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BUSINESS

YOUR BUSINESS NETWORK

LINK

WESTERN BALKANS:
THE MISSING LINK
FOR COMPLETING
EUROPE'S PEACEFUL
UNIFICATION

Johannes Hahn

GOOD NEWS
ON EU TALKS MAY
COME IN OCTOBER!

Zoran Zaev

FROM FIRST MOVER
TO NUMBER 1 IN CEE

Elisabeth Stadler

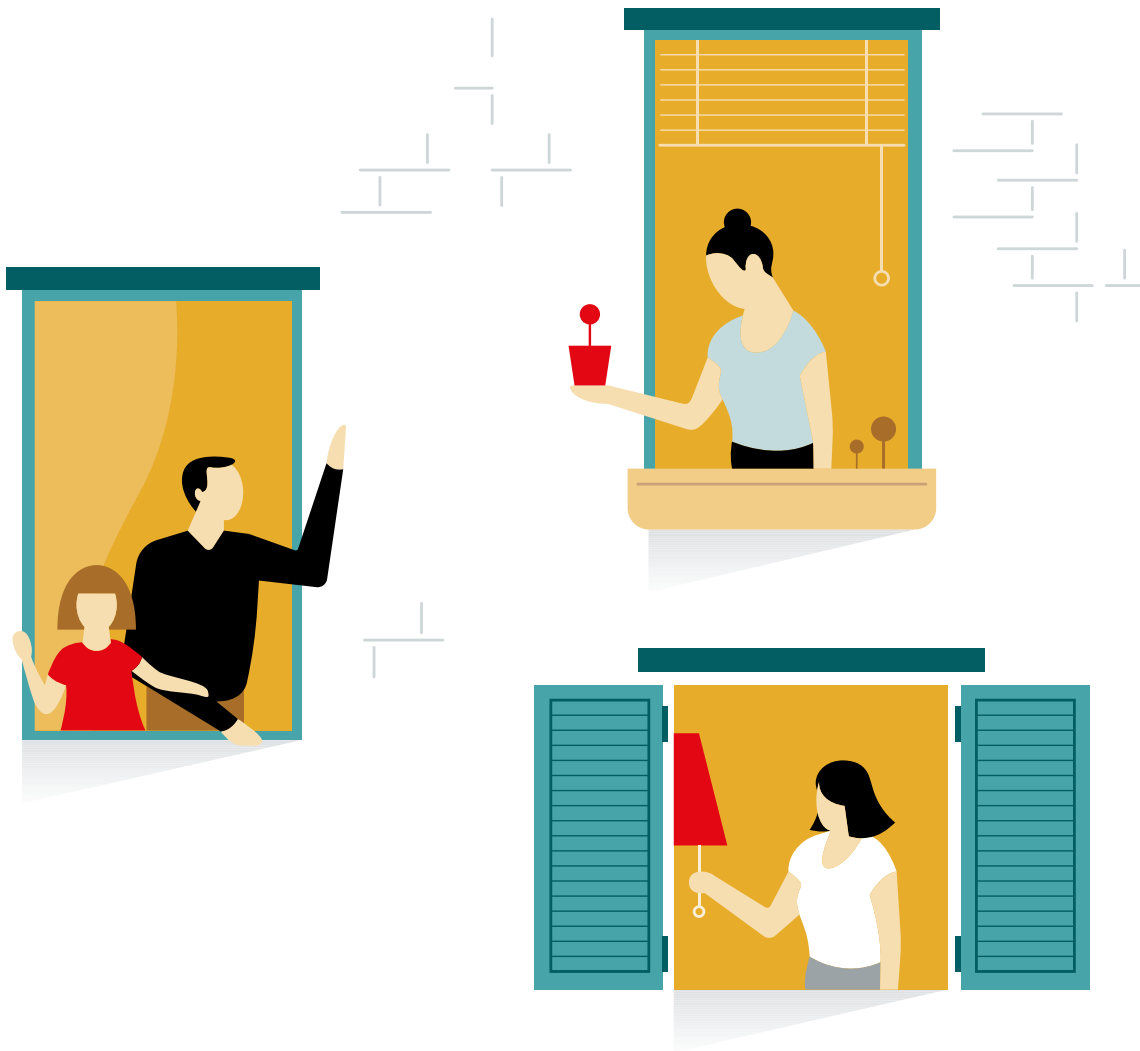
INTERVIEWS:

Johann Marihart
Domagoj Milosevic



SEEBDN

Southeast Europe Business Development Network



MULTINATIONAL

Protecting what matters.

We see diversity as one of our strengths. With around 50 Group companies in 25 countries, we share our experience and expertise with each other. We build on innovative ideas and influences from various cultures for the benefit of our customers, partners, shareholders and employees. Diversity is part of everything we do. To find out what also matters to us, visit www.vig.com



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ALEKSANDAR GROS

General Secretary of the SEEBDN
Executive Director at Grimex Consult



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Chairman of the Board of the SEEBDN
CEO at café+co International Holding GmbH

Dear friends,

It is a great honour and pleasure for us to have this opportunity to present to you the third issue of Business Link, the magazine of the South East Europe Business Development Network (SEEBDN) association. Our young organization has already proven that a clear vision, commitment and hard work can and will yield a positive outcome.

Just to recall, the Vienna-based SEEBDN was officially founded in June 2018 by distinguished business figures and diplomats as an independent business association, which includes Slovenia, Croatia, Hungary, Western Balkan countries, as well as Germany and Austria as traditional partners of these countries. In less than two years, we have done a lot, primarily we pursued our main goal – to connect business, people and ideas. Since the release of the second issue of our magazine, we have successfully held several events. Our first SEE Business Circle was held in Vienna on 18 March 2019. Participating in this event were select prominent figures from the sphere of economy, diplomacy and politics from the countries of South East Europe as well as from Austria and Germany as traditional and important partners of this region. The aim of this event was to connect the decision makers and to focus on topics such as security policy, regional cooperation and economic development in the region of South East Europe.

Among the participants were Predrag Boskovic Minister of Defence of Montenegro, Dubravka Negre, Head of EIB Regional Office for the Western Balkans, Aleksandar Vlahovic, President of the Serbian Association of Economists, Thomas Haneder, Partner at TPA Group, and Johann Marihart, CEO of AGRANA Group. Further, on 15 May 2019 SEEBDN, in cooperation with Grimex Consult and the daily newspaper Die Presse, and with the support of the Montenegrin government, successfully held the conference "Destinations on the Rise 2019 - Montenegro". With more than 150 participants, and Milutin Simovic, Deputy Prime Minister and Minister of Agriculture of Montenegro, as a keynote speaker, we presented the economic potential of Montenegro as an EU accession candidate and the country's most significant companies.

After this successful conference, SEEBDN organized a discussion evening on 9 September 2019 with Gernot Blümel, politician and former Austrian federal minister for EU, culture and media, focusing on the topics of Austria's political and economic snapshot and cooperation with SEE countries.

We are most proud of the achievements we have made so far and we are not planning to slow down. SEEBDN will organize another Business Circle in Vienna, with the sup-

We are most proud of the achievements we have made so far and we are not planning to slow down.

port of Vienna Insurance Group on 15 October 2019. We will host the North Macedonian delegation, led by Prime Minister Zoran Zaev.

On 5 November 2019 SEEBDN, in partnership with the Croatian Employers' Association (HUP) and Euroherc Insurance, will organize the "SEE Business Conference" in Zagreb. The main goal of this event is to inform participants and exchange experiences between business owners, directors, experts from the region and discuss current economic topics from the WB region and Austria.

On 11 November 2019 we will organize a visit to St. Pölten for a delegation of Vojvodina, which will be led by Igor Mirovic, Prime Minister of Vojvodina's government. Their host will be President of Lower Austria Johanna Mikl-Leitner.

What has been evident over the past 15 months is the fact that SEEBDN has already gained recognition as a credible association, and that our network and membership is growing. We are inviting all ambitious companies and managers to join us in our mission to create business bridges and good opportunities for growth.

Yours sincerely



WESTERN BALKANS: THE MISSING LINK FOR COMPLETING EUROPE'S PEACEFUL UNIFICATION

JOHANNES HAHN

EU Commissioner European Neighbourhood Policy & Enlargement Negotiations

We have to keep up our efforts to communicate about the advantages of the integration of a region (Western Balkans) which has always belonged to Europe in cultural and historical terms.

As I approach the end of my mandate as Enlargement Commissioner, it is time to look back with plentiness but also with a certain amount of satisfaction on what we – myself as Commissioner for Enlargement Negotiations and my services – have achieved together with our partner countries over the past five years.

From a more general perspective, I believe that our biggest achievement lies in the fact that we managed to push the EU integration of the Western Balkans right to the centre of European Foreign and Security Policy. The European Perspective of the Western Balkans was powerfully re-confirmed by the European Commission's Western Balkans Strategy, which was adopted in February 2018. This was followed by the first EU-Western Balkans-Summit in 15 years in Sofia in May 2018. These were more than symbolic acts as the Strategy comprises clearly defined priorities for the region's reform agenda and the summit resulted in a set of flagship initiatives whose implementation is well under way. By stressing the EU's own interest in the integration of the Western Balkans as a strategic investment in the Union's own security, economic and

geopolitical development, we managed to shift the narrative of the Western Balkans' integration from being perceived rather as a burden than an asset to the perception of a mutually beneficial opportunity. Geography is destiny: this is why we cannot separate the EU from developments in our immediate neighbourhood. Nevertheless, we have to keep up our efforts to communicate about the advantages of the integration of a region which has always belonged to Europe in cultural and historical terms. In the same way, we need to send a clear message about the transformation process triggered by the European perspective, consisting of comprehensive reforms aimed at adapting the countries to EU standards so that they can fulfil their obligations from the first day of their membership.

We have also made substantial progress with regional cooperation by revitalizing the Berlin Process and adding new initiatives. Since the first leaders' summit in the region, which I initiated in Sarajevo, there have been several regional meetings on priority topics, such as the "Digital Summit" in Belgrade, which will lead to a substantial decrease of roaming charges in the region. Another recent regional meeting in Podgorica, dealing with

sustainable energy and energy efficiency, lead to the official launch of the “Green agenda” at the Western Balkans summit in Poznan. The establishment of the Youth cooperation network RYCO, the Transport Community Treaty Office and the launch of the Regional Economic Area are achievements that will boost economic development and create new perspectives for the young generation

abolished practically all customs, the trade volume continues to grow. As far as the individual countries are concerned, we have witnessed progress, albeit at different speeds, in line with the heterogeneous nature of the region. Consequently, we made it clear in our Western Balkans Strategy that the accession procession remains an exercise based on the individual merits of each country, comparable

As far as the individual countries are concerned, we have witnessed progress, albeit at different speeds, in line with the heterogeneous nature of the region.

in the region. The EU is also delivering fast on the EUR 1 billion pledge of 2015 for the connectivity agenda: by the end of this year, work will have started on over 20 major cross-border infrastructure projects.

All this is not only relevant for the Western Balkans, but for the region’s relations with the EU. The Western Balkans have become an increasingly reliable partner for the EU. The interlinkage and interdependence of the region with the European Union was demonstrated also in the positive role the Western Balkans played during the migration crisis. Increased cooperation with the EU on border control has proven essential. Finally, the Western Balkan economies are already closely integrated with the EU. More than 70% of the region’s trade is with the EU and thanks to the Stabilisation and Association agreements, which

with a regatta rather than a convoy. Despite this divergent picture, two countries which made extraordinary efforts and achieved great progress, have to be highlighted.

First and foremost: The Republic of North Macedonia, a country which successfully overcame a deep political crisis and fulfilled all criteria as requested by the Council last year for opening accession negotiations. Furthermore, North Macedonia made the impossible possible and settled a nearly 30-year-long dispute with Greece via the historic Prespa Agreement. With the latter and the Friendship Treaty with Bulgaria, North Macedonia has become a shining example of reconciliation and good neighbourly relations for the entire region and beyond, hopefully followed by others. The second country to be highlighted is Albania which has also made re-

markable progress with ambitious judicial reforms and concrete measures in the fight against corruption. Based on the visible progress made, the European Commission recommended the opening of accession negotiations with both countries last year. After several delays, it is high time now for Member States to acknowledge the efforts made and to honour their own commitments. A further delay would have a negative impact on the whole region as the motivation for reforms might dramatically decrease, with serious consequences for a region which is still fragile.

If we are not engaging with the Western Balkans and are not delivering on the European perspective, which Member States have confirmed repeatedly, other players, who are already on the ground, will fill the vacuum.

I am sure that Member States are aware of these implications as well as of the geopolitical challenge. If we are not engaging with the Western Balkans and are not delivering on the European perspective, which Member States have confirmed repeatedly, other players, who are already on the ground, will fill the vacuum. One of the priorities of the new European Commission is to become a stronger geopolitical player. Where else should we begin with this engagement if not in our immediate Neighbourhood, a region that belongs already to Eu-

rope? In this sense, the Council in mid-October will be a test case for the EU whether its leaders have the determination, responsibility and unity to give the deserved green light for opening accession negotiations. A decision which is rightly expected and needed as a clear signal that the integration of the Western Balkans is the indispensable completion of the peaceful unification of the European continent, safeguarding freedom, peace, rule of law and high living standards for both sides.



PHOTO: EU Commission



REGIONAL COOPERATION IN SEE, THE ROLE OF THE BUSINESS SECTOR

ALEXANDER SCHALLENBERG

Minister of Foreign Affairs of the Republic of Austria

To maintain and progressively realize the perspective of full EU membership for all six countries of South East Europe has been a key goal of Austrian foreign policy for a long time. It is clear that the EU is incomplete as long as these countries are not part of it. The EU has to show that it is serious about the European perspective of this region and should reward progress made. It is therefore vital that the EU opens accession negotiations with Northern Macedonia and Albania as soon as possible.

The complex efforts of making the countries of South East Europe ready for EU membership can only be successful if they are understood as multi-stakeholder processes, involving governments, businesses, trade unions and civil society. In this context, I believe that business communities and entrepreneurs play a crucial role: No reform effort in South East Europe will be successful in the longer term if it does not enjoy the support of a dynamic and resilient economy driven by energetic entrepreneurs.

GDP growth in the region has been encouraging during recent years and higher than in many EU countries. This shows that entrepreneurs are already contributing for the benefit of South East Europe. However, their importance for the region's European perspective goes well beyond that: Entrepreneurs always focus on the opportunities of the future and not on the obstacles of the past. This forward-looking, result-oriented and pragmatic attitude is exactly what the region needs.

It seems that entrepreneurs - maybe more than any other group – fully grasp the importance of regional (Western Balkans) cooperation, including in the context of EU integration.



PHOTO: Dragan Tatic

Furthermore, it seems that entrepreneurs - maybe more than any other group – fully grasp the importance of regional cooperation, including in the context of EU integration. A case in point in this regard is the “Western Balkans 6 Chamber Investment Forum” created in the framework of the Berlin Process in 2017. Representing 350,000 companies of all sizes throughout the region, it is doing crucial work in promoting the SEE region as an investment destination, providing invaluable support to

efforts such as eliminating regional barriers to the movement of goods and services or improving vocational training for the young. The Forum is a success story of the Berlin Process and an important player in helping to realize South East Europe's European perspective. I also see great potential in closer cooperation between businesses and civil society in South East Europe. After all, many of the key topics to which civil society groups in the region are particularly committed – strengthen-

ing democracy and the rule of law, transparency and the fight against corruption – are also quintessential for a healthy economy. Together, we all have to continue our efforts to achieve full EU membership for the countries of South East Europe. If all stakeholders work together I am confident that we will get there - for the benefit of all Europeans.



ELISABETH STADLER
CEO, Vienna Insurance Group

PHOTO: Philipp Lipiarski

50
INSURANCE
COMPANIES



25,000
PEOPLE



25
COUNTRIES



FROM FIRST MOVER TO NUMBER 1 IN CEE

The key to this success was to invest for the long term and make a valuable contribution to the positive development of the insurance markets in which VIG operates.

As a first mover, Vienna Insurance Group (VIG) took its first step into the insurance markets of Central and Eastern Europe some 30 years ago. Looking back, that was the right decision. The region has developed outstandingly since then. The listed Group, headquartered in Vienna, now operates with around 50 insurance companies in 25 countries and employs over 25,000 people. It is not only the leading insurance group in Austria, but also in Central and Eastern Europe. CEE now accounts for more than half of VIG's premium income and profit.

The key to this success was to invest for the long term and make a valuable contribution to the positive development of the insurance markets in which VIG operates.

DIVERSITY AS A USP

Two factors in particular give VIG a distinctive edge compared with other international insurance groups: VIG relies on a multi-brand strategy with regionally established brands and local entrepreneurship. This has the advantage that established and recognized brands, which customers trust, are maintained. In

turn, this strengthens regional identity and the dedication of local employees. It is the individual strengths of these brands and local know-how that make customer proximity possible and ultimately make the Group successful.

Also, the broad spread and diversification enables VIG to capitalize on every opportunity while spreading risk at the same time.

GREAT POTENTIAL

There is still enormous potential in the CEE region. Average economic growth in the CEE countries will remain twice that of the EU-15 member states, according to forecasts. The continuing economic upturn is leading to higher living standards as well as increased demand for insurance, so there is significant potential.

STROKE OF LUCK – THE DIGITAL EAST

VIG's focus on CEE is also fortunate, because people in the region are particularly willing to embrace digital solutions. VIG could hardly wish

for a better environment for its forward-looking initiatives.

Digitalization leads to some radical changes and VIG is capitalizing on the new possibilities and opportunities that are opening up. These include offering added value on top of the primary function of covering risks, and sharpening the Group's position as a service provider.

Closer connections between people and devices can help to prevent certain risks. For instance, computer-based systems in the home can provide early warnings of potential harm, or take preventive steps automatically. Mobility will be shaped by the rise of driverless vehicles, leading to completely new risk parameters and insurance models. And the trend towards greater personalization will pave the way for made-to-measure premiums and services. VIG is currently making strides in all of these areas.

But regardless of whether people take out insurance using an app or after talking to their personal adviser, VIG's promise will remain the same in the future: protecting what matters.

But regardless of whether people take out insurance using an app or after talking to their personal adviser, VIG's promise will remain the same in the future: protecting what matters.



EU NEEDS TO PROVIDE MORE FUNDING FOR WESTERN BALKANS

INTERVIEW: **DOMAGOJ MILOSEVIC**, Chairman of the European Affairs Committee of the Croatian Parliament and Vice President of SME Europe of EPP



What does the country gain from EU membership? What will happen afterwards, in 2020, when Croatia takes over the EU presidency? What kind of help can the EU provide to SMEs in its Member States and non-EU countries...? These and some other questions, Business Link have asked Chairman of the European Affairs Committee of the Croatian Parliament and Vice President of the SME Europe of EPP Domagoj Milosevic. Since Croatia has been a member of the EU for six years, we have started from their experience so far, advantages and challenges.

"Advantages of full EU membership are many. The immediate effects we

have felt already in 2014 as our exports of goods and services started increasing, helping to end a long and painful recession. When you add a huge potential the EU funding brings to agriculture, private and public investments, both social and economic impact is immense. As an ex entrepreneur I insist on allocating a much bigger portion towards the private sector, particularly production and R&D investments.

Finally, Europe and the entire Western civilization is and will remain confronted with a whole range of serious challenges from security, demographics and migrations to climate, social and economic. I strongly

believe that in spite of many imperfections of Brussels and our Union it is our state and national strategic interest to be a full and active member. I have to admit that we have faced a serious outflow of young, educated and ambitious people, but let us be fair and recognize that the same or even bigger emigration challenge is present in BiH, North Macedonia, Kosovo, Albania and Serbia. I believe full membership actually offers tools to keep our young people in the country but we need to efficiently use them and deliver structural socio-economic reforms we have been postponing for more than 10-15 years".

BL: From 2020, Croatia will take over the EU presidency. What activities will be in your focus? In that context, how do you see the further development of SEE and the Western Balkans?

DM: Within our four priorities: growth and employment, external and internal security, energy and infrastructure connectivity, the fourth is enlargement. Having different challenges on the table in Brussels this word is not very popular these days. But I believe it is strategic not only for Croatia and our neighbourhood, but also for the European Union. This area of so called Western Balkans is not on the borders somewhere in the East, as some like to think. It is a relatively small area completely surrounded by our NATO allies and EU member states. The EU has every interest to help these countries of whom a few are finally members of NATO on their path towards full membership. So does Croatia. The Croatian Government will organize a special conference on the Western Balkans which I hope would further ensure all Western Balkan countries on their way to EU and find solutions to different challenges we still face today. Some of these countries are faster on this journey than others, but we support very individual negotiations and approach. Each country should be evaluated according to its own progress. We strongly support North Macedonia and Albania to start the processes immediately. Some in Brussels forget that 18 years ago these two proud nations were fighting a war, but today they work together within North Macedonian institutions on their common goal towards NATO and the EU.



I strongly believe that in spite of many imperfections of Brussels and our European Union, it is our state and national strategic interest to be a full and active member.

I see the further development of SEE and the Western Balkans within our four priorities: growth and employment, external and internal security, energy and infrastructure connectivity, the fourth is enlargement.

The EU also needs to provide more funding for these countries, particularly for the infrastructure, business development and cooperation. I have been a supporter of the Three Seas Initiative from the beginning and maybe it would be smart to get the Western Balkans on board of this Initiative as well. We all have interest to move towards future. Our kids don't and won't wait.

BL: In your opinion, what kind of strategy should Croatia develop, to improve cooperation in the Western Balkans?

DM: I personally believe we need to intensify all sorts of cooperation channels with all these countries, including joint economic and business interests. And we need to do it on bilateral basis, focused on new NATO members, particularly with Albania and North Macedonia and other countries aspiring to become EU members. It remains crucial to keep the EU focused and the USA more interested but we also need to keep talking with new players in the region, such as Turkey and Russia. I have to add, my primary, original instinct would be to use business and economic cooperation as the strongest tool. But after eight years in politics I need to rephrase Bill Clinton's "It's the economy stupid" into "It's the politics stupid".

I am particularly worried about the hundreds of thousands of young and ambitious Serbs, Albanians, Bosniaks and Macedonians leaving their countries. It shifts the balance not only in socio-economic terms but also in terms of political development.

BL: SMEs are considered to be the backbone of every economy. What kind of help can the EU provide to

SMEs in its Member States and non-EU countries?

DM: I couldn't agree more. This kind of positioning of SMEs is the most important goal of EPP's SME Europe. Beside general real focus on the SMEs, we advocate smart legislation and better regulation. The EU needs to provide less bureaucracy and cut down extra and unnecessary regulations, generally for business but especially for SMEs. They don't have resources to navigate through complex legal structures and legislation.

Second, we need extra financial resources and incentives focused on R&D and innovation, start ups in all fields of products and services. Digitalization of SMEs, particularly small enterprises needs to get focus and various incentives as well.

The labor market is another big challenge across the EU, particularly in the East and South for the SMEs, we need a thorough discussion on single labor market and incentives to help some less competitive markets not losing their best people. All of this has to and should apply to non-EU countries which are dedicated to negotiations and accession, namely the Western Balkans.

Another challenge is access and incentives for continuous education and learning for SMEs, both their management and their employees.

BL: How do you see the SEEBDN association and its activities in the past year since it was established? In what direction do you see the further development of this organization and what activities would you particularly support, since one of the goals of SEEBDN, in addition to supporting large companies, is also supporting small and medium-sized enterprises?



DM: I highly respect and support your association and people dedicating their time and money to such an association. This relatively new organization has managed to position itself well and set up the right network as one of the foundations of its future development with events and interesting panels as one of the excellent tools to execute SEEBDN's mission. As an entrepreneur who went into politics and Government in 2011 from the Croatian Employers' Association, I strongly support close cooperation of SEEBDN with all business and employers' associations in SEE. But that is what the leadership of SEEBDN and Mr. Gros are already doing. Secondly, as mentioned before, politics, unfortunately still has an overwhelming influence on the economy and business in this part of Europe, so SEEBDN cannot escape from working together with us politicians (laugh).

I could try to bring on board some of the international business associations as well. I can obviously help with SME Europe but also with YPO International (Young Presidents Organization) where I have been a member since 2005, whose Adriatic Chapter was established in late 2018. The size and strength of YPO is clearly indicated in two facts: we employ 22 million people worldwide and have revenue of over 9 trillion USD, which makes YPO the third biggest economy in the World.

Last but not least, I think some kind of industrial sector network and platforms for entrepreneurs and managers to meet and discuss might help SMEs and all different companies in SEE.

As a relatively new organization, SEEBDN has managed to position itself well and set up the right network as one of the foundations of its future development with events and interesting panels as one of the excellent tools

FEMALE ECONOMY ON THE RISE

MARTHA SCHULTZ

Vice-President of the Austrian Federal Economic Chambers
Chairwoman of Women in Business Austria

Women are an essential part and a driving force of the economy, at national as well as at European level.

Austria's economy is becoming more and more female. More than every third company is managed by a woman. In 2018, more than 45 percent of companies were founded by women. "Women in Business" in the Austrian Federal Economic Chamber, represents the interests of around 120,000 women entrepreneurs. Women's entrepreneurship is on the rise everywhere, including South Eastern Europe.

In Serbia, for example, around 135,000 women have their own businesses. Surveys predict, that the position of women entrepreneurs in Serbia is not at a satisfactory level, thus there is a lot of potential. In Bosnia and Herzegovina the main objectives of the Association of Business Women in B&H are strengthening female entrepreneurship by providing opportunities for interconnection of business women, offering expert advice on starting and growing a business, as well as information about financial and educational opportunities, related to entrepreneurship. In Slovenia there are various initiatives, associations and clubs on the subject of "Women in Business". At the state level, Slovenia has a section for equal rights/equal opportunities in the Ministry of Labour, Family, Social Affairs and Equal

Opportunities. Croatia has a Gender Equality Act. Women hold 62.9 percent of all college and university degrees. Women are also in the majority with 55.4 percent of university dissertations. This (pyramid) trend is reversed when it comes to leadership positions. Only 22 percent of all management positions are held by women.

Women are an essential part and a driving force of the economy, at national as well as at European level. I want to bring the spirit of women in business to the European level!

It is crucial to increase the importance of women entrepreneurs in public throughout Europe. The Eu-

ropean network also opens up new opportunities for women in business. Experiences and know-how can be exchanged and there are impulses by new ideas and other women's networks from Europe. Women are a strong force in Europe.

*Martha Schultz, who is a Vice-President of the Austrian Federal Economic Chamber and Chairwoman of Women in Business Austria, has been the Chairwoman of the Women's Network of EUROCHAMBERS (EWN) since 2017. The EWN is a European network for women entrepreneurs and strengthens cooperation and representation of interests at the European level.

55.4%



OF UNIVERSITY DISSERTATIONS.

Women's entrepreneurship is on the rise everywhere, including South Eastern Europe.



PHOTO: Inge Prader



THE RISE OF THE BUSINESS PLATFORM ECONOMY

GERALD GERSTBAUER

Senior Vice President of Atos IT Solutions and Services



Business platform champions are leading the way for a significant transformation in all industries

The most successful companies in the digital era have all been built on platform business models that allow multiple stakeholders to interact with each other, creating and exchanging digitally enabled value. Business platform champions are leading the way for a significant transformation in all industries, with platform ecosystems predicted to account for 30 percent of global revenues by 2025. While industrial data platforms are expected to soon become commonplace in B2B in the same way as business platforms are dominating the B2C world today, there are some challenges companies need to address first.

Importance of trust

To be successful, platforms must offer a framework of trust that brings control, privacy, security, compliance and transparency. In B2B platforms, where data can be generated by machines and consumed by algorithms, trust mechanisms must have a solid technology foundation and be able to readily scale. Emerging concepts like Distributed Trust Technologies and Ocean Protocol are paving the way for creating trusted ecosystems by design.

Transformation challenges

Adoption of the platform economy for incumbent businesses will also require radical changes in objectives setting, strategic approaches and operational capabilities. Enterprises need to define how to generate value both for their business and associated partner ecosystems. A “Digital Business Continuum” mindset can be invaluable for accommodating the ever-evolving market conditions involved with a platform business model. Players must adopt an adaptive digital engagement strategy built around wider collaboration and competition interactions. This requires businesses to rethink their IT systems whilst at the same time transforming themselves to respond to strategic challenges. With over 110,000 employees in 73 countries, Atos enables its customers to meet these challenges and successfully drive business transformation towards a new era of economy.



SEEBDN

Southeast Europe Business Development Network

**YOUR
BUSINESS
NETWORK.**

OUR STRATEGY IS PROFITABLE AND SYNERGISTIC GROWTH

INTERVIEW: **JOHANN MARIHART**, CEO of AGRANA Group



PHOTO: AGRANA

AGRANA is an Austrian producer of fruit preparations and fruit juice concentrates as well as of starch and sugar. The company currently employs more than 9,000 people and generates annual revenues of EUR 2.4 billion starting from EUR 240 million in 1988. Business link Magazine talked to Johann Marihart, CEO of AGRANA Group, about the “recipe” for such a growth?

As one of the first reasons for an impressive “curriculum vitae” of the company, he sees the fact that AGRANA success-story is based on anticipating Austria’s EU-membership in 1995 as well as anticipating the CEEC enlargement of Europe after the Comecon break down in 1990.

“Furthermore AGRANA draws on the diversification into the global fruit preparations business. The challenge was to grow alongside the value chain, generating synergies between the segments of fruit, starch and sugar”, Marihart said.

The Balkans offer, especially Serbia, a lot of corn and other crops with a low share in domestic processing.

BL: What are your main export markets and what are your plans for the future when it comes to trade and brand positioning?

JM: Our biggest markets are Austria, Germany, USA, Latin America, CIS and China. Sugar is branded in Austria, Czech Republic, Slovakia, Hungary, Romania and Bulgaria. In the starch segment we have a specialty focus in Europe: organic, GMO-free, derivatives, clean label – to mention some on the basis of potato, corn, waxy corn and wheat starch. With fruit preparations we are worldwide Number 1 in the dairy industry with 1 out of 3 fruit yoghurts made from AGRANA’s fruit preparations. We are focusing now on the South-East Asia region.

BL: How demanding was positioning AGRANA in the European market, and how was it in other markets where you do your business?

JM: The common market is a very competitive one: Concentration of industry is high. In starch the big five have a world market share of over 75 percent! We focused on niche products that are highly know-how-oriented and are produced in low volumes. Basic nature starches have their local markets, specialties can be marketed worldwide. Concerning fruit we are located close to the dairy companies worldwide with a closed loop of sterile container-rotation.

BL: What are your plans for further development of the company?

JM: Our strategy is profitable and synergistic growth. Mostly we grow organically. We just opened a further fruit preparations factory in China. Two years ago we acquired fruit preparations companies in Argentina and Morocco and started production in India.

Sugar profitability from beets in CEEC’s has to be achieved by energy saving processes, the use of molasses by separating sugar and betaine and by growing the retail share of our sugar with branding.

BL: What cooperations do you currently have in the SEE countries and what are your future plans when it comes to investing?

JM: We run two sugar factories, one starch factory and an apple juice plant in Romania. In the Western Balkans we run a sugar refining Joint-Venture with the Studen group in Brcko. Starch and sugar are of further interest there.

BL: What do you expect from the investment climate and general business conditions in SEE and the Western Balkan countries? What advantages should they offer in AGRANA’s case?

JM: The Balkans offer, especially Serbia, a lot of corn and other crops with a low share in domestic processing. There is a lot of value added possible. There is no deficit in general business conditions, but acquisitions have to be affordable in order to be profitable.



AGRANA success-story is based on anticipating Austria’s EU-membership in 1995 as well as anticipating the CEEC enlargement of Europe after the Comecon break down in 1990

THE SEE REGION NEEDS MORE INNOVATION AND CLOSER COLLABORATION



Dr. BORIS CIZELJ

The recently established SEEBDN is certainly a valuable mechanism to help regional companies in developing joint business, technological collaboration and European networking.

Intensified international competition requires countries to focus more than ever on upgrading their innovative performance. The SEE region is experiencing this pressure even more due to limited size of its economies – making it more difficult to reach the ever bigger critical mass in any sector, as a result of globalization.

The rankings in the 2019 edition of the "Global Innovation Index" covering 140 economies - are less than favorable: they range between position 44 - Croatia, 45 - Montenegro, 57 - Serbia, 59 - Northern Macedonia, 76 - Bosnia & Herzegovina, and 83 – Albania*.

The background for this challenging situation differs slightly from country to country, but there are some common features which need priority attention:

- Lack of clearly defined development strategies with recognized, realistic priorities;
- Inadequate attention and funding of science, R&D and innovation activities;
- Lack of consistent, transparent policies and support mechanisms (including availability of venture and risk capital) being part of modern innovation ecosystem.

Are regional governments and political leaders really aware of these challenges, and do they have the determination and know-how needed to effectively address them. Although creation of adequate innovation ecosystems – supported by well-defined development strategies, effective institutions and financially viable policies -- cannot be expected shortly, progress in economic and technological transformation can still be achieved.

The SEE region has one weakness which could be turned into an advantage: its fragmentation can be reduced by intensifying regional cooperation.

There are many young and ambitious companies with good potential in human capital, as well as technologies and close-to-market innovative products and services. What they need is often better market access and a good contact with an interested partner company, a bank, or a venture fund – and they can grow exponentially. Also the European Commission – together with the EIB – is offering a whole range of new support instruments to encourage innovative entrepreneurship around Europe, covering also countries of the SEE region*.

Generally, Europe must be more ambitious to compete with fast-growing companies in the United States, not to mention China where about 1,000 technologically advanced companies were created to reach the turnover of over 1 billion USD within less than 10 years!

The SEE region has one weakness which could be turned into an advantage: its fragmentation can be reduced by intensifying regional cooperation. Also, the proximity of the large EU market is an underutilized advantage. In these efforts governments can help, but the business sector should be more proactive via closer collaboration among companies through pooling R&D resources, modern innovation super-clustering, approaching jointly financial institutions, and applying for EU programs.

The recently established SEEBDN is certainly a valuable mechanism to help regional companies in developing joint business, technological collaboration and European networking. It is the right initiative, launched at the right time, and by the right people!

For more details, see links below:

www.wipo.int/global_innovation_index/en/2019/
europa.eu/european-union/topics/enterprise_en



GOOD NEWS ON EU TALKS MAY COME IN OCTOBER!

INTERVIEW: **ZORAN ZAEV**, Prime Minister of the Republic of North Macedonia



“We expect that good news on the date for the start of negotiations of North Macedonia with the EU will come on 15 th October, when the European Council will meet. Immediately afterwards, the first EU-North Macedonia Intergovernmental Conference that will determine the framework of the negotiations, which in fact is a formal start of the negotiation process by chapters for the EU accession”, said the Prime Minister of the Republic of North Macedonia Zoran Zaev in an interview with the Business Link magazine.

„The Western Balkan region is becoming an example that unity and inventive decisions, in time of global crises, can turn crises into possibilities. At the end of the day, we are here and we are awaiting the good news for bringing the region closer to the EU“, Zaev said.

BL: You said in New York that North Macedonia is ready to start negotiations for accessing EU. When do you expect to start negotiations?

ZZ: The Prespa Agreement, together with the Agreement on Friendship with Bulgaria, speeded up our NATO integration and removed the biggest obstacles for our EU integration. We believe that the Prespa Agreement is a true example for the power of diplomacy and dialogue. As leaders of our countries, we owe our citizens solutions to their problems; we must maintain peace, we must create better conditions for development and better life for all.

We are especially satisfied with the fact that the German Bundestag voted in favour of date for commencement of negotiations for North Macedonia and Albania in October. This move shows recognition of the concrete progress made by these two countries, but at the same time, it speaks of the credibility and commitment of EU to its enlargement agenda.

We expect that the good news on date for start of negotiations of North Macedonia with EU will come on 15th October, when the European Council will meet.

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In the end of the day, we are here and we are awaiting the good news for bringing the region closer to the EU.

BL: What will be your main challenges and planned solutions, in order to speed up that process?

ZZ: In less than three years from the moment when the current government took power, we restored democracy and the functionality of the democratic institutions from something that used to be a captured state.

The rule of law and justice are back on stage. We remain committed to the fight against corruption and organized crime.

We have inclusive dialogue with the opposition for the most important political issues. The freedom of media went up by 14 positions in comparison to the previous year, according to Reporters without Borders.

We resolved bilateral disputes with Bulgaria and Greece and we are strongly committed to implementing our agreement for cooperation and good-neighbourly relations.

We do not have a single open issue with any of our neighbouring countries. This makes us a unique country. We are devoted to building one society for all; a concept that nurtures and respects all differences in our society.

We have completed the reforms for security services; we completed the reforms in public administration while the fight against corruption remains our main priority in the forthcoming period.

These priorities are identical to our agenda for EU accession and we are fully committed to delivering concrete results, especially concerning Chapters 23 and 24 i.e. regarding the issues for rule of law and reforms in judiciary.

The Republic of North Macedonia has no alternative for EU and NATO integration – more than 80% of the people are in favour of and support these aspirations.

As leaders of our countries, we owe our citizens solutions to their problems; we must maintain peace, we must create better conditions for development and better life for all.



So far, 22 countries have ratified the NATO Accession Protocol. We expect our full-fledged membership to commence towards the end of 2019 and the beginning of 2020.

We had accepted and we hereby share the European values and we have proved that the Republic of North Macedonia is a committed partner, especially during the EU migrant crisis and in many NATO missions as of 2002.

BL: How do you see the future of Western Balkan as a whole, and what is the role of the EU integration process, business community and politics? What is your vision in years to come?

ZZ: The implementation of the Connectivity Agenda, arising from the Berlin Process and the multi-annual Action Plan for Regional Economic Area have an important objective: to speed up the development of the region and to improve the quality of life for our citizens. We remain strongly

devoted to its implementation and further results.

Our mutual cooperation, between the Western Balkan countries, is especially important in the area of trade, investments, mobility of workers, researchers and digitalization.

Greater connectivity and increased inter-regional free trade cannot be achieved without transport infrastructure (roads and railways).

Along the entire length of Corridor 10 we have already completed the infrastructural highway connection from the most Southern to the most Northern gate of the European Union. We will continue to work on similar, modern railway connectivity.

We have already established One-Stop-Shop border system on this corridor, between Serbia and North Macedonia and this has largely alleviated the customs procedures and controls. The objective of the project for completion of the railway Corridor VIII is to connect Black Sea with the Adriatic Sea or beyond; this is the Corri-

Our mutual cooperation, between the Western Balkan countries, is especially important in the area of trade, investments, mobility of workers, researchers and digitalization.

dor that connects the Middle East and Asia with the European Union throughout Bulgaria, North Macedonia and Albania.

In that line, this arterial transversal is of enormous strategic and economic importance for the Republic of North Macedonia.

By establishing this Corridor, a transport system will be developed that will contribute to increase of trade exchange in order to enhance the competitiveness and development of the economy and communication with European countries.

Therefore, the next reason that makes this event even more special for the Republic of North Macedonia is the fact that the partnership of the European Union and its financial institutions confirms that the European integration of the Republic of North Macedonia and the Western Balkan has been recognized a geo-strategic investment for stable, united Europe based on shared values and standards.

You said recently that the common market of the Western Balkans is interesting for investors because it represents a market of 20 million inhabitants. How can politics help economic cooperation between countries?

Most of all, the politics must ensure political stability and secure environment. Of course, the rule of law is our prerogative without foreign investments are impossible.

On regional level, among the Western Balkan countries, it is necessary to undertake steps for recognition of qualifications, as soon as possible. This is key for achievement of free trade of services. In the forthcoming period we need to breathe life into the “Memorandum for Cooperation” signed at the Poznan Western Balkan Summit. This is one of our priorities for shared

presidency over the Berlin Process between North Macedonia and Bulgaria until the next summit.

Furthermore, we need to undertake measures for implementation of the scheme for support of regional mobility of researchers. This will promote cooperation between science, technology and industry, between the scientists and researchers in the region. The Government of the Republic of North Macedonia has already adopted the text of the Memorandum and has active participation on all rounds of negotiations.

The digital progress must be the most important factor for interconnectivity in the region and it must remain our brightest point of cooperation.

The signing of the Regional Roaming Agreement that happened on the Western Balkan Digital Summit 2019 in Belgrade was a turning point and great progress towards decreasing of prices for roaming services of public mobile communication networks.

The politicians underlined the interest for expansion of the geographic scope of the Regional Roaming Agreement. In parallel, we are strongly committed to identifying models for lowering the prices of roaming between the region and the EU, and even their termination.

If all of us together overcome our daily political needs and replace them with higher goals, taking into consideration the benefits of the regional perspective, then we will be ready to secure open regional market, not only for our national companies but for all companies in the region and thus, we will make them ready to join the large European and world market.

BL: What are the main challenges in the CEFTA countries and how to overcome them?

ZZ: The biggest achievement of the Berlin Process, reinforcement of the interest of the Western Balkan countries and EU for greater regional cooperation, has been already completed.

Thus, the objectives arising from the Central-European Free Trade Agreement (CEFTA) for alleviation of the trade between the signees of this Agreement and removal of barriers in customs operations have been achieved.

Additional stimuli for this goal will be achieved through continuous implementation of the Connectivity Agenda and the multi-annual Action Plan for Regional Economic Area; these are important objectives to speed up the development of the region and to improve the quality of life of our citizens. We remain focused on achieving further results.

The implementation of the regional agenda for investments on the Western Balkan will secure a better targeting of the countries in the region, by taking specific steps and activities that are to be undertaken on national level, in order to secure economic development.

The realization of the goals from the Agenda will lead to greater harmonization of the investment policies of the WB countries with the EU standards, as well as, by applying the best international practices within the frames of the SEE 2020 Strategy and CEFTA, which will help each country individually in their process of EU accession. The main areas of the domestic economic reforms that we are focused on are development policies for human resources by investing in education, smart specialization and dual education.

CHALLENGES FOR A BETTER FUTURE OF THE WESTERN BALKANS

IVAN GROS M.A.

Managing Director Grimex Consult GmbH



Our mission is to contribute to faster development of SEE, to ensure full support for our members, as well as to support candidate countries from SEE on their path to the European Union.

At the time when the South East Europe Business Development Network (SEEBDN) was established 15 months ago, the programming concept of SEEBDN stated as its goal strengthening of regional co-operation through improving business and activities of companies from SEE and the Western Balkans. We have focused our activities on stimulating strategic partnership with developed markets, especially the traditional ones, such as primarily those of Germany and Austria, but also that of the EU as a whole.

We share the vision that the private sector in South East Europe (SEE) will be able to operate more easily and more successfully in the third markets if it joins forces and acts together. Joint appearance on the third markets would have a positive impact on the overall economic growth of the region. Therefore, cooperation within the private sector is one of the important factors for stability and prosperity in this part of Europe. And this is where we see the role of SEEBDN. Our mission is to contribute to faster development of SEE, to ensure full support for our members, as well as to support candidate countries from SEE on their path to the European Union. There are two basic and permanent directions for our further activities:

1. To promote companies from SEE and the Western Balkans, primarily those oriented towards export to the

EU market, but also to other developed markets.

2. To connect reputable companies from the EU market, especially those from Germany and Austria, with partners from the WB, so that they can implement investment projects from different sectors of the economy.

We are particularly focused on ambitious companies which aspire to be recognizable in the region and which could simply be described as successful players. The focus of such companies is on continuous development of business practices. There are indeed many successful companies in the region, but they are just more or less (un)exposed.

I am deeply convinced that their example is what others should follow. To this end, regional economic connections need to be strengthened in order to create "regional players". This would, on the one hand, increase the quality and quantity of their presence in the demanding EU market and further on, in the world market.

On the other hand, regional connections create a precondition for development, not only of manufacturing capacities, but also of entrepreneurship in general, as well as innovation, use of new technologies, and in particular, it would create a positive atmosphere among young business people.

We have already witnessed the success of such a concept - and that was an idea that led to the integration of

European countries at a much higher qualitative level. It was a vision of the future of Europe, strategically prepared by Adenauer and De Gaulle, and based on Schumann's plan. It began with the founding of the European Economic Community in 1958, which brought to life an idea of a common market. This vision was aiming at a better future for Europe, a better life for Europeans, a life based on tolerance and overall economic prosperity. History gives us hope and incentive to continue to promote the Western Balkans Regional Economic Area, which is more than ever necessary for the economic integration and prosperity of these countries. Politicians and business people should be guided by this vision of the future for the citizens of the Western Balkans. Unfortunately, it is noticeable that some countries tend to favor their

total, more than 50 percent (54%) was trade with neighboring countries (Germany, Switzerland, Czech Republic, Slovakia, Hungary, Slovenia and Italy), which amounted to EUR 165 billion in 2018.

An especially good circumstance in this case is that both Austria and its neighbors are EU member states and have a good and balanced political, geographical and even demographic situation with their neighbors.

In any case, an important lesson for the WB countries is that it is of strategic importance to work on intensive development of mutual business relations, implementation of joint investments, especially those in infrastructure, and connection with newly constructed roads. All of that is for the benefit of all the states involved and their citizens.

The common market should become a

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own partial and short-term interests. It is particularly evident that there are constant tensions and confrontations in the region, which present a latent investment risk for potential domestic and foreign investors. In such circumstances, they can hardly count on significant economic growth.

One good example of how good neighborly relations are key to a country's development is Austria. Austria's total volume of foreign trade in 2018 was EUR 306 billion, of which EUR 150 billion were exports and EUR 156 billion were imports. Of that

strategic interest of the WB, as this will bring the economy and the countries as a whole closer together and where there will be a mutual agreement on further development. A regional economic community of a WB economy, which would be large enough and well organized, could become a respectable factor. This would help avoid various undesirable and imposed interests of others, which are not in direct interest of the region, while on the international level the region would be taken more seriously and be more respected.





*The interview was conducted by journalist
HRVOJE KRESIC, N1 TV

“IT’S UP TO US WHAT WE WILL DO WITH THE ARTIFICIAL INTELLIGENCE!”

INTERVIEW: **MARIN SOLJACIC**, scientist

Will the Artificial Intelligence (AI) help humanity, or will it ultimately destroy it? Are there limits to its development, and are we even close to the point where the AI will be able to develop its own consciousness? There is probably no better person to discuss that, than Prof. Marin Soljacic, Croatian-American physicist and electrical engineer known for development of wireless non-radioactive energy transfer and a professor at Massachusetts Institute of Technology (MIT). Prof. Soljacic is a regular speaker at the World Economic Forum in Davos, he has won numerous awards for his research (Adolph Lomb Medal, MacArthur Fellowship, Blavatnik Award for Young Scientists) and is now shifting focus of his research towards the AI.

If you free your employees from dull, repetitive duties, you give them more time and energy to work something else.

I won't exaggerate when I say that the AI is by far the most powerful technology humanity has developed, or will develop further.

HK: What is the main focus of your research right now?

MS: We are trying to figure out how we can use AI in our scientific research, how we can improve our research by using AI and at the same develop it to do research by itself. In other words, we are doing whatever we can to make a computer capable of winning the Nobel Prize in the next 20 to 40 years (laughs).

HK: But will we then need scientists at all, if we could have computers doing the scientific research?

MS: It's a very long-term prediction. I don't know whether it will ever happen, but if it does - it will not happen any time soon. The AI is at the moment not nearly capable of doing what we imagine it could be doing when we watch Sci-Fi movies.

HK: Many of these movies usually see the AI as a threat, as something that - if it's capable of developing its own consciousness - could see humans as



PHOTO: John D. & Catherine T. MacArthur Foundation

a threat and turn against its creators. Is that a real possibility anytime in future? Should we be afraid?

MS: I won't exaggerate when I say that the AI is by far the most powerful technology humanity has developed, or will develop further. And yes, every technology can be both, useful and dangerous - same goes for nuclear technology, genetic technology, etc. So we must approach the development of the AI technology in an extremely careful way, taking into consideration everything that could go wrong, in order to avoid worst-case scenario. This is why these issues must be put in front of politicians, economists and public in the broadest sense of words, because we must discuss what and how we want to do with the AI.

HK: But if the AI develops its own consciousness, will it matter what we have to say anymore? Why should it listen to us?

MS: It doesn't necessarily have to develop its own consciousness. It all de-

pends in which way we want to push the research and development of the AI. We can develop many different sorts of the AI, but neither one with its own consciousness. However, we still know far too little in order to say that a consciousness AI is even possible.

HK: So what does the AI do for you now in your research?

MS: It helps us with some of more dull, repetitive parts that are present in every serious research: we develop and test models, for instance, and then test them over and over again. If I give that assignment to an AI algorithm, it leaves much more time and energy for me to do more creative things in my research.

HK: This is probably how businesses can use AI as well?

MS: Indeed. If you free your employees from dull, repetitive duties, you give them more time and energy to work something else.



SEEBDN

Southeast Europe Business Development Network

YOUR
BUSINESS
NETWORK.

SEE – GROWTH MARKET AT OUR FRONT DOOR

THOMAS HANEDER
Partner at TPA Group

SEE is characterized as a region with many small countries, and close collaboration is imperative in order to be recognized in a globalized business environment



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I fully identify myself with the mission of the SEEBDN – a network to connect and promote regional cooperation between companies and countries in the South Eastern Europe (SEE) and to back up the EU candidate countries of SEE on their path to the European Union.

SEE is characterized as a region with many small countries. Therefore, close collaboration between the countries is imperative in order to be recognized in a worldwide globalized business environment. Associations like the SEEBDN can be a great value for companies active in the region and also for the states in the view of an EU accession.

As a partner at TPA Group, a leading tax, audit and advisory company in Austria and Central and South East-

ern Europe, I had a big privilege to accompany and foster the expansion in the key markets in SEE in the last 10 years. After the fall of the iron curtain 30 years ago TPA was one of the first movers in the advisory industry expanding into the CEE and SEE region. Our strategy to open subsidiaries with local partners was a unique success story – today we are a group with more than 1,500 employees with offices in 12 countries.

Why did we as TPA Group decide to expand into the various countries in the SEE? In a region where most of our media mainly report about corruption cases, administrative and political insufficiencies or conflicts? For me there is an easy answer to this question – Austria by itself is a small market, but we have a great advan-

tage to have this region with a big growth potential directly at our front door. Due to cultural understanding, our historic link and the fact that Austria is one of the top investors in more or less all of the countries we consider the entire SEE region as our extended domestic market.

Finally, with regard to the EU accession of the remaining Western Balkan countries, I personally do not agree with the hesitant attitude of certain EU member countries. I am convinced that a quick EU integration of these countries (with a strict monitoring of implementation of reforms) is inevitable – this is my view as a person doing business in the region but even more as an EU citizen interested in lasting peace in Europe.

“TIKVEŠ” - HOW DID WE BECOME ONE OF THE FIRST REGIONAL BRANDS

INTERVIEW: **SVETOZAR JANEVSKI**, President, Tikveš Winery

“Tikveš is definitely among the recognized regional brands. Some would think that this is an inherited position, given the fact that most of the markets from the Western Balkans once belonged to a single state, but that is not the case. Yes, Tikveš has been present in all these markets since long time ago but that does not guarantee success at the moment or in the future. We work very hard to maintain and strengthen this position” – this is how the president of the Tikveš Winery, Svetozar Janevski, started his story for the Business Link Magazine.

“We put a great deal of effort to have good distribution in these markets and make our products available and convenient for the customers, as well as to promote the brand”, he said.

BL: To what do you owe that success?

SJ: We tend not to be satisfied only with being first in our own neighborhood, but want to compete with the best wineries in the world. We want to play in the big leagues and everything we do is aimed at achieving exactly that. We send our wines at renowned international wine competitions and win prestigious awards in strong contest with the wineries from around the world. We use science and tradition in our winemaking process, we work with top consultants in the wine industry that are among the best in the world, we use the best and latest technology available on international level, as well as innovative viticulture and winemaking practices. We want to show the world that this region does not lag behind the rest of the world and there are successful companies and people with vision who are able to stand hand in hand with their counterparts from other countries.

BL: How much have you invested in promotion and positioning in the region, and what are your plans for developing your brands in the years to come?

SJ: We continuously invest in promotional and sales activities but also in the change of the perception of Tikveš wines and Tikveš Winery as a premium wine producer. We have new generations of consumers who have yet to build a relationship with the brand, so this work never stops and we have to continuously introduce innovations, new products, modern packaging and be mindful of consumers’ tastes and preferences.

We have upgraded the image of Tikveš as a brand. We are well aware that quality is an imperative for any successful brand. We invested heavily, over 40 million euros, in the last 15 years to increase the quality through modernization of the winemaking equipment, introducing best practic-



TIKVEŠ
CHATEAUX & DOMAINES

We use science and tradition in our winemaking process, we work with top consultants in the wine industry that are among the best in the world, we use the best and latest technology available on international level, as well as innovative viticulture and winemaking practices

15 MILLION



OWN VINEYARDS



1.000ha

FRENCH OAK
BARRELS


670

ANNUAL
TURNOVER

28 MILLION
EURO

es in the vineyards to assure quality grape production, engaging expertise and developing our people, as well as introducing innovations and latest technology in all phases of the production process. So, we increased the quality across the entire portfolio, but also introduced new wines in the premium segment.

The Tikveš brand has also been evolving. We have recently launched a new brand platform - Tikveš Châteaux & Domaines to reflect our investments and production of premium wines from specific micro locations. It includes the domains in North Macedonia: Barovo, Bela Voda and Lepovo and most recently the French estate and winery Château de Gourdon in Côtes du Rhône AOC.

in the neighbouring countries or the Western Balkans region are our base and we aim to maintain our good positions by staying close to the customers, never compromising the quality and providing the best value to them. All our wines have an excellent price-quality ratio.

This a valuable attribute for any market and customers appreciate companies that offer them more. They feel respected and become loyal fans. But every market has its specifics and we have a different strategy for each of our important export markets.

We try to overcome the fact that our country and the entire region is not a wide established and well known wine producer, so we see that in the largest imports markets such as Germany or

We want to show the world that this region does not lag behind the rest of the world and there are successful companies and people with vision who are able to stand hand in hand with their counterparts from other countries.

This is a reflection not only of the evolution of our portfolio of wines, but also of our vision to be among the influential wine producers in the world. We are moving towards strategic investments and partnerships that will assist us in achieving this goal.

BL: Which markets are most important to you and how do you compete with those markets?

SJ: We are an export-oriented company and are always striving to increase the export of high-quality bottled wine. This means entrance and conquering foreign markets. The markets

Great Britain there is a tendency and demand for wine brands that are not necessarily tied to the well known regions, but have a clearly defined physiognomy and market identity that is recognized by the consumers and designed according to their taste. So, we build and place such brands on these markets.

In addition, Asia, especially China is a specific case and completely different from other markets throughout the world. We are realizing a number of other activities including exploring opportunities to initiate cooperation on state level in order to assure possibilities to enter the market.



BL: You are also active in the SEEBDN business organization. Based on your experience, why would you recommend SEEBDN to other companies?

SJ: This business network unites distinguished managers, current and former representatives of public institutions and diplomatic offices in the region and these are all people with vast experience and knowledge about the entire region and the respective countries. This creates a unique pool of expertise that combined together can contribute substantially to initiatives aimed at higher economic growth and resolving issues that the countries from the region face, but also in fostering greater cooperation and connections that are essential for future growth. There are benefits from

being part of this network in creating contacts, networking. The opportunities for cooperation are there for the members, but there are also opportunities for the members to contribute to the overall development of the region.

BL: Tikveš have received numerous awards as proof that they can keep up with European wine producers. But, what makes Tikveš different?

SJ: As in any other company, the difference is the people. The people who create future strategies, make long-term decisions and plans, and manage the company. Also, there are the people who turn these plans into reality through their knowledge and expertise and their passion and belief in the brand, in the company, in the

products - hardworking people at the winery and in the various markets.

In the wine industry there is another distinctive feature and that is the terroir. We have been blessed by huge natural wealth and abundance of perfect conditions for fine wine production. The Vranec variety grapes produced in the Tikveš wine region have unique characteristics and combination of compounds that are not present in any other place throughout the world. That is why our wines are also unique in character, taste and quality. We try to provide all the necessary tools and conditions in terms of technology, equipment, investments etc., to our people, so that they can be creative and motivated to take these natural gifts and turn them into award winning wines adored by consumers.



CAFÉ+CO BRINGS THE #PERFECTBREAK TO SEE

FRITZ KALTENEGGER
CEO café+co International



From the perspective of café+co, in particular, the market in South East Europe holds great potential for development.

In this dynamic world, people are increasingly looking to experience moments of relaxation and joy. These moments help to recharge batteries, especially in everyday working life. Thanks to many years of experience in providing excellent coffee, café+co knows exactly which requirements have to be fulfilled and just how crucial the #perfectbreak is for motivating people and improving performance.

As a vending machine catering market leader, café+co embraces the challenge of providing the #perfectbreak to more and more people all over Europe every day with true enthusiasm. From the perspective of café+co, in particular, the market in South East Europe holds great potential for development. Currently the company operates a branch in Hungary, Romania and Serbia, respectively. They also benefit from good cooperation with their two café+co partners in Croatia and Bosnia and Herzegovina. The café+co subsidiary in Serbia with its 30 employees already offers the #perfectbreak to more than 500 Serbian companies. Over 1,200 machines are operated and filled daily by the employees of café+co throughout the Serbian region. By doing that, the company focuses on stable growth and stable product quality.

As a leading coffee provider, café+co pays special attention to sustainability and traceability. They always choose high-quality, sustainable or certified products that offer a unique taste experience. The new café+co premium coffee BULUNGI, is made from hand-picked highland beans from Uganda, imported directly to Austria and traditionally roasted in Vienna.

To sum up, 72,000 installed supply solutions from twelve operating subsidiaries in ten European countries speak for themselves: excellent-quality coffee, soft drinks and fresh snacks promise energy and enjoyment with reliable service. This company's name stands for reliable supply and never-ending innovations like, for example, cashless payment: café+co.



SEEBDN
Southeast Europe Business Development Network



**YOUR
BUSINESS
NETWORK.**

café+co
cafeplusco.com

BUCK

abkons
LOCAL Knowledge, GLOBAL Standards


TIKVEŠ
CHATEAUX & DOMAINES

+ **LANSKY,
GANZGER**
partner
LGP RECHTSANWÄLTE / ATTORNEYS



BESNIK LESKAJ
Founder and CEO of
Abkons

WE SEE OURSELVES IN THE CONTEXT OF WIDER SOCIETY

The Western Balkans is at once a cradle of history's treasures and a glimpse of the future. The region is steeped in history, sitting at the crossroads of Western and Eastern worlds. At the same time, investment, development and technology — and the globalised world that drives these phenomena — are coming to define this area of the world.

Inevitably, dilemmas emerge. How can government and business reconcile the need to preserve the past with furthering economic development, when these two notions come into conflict? The major infrastructure projects taking hold in the Western Balkans give rise to such questions, and demand region-wide answers from flexible, highly-deployable and knowledgeable organisations. Abkons has grown to become one such regional presence, actively operating across the Western Balkans, maintaining offices and local networks across these locations to deliver high-impact, locally-sensitive results. Abkons' geographical reach is matched by the depth of the 30 in-house specialised services it is able to deploy. Abkons' engineering and heritage expertise, for example, has been integral to the implementation of multiple de-

velopment projects in the region. The firm has delivered land management services for the Trans-Adriatic Pipeline (TAP), assessed Kosovo's capacity for wind power, identified dozens of heritage protection zones affected by TAP and Dewoll Hydropower Project, and audited the scope for regional water resources integration — just some of over 145 projects so far completed.

Beyond its business interests, Abkons sees itself in the context of wider society. We believe in harmonising foreign investment with local communities' interests. From heritage protection to the environment, health and safety to project management, socio-economic impact investment to ITC, Abkons has developed widespread capabilities across a 150-strong team — and operates across the entire Western Balkans.

*We believe in
harmonising foreign
investment with
local communities
interests.*

*Abkons has grown
to become one
regional presence,
actively operating
across the Western
Balkans, maintaining
offices and local
networks across these
locations to deliver
high-impact, locally-
sensitive results.*



DARDAN SHALA
Member of the
Managing Board of Devolli
Corporation

WE AIM TO BE THE FIRST CHOICE OF CUSTOMERS

"The most valuable thing is the one that you created with hard work", said Ibrahim Devolli about 30 years ago when he established "Devolli Company". His ideas, life and especially business practices were guidelines for me as one of his inheritors senior staff.

The "Devolli Company" started in Kosovo, as a small company with 30 employees and a very simple technology. To date, it has seen a multiplier increase grown more than tenfold and is currently a well-known regional corporation with more than 2,000

employees and state-of-the-art technology, operating as the prominent "Devolli Corporation".

The path was not always easy, but the commitment was strong. We were continuously innovative with our products and production technology, aiming always to meet clients' needs and to remain a prominent leader in the market. And so we did it! Now, we have long experience and proven record of quality standards.

We are committed to continue to gradually enhance and expand our production program and service



“Devoli Corporation” today produces and distributes coffee, but also mattresses, it owns mills and a transport fleet of more than 150 vehicles.



portfolio, consisting of a wide range of activities, but at the same time to maintain a stable status of assets. Our vision was and still is that the products of “Devolli Corporation” should become customers’ first choice and be present everywhere where business activities are carried out.

Our road to success can be described in a few words: relentless work, modesty, respect for customers (and for all people) and keeping in line with the economic development. Our main objective is to be the best in terms of quality, services, supplies and distribution. From order to distribution, “Devolli Corporation” is always a step ahead by using innovative techniques in order to better serve its clients.

“Devolli Corporation” today produces and distributes coffee, but also mattresses, it owns mills and a transport fleet of more than 150 vehicles.

Through its wide coffee distribution network, “Devolli Corporation” supplies over 3,000 stores with Prince

Turkish Cafe and over 750 points of HoReCa with Prince Espresso. It also distributes espresso coffee in Kosovo to coffee shops, hotels, bars, etc., in more than 1,000 shops - bars, and provides servicing and maintenance of coffee machines as well.

Currently, the products of “Devolli Corporation” are being exported to Albania, North Macedonia, Montenegro, Slovenia, Austria, Turkey, Belgium, Germany, Switzerland, Italy, England, Sweden, USA and Canada.

I truly believe that a successful corporation cannot be maintained without motivated employees, and that is why we are very dedicated and close to our staff, which is a source and guarantee of our growth, innovation and continuous success. I sincerely believe that future generations will keep the tradition that has generated permanent success for me and for all of us in “Devolli Corporation”.

CAPTURING A BROADER ECONOMIC MOMENTUM

REGIONAL COOPERATION BRINGS MODERN TECHNOLOGIES AND GREATER EFFICIENCY



DAVOR MAJETIC

Director General of Croatian Employers’ Association

In strategic terms, Croatia - as an independent state, a member of NATO and the EU - stands better than ever. Still, there is a lot of work ahead of us. Our system of measuring the effects of reforms in order to be more competitive as a country - HUP Skor - points to weaknesses in the areas important for stronger economic development. The Croatian Employers’ Association (CEA) was founded 26 years ago as an independent, voluntary and non-profit association representing the interests of the economy and over the years, through its activities, it has established a prominent position in the

region and in the countries of the European Union. The current task of CEA is to address the key obstacles to broader economic momentum, such as relieving high labour and business costs, modernizing labour legislation, reducing tax and non-tax levies, and reforming the judiciary, health and pension systems, and to do so in dialogue with the social partners.

Today, the Croatian Employers’ Association brings together around 6,000 companies from all sectors of the economy, employing between 500,000 and 550,000 workers. The extent of its importance is

certainly large if we know that CEA members represent about 70 percent of Croatia's private sector income. At the European level, as well as in Parliament, CEA represents the interests of its members through Business-europe, and is also associated with UEAPME and 12 other European industry associations through which we point to obstacles in the Croatian economy. CEA is the leader of the UN Global Compact initiative in Croatia and participates in the work of the European Economic and Social Committee through which it addresses labour market issues and sustainable development and the promotion of gender equality through the UN initiative.

But these are not the only topics of concern for Croatian business people today - CEA shares the challenges facing the entire European Union - the issue of new technologies and the adaptation of business processes and the workforce to the digital society that has become a reality. At the same time, the state must provide the preconditions and solutions to the challenges that the digital revolution brings for the economy and society. This entails raising awareness among political elites that private enterprise must be a generator of development and a bearer of sustainable economic and social stability of the country, primarily through an institutional framework, but also through an open and direct dialogue with the representatives of employers. The focus of CEA is also one of the burning issues of today - migration in the labour market, partly as a consequence of joining the European Union, and consequently a serious shortage of labour. Those are topics we share with our regional associations, since the data indicates that all the countries in the region are facing the same obstacles.

Regional cooperation between associations is crucial for anticipating and implementing trends, sharing know-how and joint lobbying on topics of interest to higher institutions. Through joint initiatives and meetings of the countries of Central and South-eastern Europe, it is easier to prepare ourselves to achieve the individual goals of the countries. Croatia should reach at least 75 percent of real per capita income relative to the EU average by 2030. The unemployment rate should not exceed four percent, the employment rate should reach 75 percent, and Croatia should be among the 20 most attractive investment destinations by all criteria.

Regional cooperation between associations is crucial for anticipating and implementing trends, sharing know-how and joint lobbying on topics of interest to higher institutions.

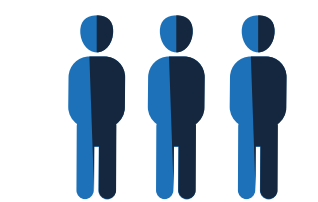
CEA's mission is to contribute to the achievement of positive trends and results through its activities and through close regional cooperation and exchange of best practices, as well as obstacles to business, such goals become a common interest which means better positioning on the map of Europe.

The current task of CEA is to address the key obstacles to broader economic momentum, and to do so in dialogue with the social partners.

**6,000
COMPANIES**



**500,000
WORKERS**



**70%
OF
CROATIA'S PRIVATE
SECTOR INCOME**



MIROSLAV PLASCAR
Managing Partner at
"Zuric i Partneri"

More than a decade ago, Croatia was referred to as a hidden touristic jewel, especially for nautical tourists.

DEVELOPMENT OF PROPERTY PROJECTS ON THE CROATIAN COASTLINE

Among several investment opportunities in Croatia, one of potentially most attractive is the property development on the Croatian coastline. When visiting Croatia, one may often hear nothing but words of praise for the beauties of the Croatian coastline, and rightly so - with its 1,185 islands, islets and rocks, Croatia has one of the most indented coastlines in the Mediterranean and it rightfully bears the title of a "country of the thousand islands".

The lack of heavy industry and plants has helped preserve clean nature, pristine waters and crystal clear sea. Croatia's coastline has all the prerequisites for development of high-end, luxury tourism as one of its key economic targets.

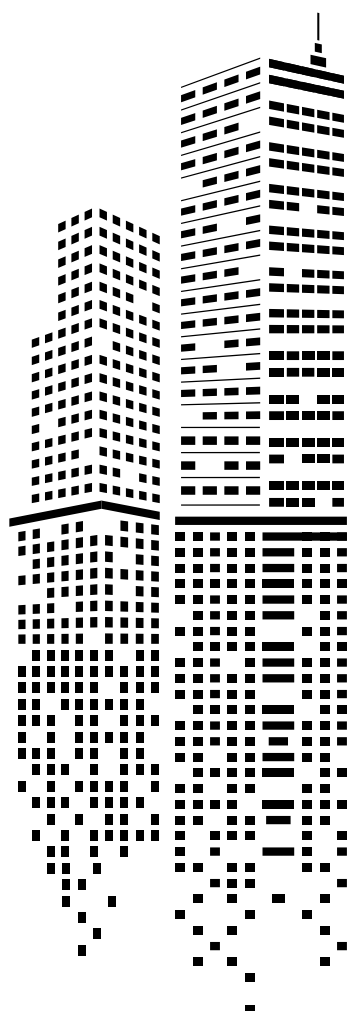
Despite the aforementioned advantages, no substantial property development projects or related investments had been initiated. The main reason for investors' lack of interest was inert local bureaucracy and slow judiciary, which hindered fast and efficient development of initiated property projects. However, things are moving forward in Croatia, with new trends such as digitalization of administrative services, and the latest amendments to the Public Property Act and Strategic Investment Act.

Banking and financing systems in Croatia are stable since most of the major Croatian banks are linked to larger European banks. These very circumstances, in which Croatia as the youngest EU member has a relatively small number of major proper-

ty investment projects given the size of its coastline and tourism potential, open the possibility for considerable number of new projects. Potential investors should consider surveying both the political situation in the local community where the project development should take place, as well as legal status of targeted property.

When entering Croatia's market it is advisable to engage renowned consultants with experience in similar projects in order to form a consultancy team with a well-established system of mutual control and cooperation. The majority of such consultants are located in Zagreb, the capital of Croatia, from where they can establish contacts on the local level. First, due diligence of the potential project should provide the investor with a realistic idea of the project as well as with plans of local community for the target area. Administration and judiciary in Croatia are relatively slow compared to other EU member states mostly in Western Europe. However, these obstacles can be mitigated with good organization and expert guidance.

More than a decade ago, Croatia was referred to as a hidden touristic jewel, especially for nautical tourists. We believe the time is approaching when the same expression will be used for Croatia as a destination for development of high-end luxury resorts and other luxury tourist capacities, which are lacking in Croatia today, which is why the current operators are unable to meet the ever increasing market demand.



Over the next 12 months, we want to attract several hundred customers in the region.

DIGITIZATION IN THE CONSTRUCTION INDUSTRY

DOMAGOJ DOLINSEK

Managing Director and Partner at PlanRadar



South Eastern Europe is currently experiencing a phase of intensive construction activity, which benefits not only construction, but also the real estate sector. PlanRadar, a cloud-based software-as-a-service (SaaS) solution for construction documentation, task management, defect management, due diligence, assessments, handovers, facility management, and much more is also becoming increasingly involved in this development. Founded in Vienna in 2013, PlanRadar is strongly represented in the DACH region but with strong bonds to the SEE region. I am one of the founders, and I have been working in the construction industry for over 10 years with a full understanding of the needs and problems of more than 4,500 customers in 43 countries worldwide. In inter-

nationalization, PlanRadar is placing a strong focus on South East Europe - recently, a branch office in Zagreb has been opened. Additional branches will follow this year. Our customers include, among others, STRABAG, PORR, Siemens, and Kamgrad d.o.o. These users state their benefit from PlanRadar by eliminating defects more quickly with the result of increasing efficiency up to 70 percent in addition to time savings up to seven hours per week.

Over the next 12 months, we want to attract several hundred customers in the region. The way is clear for us: We want to continue to drive growth in order to keep the annual tripling of sales. We are very confident that we will achieve this goal.



SEEBDN
Southeast Europe Business Development Network

YOUR BUSINESS NETWORK.

EUROHERC

Žurić i Partneri
odvjetničko društvo

Alexander Picker

LANCom

SAT-TRAKT
TELECOMMUNICATIONS

DEVOLLI
CORPORATION



SEEBDN

WHO WE ARE AND WHAT WE DO?

The Southeast European Business Development Network (SEEBDN) is an independent business association of prominent managers, entrepreneurs and diplomats from the countries of Southeast Europe, Germany and Austria. We are a not-for-profit association (eingetragener Verein) based in Vienna.

The SEEBDN aims to enhance international business operations of SEE economies, particularly with the EU market, focusing particularly on developing new business networks and stimulating business operations of small and medium-sized enterprises (SMEs) on external markets, but we are not neglecting large companies either.

In this process, the SEEBDN will seek to support inclusion of SEE economies in European Commission's development projects, as well as in national projects of EU members states, aimed at boosting foreign economic ties.

For the benefit of its members, the SEEBDN will use different resources. The SEEBDN shall seek to link business people, scientists, politicians and other stakeholders in European and regional processes of importance for the SEE economies. We shall also strengthen the flow of reliable, topical, economic, financial, business and political information and analyses of importance for the SEE region.

We are offering advertising opportunities in the region, as well as in the EU and the international market, mainly through the Business Link magazine, and organization of occasional meetings for business people from the SEE and the EU in order to connect them with companies interested in business partnerships.

Our organization would mainly focus on business activities of small and medium-sized enterprises, modern technology transfer, know-how, and would also stimulate the use of digitalization and enhanced activities towards developing a business network aimed at linking SEE countries with interested companies in the EU.

The SEEBDN shall provide additional financial resources from EU funds, funds of EU member states and other sources. Provision of regular online access to programs of support to SMEs, which are offered by the EU or state and business agencies from the region and the EU (tenders, other calls for proposals).

If you wish to join our association and use all business opportunities that we can offer to our members, for more information please visit our official website: www.seebdn.eu.

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What do FRUIT STARCH & SUGAR have in common?

AGRANA is successfully active around the world in these three segments. We add value to agricultural commodities such as fruits, potatoes, corn, wheat and sugar beet to create a wide range of industrial products. The portfolio range extends from fruit preparations for yoghurts, fruit juice concentrates and starch in food, textiles, paper and bio-plastics to sugar in many variants.



The natural upgrade