

# Novkol

## Partner for Building the Balkans

Serbia's economy has shown strong resilience in the face of international headwinds, and will return to a solid 4% annual growth rate in the medium term, according to a recent report by the International Monetary Fund (IMF). The IMF noted strong inflows of foreign direct investment, and that the country's "fiscal performance remains a key strength". The Serbian government has put attracting foreign investment and maintaining macroeconomic stability at the heart of its programme, boosting job creation and driving down public debt. This robust economic performance, with a mix of public and private investment, is driving the growth of the construction sector. The value of construction work executed in the second quarter of 2023 was 17.9% up on the same period of 2022 in constant price terms, according to official figures. Civil engineering activity rose by 20.8%. A new construction law in the pipeline should further bolster the sector, harmonising rules with EU standards, increasing transparency and expediting procedures for issuing construction permits.

**N**ovkol is taking the lead in this dynamic sector. Founded in Belgrade in 1997 by three experienced engineers, the company designs and executes specialised construction projects, particularly in the hydrotechnical, geotechnical, and infrastructure segments.

Projects it has been engaged in include the reconstruction and upgrade of Belgrade's Nikola Tesla Airport, Belgrade Waterfront, which is the biggest foreign investment in Belgrade, the new University Children's Clinic Tirsova 2, and the Kostolac B power plant, as well as private sector projects ranging from factories through hotels to residential blocks.

"This year, we're starting work on the Belgrade Metro, in which we'll play a great role," says Milos Hranisavljevic, Novkol's CEO. "We are also starting building a new building for Belgrade Expo 2027, and the third project we are working on is the national stadium, commencing in the next couple of months. Realistically, given these projects, we need to look into joint ventures, and we are already negotiating with Italian companies that could join us. We are open to many options, such as expanding into other countries in the region. We are planning projects in Croatia and Slovenia, and we'll go from there. We'd always appreciate having a local partner."

Novkol already has a landmark agreement with Italian company ICOP, one of Europe's leading microtunnelling and direct pipe companies, for a microtunnel project, the first that Novkol has worked on. Hranisavljevic is particularly proud of such a prestigious partnership.

The Belgrade Metro project has been mooted on and off for some decades, and its implementation is a major milestone in Serbia's infrastructure development.



Milos Hranisavljevic  
CEO and shareholder

Novkol will be constructing new stations for the network, which is a complex project given Belgrade's hilly geography and the range of soil types across the city, requiring varied engineering technologies. Novkol is well-placed to deliver, given its highly-skilled team of engineers and mechanical capacity. These attributes make it an ideal partner for the growing number of projects across the region and beyond.

"The first thing we have is know-how," says Hranisavljevic. "Our engineers are among the best in the field and I can say that we are at the same level as top companies throughout the world. Our people are one of our most valuable assets. We dream about the kind of situation that we currently have, where our hands are full of work. We need a chance like we're getting, and we'll always take those opportunities and prosper."

Novkol is also proud of its innovation. It is currently working to assess the uses of biodegradable polymers, which few other companies have adopted, making the company a potential leader in the segment. The adoption of biodegradable materials would reduce waste and pollution from construction projects, lessening the industry's negative environmental impact.

Hranisavljevic is bullish about the outlook for the region, and particularly Serbia, given its rate of development. The strengthening railway network means that concrete pipes that Novkol imports from Italy may now be brought by rail rather than road, reducing costs and emissions. Serbia's highly strategic geographical location between Central Europe and the Balkans, and thus between the heart of Europe and the Middle East, gives it a strong advantage as a transportation and logistics centre. A new high-speed rail line between Belgrade and Budapest will further enhance its position, as well as a new railway south to the city of Nis, a historical crossroads in the Balkans, which will connect to Bulgaria and North Macedonia's networks, and thence on to Turkey and Greece. These developments will both create new business for construction companies and the ecosystem around them, and boost long-term economic growth.

"I am very positive and optimistic regarding growth in the future," says Hranisavljevic. "Infrastructure in Serbia is evolving, railways for example. Our government is doing a good job and investment is growing, and I believe that is going to be the trend in the foreseeable future. I think that we have a chance to be leaders in the region when it comes to attracting investment, and other companies, when they see the situation, will want to join in as well."