

ARAB INVESTORS ARE LEADING AGRIBUSINESS IN SERBIA AT A LOSS, THE STATE WILL NOT SAY WHETHER THEY ARE PAYING THE RENT FOR THE FIELD

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VOICE

The agricultural company AD "Zobnatica", which has been owned by the company "Elite Agro LLC" from Abu Dhabi since 2014, in 2018 operated with a loss of 1.9 million euros (230,206,000 dinars), and it is unknown how 2019 ended, because it did not submit a timely business report for that year. The financial report for 2019 was not submitted by "Al Ravafed Serbia", majority owned by the company of the same name from the United Arab Emirates, which manages the state property in Karadjordjevo, and which has also been under the cap of the Arab company "Elite Agro" since last year. "Al Ravafed", like "Zobnatica", in 2018 operated with a loss of about two million euros (247,897,000 dinars).

Apart from the fact that they ended last year with a business loss and that there are no officially published financial reports for 2019, the joint "Zobnatica" and the Military Institution "Morović" in Karađorđevo, ie the Arab companies "Elit agro" and "Al Ravafed", did and the fact that **since the beginning of their business in Serbia, it is not known whether they pay the rent for agricultural land that the state gave them for long-term use.** The state, that is, the line ministries, municipalities and AP Vojvodina, avoid answering those questions. Even after the request for access to information of public importance, VOICE did not receive an answer from the municipality of Backa Topola, where a good part of those fields is located, the Ministry of Agriculture did not answer our journalist question, and the Provincial Secretariat for Agriculture told us that the procedure the lease is carried out by the local self-government, and the decision on renting is made by the relevant ministry, so he sent us to those addresses.

According to the Law on Agricultural Land, 30 percent of the money from the lease of state agricultural land in Vojvodina municipalities flows into the budget of Serbia and the budget of Vojvodina, while the local self-government on whose territory those fields are located owns 40 percent of the income. With that in mind, we sent questions to those in charge of both those fields and the money in the country.

The Provincial Secretariat for Agriculture, Water Management and Forestry **has no insight into any individual contract on the lease of state-owned agricultural land** that the Ministry of Agriculture, Forestry and Water Management concludes with legal entities and individuals, so we do not have insight into the AP budget revenue. Vojvodina from any tenant, not even from the tenants you mentioned in the request for access to information of public interest ", we were told in the Province.

This is not the first time that VOICE remains unanswered when it comes to the business of Arab

local self-governments from which Arab investors lease state arable land, the Ministry of Agriculture, the Government of Serbia, as well as the Ministry of Defense, which is in charge of the Morovic Military Institution.

The famous Vojvodina stud farm "Zobnatica" fell into the hands of Saric and Arab investors

The business of "Zobnatica", but also of other agricultural companies managed by Arab investors, is a great unknown since their arrival on the fields of Vojvodina. At one time, the Council for the Fight against Corruption, pointing to 24 controversial privatizations whose investigation was requested by the European Union, submitted a report on the agricultural property and stud farm "Zobnatica" to **Ivica Dacic 's government, listing it among suspicious property transformations.** In the report, the Council stated that the sale of the social capital of "Zobnatica" was announced for the first time in 2008. It was not realized then, and for the next sale, the Privatization Agency, according to the Anti-Corruption Council, predicted without explanation that the buyer would be a hotelier with a four-star hotel. **The entire "Zobnatica" left for 1.8 million euros, although in 2006 its assets were estimated at 11 million euros.** The buyer of 70% of the social capital of AD "Zobnatica" was a consortium of legal and natural persons Petris Hristoforos from Greece and "New Company" from Belgrade, whose authorized representative was - Christoforos, and the founder of the company "New Company" was an offshore company from Liberia. **Small shareholders then claimed that "Zobnatica" was bought with the dirty money of the recently convicted Darko Šarić.**



After six years, "Zobnatica" was on sale again, but - let us remind you - it did not go in the package of Vojvodina's agricultural companies prepared for buyers from the United Arab Emirates in accordance with the interstate agreement signed by the Serbian government with Arab companies. The package included companies such as "Jadran" from Nova Gajdobra, "Bačka" from Sivac, "Mladi borac" from Sonta, as well as the Military Institution "Morović". "Zobnatica" was bought in 2014 by the newly established company Yugo Elite Agro, backed by Elite Agro from Abu Dhabi. With the exception of 2017, in which AD "Zobnatica" operated with a profit of 12,479,000 dinars, all other years after the transition to Arab hands brought it a **loss**.

APR: It is not known why the financial reports were not submitted

The Business Registers Agency does not know why the companies AD "Zobnatica" and Jugo elit agro did not submit regular annual financial reports for 2019 by the legally prescribed deadline of August 4, we were told in the APR.

The Agency reminds that the deadline for submitting reports this year has been moved from June 30, in accordance with the Decree on moving deadlines for holding regular sessions of the General Assembly and submitting annual and consolidated financial reports of companies, cooperatives, other legal entities and entrepreneurs, due to kovid disease 19.

"However, the Law on Accounting stipulates that taxpayers can submit their regular annual financial reports by December 31, 2020 at the latest, with the payment of a fee increased on the basis of late delivery," the APR explains.

One of the first moves of Arab investors after arriving in "Zobnatica" was the sale of pigs and the closure of a farm that had existed within the agritourism complex for decades and delivered 11,000 fatteners a year. Instead, blueberries have been planted on about a hundred hectares. According to the "Zobnatica" website, which is only in English and does not provide much information about the owner and business, blueberries are currently grown on about 250 hectares. As we were convinced by visiting this property, the harvest was recently completed, and according to the workers we spoke to, most of the goods were exported. Obviously, investments in blueberry plantations were large because almost all plots were covered with anti-hail nets, irrigation systems, and as the land in Vojvodina is not suitable for growing this fruit, it was changed, that is, it was filled up appropriately. Refrigerators, that is, storage capacities, have been built on the property, and there are also seedlings ready for new plantings. However, this plantation does not give a picture of the property that is highly taken into account and in which all the necessary measures are applied because it is a **good part of the plot is weedy and untidy**

AD "Zobnatica", as can be seen in the documents of state bodies and agencies, performs agricultural activities on an area of 1,621 hectares, of which only 114 hectares are owned and everything else is leased. This does not completely coincide with the data from the annual program on arranging and leasing state agricultural land for 2019 in the municipality of Bačka Topola. Namely, the program states that AD "Zobnatica" in Backa Topola received 1,141 hectares of state arable land in a long-term lease for 15 or 20 years. Mostly, she got those fields on the basis of the right of first refusal, because there is already an infrastructure on them, that is, irrigation systems. Backa Topola rented out the fields to "Zobnatica" at prices ranging from 212 to 265 euros per hectare, and would receive a total of about 120,000 euros for that, provided that this company pays the rent for 15 or 20 years. A lots leased to AD "Zobnatici" in the municipality of Bačka Topola are in the cadastral municipality of Mali Beograd. As can be seen in the annual plan for the issuance of state land, only 0.1 hectare is managed under orchards in Little Belgrade. In total, in the entire Backa Topola, only 5.5 hectares are under orchards built on state land, so there are disagreements and illogicalities - based on available data, the actual ownership of AD "Zobnatica" over agricultural land cannot be determined. To complicate matters, according to the data from the cadastre in which VOICE had access to the company "Jugo elit agro", ie "Elit agro" in Serbia, it does not own a single hectare of agricultural land. And "Zobnatica", for which state agencies such as the Agency for Protection of Competition, say that it owns 114 hectares, operates as part of "Jugo Elite".

In the company AD "Zobnatica", we did not manage to get answers to the questions or to clarify the unknowns about the ownership of the land, lease and payment of rent - **they ignored our request.**

Arab agribusiness in Serbia is run by one person

Last year, the Commission for Protection of Competition of the Republic of Serbia approved the concentration to the company "Elit agro" and it was announced that it took over "Al Ravafed Holding", and thus the company "Al Ravafed Srbija". "Al Rawafed Serbia" is a joint venture of "Al Rawafed International Investment" (80 percent) and the Republic of Serbia (20 percent). Under his cap are VU "Morović", "Bačka" from Sivač, "Jadran" from Nova Gajdobra, and goods in Bač and Sonta.



Although the Commission for Protection of Competition approved this concentration in March 2019, no change of ownership was registered in the Business Registers Agency, that is, it cannot be seen that "Elit agro" took over "Al Ravafed". "Al Ravafed Srbija" can still be found among the companies in which the Arab "Al Ravafed International Investment" and the Republic of Serbia have ownership shares.

In January of this year, "Jugo elit agro" submitted a request to APR, that is, a decision to change the seat, but it was not approved. Inspecting the submitted documentation, it was determined that an irregular decision on the change of the company's headquarters was attached - the names and functions of those who sign that decision on behalf of the foreign legal entity Elit agro are missing. In the case of "Al Ravafed", APR last year allowed a change of address, members of the supervisory board and other representatives.

Elem, one man, **Saeed Humaid Salem Bin Bader Al Suwaidi** from the United Arab Emirates, is the director of AD "Zobnatica" and the companies "Al Ravafed Serbia" and "Jugo elit agro". Let us mention that in Serbia, apart from these Arab companies, there is only one other business in agriculture - "Al Dahra", so that Al Suwaidi mostly runs Arab agribusiness in our country.

In the agricultural industry, however, **this name is not very well known**. Al Suwaidi did not appear in public, except for the participation in the business forum on Kopaonik in 2016, when he announced a turn in the business policy of AD "Zobnatica" in terms of orientation towards growing vegetables and fruits and revitalization of horse stables and hotels.

However, judging by what we saw during last week's tour of this complex, the famous toothpick stud has not flourished since the arrival of the Arabs. **Out of over 200 heads, we heard from the employees, now there are about seventy of them**, and the seven or eight horses that were outside did not look representative.

Sladjana Gluscevic and Milos Katic (VOICE)

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