



Invest in Kotor Varos

February 2021.





MUNICIPALITY OF
KOTOR VAROS

Why invest in Kotor Varos?

- A favorable geographical position
- Greenfield and Brownfield investment possibilities
- Long tradition in machine, wood processing, leather and textile industry
- Regional and bilateral free trade agreements
- Educated workforce
- Incentives for investors
- Natural resources abundance
- Favorable taxes (10% corporate profit tax)
- A stable domestic currency pegged to the euro BAM
- Excellent quality of life



<http://www.investsrpska.net>
<http://www.fipa.gov.ba>



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Business friendly environment

- **Registered:** 98 companies
- 2 to 3 days needed for issuance of location conditions, construction and usage permits.
- The municipality is the holder of business-friendly certificates (BFC SEE)
- Local Economic Council established. The LEC is an advisory board to the Mayor composed of members of private, public and civil society organizations
- Possibility of effective retraining the workforce to the needs of investors



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Key Sectors

- Wood processing
- Leather processing
- Metal processing
- Agriculture and food processing
- Tourism



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Wood Processing

- Tradition in the primary processing of wood (manufacture of lumber)
- Manufacturing of furniture, joinery, briquettes, pellets and sawn lumber, predominantly for exports.
- 15 production facilities,
- 13 export-oriented companies - Abis, Arboreko, Brio, Bubic, Edo, Fagus, Jenas, Primula, Silvatika, Vrbanja šume, Amazon šume, Gaj komerc
- 13 sawmills produce sawn lumber for domestic producers that manufacture final products, while a share of their output is exported.
- The raw materials for sawn lumber are forest wood products sourced from Kotor Varoš Municipality.
- There are opportunities to invest in final stages of wood processing and in furniture manufacturing.



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Leather Processing

- Long tradition in leather processing and quality, well-trained workforce, which makes it possible to implement European and world trends in manufacturing dress and sports footwear.
- Kotor Varoš footwear sector produces sports shoes for „NIKE“, modern shoes „Gabor“, „Haix“ and „Alpina“

The 'NIKE' cleats shoes for the 2014 World Cup held in Brasil were manufactured in Kotor Varoš.

Exceptionally high-quality dress shoes of the well-known German 'Gabor' brand, famous for comfort and quality, are also manufactured in Kotor Varoš. Produced by a combination of traditional manual work and revolutionary technology, these shoes belong to a first-rate brand, both unique and beneficial to wear.

They are available on the European market and also „Haix“ and „Alpina“.



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Metal Processing

- The development is based on tradition, well-trained workforce and incentives offered to investors.
- Mechanical technicians and mechanical technicians for commuter aided design, mechanical technicians for the CNC machines, whitesmiths, welders are educated in the 'Nikola Tesla' Secondary School in Kotor Varoš.
- The plants of the 'Sim Tehnik' Co. produce parts for the 'Audi' cars and „Bosch“.
- The Company „Mehaničke konstrukcije doo“ produces different components of steel, aluminum, alloy and brass.
- „FTF“ doo - locksmith products made of steel and aluminum

The municipality provides the sites for construction of metal processing plants, with the infrastructure developed up to the very location, on highly concessional terms and with a deferred-payment options.



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Agriculture and Food Processing

- Potential for investment in agricultural production on 23,000 hectares of available arable land, and in capacities for processing fruit, meat and dairy products.
- The soil is particularly suitable for growing healthy foods.
- 120 registered farms/households (growing fruits, vegetables, grains, livestock)
- Around 700 hectares of state owned arable agricultural land.
- There is Agrocentar Kotor Varos in possession of the municipality of Kotor Varos.
- Tradition in farming ("Vlasic cheese")
- The municipality offers to the investors land at very competitive prices for basing farming activities.



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Tourism

High potential for development of: hunting, fishing, sport and recreational tourism, excursion tourism, adventure tourism, mountaineering, religious and ecotourism.

Destinations:

- Vrbanja River - excellent potential for „fly fishing“.
- ‘Hajdučke vode’ Sports and Recreational Center situated in the immediate vicinity of the Banja Luka – Doboј arterial road. The center is 23 km away from Teslić and 60 km from Banja Luka.
- Liplje Monastery, situated at the foot of Mt. Borja, along the Bistrica River, lies 25 km west of Teslić. It dates back to XIII century and was a foundation of King Dragutin.
- Mountain Borje climate suitable for sports activities
- Diversity and the preservation of flora and fauna-many types of wildlife (bears, roe deer, wild boar, wolf, fox, rabbit).



Total workforce: 7.194

Available workforce: 1.597

Profiles of unemployed:

- 127 highly educated
- 1060 skilled workers and high-school graduates and
- 410 others

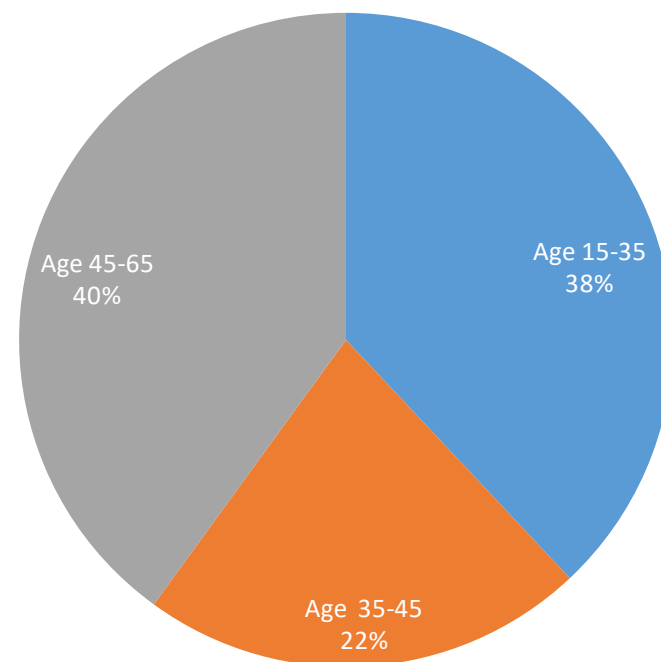
Most frequent occupations:

- Shoemakers
- Mechanical engineering and metal-processing technicians
- Shop assistants
- Economic technicians

Average gross salary: 1.155 BAM (€ 590)

Average net salary: 779 BAM (€ 398)

Age structure of unemployed



Possibility of effective retraining the workforce to the needs of investors.



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Incentives

- 0.06% - lowest property tax rate in the region
- Direct budget incentives for different types of business and job creation projects and farming incentives
- Issuing of construction permits - investors have the option of payment in interest-free installments over 3 years
- Issuance of location conditions, construction and usage permits (2 to 3 days)
- Counter office hours from 7 to 15
- Construction and agricultural land available on favorable terms with the possibility of direct contract when purchasing the land
- Established mechanisms for providing support to the private sector
- Support to existing investors through the Aftercare Program in partnership with the Republika Srpska Ministry for Economic Development and Regional Cooperation and Ministry of Economy and Entrepreneurship.



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Incentives

Lists of fiscal and non-fiscal investment incentives on all levels of government in BiH are available at the following links:

- Republika Srpska Government / Invest Srpska
<http://www.investsrpska.net/index.aspx?PageID=436&menuID=215&langid=1>
- BiH Ministry of Foreign Trade and Economic Relations
http://www.mvteo.gov.ba/izvjestaji_publikacije/izvjestaji/default.aspx?id=6175&langTag=en-US

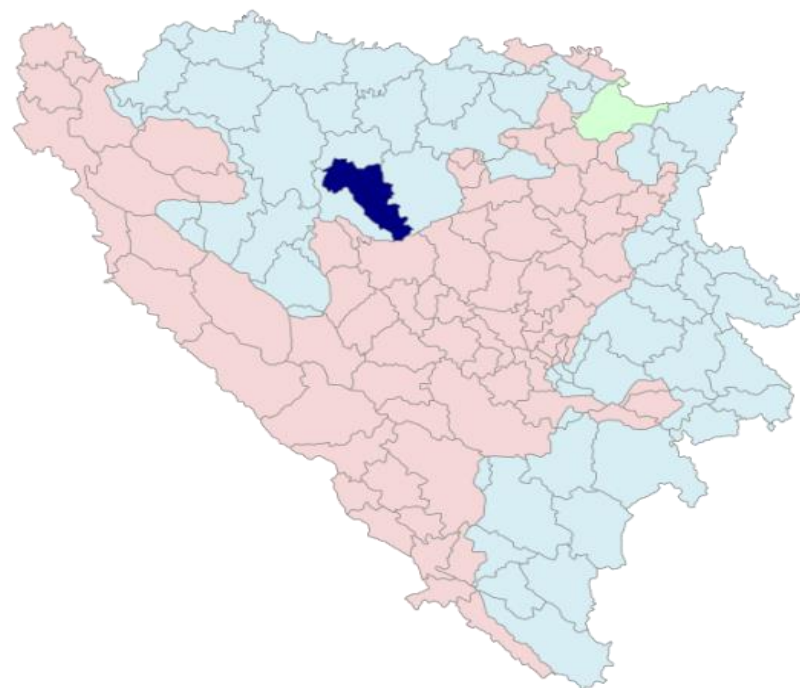


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Where we are?



Bosnia and Herzegovina on the European map



Municipality of Kotor Varos on the Bosnia and Herzegovina map



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Geostrategic Position

- 83 km - distance from future corridor Vc, along the route Budapest (Hungary) – Sarajevo (BiH) – Ploče (CRO/EU), passes through Doboj
- 85 km – distance from Gradiška, the closest border crossing with European Union (Croatia), for international road traffic of passengers and goods subject
- 95 km - distance from the E73 highway Belgrade (SRB) – Zagreb (CRO)
- The M-4 arterial road Banja Luka – Doboj constitutes the backbone of the road network in Kotor Varoš Municipality, linking the municipality with both Banja Luka and Doboj regions



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Key Facts

- **Territory:** 560 km²
 - 56.72% of land is covered with woods,
 - 38% agricultural land,
 - 0.65% rivers and streams,
 - Other.
- **Altitude:**
 - 280 m
- **Population:**
 - 18.361, app. 51% are women
- **Climate:**
 - Moderate continental
 - Average monthly temperature from -1,3° C (January) up to 20,2° C (July, August).
- **Time Zone:**
 - GMT +1



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Good Transport Connections

City	Description	Distance (km)	Travel Time
Banja Luka (BiH)	International airport	55	0 h 59 min
Gradiška (BiH)	Closest border crossing with EU	85	1 h 20 min
Brcko (BiH)	River port	152	2 h 50 min
Sarajevo (BiH)	International airport	162	2 h 41 min
Zagreb (Croatia)	International airport	220	2 h 38 min
Split (Croatia)	International port	259	4 h 28 min
Ploce (Croatia)	International port	270	4 h 41 min
Belgrade (Serbia)	International airport	346	3 h 39 min
Ljubljana (Slovenia)	International airport	384	4 h 03 min
Wien (Austria)	International airport	591	6 h 06 min



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Available Natural Resources

- **Water:**
 - Numerous sources of drinking water, clean mountain rivers and streams suitable for the cultivation of brown and rainbow trout, the energy potential of about 40 MW
- **Air:**
 - Clean air is suitable for sports and recreation activities - health resort
- **Forests:**
 - Over 50% of the municipal territory occupied by forest and woodland (oak, hornbeam, beech and fir) with a total annual allowable cut of about 110441 m³
- **Plot:**
 - Over 30% of the territory is agricultural land (mostly untreated with chemicals).
- **Ores:**
 - Deposits of coal and manganese.



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Present foreign and domestic investors



DERMAL R
Fabrika obuće Kotor Varoš



FTF d.o.o.





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Success Stories

Sportek company is 100% Greenfield investment - Italian investor. The company manufactures athletic shoes for the world's biggest brands and parts for the auto industry and cycling. Since 2004, was constructed five (5) factory with ancillary facilities area of about 15,000 m². Today 9 factories with about 2300 employees.



"The municipality of Kotor Varos has always been interesting to invest in further development of the company. In the last 10 years number of workers has increased from an initial 300 up to 1,200 employees in the Sportek company. "

Director Sportek d.o.o., Federico Zecchetto, (2017)





Welcome to the municipality of Kotor Varos!

Mayor of the Municipality of Kotor Varos: Zdenko Sakan

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