**The City of Novi Sad – Someone’s Mother, Someone’s Stepmother**

While trying to destroy in all the possible ways Ilija Dević who has invested 30 million Euros into the new bus station, the City of Novi Sad is investing almost 33 million into coming of *Lir* Company, although it is not absolutely certain that the American investor will really come.

[**NOVI SAD**](http://www.021.rs/Novi%20Sad/4)**5 January,** 2016. | 08:14

A lot of noise has been created about coming of Lir Company, manufacturer of auto cosmetics which should start production in the Industrial Zone *Sever 4* on 1 November and employ 2000 workers.

While local government has been stressing their contribution to solving the problem of unemployment which is the biggest problem of the City of Novi Sad and the state, the opposition is pointing out that it is pre-election puffing of the number of new working places and that is also an uncertain investment in which the City is going to invest more than the American company. As the alderman of the City Assembly, Goran Radojev emphasizes, the company is well known for its rough attitude towards the employees and because of that it has lost several litigations in the states where it has dislocated some manufacturing plants.

**The Halls Leasing**

The essence of the problem is in the fact that the American investor demands organizing of the production in leased factory halls. The City has not found a proper solution and it has decided to invest even 4 million dinars (approximately 33 million Euros) till the end of April into construction and equipping of 28 hectares of the Industrial Zone *Sever 4*.

The investment is extremely big for the City of Novi Sad, and when asked by an alderman if there is possibility that the investor could change their mind after April, the Mayor rather vaguely mentioned bank guarantees. The additional remark given by the opposition is that it is low-demanding production and that 90% of the workers would be unqualified workforce. Pilot testing of the candidates to stand for a long time, even for 12 hours continuously, as well as testing of sensitivity of fingertips favor the remarks.

On the other side, local government answers that the situation is such that it is not possible to choose, and that this situation has been created because of those who closed the factories, while the current government is trying to build new ones. Attempts of the City to bring an investor at any price, even if it does not have a good reputation, can be understood after all. It is more difficult, however, to understand attitude of the current government, as well as the two previous ones local governments towards the investor and his investment into the new intercity bus station because of which the City has lost the basic civil dispute while another three judicial proceedings are still in progress.

**Shaping of Public Opinion**

Let us remind you that almost ten years ago, businessman Ilija Dević who had previously successfully privatized and revitalized faltering transport company *ATP Vojvodina*, signed contract with the City in which he was obliged to build a new intercity bus station while obligation of the City was to relocate this kind of transport from already existing bus station whose temporary work permit had expired long time ago and which was managed by the local public company for the city transport to the new location. The investor *ATP Vojvodina*, whose majority owner was Dević, has fulfilled its obligations, while the City has not fulfilled its obligations.

Since 30 million Euros were invested and, due to the fact that the City did not fulfill their obligations, there was no income from the new station. *ATP Vojvodina* fell into late payment and then it was not even able to pay off the loan. The transport company eventually went into bankruptcy. The bankruptcy procedure is still in progress.

Litigation was launched and after numerous hearings, it was at the end of the year 2011 when the Court made the final decision that the City had not fulfilled its obligations and gave the order to the City to pay the damage compensation in the amount of about 12 million. By means of an extraordinary remedy the City managed to reduce the amount of compensation to approximately 4,1 million Euros. The European Parliament in Strasbourg is informed about the litigation and this case is among 24 for which reconsideration has been demanded. While the City government imposes the impression that the investor’s demand is disputable, this case is treated as a unique one in Strasbourg due to the fact that it is not the state or social property which suffers damage but, contrary to the City government opinion, it is a private investor.

Whenever David McAllister, European Parliament Rapporteur, comes to Serbia and Novi Sad, he asks *ATP Vojvodina* and gets the same answer that the litigation is still in progress. Discomfort appears when the Rapporteur remarks that the Parliament is familiar with the case and that it is expected that the litigation will be conducted into proper direction. As for the three current litigations, the amount of compensation is estimated to more than 70 million Euros, because the investor, besides *ATP Vojvodina* property, gave the guarantees for the loan by his mother company *Mankop* and his personal property.

**Looting of the Investor**

This case is even more unusual because of the fact that, unlike coming of *Lir* Company*,* this investmentwas certain and, till the disputable decision of the City not to fulfill its obligation, a successful one. The investor was employing 526 workers in *ATP Vojvodina* and about a hundred in *Mankop*, while the City invested nothing. Furthermore, the investor had already prepared infrastructure for further investment into the accompanying motel, supermarket, gas station, taxi station …

**The income of the complex would be about 40 million Euros per year, while 1,100 workers would be employed there.**

It seems as if the very size and quality of the business project were the main target for the attacks on a successful businessman. It is still unknown why the City of Novi Sad roughly and illegally, in spite of the final court decision, has been treating in this way this several decades successful businessman and his well thought out investment which would have provided more than 1,000 work places. The work places would have been of much better quality than the ones to be open by *Lir* Company and even they would appear after the City’s previous investment of 33 million Euros into equipping of the area and building of the manufacturing plant.

It is still unknown what the final price of irresponsibility of the last three local governments would be paid by the citizens of the city at the foot of Petrovaradin Fortress. (Živan Lazić)