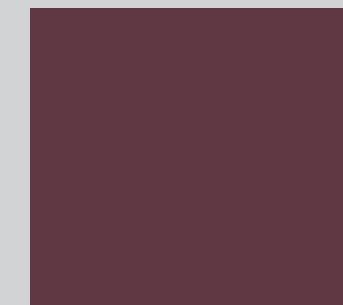


2012 IN REVIEW

2012 was a year of change in Serbia overall, and also for AmCham



- * FULL IMPLEMENTATION OF THE NEW PROCUREMENT RULES WHICH GENERATED 25% SAVINGS - together with alternative funding sources allowed for additional value added to the work of the advocacy committees, e.g. an anti-piracy IPR campaign aimed at Serbian youth, launched through social networks



- * INCREASED FREQUENCY OF TARGETED EVENTS - which resulted in significantly more learning and promo opportunities in comparison to the previous year



- * and last, but certainly not least important, was the CHANGE IN THE MANAGEMENT OF THE EXECUTIVE TEAM.

AmCham activities at a Glance

For the first time since the impact of the crisis, AmCham finished the year with a 10% membership increase in comparison to the previous three years. Aiming to increase the prominence of economic and business-oriented policy topics in the pre-election period, we organized an in-depth, two-party debate on economic policy issues. Toward the end of the year we brought together the most important business associations in dialogue with the new Government, resulting in firm commitments for reform in the areas of real estate, the parafiscal burden and labor regulations.

The results of our advocacy efforts after five months of the new Government in office can be seen mainly in the adoption of a systemic approach to parafiscal charges, adoption of the recommended amendments related to FOREX, Corporate Income Tax Law, and Trade Law and, to some extent, in the Public Procurement Law.

Stepping up our Business-2-Business potential and bringing more networking, experience sharing and promotional value for our members, we have introduced four new, free of charge event formats:

- The AmCham Academia for young and aspiring middle managers,
- Briefing Sessions on regulatory and policy topics,
- Speed dating for fast and efficient business matchmaking and
- Smart Breakfasts for relaxed and interactive discussions on management topics.

As for the external communications, our main focus was on additional strengthening of the organization's position as a significant economic commentator as well as a generator of economic topics

of relevance for the AmCham membership. During the year there were 537 media reports on AmCham activities, 13% more than in 2011. We realized three topic-based PR campaigns and recorded 89,000 visits to www.amcham.rs, while our on-line presence on Twitter, LinkedIn and Facebook grew significantly. In addition, in our efforts to cater to members' needs for efficient access to information, AmCham developed a web-site version compatible with mobile devices and a new web-based e-newsletter. Finally, we produced four issues of our Perspective magazine covering the topics that reflect our advocacy activities.

AmCham continued to strongly support CSR activities of its member companies and partnered with various entities and institutions aiming to promote responsible business as a holistic concept, thus encouraging others to follow these good examples. Finally, implementation of a set of internal policies including procurement rules and performance evaluation mechanisms resulted in 25% savings pertaining to long-term contracts and clear target setting for all members of the executive team, thus sharpening our focus and goal orientation and increasing both our effectiveness and member satisfaction.



Review of the General Assembly Meeting



From left to right: **David Banjai** (Untitled Governor), **Nikola Stefanović** (Untitled Governor), **Zoran Petrović** (Second Vice President), **Jelena Kralj** (Untitled Governor), **Miloš Đurković** (President), **Stephen Fish** (Secretary Treasurer), **Milica Bisić** (Untitled Governor), **Paul Riley** (First Vice President), **Ivan Vujačić** (Untitled Governor)

On Thursday, February 9, 2012, representatives of AmCham member companies elected three officers to the Board of Governors at the 11th Annual AmCham General Assembly held at the Belgrade Philharmonic Orchestra premises. As a result of the votes of a majority of those present, the AmCham President continued to be Miloš Đurković, Managing Director of Hewlett Packard Serbia. Paul Riley, Managing Director of Philip Morris in Serbia was elected First Vice-President of AmCham, and the new Untitled Governor will be Milica Bisić, Head of Markets for KPMG.

A Special guest speaker was then US Ambassador Mary Warlick, who emphasized the Embassy's support for AmCham and said she was looking forward to even closer cooperation in 2012. In addition, President Đurković delivered the association's Annual Report for 2011, followed by voting for a proposed set of Amendments to the AmCham Statute and a ceremonial concert by the NEVSKI QUARTET.



A total of 62 voters participated in 2012's AmCham election, with the procedure overseen by an Elections Committee comprised of Gustavo Navarro, General Manager of Holcim Srbija, Chairman, and Elections Committee members Aleksandar Bakoč, General Manager of Algotech, Bradley Harker, Commercial Attaché at the U.S. Embassy, Tanja Dušanić, Legal & Corporate Affairs Director of Apatinska pivara, and Miloš Živković, a Partner in Živković & Samardžić Law Office.

AMCHAM EXTENDS A SPECIAL THANK YOU TO ALL ELECTION COMMITTEE MEMBERS

AmCham's Board Strategy Meeting

Following the AmCham General Assembly, the Board of Governors established its guidelines for 2012 at the annual strategy meeting, which took place on March 19, 2012, and agreed to:

- * **Prepare a robust advocacy agenda** for the new Government with emphasis on improvement of labor & real estate regulations, tax policy & earmarked revenues, intellectual property rights, health care and public procurement;
- * **Increase member satisfaction** by hosting bilateral meetings with AmCham Executive Office staff and Board members, seeking their feedback on AmCham activities, thus improving membership services;
- * **Engage the member community in fresh and more topic-based events;**
- * **Adopt bolder media outreach on specific advocacy topics & further development of the organization's E-PR activities.**

The Board also amended AmCham's mission statement to reflect the organization's new focus.

AmCham Serbia acts as a catalyst in improving the business environment in Serbia, promotes American best business practices, values and responsible partnerships between the U.S. and Serbia, leading to economic development through trade and investments





BUSINESS ADVOCACY



The timing of the general elections in Serbia effectively split in half AmCham's advocacy efforts and achievements. The first half mainly effected changes in law implementation, predominantly amendments to the enforcement by-laws, and setting a business regulatory agenda for the new Government. The other half has seen adoption of a systemic approach to parafiscal charges, FOREX Law improvements, Corporate Income Tax Law and Trade Law amendments in line with AmCham recommendations and, to some extent, adopted suggestions in the Public Procurement Law.



As a new contribution, AmCham committees have introduced Policy Briefs as guidance to the new Government outlining short and mid-term business-oriented reform suggestions within the four-year mandate. In addition, we have initiated another advocacy channel through cooperation between AmCham advocacy committees and relevant Parliamentary committees as well as a much bolder public and media approach.

Priority Reform Areas in 2012

After two years of advocacy efforts and significant use of public forums and media, the single greatest advocacy achievement in 2012 was abolishment of 139 parafiscal charges and, even more importantly, introduction of a systemic approach to charging such funds. Finalization of the whole process is expected by mid 2013, with the adoption of the Law on Compensations for the Use of Public Goods and amendments to the Property Tax Law, which should allow for proper

methodology and calibration of fees charged by local authorities.

Besides the parafiscal burden, out of the top three priority reform areas, miniscule intervention in the Law on Planning and Construction allowed for temporary removal of the administrative barrier for construction posed by prerequisite completion of the **conversion (of the right to use into right of ownership) process**, while full-fledged amendments should fix the lengthy permit

process and fundamentally change the conversion process by mid next year.

In the area of **labor regulations**, the new Government publicly committed to law amendments to be finalized by the end of 2013, but with no tangible results so far.

Finally, finalization of restructuring of enterprises has been scheduled by mid-2014 in the Fiscal Strategy and subsequently adopted in the Budget Law, but a comprehensive plan for attaining this goal has yet to be seen.

ПРЕПОРУКЕ АМЕРИЧКЕ КОМОРЕ КАТАНАЦ НА КАСУ

ПРЕД будућу Владу привреда увелико излази са својим захтевима. Осам приоритета јуче је формулисала и Америчка привредна комора. Први је контрола дефицита, кроз мању јавну потрошњу и веће пореске приходе.



Eight Priorities for the New Government

1. STRICT BUDGET DEFICIT CONTROL, through rationalizing public spending and increasing tax revenues.
2. RESTRICTION ON PROLIFERATION OF PARAFISCAL CHARGES, with consolidation and adding existing parafiscal taxes to the budget.
3. COMPLETE THE PROCESS OF RESTRUCTURING AND PRIVATIZING PUBLIC COMPANIES, which would contribute to higher liquidity in the economy and to the efficiency of the public sector.
4. MODERNIZATION OF REGULATIONS IN THE AREA OF LABOR RELATIONS.
5. EFFICIENTLY SHORTEN THE PROCESS OF OBTAINING CONSTRUCTION PERMITS, as well as eliminating numerous obstacles to efficient conversion of the right to use land to the right of ownership.
6. IMPROVE THE PUBLIC PROCUREMENT SYSTEM, primarily through greater transparency and efficiency of tender procedures, which will ultimately result in savings.
7. MANDATORY PUBLIC DEBATE FOR INTRODUCING ECONOMIC LAWS.
8. THE PROBLEM OF THE HIGH PROPORTION OF NPLS IN THE BANKING SECTOR should be promptly addressed.



Ad-hoc Advocacy Activities and Initiatives

Earmarked Revenues Reform Almost Completed

In addition to the previous two years of continuous effort aimed at removing the Para fiscal burden, 2012 started with a study funded by USAID and conducted by NALED in cooperation with AmCham on an inventory of parafiscal charges (258 of them) as well as key systemic obstacles to a more transparent and predictable system. The publication of the results turned into an active media campaign from April on. AmCham team members took an active part, including TV appearances, print media articles and speaking at various public forums. The first results came in September when the Government initiated comprehensive system reform and changes which led to the abolishment of 138 different parafiscal charges.



Earmarked revenues - key novelties & improvements:

1. Forbidden introduction of parafiscal charges by non-tax laws and regulations
2. Abolished determination of fees and charges ad valorem (by the value) of total income, amount of investment, etc.
3. The guiding principle is that fees are paid for the use of natural resources or public goods.

AmCham Joins Call for Reforms to Serbian Inspection System

On April 4, AmCham joined USAID's Business Enabling Project (BEP) initiative for comprehensive inspection system reform. AmCham's Regulatory Affairs Coordinator, Milica Samardžić called for implementation of a more service-oriented approach instead of a cost-enhancing one, which would result in reducing business cost by 30% from the current €13 million each year. Although the system has not yet been changed, tangible results in this area can be expected next year.



Intellectual Property Rights (IPR) Committee

AmCham and NALED Sent Joint Proposals for Improvement of the Public Procurement Law

Since improvement of Public Procurement Law has been among AmCham’s top priorities for the new Government, AmCham responded to a call for public discussion on the Proposal Law and, along with NALED, sent joint suggestions for improving the legal text. The crux of the amendments tackled increased transparency and predictability, decreasing the number of instances when negotiating procedure applies and introducing a more stringent penal policy for offenders.

AmCham Submitted Comments on the Law on E-Trade and the Law on Trade

AmCham provided detailed suggestions for amendments of the Law on Trade and the Law on Electronic Trade. Most of the changes adopted concerned improvements of the Law on E-Trade in terms of its harmonization of two related laws– the Law on E-Documents and the Law on E-Signatures. In addition, an important administrative hurdle for issuing of construction licenses imposed by the Law on Trade (prerequisite feasibility study) has been removed upon AmCham’s elaboration.

Real Estate Working Group

The Group produced and submitted to the Government a Real Estate Policy Brief containing recommendations for improving the legislative framework for a property rights system related to real estate registration and transactions (including its enforcement by relevant authorities), as well as policy recommendations for reducing the administrative and Para fiscal burden in the phase of construction and conversion of the right to use into right of ownership.

Steering Committee

Chair
Miloš Blagojević, Microsoft

Vice Chair
Vuk Pribić, Japan Tobacco International Marketing and Sales (first half of the year)
Slobodan Kremenjak, Živković Samardžić Law Office (second half of the year)

Untitled Member
Slobodan Kremenjak, Živković Samardžić Law Office (first half of the year)
Dragomir Kojić, Karanović / Nikolić Law Office (second half of the year)



Miloš Blagojević

The past year has been a milestone for AmCham’s IPR Committee, not just because the IDC software piracy study showed a decrease of 2% after a couple of years of the status quo, but also because the Committee turned to a public awareness campaign 8 years after its first such campaign.

Changes to the regulatory framework, despite the

Committee’s activities, took a turn for the worse in 2012. Recently adopted changes in the Copyright Law limited the amount of compensation for use of IPR and exempted from payment reproduction of musical artworks in small shops. Although these amendments were put forward as a measure against the parafiscal burden for SME’s, they represent a violation of ratified

international treaties, as well as weakening Serbia’s position for EU harmonization in this field. On a more positive side, at the 10th IPR Conference the Minister of Justice gave a commitment to address the problem of judicial protection of IP rights by concentration and centralization of IP cases to specialized courts through amendments to the law on the court network in Serbia.

AmCham’s 10th Regional IPR Conference



This Conference in December attracted over 120 experts and enforcement authorities in charge of Intellectual Property (IP) protection from Serbia, Montenegro, Macedonia, Bosnia & Herzegovina, Croatia and Slovenia, aiming to share successful examples of regional best practices.

Minister of Justice Nikola Selaković said he recognized room for improvement in judicial protection of IP rights and suggested the concentration and specialization of courts and judges for IP cases, while Ambassador of the EU Delegation in Serbia Vincent Degert invited further efforts for improving enforcement and better coordination between implementing authorities.



At the Conference, the IPR Committee distributed its Policy Brief for the new Government containing an overview of the problems commonly occurring in the practice, along with suggestions for improvement. Key recommendations included:

- * Specialization of courts and judges for these cases.
- * Enable more efficient procedures for presenting evidence in cases of high-tech crime.
- * More efficient access to information on temporarily impounded goods at customs facilities (including photographs of confiscated items and sending them to the holder of the rights by e-mail for faster identification of counterfeit products)
- * A better coordinated approach towards destruction of confiscated goods



Media presentation of key results achieved in fight against software piracy

On May 16, AmCham organized a media presentation of the IDC's 8th Annual Study on Software Piracy, which publicized reduction of software piracy in Serbia by 2%, due mainly to the active engagement of the Software Legality Control Unit within the Tax Administration.



On-line Campaign “Not at the Expense of Others”

- More than 1,400 Facebook fans
- Posts with paid promotion were seen by more than 100,000 users



Joint US Embassy and AmCham Anti-Piracy Campaign: “Not at the Expense of Others”

With the support of the U.S. Embassy, AmCham initiated an anti-piracy campaign aimed at raising awareness of the importance of intellectual property rights (IPR) protection on the internet, especially to the younger population. The campaign was launched at AmCham's 10th IPR Conference where two short videos were shown, the first starring famous actors from the Montevideo movie (Moša & Tirke) and the second the music group Zemlja gruva and Inspector Blaža. The campaign will end in Q1 of 2013 with a high school competition for the best video on the IP topic, and US Embassy will hand out awards to the winners.



Finance Committee

Steering Committee

Chair

Zoran Petrović, Raiffeisen Bank

Vice Chair

Maja Jovančević, Karanović / Nikolić
Law Office

Untitled Member

Dragoljub Zdravković, UNIQA



Zoran Petrović

The two most notable achievements of the Committee in 2012 was adoption of the Amendments to the FOREX Law and Amendments to the Corporate Income Tax Law pertaining to financial services taxation. Specifically, FOREX amendments remove the administrative burden on double reporting of transactions with tax havens to the FOREX Inspectorate and the Anti-Money-Laundering Agency. In addition, the adopted provisions allow and facilitate cross-border

electronic payments vital for the development of electronic trade. Amendments to the Corporate Income Tax Law clarified inconsistent application and misconceptions in the implementation that were evident in the financial sector (e.g. liabilities write-off and the possibility for separate OECD-based transfer pricing treatment of overnight loans).

Despite active advocacy for the removal of provision on imposed control on taxes and contribution

payments on banks from the Law on Tax Procedure and Tax Administration, no changes were passed.

The Finance Committee produced and submitted a **Finance Policy Brief** for the new Government which contains assessments and recommendations in the area of foreign exchange regulations, capital markets and financial derivatives regulations, tax policy of the banking sector and factoring.

Tax Committee

Steering Committee

Chair

Igor Lončarević, KPMG

Vice Chair

Stefan Strovjanovski, Ernst & Young

Untitled Member

Zoran Skopljak, Deloitte



Igor Lončarević

Most of the Committee's suggestions for improving key tax laws, especially Corporate Income Tax (CIT) Law & Value-Added Tax (VAT) Law, were adopted, thus placing the Committee's focus on better enforcement - elimination of problems that occur due to different interpretations of regulations by the Tax Administration and the Ministry of Finance.

AmCham's main recommendation that was implemented in the CIT Law concerns taxation of transfer pricing, which now reflects the best comparative solutions, primarily contained in the OECD Guidelines. VAT Law was harmonized with the Directive EU 2006/112 concerning trade of goods and services without compensation. The timing of the VAT obligation formation in the system of VAT return was

specified in detail, and a clear distinction was made between trade of goods and trade of services in the agreement on financial leasing.

The tax Committee prepared a **Policy Brief for the new Government**, highlighting necessary priorities in the area of earmarked revenues, CIT Law, VAT Law, Personal Income Tax Law and tax procedure.



AmCham & FIC: Draft Amendments to the Corporate Income Tax Law

On October 12, AmCham and FIC jointly organized a public discussion on the Draft Law on Amendments to the CIT Law, presented by the members of Ministry's working group. Some 50 participants had an opportunity to hear new elements that would be included in the Law and to voice their views and suggestions for improvement of the draft text. Chairmen of AmCham and FIC Tax Committees pointed out the most important suggestions that were not part of the Draft Law.

AmCham Roundtable with the Tax Administration

On June 6, AmCham organized a Roundtable with representatives of the Tax Administration mostly regarding diverse interpretations of ambiguously written provisions and proliferation of non-binding legal opinions. Participants concluded that such practices could be ended by amendments to these by-laws and clearer legal provisions which would mitigate the need for issuing opinions in the first place.



Human Resources and Workforce Development Committee

Steering Committee

Chair

Jelena Kralj, Pedersen & Partners

Vice Chair

Marina Rakić of IBM

Untitled Member

Sonja Jovanović, Ernst & Young



Jelena Kralj

The HR Committee was actively engaged in the education of youth through AmCham's *Qualify to be qualified program*, in which 16 members of the Committee held 12 different workshops on soft skills for the students of the Belgrade University. The Committee also initiated cooperation with the Belgrade Youth Office, thus creating another channel for contributing to development of young people.

Sharing experiences on HR topics was one of the most practical and useful activities that the Committee undertook in 2012. Specifically, representatives of various companies hosted several topic-based focused meetings, exclusively for Committee members, providing insight into their corporate cultures and best-practice discussions.



The Role of HR in Transformation of the Organization

December's focused meeting on the role of HR in Transformation of the Organization was hosted by Gorana Golubović Vuksanović of MK Group, who presented her experience in the transformation of the Carnex Company, acquired by the MK Group in the process of privatization, and shared the main problems of the HR department and management in this process.

HR Impact on Customer Relations

On November's focused meeting, Jelena Marković of Metro Cash & Carry presented how HR department impacts on customer relations and shared Metro's experiences on corporate basics that are important for this issue.



Employee Engagement

June's focused meeting was hosted by Danijela Vučković of MSD who presented main characteristics of Employee Engagement, highlighting the important role of managers in the this process, as they need to ensure that employees are recognized, valued, respected and that they enjoy their jobs.



Performance/Talent Management

May's focused meeting was on Performance/Talent Management and it was hosted by Tatjana Jovanović, of Philip Morris in Serbia and Montenegro, who shared an insight to the Philip Morris system of employee' evaluation and talent management.



Fourth and Fifth Cycles of the “Qualify to be qualify” (Kadar da Budem Kadar) Program for Students & Young Graduates

Recognizing the need for preparing young and promising students and graduates of Belgrade University for the modern business environment, members of the AmCham HR Committee took part in the 4th and 5th cycles of the Qualify to be Qualified (Kadar da Budem Kadar) program by holding soft skills training sessions for two groups of 30 selected young people.

The program, which took place in May and December at the Faculty of Mechanical Engineering, is organized twice a year by AmCham and the Career Development Center of the University to improve youth employability and their position in the labor market.



5th cycle, December 17-21, 2012

- * Writing skills, Milana Malešev & Vanja Ljubičić of PricewaterhouseCoopers
- * I – Brand, Živka Radović & Joviša Radovanović of UNIQA
- * Presentation skills, Iva Crvak of Represent Communications
- * Teamwork, Sonja Jovanović & Nataša Vukšić of Ernst & Young
- * Self-confidence and Stress Management, Tanja Mihajlović of Oracle
- * Career development, Jelica Milisavljević of JT International a.d. Senta
- * Leadership, Ivona Simić of the McCann Group



4th cycle, May 21-24, 2012

- * Time management and setting priorities, Nataša Stojimirović of Hewlett Packard
- * Leadership, Jelena Šribar of British American Tobacco
- * Preparation for the selection process – what is important to companies when they interview and employ, Milena Manojlović of ConsulTeam
- * Presentation and communication skills, Ivona Simić
- * Career development, Sanja Tišma and Slobodanka Cvetkovic of Philip Morris
- * Networking, Vladan Petrović of PricewaterhouseCoopers



HR Committee Commences Cooperation with Belgrade Youth Office

In 2012, the HR Committee commenced cooperation with the Belgrade Youth Office (BYO) with aim of providing HR Committee representatives and other AmCham members with an opportunity to help educate young people on both business and soft skills topics.



Health Care Committee

Steering Committee

Chair

Miloš Andrović, Merck Sharp & Dohme Idea Inc.

Vice Chair

Dragomir Marisavljević, Hemofarm

Untitled Member

Dušan Nikolić, Eli Lilly



Miloš Andrović

The main focus of the Health Care Committee advocacy activities in 2012 was on the problems of the pharmaceutical sector, in which Committee was partially successful.

Specifically, in the first half of the year, AmCham actively advocated against the Government's implementation of a forced write-off of 40% of the Health Insurance Fund's (HIF) debt to wholesalers and producers of medicines, which was cancelled after collaborative efforts of the Health Care Committee, the Serbian Chamber of Commerce and INOVIA. On the other hand, the negative effects stemming from failure to set medicine prices and update the calculation exchange rate to the real rate were temporarily resolved with the new Government's one off adjustment. But despite year-long advocacy for installing a regulatory mechanism for automatic adjustment, the relevant regulation has not been amended.

In the second half of the year, after appointment of Minister of Health Slavica Đukić Dejanović, a Committee delegation met with the Minister to discuss current problems and possibilities for overcoming them. As a follow up, the Committee submitted its Policy Paper which detailed recommendations for equalizing private and state providers of health care services, improvement of procedures for determining maximum prices of medicines and resolving the issue of exchange rate calculation as well as easing the administrative burden for health insurance.

Advocacy Briefing Sessions

Briefing Session on Trade Secrets



October's Briefing Session provided an opportunity for members to learn about the new legislative framework on trade secret protection as well as the practical implications of its enforcement. Guest speaker at the event was Mirela Bošković, Assistant Director of the Intellectual Property Office, and the session was hosted by Vladimir Đerić, a Lawyer from Mikijelj Janković & Bogdanović Law Office.



Lawyer Briefing on Mobbing and Employment Termination

June's Briefing Session on Mobbing and Employment Termination attracted lawyers specialized in this field – Vuk Drašković of Bojović Dašić Kojović Law Office, Nataša Lalatović of Moravčević, Vojnović, Zdravković in cooperation with Schoenherr and Bojana Vujanović of Naumović & Partneri. Participants had an opportunity to hear about the rights and obligations of both employers and employees in case of mobbing, court protection and penalties, a comparative overview of regional and EU practices and, finally, to find out more about the main reasons for employment termination by employers.



Briefing Session with Lawyers on Labor Inspections

April's Briefing Session was an opportunity to hear Milica Janković of Janković Popović Mitić Law Office, Milena Jakšić Papac of Karanović and Nikolić Law Office and Jovana Tomić of Živković Samardžić Law Office address the practical aspects of inspections control, including the competence of inspectors, second-instance procedures and the necessary documents that should be prepared in case of inspection.





COMMUNICATIONS

Days of Expansion

- * Media exposure: 537 media reports, 13% growth compared to 2011
- * www.amcham.rs: 89,000 visits, 23,000 visitors, 315 uploads
- * New 1! Website version for mobile devices
- * @Twitter: 190 tweets, 220 followers
- * @New service: Tweet-
- * @First time ever: PR Campaign @ Facebook.com/nenaracundrugih
- * New 2! Web-based e-newsletter for members
- * Old - but important: Over 35 various newsletters distributed to members
- * PR campaigns: 3 topic-based PR campaigns, €485,000 commercial value
- * *Perspective* magazine: 4 issues, over 80 contributors



Accelerating Communications

The Communication of the American Chamber of Commerce in Serbia in 2012 was generally permeated by continuous advocacy for the continuation of structural economic reforms aimed at improving the business climate in Serbia.

As for external communications, the main focus was on further strengthening the organization's position as a relevant economic commentator as well as a generator of economic topics of relevance for the AmCham membership. The top four topics communicated were - labour legislation, parafiscal charges and fiscal policy, real estate and protection of intellectual property rights. Others included communication on the impact of EU membership candidacy on the economy of Serbia, tax system reform, care for existing investors and attracting new ones, and labor inspections.

Numerous media statements and interviews were achieved through a permanent and proactive approach to the media, while the most significant results were achieved by announcing Eight Economic priorities for the new Government, executing two PR campaigns related to AmCham-organized high-level events 'The First Lap Time - 100 Days of the Government' and the 10th Conference on IPR protection, and also through active participation of AmCham officials at key business events where they actively voiced our views. Although these events resulted in the highest volume of media reports, it is important to note that other topics of interest to the media were communicated at Business Luncheons with Ivica Dačić, Serbian Prime Minister, and HE Michael Kirby, U.S. Ambassador to Serbia.

The presence of AmCham in social media was further improved in 2012. Our official Twitter account and the official public profile at LinkedIn were created. Tweeting as a direct method of communication was used at various events throughout the year. For the first time, intellectual property rights protection was promoted through a specifically created on-line campaign on Facebook, entitled "Not at the Expense of Others" ("Ne na račun drugih").

Finally, in our desire to cater to members' need for efficient access to information, AmCham developed a website version compatible with mobile devices and a new web-based e-newsletter, while our website actively and successfully continued to be used for communication with the public and the LinkedIn group for internal communication with member companies.

Media Exposure: 537 media reports, 13% growth compared to 2011

AmCham again recorded representative results of communication activities in 2012. As there were no negative media reports, AmCham's reputation was further strengthened.

There were total of 537 media reports in the course of 2012, 472 of them as a consequence of AmCham's proactive approach - 154 reports in print media, 83 on TV, 300 on web.

Reports, news and cover stories on AmCham's activities and interviews with AmCham representatives were broadcasted on all national-coverage TV stations and were published in the highest-circulation dailies and weeklies in Serbia.



Topic-based PR Campaigns: 3 campaigns, commercial value* more than €485,000

In 2012 AmCham launched 3 topic-based PR campaigns that generated the most media reports and additionally positioned AmCham as an economic expert and commentator in the public eye.

The First Lap Time - 100 days of the Government: 58 reports, commercial value of €275,000

10th Conference on IPR protection 'FFWD Together': 48 media reports, commercial value of €210,000

On-line Campaign "Not at the Expense of Others"

- More than 1,400 Facebook fans,
- Posts with paid promotion were seen by more than 100,000 users



* Commercial value of media reports is a method of measuring PR performance of placing specific information in a qualitative manner. An advertising value of a media report is multiplied by the quality factor.

AmCham @ Social Networks: Growth of Modern Communications Channels

In 2012, AmCham continued to actively use social media for communication with the public. In addition to the use of existing channels and tools, new ones were introduced with comprehensive plans for further improvements of our on-line presence in 2013.

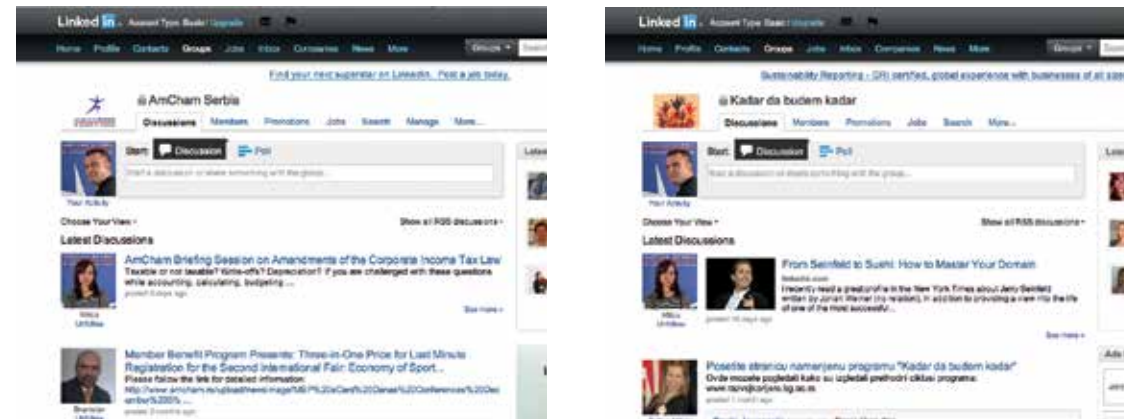


AmCham @Twitter, Tweet-reports and Tweeter-views

AmCham created its official Twitter account (@AmChamSerbia) and actively communicated with an interested public. We posted approximately **190 tweets** and attracted **226 followers** by the end of 2012. In addition to regular tweeting of messages related to AmCham's activities, the Twitter account was used for live reporting from various events organized by AmCham. Finally, a Twitter interview with Miloš Blagojević, Chairman of the IPR Committee, was organized for the first time in history.

AmCham @LinkedIn

- An official LinkedIn profile was created, enabling users of the largest business social network to follow AmCham's activities in Serbia
- Regular communication with AmCham members was continued via the private LinkedIn group
- The LinkedIn group had 221 members at the end of 2012

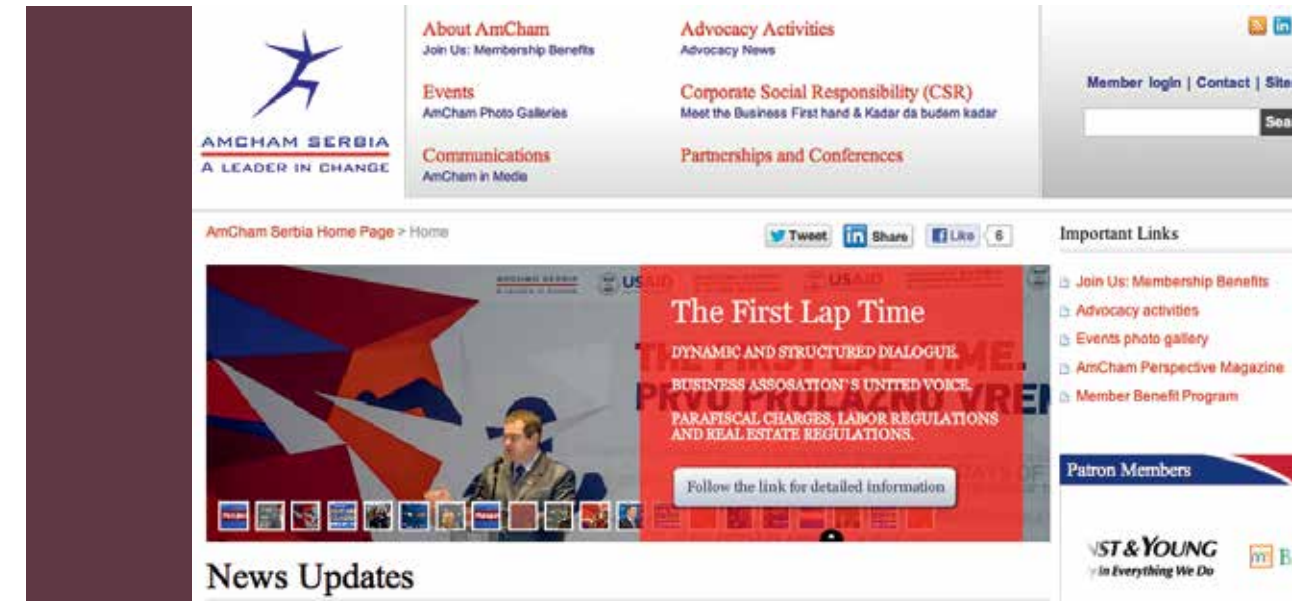


Facebook: Facebook.com/nenaracundrugih ("Not at the Expense of Others")

Within the "Not at the Expense of Others" campaign, a Facebook page under the same name was launched. Facebook, with younger users dominant, was selected as the most important channel of communication of this campaign. The project, supported by the US embassy in Belgrade, was launched in order to focus attention of young people on the issue of intellectual property rights. Regular communication via the Facebook page is based on sharing educational and entertaining content related to (dis)respect for intellectual property rights selected to raise interest among younger Facebook users. Key tools for communicating the project were video clips featuring film and music celebrities: Prljavi inspektor Blaža, Zemlja gruva, and the Montevideo film crew.



www.amcham.rs: Voice our Vision



The volume of information posted on AmCham website

- * 315 uploads, an increase of 16% compared to 2011
- * 23,000 visits
- * 89,000 page views

In addition, the number of unique visitors was 12,500, and the average time spent on site per visit was 3:40 minutes.

Website Version for Mobile Devices

As AmCham primarily communicates with business people who mostly use mobile devices as their first tool for getting information from the web, we developed a website version suitable for mobile devices, with the goal of increasing accessibility and site visibility through this channel.

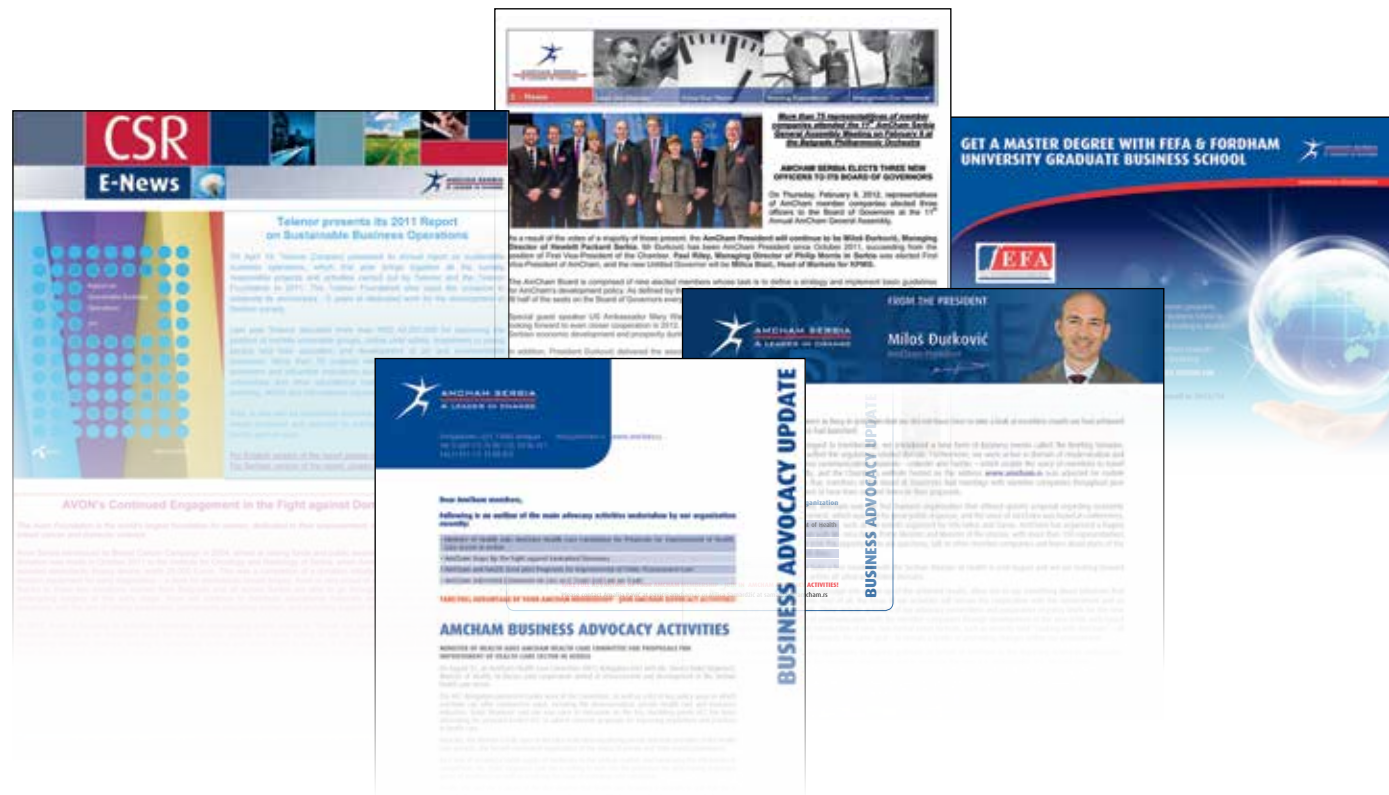
Sharing Experiences: Brand Serbia & Social Networks for Business Purpose



e-Communications to Members

AmCham e-News, Business Advocacy Update, From the President, CSR e-News, and Member Benefit e-Cards

In order to keep the AmCham membership updated on our activities, in 2012 AmCham produced and distributed over 35 regular e-newsletters.



NEW: Web-based e-newsletter

AmCham has developed a new web-based e-newsletter. This e-newsletter gathers all info automatically from the AmCham website, and directly distributes it to members.



AmCham Perspective Magazine

AmCham produced four issues of its Perspective magazine covering topics that reflects our advocacy activities:

- * Economic outlook and Policy for the Future
- * Energy Market and policy
- * ICT - Investment and economic Growth Potentials
- * The first 100 days of the Government



APRIL 2012: AFTER WE CHOOSE, WHAT ARE THE CHOICES? Economic Outlook and Policy for the Future

We explored major challenges and the economic outlook for the Serbian economy in 2012, including key reform projects and economic measures that should be undertaken in the future period and the remaining regulatory challenges faced by investors in the country.



JUNE 2012: ABUSED NATURE: Searching for Energy Efficiency

Within this issue, AmCham explored key topics related to the energy market and policy, with particular focus on the current energy situation in Serbia, energy efficiency and environmental benefits, as well as renewable energy potentials.



OCTOBER 2012: REBOOTING SERBIA: ICT - Its Impact on Economic Growth

In this issue, we explored key topics related to the ICT market in Serbia: investments and economic growth potentials, the regulatory framework and infrastructure



DECEMBER 2012: THE FIRST LAP TIME: A promising Start for the New Government?

Within this issue we discussed the prospects ahead for the Serbian economy in 2013



HIGH-LEVEL EVENTS

The year 2012 was marked by high-level events that generated significant public attention and additionally positioned AmCham as a leading generator of business climate change and a reliable partner in dialogue with the Government on crucial economic topics.



Conferences

'The First Lap Time - 100 days of the Government', November 20, 2012

AmCham Serbia, supported by the USAID Business Enabling Project, organized 'The First Lap Time - 100 Days of the Government' conference at which representatives of the government and the largest business associations gathered for the first time, with

the aim of focusing the government's attention on priority reforms by the end of the first year of its term.

At the conference, government representatives - Prime Minister of the Republic of Serbia Ivica Dačić, Minister of Construction and Urbanism Ve-

limir Ilić and special adviser to the Minister of Finance and Economy, Milica Bisić - gave concrete deadlines for amendments to key regulations in the field of labor law, construction law and parafiscal charges.



A Two-Party Debate on Economic Policy, April 24, 2012

On April 24, at an Economic Policy Debate organized by AmCham, the Democratic Party (DS) and the Serbian Progressive Party (SNS) presented their plans for improving fiscal policy, structural reforms and the business climate to an AmCham audience at the Hyatt Regency Belgrade. The DS's team was led by Božidar Đelić and supported by Slobodan Kocić, and SNS's team was led by Jorgovanka Tabaković and supported by Milenko Dželetović, Milan Knežević and Bojan Terzić.



Business Luncheons and Breakfasts

Michael D. Kirby, US Ambassador to Serbia, November 9, 2012



Member companies of the American Chamber of Commerce in Serbia (AmCham) met with the Ambassador of the United States of America to Serbia, Michael D. Kirby. The US Ambassador talked to representatives of the largest foreign and international companies about the economic opportunities and challenges for Serbia.



Ivica Dačić, Prime Minister and Minister of Internal Affairs, September 26, 2012

Member companies of the American Chamber of Commerce in Serbia met with Serbian Prime Minister and Minister of Internal Affairs Ivica Dačić. The Serbian Prime Minister talked to the representatives of major foreign and local companies on realized initiatives and plans of the new Government to improve the business climate, directed toward strengthening the competitiveness of the local economy.





B2B & AMCHAM ACADEMIA



Over the past year, the AmCham Executive Team actively worked to enhance existing services for its members by focusing on Business to Business (B2B) initiatives and by setting up three new formats:

- * SMART BREAKFAST was launched to facilitate members' promotion within the general membership and exchange of valuable experience in an informal atmosphere, while the brand new
- * BUSINESS SPEED DATING was devised to strengthen connections among members from different industries and give them an opportunity to meet potential clients.
- * AMCHAM ACADEMY, a unique educational program, is designed exclusively for young prospective managers and delivered by the most reputable business leaders in the country.



Smart Breakfast and Business Speed Dating



SMART Breakfast with EBART Media Archives and Olja Bečković

In order to enhance B2B activities and members' promotion within the general membership, AmCham Serbia launched a new event format presenting in an informal atmosphere EBART Media Archives and views and suggestions of a leading talk show journalist Olja Bečković on how to use the Media Archives data and services.



Business Speed Dating

On December 12, AmCham organized the first Business Speed Dating event where AmCham member companies from the PR & Marketing industry made a series of five-minute presentation of their special, top notch services and deals to interested AmCham members from other industries.

The offers were creatively presented one-on-one, face-to-face for each encounter by the following agencies: Communis, EBART Media Archives, Executive Group, Infobiro, Luna TBWA, New Moment, Represent Communications and SVA.



AmCham Academia

AmCham Academy – The First Generation, October–December, 2012



On December 17, The First Generation of students received certificates for the successful Completion of AmCham Academy's eight-week program for developing business skills. This brand new program is designed to improve knowledge and skills of young and prospective middle managers - future business leaders of AmCham member companies. Lecturers, Top Managers from the AmCham membership, shared their practical knowledge in the area of business strategies and skills and their implementation, building the business reputation of companies, and the business skills required for efficient management.



AmCham is grateful to the first group of lecturers:

- * Dejan Cvetković of Microsoft
- * Miodrag Kostić of MK Group
- * Miša Lukić of Leo Burnett
- * Paul Riley of Philip Morris in Serbia
- * Stephen Fish of Ernst & Young
- * Ivan Stanković of Communis
- * Jelena Petković of Tigar
- * Vladan Živanović of SAGA





INVESTMENT PROMOTION

AmCham continued to promote Serbia as a favorable investment destination. With this in mind, AmCham officials participated at several events, both worldwide and local, delivered a positive message and promoted the benefits of investing in Serbia.



Investment Promotion



Presentation on the U.S. Generalized System of Preferences (GSP) Program

On July 19, AmCham, the Chamber of Commerce and Industry of Serbia (CCIS) and the U.S. Embassy Belgrade jointly organized a presentation of the U.S. GSP program for some 70 participants at the premises of CCIS. The guest speaker who presented the main features of the GSP program was William Jackson, Deputy Assistant U.S. Trade Representative for GSP. The GSP Program is designed to promote economic growth of developing countries by providing preferential duty-free entry into the US for specific products. Given that GSP applies to a number of Serbian products exported to the US, participants had an opportunity to learn more about how to take advantage of duty-free opportunities and to hear the experiences of companies already taking part in this program.

AmCham participates in a Global Business Conference in Washington

AmCham Serbia was represented at a Global Business Conference in Washington DC, 21-23 February, organized by Secretary of State Hillary Clinton and attracting representatives of U.S. business organizations Presidents or Executive Directors representing approximately 120 countries worldwide. AmCham Serbia was represented by Amalija Pavić.



AmCham Serbia Attends First Danube Business Forum

The first Danube Business Forum took place on 23-24 October 2012 at the Novi Sad Fair. The Forum was dedicated to the implementation of a Danube Strategy, with a special emphasis on regional and cross-border cooperation by the Danube countries, business networking and the linking of chambers of commerce, business associations and entrepreneurs. As a key-note speaker, AmCham Executive Director Maja Pišćević emphasized that initiatives like the Danube Business Forum represent a unique opportunity for existing and potential foreign investors to exchange ideas and obtain new and useful information on specific cities and investment opportunities.





CSR REPORT

The CSR highlights of the year 2012 were the development of the AmCham Academy program, on-line reports of AmCham members` CSR activities and continuing management of existing programs for young graduates and students: 'Kadar da budem Kadar' and 'Meet the Business First Hand'.



Brief overview of AmCham CSR

In 2012, AmCham continued to strongly support Corporate Social Responsibility (CSR) activities of member companies and partnered with various entities and institutions aiming to promote responsible business as a holistic concept, thus encouraging others to follow these good examples.

Supporting the CSR activities of AmCham members during the period from January to June, AmCham disseminated seven editions of AmCham CSR E-News, and during that period reported through its website section 'Members' Success Stories'. Finally, CSR news became an integral part of the new, web-based e-news introduced in late 2012. AmCham

promoted CSR activities of a dozen companies with more than 20 varied projects, awards, reports and activities in 2012.

Two Briefing Sessions were held on CSR-related topics: 'Waste Management: CSR-- The Environment – Recycling' (organized with the U.S. Embassy) and Diabetes Prevention in the Workplace in partnership with Plavi krug (Blue circle), Belgrade's Association for the fight against diabetes.

In the course of the year, AmCham also developed its AmCham Academy program, an unique educational and CSR project designed exclusively for young prospective managers and

delivered pro bono by the most reputable business leaders in Serbia – members of AmCham.

Educational programs for students jointly implemented with the Centre for Career Development of the University of Belgrade – 'Kadar da budem kadar' and 'Meet the Business First Hand' brought two more generations of soft-skills trainees and three more student visits to AmCham member companies.

Finally, AmCham continued its participation at UN Global Compact meetings and supported a number of projects for the community and the environment.

Meet the Business First Hand - Students Visiting Member Companies

The Meet the Business First Hand program aims to provide support for students and recent graduates in developing the relevant knowledge and skills for future employment. This aim is achieved through half-day company visits to renowned foreign investors and successful local companies during which students can interact directly with top management. In 2012, three visits to AmCham member companies were accomplished.

Japan Tobacco International (JTI)

JTI's management presented students with insight into the roles of their respective departments in the company's operations and how cooperation among these departments functioned in practice. The students also learned about ***Kaizen***, a business philosophy that is vital to the success of many Japanese and other companies worldwide. Furthermore, the company leaders shared their experience in career development with the students and provided tips for success in the business world. In addition to top management representatives, the students also met with former and current company interns.



GlaxoSmithKline (GSK)

Students were provided with an opportunity to learn about the business operations of a globally successful and innovative company in the pharmaceutical industry and learned more about the expertise and experiences of managers and employees. The GSK managerial team provided students with tips on developing knowledge and skills of relevance for future professional careers and education. Topics such as regulatory obligations, permissions, market share and operations were discussed with GSK's representatives.



Eurobank

Presenting Eurobank to students of the University of Belgrade, their managerial team emphasized acknowledging young talent, investment in the future of Serbia and development of its economic potential. The students were informed of business efforts to present the bank as a systemic one that makes planned investments in the community where it operates and the strategic relevance of Serbia as their market. The bank's "We invest in European values" program was also presented.



Briefing Sessions related to CSR



Diabetes Prevention in the Workplace

On July 3, AmCham organized a briefing session including a *presentation on diabetes prevention in the workplace*, along with testing for diabetes, in partnership with Plavi krug (Blue circle), Belgrade's Association for the fight against diabetes. The goal of the presentation was to increase awareness of the opportunities to improve health benefits for employees, as well as to educate the audience on the preventive measures that should be taken in order to avoid getting the disease and how to enable the normal functioning in the workplace of persons with diabetes.



Waste Management: CSR – The Environment – Recycling

AmCham and the Economic Section of the US Embassy in Belgrade jointly organized a dialogue with AmCham member company representatives on the recycling situation in Serbia and decreasing the country's collective waste footprint. The provisions of the Implementation of the Packaging Waste Law and Transfer of (Packaging Waste Recovery) Obligations to Licensed Operator were discussed, and facts and figures related to the *Decree on The National Plan for Packaging Waste Reduction in the Period 2010. – 2014.* were introduced. The presentations were delivered by waste management operators Sekopak and Delta Pak and a Philip Morris International Operations representative, featuring the waste management program of its factory in Niš.

CSR E-News and AmCham Members' Success Stories

AmCham CSR E-News and special AmCham web page 'Members' Success Stories' remained the most utilized promotional tools for CSR related activities and projects commenced by members in 2012. During the year, AmCham promoted the following member companies as the most active in the CSR field through their contributions (in alphabetical order): AVON, Banca Intesa, Coca-Cola Hellenic, Delta Holding, Erste Bank, Eurobank, Hotel Metropol Palace, Janković, Popović & Mitić Law Office, Metro Cash & Carry, MK Group, Telenor and VIP Mobile.



CSR Partnerships and Promotional Support



SUPPORT KNOWLEDGE!

Conducting a mini on/line campaign, AmCham joined the students of Singidunum University in their action: SUPPORT KNOWLEDGE!, aiming to help Kraljevo Grammar School and the High School of Economics, which were damaged in the earthquake of 2010, with an aim to collect the most needed school equipment.



VIRTUS Award

AmCham partnered with the Balkan Community Initiatives Fund with the financial support of USAID in partnership with the Institute for Sustainable Communities (ISC) in the sixth call for candidates for the VIRTUS Award for Corporate Philanthropy, inviting its members to apply for prizes in four main categories and for four special awards.



"Our Belgrade"

AmCham Serbia promoted the major volunteer initiative "Our Belgrade" that took place for the fourth time on May 19, 2012, organized by the Business Leaders Forum Serbia. The event attracted hundreds of employees from AmCham member companies and the wider business community to volunteer at 12 locations across Belgrade.



Pre-moot Competition

For the fourth year, AmCham Serbia joined the Law Faculty of Belgrade University in supporting the Arbitration Conference and the V Belgrade Open Pre-moot Competition. This year for the first time the AmCham team hosted part of the Pre-moot competition. The teams hosted at AmCham's premises included representatives from U.S. universities: the University of Pittsburgh, Loyola University, the University of Denver, the Columbus School of Law and Touro College.



Children's Rights and Business Principles Publication promotion

Bearing in mind that with increased attention being paid to the role of business in society in parallel to governments and other societal actors, and with awareness of the links between business and human rights, AmCham managed an on-line promotion of the *Children's Rights and Business Principles* publication jointly issued by UNICEF, Save the Children and the UN Global Compact.



'A Night with the Stars' Charity Ball

AmCham supported and promoted through its network BELHospice's 'A Night with the Stars' traditional Charity Ball, for the third year running, helping BELHospice to raise the necessary funds in their efforts to provide care for more than 400 patients in 2013.



STRENGTHEN OUR NETWORK

Despite the continuing economic recession, AmCham admitted 36 new members and successfully completed 2012 with 12% growth and total of 174 member companies. In order to strengthen the network and enhance the satisfaction of our members, AmCham Executive Team members established bilateral meetings with AmCham members and met representatives of more than 60 member companies in 2012, while the AmCham Board conducted the traditional summer round of Key-Account meetings.

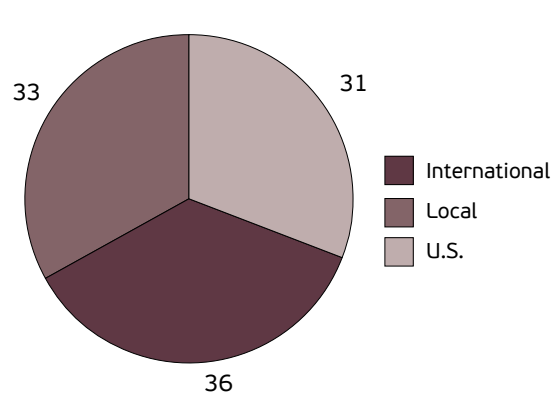


Membership growth:
*36 new members
*174 in total
*12% growth rate

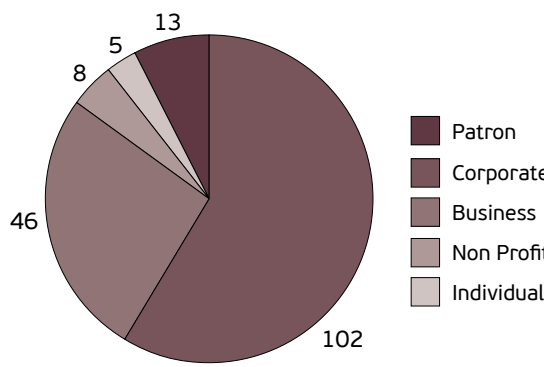
In 2012 AmCham admitted 36 new members, including 8 U.S. based, 16 international, 5 local companies and 5 individuals, for a total of 174 members by year end. At the same time, 18 member companies canceled their membership or were delisted for not having paid their dues on time. Hence, AmCham successfully completed the year with a 12% growth rate despite the continuing economic recession.

The application process for membership at AmCham remains firmly grounded in a stipulated set of criteria and geared towards admitting renowned and successful companies and organizations with strong references.

AmCham Membership 2012 by origin



AmCham Membership 2012 by category



Industry Sector		
Construction	4	2%
Consulting	16	9%
Cosmetics	3	2%
Distribution	6	3%
Education	2	1%
Energetics	3	2%
Finance/Banking	16	9%
Food & Beverages	9	5%
Hospitality/Tourism	3	2%
HR	3	2%
Insurance	3	2%
IT/Telecom	20	11%
Legal	15	9%
Manufacturing	8	5%
Marketing/PR	9	5%
Media/Entertainment	6	3%
Other	16	9%
Pharmaceutical	12	7%
Real-Estate	7	4%
Retail	4	2%
Security	3	2%
Tobacco	4	2%
Transportation	2	1%
Total	174	100%

Bilateral and Key-Account Meetings: Catering to Membership Needs

The AmCham Executive Team held more than 60 individual meetings with member companies to get valuable feedback.

With the aim to better serve members' needs and improve their satisfaction with AmCham services, the AmCham Board and the Executive Team have undertaken active feedback solicitation from more than two thirds of the current AmCham membership.

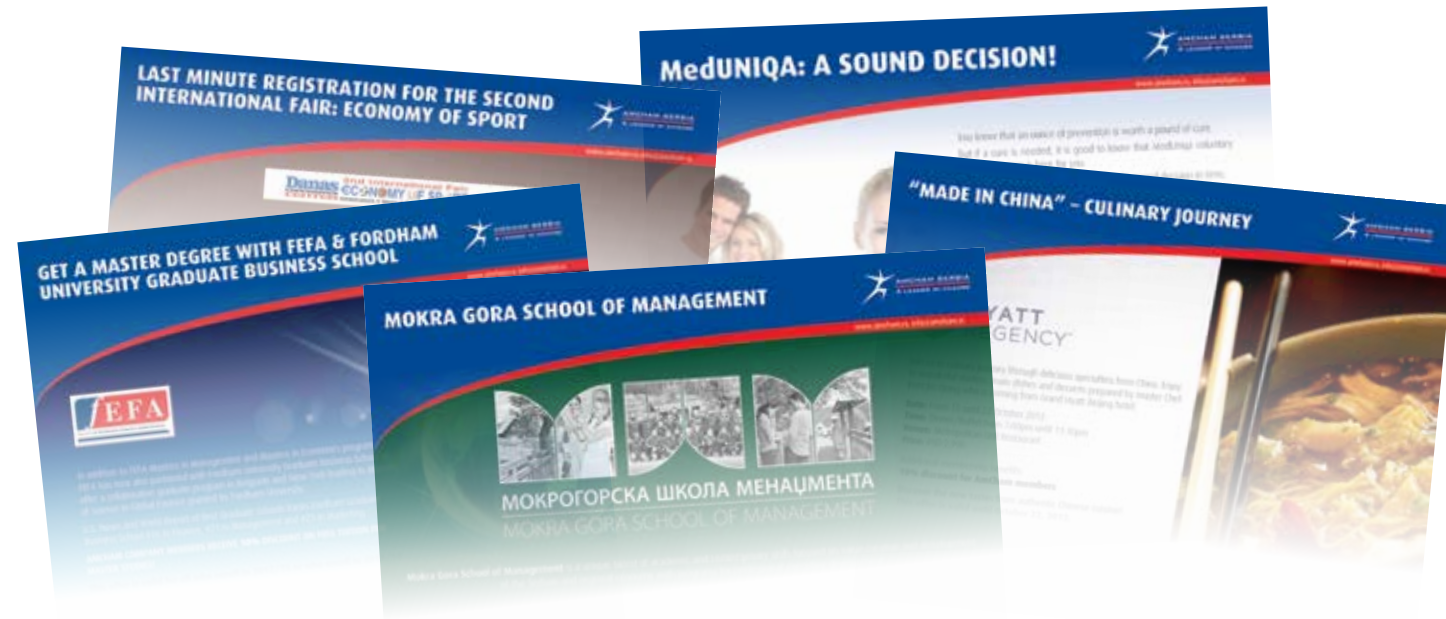
The AmCham Executive Team held more than 60 individual meetings with member companies and gathered valuable information regarding members' key business issues and major challenges or obstacles, their expectations from AmCham in that regard, as well as their degree of satisfaction with AmCham services. As usual, individual Board members held their mid-year round of Key-Account meetings, attracting representatives of 53 companies, or roughly 30% of the membership at the time.

Some of the key suggestions, such as forming partnerships with other associations and organizations, led us to close cooperation with representatives

of National Alliance for Local Economic Development, the Chamber of Commerce and Industry of Serbia, the Serbian Association of Managers and Serbian Business Club 'Privrednik', and 'Poslodavac'. This was done in the course of preparation and execution of the AmCham Conference 'The First Lap Time-100 Days of Government', as well as the joint organization of public discussion on Corporate Income Tax Law Amendments with the FIC.

We also received important feedback on AmCham events and B2B promo initiatives, which resulted with implementation or refinement of the initially planned concept of AmCham Academia and Business Speed Dating. Finally, the format of our electronic newsletters has been completely redesigned and attuned to the suggestions gathered during these meetings, while a *Perspective* Magazine facelift is in the preparation.

Member Benefit Program



In 2012, the AmCham Executive Team continued to provide exclusive offers for the membership and produced Member Benefit Program (MBP) E-Cards featuring new partners and 'hot deals' on offer through our network. This well-established monthly promotional tool resulted in 12 new time-limited corporate offers and discounts on various goods and services.

Members receive the MBP E-card via e-mail, and AmCham maintains an updated list of all MBP partners reflecting their regular offerings on our website. Furthermore, all current offers were republished on the AmCham website and in *Perspective Magazine*.

Networking events

AmCham Christmas Cocktail Party



On December 17, AmCham Serbia organized a Christmas Cocktail Party for members and friends. In the beautiful hall of restaurant Kalemegdanska Terasa, more than 380 gathered, while a special guest was His Excellency US Ambassador to Serbia Michael Kirby.

In his address at the party, AmCham President Miloš Đurković said that in 2012 AmCham achieved remarkable results and thanked all of the members and partners for their support. In addition, Đurković noted that, although it is the largest voluntary business association, the AmCham family grew even more, and that at the end of the 2012 AmCham has 174 foreign and Serbian companies as members. Among other items, the first generation of young managers and future leaders who graduated from the AmCham Academy was announced at the event. The graduates had an opportunity to have a photo session with the AmCham leadership and US Ambassador to Serbia, HE Michael Kirby, who congratulated the graduates.



Metropol Palace Hosts AmCham Business Cocktail Party



On October 2, an AmCham business After-Hours Cocktail Party was hosted by member company Metropol Palace Hotel. At the well-attended networking event held in the hotel's lobby and bar area, over 140 guests were welcomed by AmCham President Miloš Đurković, Gerasimos Perdikaris, General Manager of the Metropol Palace and Stelios Koutsivitis, Executive Director of Kokari Ltd.

The guests were given an opportunity to tour the remodeled and reopened hotel which features a preserved historical heritage that combines effortlessly with the fresh stylishness provided by many modern details, resulting in a refined and welcoming ambiance.



AmCham Halloween Family Party



On October 31, the AmCham Serbia team organized a traditional Family Halloween party, hosting little princesses & princes, witches & druids, goblins & vampires, ghosts & fairies, knights & dames, several Supermen, Batman and Spider-men...The kids were regaled by professional entertainers with songs and dances. The peak of the evening was the performance of Magical Igor, who executed some of the finest tricks, also helping kids to enter the world of illusions and learn some of them. The AmCham parents, some dressed up in costumes as well, also enjoyed the relaxing family atmosphere.



Cooking with AmCham



On the lovely summer afternoon of September 12, in a festive and cozy atmosphere, AmCham members enjoyed food prepared and served by AmCham Board members and US Embassy officials acting as chefs' assistants to chefs from Zaplet Restaurant, Eurocatering and Square Nine Hotel. The cooking spectacle attracted more than 120 guests from the membership who were lead on a culinary journey to Italy, the USA and Asia. Guests also enjoyed a game, tasting the food and guessing the secret ingredient in each recipe. The successful members' cards were drawn from a chef's hat, with gifts for the winners. Guests quenched their thirst with beverages contributed by Coca-Cola Hellenic, Carlsberg Serbia and the Radovanović Winery.



AmCham Pre-Election Cocktail Party

A traditional Pre-election Cocktail Party at the Novak Café & Restaurant was held to introduce candidates for positions as Board members. The candidates took the opportunity to present their motives for wanting to serve on the AmCham Board of Governors. During the candidates' presentations, a number of important issues were addressed, including the strategic priorities of AmCham in 2012, potential contribution to the existing business advocacy initiatives, contribution to AmCham's economic diplomacy activities and the organization's approach to membership satisfaction.



Financial Report



Income Statement

For the year ended
31 December 2012
(Expressed in 000 RSD)

	Note	2012	2011
OPERATING INCOME			
Income from membership fees	3a), 4	48,876	42,401
Income from newsletters and advertising	3b)	2,515	3,654
Income from lunches	3c)	1,872	1,397
Income from sponsorship	3d), 5	2,470	6,629
Other income	6	2,431	82
Total		58,164	54,163

OPERATING EXPENSES			
Service costs	7	(19,222)	(13,572)
Staff cost	8	(24,003)	(19,863)
Temporary workforce		(853)	(982)
Entertainment	9	(3,907)	(5,761)
Rent expenses	10	(3,917)	(4,126)
Office supplies	11	(479)	(275)
Daily allowances and travel expenses		(685)	(938)
Transportation		(532)	(713)
Telephone		(373)	(388)
Maintenance	12	(1,789)	(1,369)
Depreciation	15, 16	(409)	(796)
Membership fees		(144)	(159)
Internet		(349)	(81)
Fuel and electricity		(5)	(3)
Promotion and advertising		(320)	(707)
Other expenses		(33)	(60)
Tax costs		(18)	(38)
Total		(57,038)	(49,831)

FINANCIAL INCOME AND EXPENSES			
Interest income		1,321	2,532
Interest expenses		(2)	-
Foreign exchange gains		1,958	193
Foreign exchange losses		(145)	(1,178)
Financial income, net	13	3,132	1,547

OTHER INCOME AND EXPENSES			
Income from receivables		-	23
Impairment of receivables	14	-	(844)
Other expenses	14	(551)	(260)
Total		(551)	(1,081)

NET INCOME	3,707	4,798
-------------------	--------------	--------------

Membership List 2012

Abbott Laboratories S.A. / www.abbott.com
Actavis / www.actavis.rs
Air France Belgrade / www.airfrance.rs
Airport City d.o.o. / www.airportcitybelgrade.com
Alcatel-Lucent Serbia / www.alcatel-lucent.com
Aleksić Law Office with Associates / aleksic-advokat.com
Algotech d.o.o. / www.algotech.rs
Alliance One Tobacco d.o.o. Beograd / www.aointl.com
Altis Capital / www.altiscapital.net
Apatinska pivara / www.apa.rs
Asseco South Eastern Europe / www.asseco-see.com
Avon Cosmetics SCG d.o.o. / www.avon.com
Balkans Real Estate (MPC Properties) / www.mpcproperties.rs
Balkan Trust for Democracy / www.gmfus.org/balkantrust
Ball Packaging Europe / www.ball-europe.com
Banca Intesa ad Beograd / www.bancaintesa.rs
BBD0 Ovation Advertising / www.ovation.co.rs
BDO d.o.o. / www.bdo.co.rs
Bel Medic General Hospital / www.belmedic.com
Belgrade Philharmonic Orchestra / www.bgf.co.rs
Berlin Chemie AG Representative office Serbia / www.berlin-chemie.rs
Best Seed Producer Ltd / www.bsp.co.rs
Božić i sinovi d.o.o. / www.bozic.rs
Bojović Dašić Kojović, Attorneys at Law / www.bdklegal.com
British American Tobacco South-East Europe d.o.o. / www.bat.com
B92 / www.b92.net
Carlsberg Serbia Ltd. / www.calsbergsrbija.rs
CB Richard Ellis / www.cbre.co.rs
CEED Serbia / www.ceed-serbia.org
CES Mecon / www.cesmecon.com

Cisco SR d.o.o. Beograd / www.cisco.com
Citibank N.A. Representative Office Belgrade
Clean Earth Capital Serbia d.o.o. Niš
Coca Cola Company
Coca Cola HBC Serbia a.d. / www.coca-colahellenic.rs
Colliers International / www.colliers.com
Communis / www.communis.rs
Continental Wind Serbia / www.continentalwind.com ; www.wpc.rs
ConsulTeam d.o.o. / www.consulteam.co.rs
Cooper Tire & Rubber Company Serbia d.o.o. / www.coopertire.com
DAI PPES Project / www.scopes-serbia.org
Danas Conference Center / www.danas.rs
Dejan Vuković of Vuković & Partners AOD Belgrade / www.vp.rs
Dekel d.o.o. Beograd / www.dekel.com
Deloitte / www.deloittece.com
Delta Holding / www.deltaholding.rs
Delta Sport / www.deltasport.com
Dorde Nikolić of Nikolić Kokanović Otašević Law Office / www.nko-law.com
DHL International Belgrade / www.dhl.co.rs
Diners Club International Belgrade Ltd. / www.diners.rs
Direct Group / www.dirtrade.com
Dufry d.o.o. Beograd / www.dufry.com
Eaton Electric / www.eaton.rs
Ebart Ltd Belgrade / www.arhiv.rs
EKI Transfers - Western Union / www.wu.co.rs
Ekonomski institut a.d. Beograd / www.ecinst.org.rs
Eli Lilly (Suisse) S. A. Representative Office / www.lilly.com
Embassy Techzones d.o.o. / www.embassytechzones.rs
EOS Matrix / www.eos-matrix.rs

Ernst & Young / www.ey.com/eyse
Erste Bank a.d. Novi Sad / www.erstebank.rs
Eurobank / www.eurobankefg.rs
Executive Group / www.executivegroup.co.rs
First Data d.o.o. / www.firstdata.rs
FORD - Grand Motors d.o.o / www.ford.rs
Fresenius Medical Care / www.fmc-srbija.com
G4S Security Solutions / www.g4s.rs
General Electric / www.ge.com
GlaxoSmithKline Export Ltd. / www.gsk.com
Gordana Juran Zdravković of BIOTEC INTERNATIONAL d.o.o / www.biotec.co.rs
Grand Casino Beograd / www.grandcasinobeograd.com
Groundlink d.o.o. / www.groundlink.com
Harrison Solicitors / www.harrison-solicitors.com
Harvard Club / www.harvard-serbia.org
Hemofarm Koncern A.D. / www.hemofarm.com
Hewlett Packard / www.hp.co.rs
Holcim / www.holcim.com/rs
Honeywell d.o.o. / www.honeywell.com
Hogg Robinson Group Serbia and Montenegro / www.hrgworldwide.com
Hyatt Regency Beograd / www.belgrade.regency.hyatt.com
Hypo Alpe Adria Bank a.d. / www.hypo-alpe-adria.rs
IBM / www.ibm.com/cs
IDC Adriatics d.o.o. / www.idc-adriatics.com
Identico International / www.identico.rs
Infobiro d.o.o. / www.infobiro.tv
Intel / www.intel.com
Intermol / www.intermol.rs
Janković, Popović, Mitić Law Office / www.jpm.rs

Johnson & Johnson / www.jnj.com
Jovanović, Milovanović & Simić Law Office / www.jmslaw.rs
JT International a.d. Senta / www.jt-int.com
Karanović & Nikolić Law Office / www.karanovic-nikolic.com
Kinstellar / www.kinstellar.com
Knjaz Milo / www.knjaz.co.rs
Komercijalna banka / www.kombank.com
Konsing Group / www.konsing.com
Koving d.o.o. / www.koving.rs
KPMG d.o.o. / www.kpmg.rs
Kraft Foods d.o.o. / www.kraft.com
Lalin Law Office / www.lalinlaw.com
Leo Burnett d.o.o. / www.leoburnett.rs
Link Consultants / www.link-group.com
Luka Beograd / www.port-bgd.co.rs
LUNA/TBWA
L'Oréal Balkan / www.loreal.com
Mašinoprojekt / www.masinoprojekt.co.rs
McCann Grupa / www.mccann.co.rs
Merck Sharp & Dohme d.o.o. / www.merck.com
MetLife a.d.o. / www.metlife.rs
Metro Cash & Carry d.o.o. / www.metro.rs
Metropol Palace / www.metropolpalace.com
Microsoft / www.microsoft.com/scg
Mikijelj Janković & Bogdanović Attorneys-At-Law / www.mjbrs
MK Group Ltd Belgrade / www.mkgroup.rs
Moravčević, Vojinović & Partners in cooperation with Schoenherr / www.schoenherr.rs
MTV Serbia d.o.o. / www.mtv.rs
Multikom Group / www.multikomgroup.com

Naumović & Partneri / www.naumovic-partners.com
Nenad Barbulj of Meteor System / www.meteor.rs
Nelt CO d.o.o. / www.nelt.com
New Moment / www.newmoment.com
Novo Nordisk Pharma d.o.o. Beograd / www.novonordisk.rs
Omnicom Solutions d.o.o. / www.omnicom.rs
Oracle / www.oracle.com
Orbital Engineering Serbia d.o.o. / www.orbitalengr.com
OSA - Računarski Inženjering / www.osa.rs
OTP banka Srbija a.d. Novi Sad / www.otpbanka.rs
Pedersen & Partners / www.pedersenandpartners.com
Pfizer / www.pfizer.com
Philip Morris / www.philipmorrisinternational.com
PriceWaterhouseCoopers d.o.o. / www.pwc.com/rs
ProCredit Bank a.d. Belgrade / www.procreditbank.rs
Prospering Foreign Investments d.o.o. / www.prospering-serbia.com
PSP - Farman Holding; PFB d.o.o. / www.psp-farman.com
Rajko Mandić of Lean Six Sigma Institute / leansixsigmainstitute.org
Raiffeisen banka a.d. / www.raiffeisenbank.rs
Rudnap Group AD Beograd / www.rudnap.com
S&T / www.snt.rs
SAGA / www.saga.co.rs
Salford / www.salford.co.yu
SBB / www.sbb.rs
Schneider Electric Srbija d.o.o. / www.schneider-electric.rs
SEAF South Balkan Fund Rep. Office / www.seaf.co.rs
SEE Business Embassies d.o.o. / www.seeoffices.rs ; www.bena.at
Serbian Business Systems / www.sbs.co.rs
SGS Beograd d.o.o. / www.sgs.com
Siemens d.o.o. / www.siemens.co.rs

Smart Kolektiv / www.smartkolektiv.org
Societe Generale Srbija / www.societegenerale.rs
St. Jude Medical Balkan / www.sjm.com
Stracon Security / www.stracons.com ; www.stracon.co.rs
Strauss Adriatic d.o.o. / www.doncafe.com
SVA d.o.o. / www.sva.rs
Štampa Sistem d.o.o. / www.stampa.rs
TeleGroup d.o.o. / www.telegroup-ltd.com
Telenor / www.telenor.rs
Tigar / www.tigar.com
Timok Metals d.o.o. Bor / www.fcx.com
Titan Cementara Kosjerić / www.titan.rs
TMF Services d.o.o. / www.tmf-group.com
TRS Swiss Production d.o.o. / www.trs.rs
Unilever Beograd d.o.o. / www.unilever.com
United Nations / rs.one.un.org/pbild
Uniqa / www.uniqa.rs
Urbis Design / www.urbis-group.com
Victoria Group a.d. / www.victoriagroup.rs
VIP mobile d.o.o / www.vipmobile.rs
VREME Ltd Newspaper Company / www.vreme.com
West Pharmaceutical Services / www.westpharma.com
Wiener Städtische osiguranje a.d.o / www.wiener.co.rs
Wolf Theiss & Partners / www.wolftheiss.com
Wrigley / www.wrigley.com
XPRO d.o.o / www.xpro.co.rs
Živković Samardžić Law Offices / www.zslaw.rs

AmCham Annual Report 2012

Produced by
AmCham Serbia

Cover page/Design/Photo
BlackBox

Printing
Jovšić Printing Centar, Beograd

**American Chamber
of Commerce in Serbia**

Smiljanićeva 24/I
11000 Belgrade, Serbia
Tel: +381 11 30 88 132
+381 11 34 46 437
Fax: +381 11 30 88 922
info@amcham.rs
www.amcham.rs