



# Invest in Kotor Varos

September 2022





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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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- Geostrategic Position
- Key Facts
- Human Resources
- Key Sectors
- Investment Potentials (Brownfield and Greenfield)
- Present Investors
- Financial Institutions
- Contacts



# Geostrategic Position



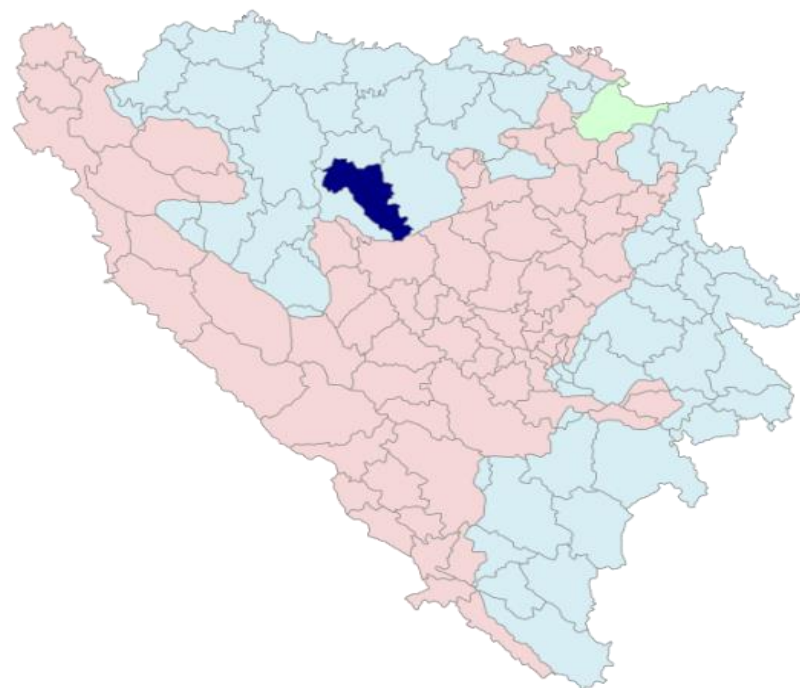


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## Where we are?



Bosnia and Herzegovina on the European map



Municipality of Kotor Varos on the Bosnia  
and Herzegovina map



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## Geostrategic Position

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- 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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## 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



# Key Facts







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## Key Facts

- **Territory:** 560 km<sup>2</sup>
  - 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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## Available Natural Resources

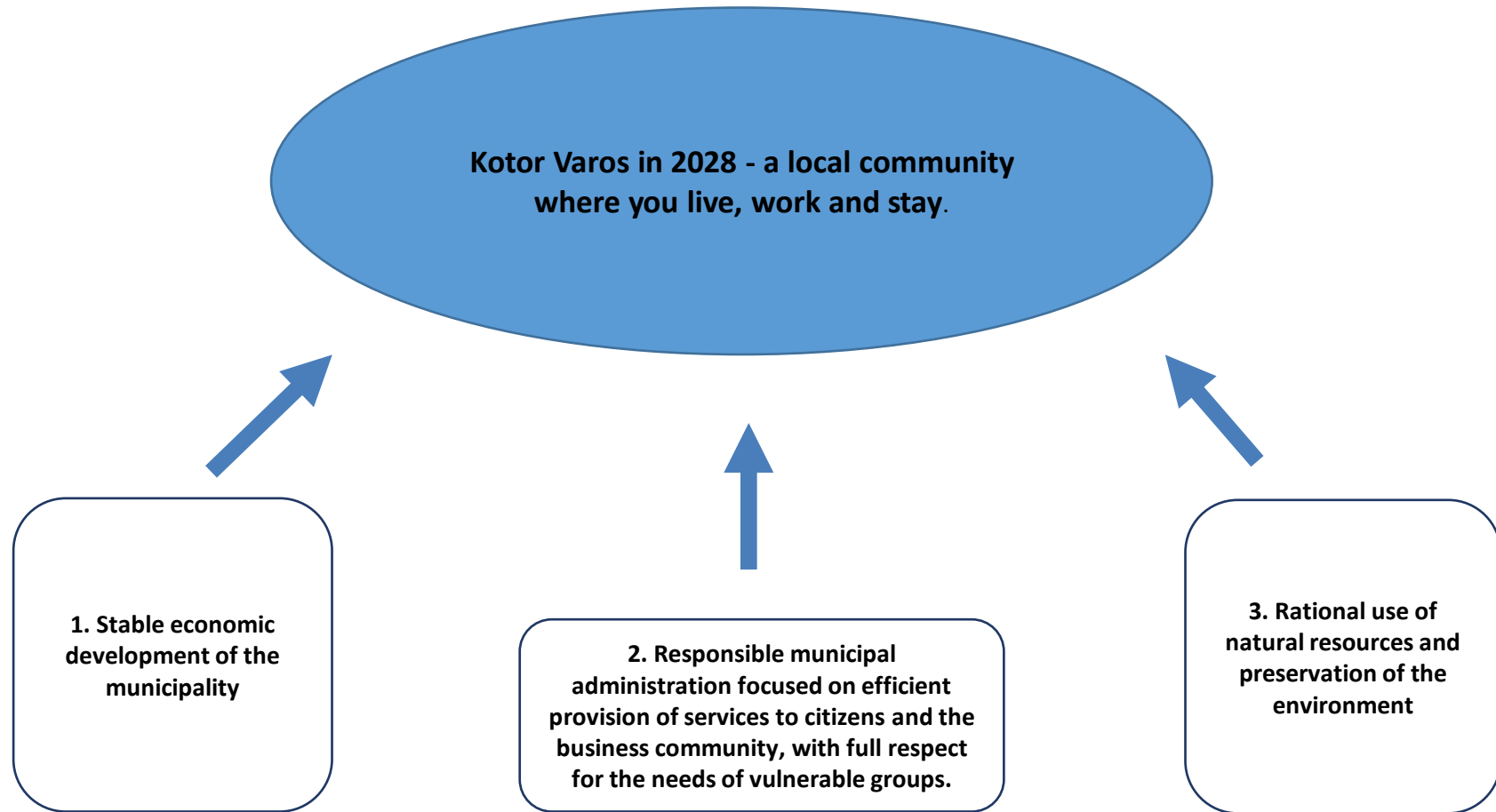
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- **Water:**
  - Numerous sources of drinking water, clean mountain rivers and streams suitable for the cultivation of brown and rainbow trout, the energy potential of about 40 MW
- **Air:**
  - Clean air is suitable for sports and recreation activities - 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 m<sup>3</sup>
- **Plot:**
  - Over 30% of the territory is agricultural land (mostly untreated with chemicals).
- **Ores:**
  - Deposits of coal and manganese.



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# Vision and Strategic Development Goals





# Human Resources





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# Human Resources

Unemployed: 813

Profiles of unemployed:

- 71 highly educated
- 548 skilled workers and high-school graduates and
- 194 others

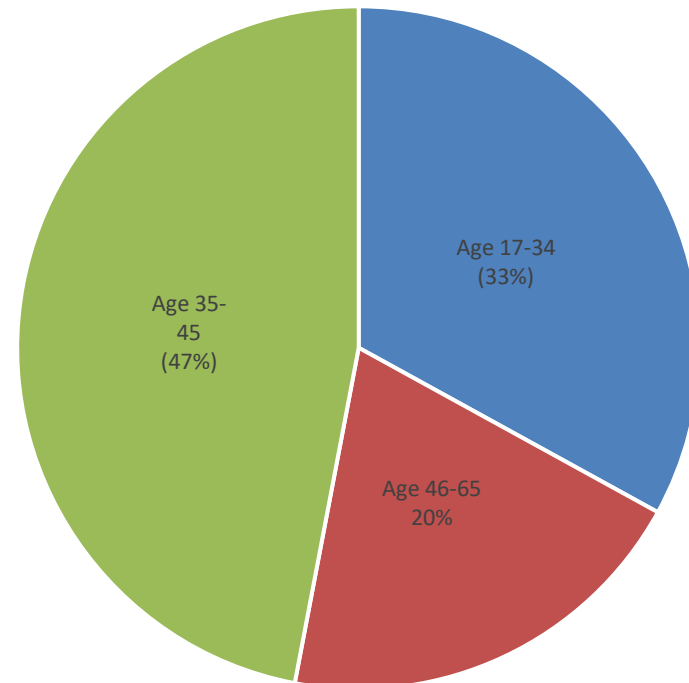
Most frequent occupations:

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

**Average gross salary: 1.170 BAM (€ 598)**

**Average net salary: 789 BAM (€ 404)**

Age structure of unemployed



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



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## Education

Annually 160 students graduate from the 'Nikola Tesla' Secondary School Center. Students are trained for the following occupations:

- mechanical engineering and metal processing,
- economy, law and trade,
- catering and tourism, and
- general-program secondary education and other occupations

New educational profiles:

- mechanical and metal processing (mechanical technicians for commuter aided design, mechanical technicians for the CNC machines, whitesmiths, locksmith/welders),
- electrical engineering (technicians for information technologies, electrician/car electrician)
- economic profession (economic technician, salesman/saleswoman).
- Other occupations (hairstylist) start next school year.

The closest university center is located in Banja Luka, and it educates the profiles for the priority sectors in Kotor Varoš (mechanical engineering, electrical engineering, technology, construction, architecture, agriculture, economy, law, and medicine).

The link: <http://unibl.org/>



# Key Sectors





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## Overview

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- Long tradition in the processing of leather, textile and metal products (leather, footwear, leather goods, hosiery, machinery and equipment, metal structures, etc.)
- 95 companies operate in Kotor Varoš
- 5.724 workers
- 4 companies employ over 3500 employees
- 5 export-oriented (Sportek, Dermal R, Mehaničke konstrukcije, Sim-technik, Fagus)





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## Key Sectors

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



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## Wood Processing

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- 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

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- 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 – Teslić 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).



# Incentives





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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 (15 days)
- Counter office hours from 7 to 16
- 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

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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](http://www.mvteo.gov.ba/izvjestaji_publikacije/izvjestaji/default.aspx?id=6175&langTag=en-US)



# **Investment Locations**

## **(Brownfield and Greenfield)**





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## Priority Areas

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### Development priority areas:

- Finalizing the field of wood processing
  - Production of furniture
- Development in the field of leather-processing, textile, footwear and mechanical production
- Development of agricultural production
  - Production of healthy food
- Development of Tourism

### Possibilities:

- Greenfield investments by building plants in the free construction land (purchase or lease)
- Brownfield investments through the organization of production in existing buildings (former industrial facilities and other leisure facilities in the state-owned)
- Possibility of cooperation with existing producers
- 700 hectares of available farmland for organic food production and agricultural development owned by the state (user Municipality of Kotor Varos)
- Free Facilities former cooperatives and schools to run a business



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## Offer (Brownfield)

### Former factory building "FAST"

Location: **urban settlement,  
business zone PROLEKS**

Earlier purpose: **Adhesive tape  
factory, with support facilities**

Area: **3.400 m<sup>2</sup>**

79,05 x 41,50 m (production facility)

20,00 x 10,00 m (I floor, offices)

Substation: **2 x 630 kW**

**The building was built in 1982  
and fully renovated**

Ownership: **Private**

Offer: Sell property

Extra offer: A building plot - **10.528,00 m<sup>2</sup>**



**RESERVED**

(Investor from Italy)





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## Offer (Brownfield)

### Former factory building "BOSNA"

Location: **urban settlement,  
business zone PROLEKS**

Earlier purpose: **Shoe factory**

Area: **1.040 m<sup>2</sup>**, height **6 m**

Built: 1974

Renovated: 2008

Substation: **101 kW**(common for  
neighborhood and Dermal R), new water  
and sewage installations,  
the plot goes underground transmission  
line.

Building land: **4000 m<sup>2</sup>**, possibility and  
subsequent acquisition of land 1000 m<sup>2</sup>

Ownership: **private**

**"DUROGEM" d.o.o.** Celinac

**Offer: Sale or organizing production**



**RESERVED**

(Domestic investor)







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## Offer (Brownfield)

### The old school

Location: **Maslovare - community center, 20 m from the main road M4 (Banja Luka - Doboј)**

The space used for the production of **doors and safety equipment**

Area: **1180 m<sup>2</sup> (two floors)**

Population of Maslovare: **5000**

Ownership: **Municipal**

Offer: **Lease for organizing production with a minimum fee**



**RESERVED**

(Domestic investor)





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## Offer (Brownfield)

**Facilities: old school, home and  
two objects agricultural cooperatives**

**Location: The community center of Krusevo  
Brdo and the slopes of Mount Vlasic**

**Earlier purpose Cooperative objects: buying center  
of agricultural products**

**Ownership: Municipality of Kotor Varos**

**Offer: Lease for a minimal fee**



Old School

- Objects can be used to purchase and final processing of agricultural products: the traditional "Vlasic cheese", milk, organic potatoes, white and red onions, beans, organic carrots, oats and others.
- Large areas of land in the state and private ownership that has not been treated with chemicals.



Home of the local community



Agricultural cooperatives facility



Agricultural cooperatives warehouse





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## Offer (Brownfield)

### Old school buildings (four buildings)

Location: **Grabovacka Rijeka, Grabovica and Savici**

Infrastructure: **roads, water and electricity**

Ownership: **Municipality of Kotor Varos**

Offer: **Lease for a minimal fee**

- Objects can be used to launch small-scale production, for the purchase of agricultural products and handicrafts organization



Grabovacka Rijeka (used by  
the Mountaineering Association)



Grabovica



Savici





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## Offer (Greenfield)

### Savanovica vrelo

Location: **Krusevo Brdo, village Savanovic, Vlasic mountain slopes**

Purpose: **Part of drinking water from wells used to supply schools and residents in the local community**

Ownership: **Private**

Offer: **a partnership with the owner of the land**

- The source can be used to build factories drinking water ponds and tourist complex.







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## Offer (Greenfield)

### Building land

Plots: part of the plot 2347/11

Banja Luka

Location „Streliste“:

urban area close to Novo Naselje

1300 m from the M4 motorway,

20 km from the train station in Celinac,

50 km from the airport Banja Luka.

Infrastructure: **water supply available,**  
**sewage and electricity networks**

Total area: **18958 m<sup>2</sup>**

Ownership: **Municipal**

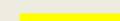


**Options deferred payment**

**building permits and accelerated procedures**

**making decisions on the allocation of  
construction land**



Access time: **associated with the main plot  
through M4, Stefan Nemanja street**

-  highway M4 (Banja Luka - Doboј)
-  access road Stefan Nemanja street
-  lot





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## Offer (Greenfield)

### Building land

Plot: k.č. 705

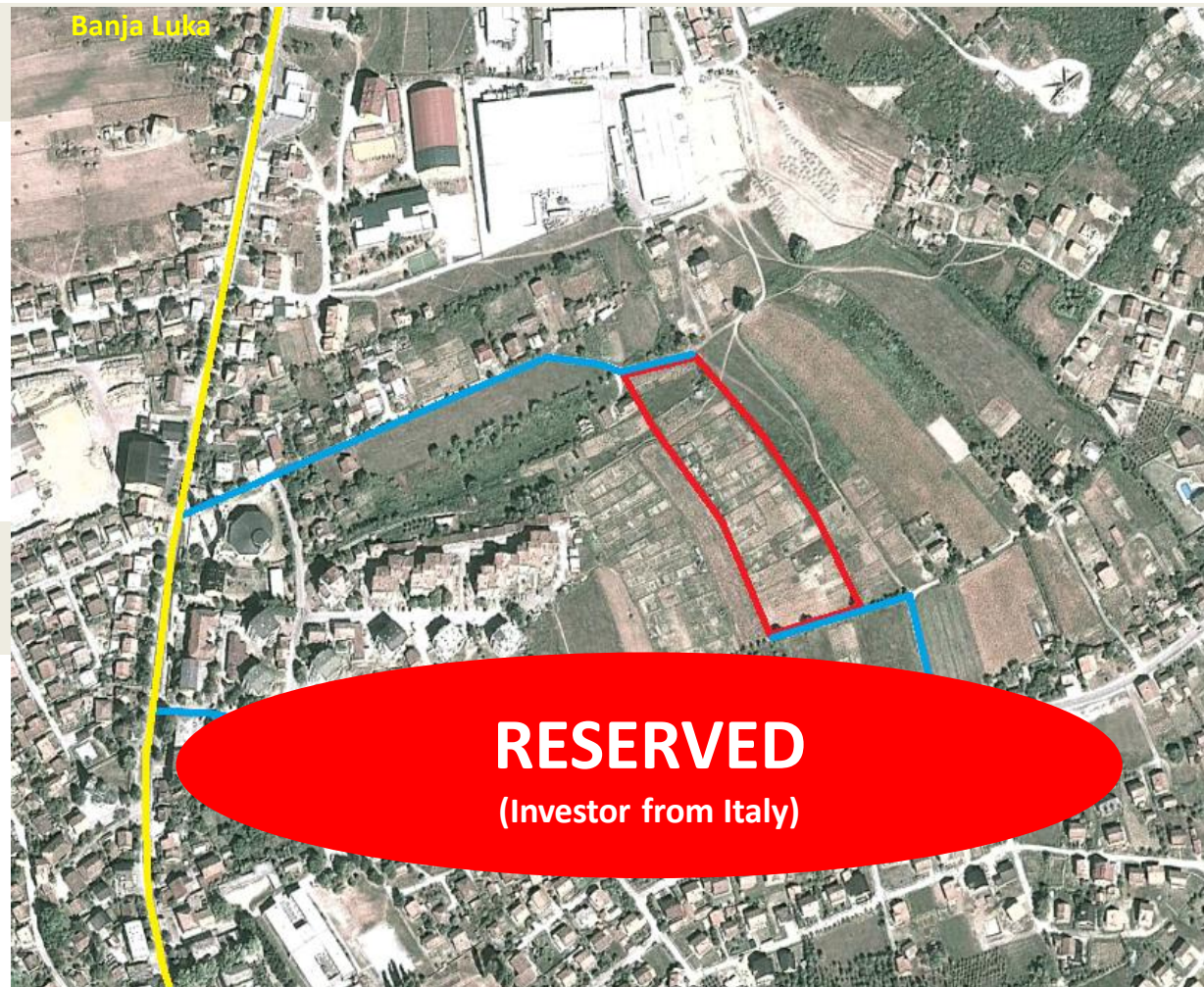
Location: urban area,  
**500 m from the main road M4,**  
**19 km from the train station in Čelincu,**  
**50 km from the airport Banja Luka.**

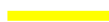


Infrastructure: **water supply available,**  
**sewage and electricity networks**

Plot area: **14370 m<sup>2</sup>**

Ownership: **Municipal**

Access time: **associated with the main**  
**Plot through M4, Stefan Nemanja**  
**Street and Dositeja Obradovic street**



-  M4 motorway (Banja Luka-Doboj), Stefan Nemanja
-  Street and Dositeja Obradovic street
-  lot





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## Offer (Greenfield)

### Building land

Plot: k.č. 102/1 i k.č. 102/3

Location: **urban center, near the plant: *Mechanical structures***,  
**300 m from the main road M4,**  
**17 km from the train station in Celinac,**  
**50 km from the airport Banja Luka.**

Infrastructure: **Available water and power network**

Total area: **18 812 m<sup>2</sup>**




Ownership: **Municipal**

Plots are drawn in the plan and are  
4 as a field class.

Access time:

**Associated with the main plot by M4**



-  Motorway M4 (Banja Luka – Doboj)
-  Access road
-  lot





## Ponuda (Greenfield)

### Building land

Plot: k.č. 788/4 i k.č. 787/1

**Location:** near the primary school of Maslovare,  
300 m from the main road M4,  
27 km from the train station in Celinac,  
70 km from the airport Banja Luka.

**Infrastructure:** Available water and  
power network

**Total area:** 15810 m<sup>2</sup>

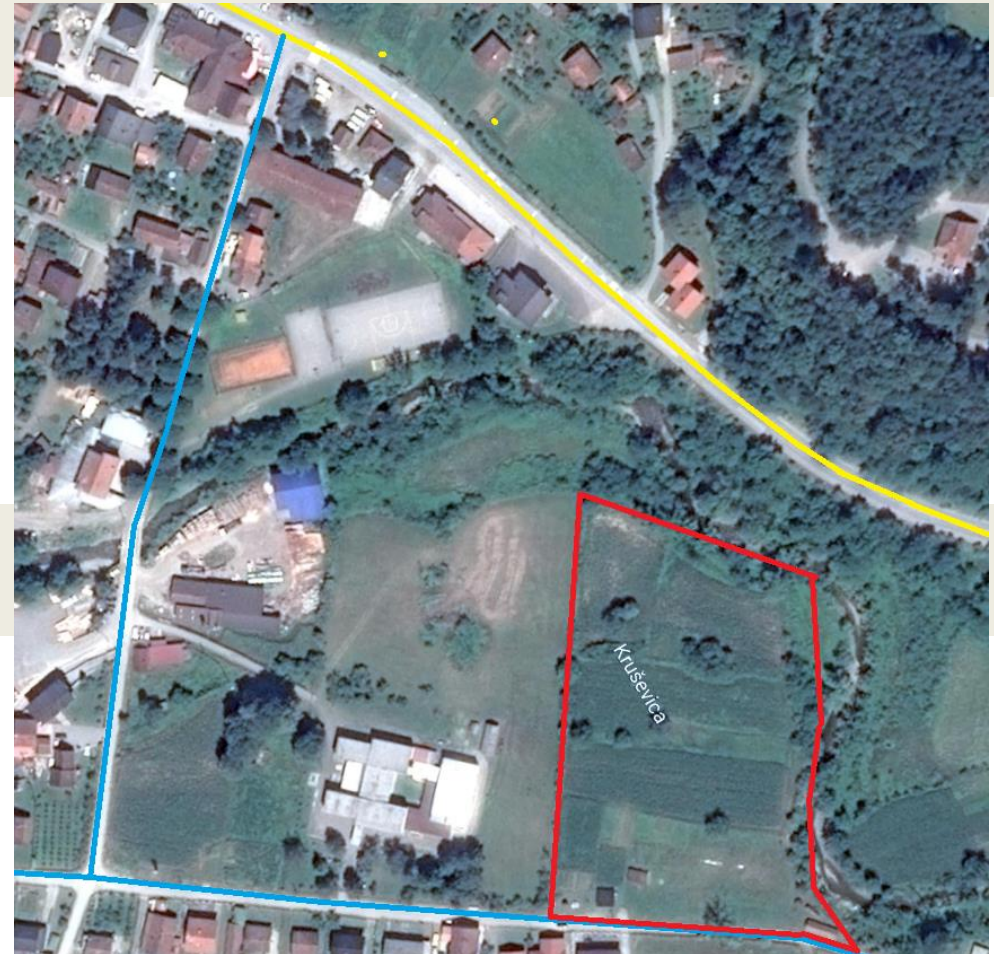
**Ownership:** Municipal

The location is not urban construction land, rent  
and landscaping fees are not paid. Accelerated  
procedures  
making decisions on the allocation of  
construction land

**Access time:**

**Associated with the main plot by M4**

Banja Luka



Motorway M4 (Banja Luka – Doboj)

Access road

lot



# Present Investors





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## Present foreign and domestic investors

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**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 m<sup>2</sup>. **Today, 9 factories with over 2000 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)*











# Financial Institutions





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## Financial Institutions

Financial Institutions	Address	Phone	Website
 <b>Raiffeisen BANK</b>	Cara Dušana bb 78220 Kotor Varoš	+387 81 92 92 92 +387 33 75 50 10	<a href="http://www.raiffeisenbank.ba">www.raiffeisenbank.ba</a>
 <b>UniCredit</b>	Cara Dušana 28 78220 Kotor Varoš	+387 51 78 20 21	<a href="http://www.unicreditbank-bl.ba">www.unicreditbank-bl.ba</a>
 <b>Addiko Bank</b>	Cara Dušana 44 78220 Kotor Varoš	+387 70 34 04 40 +387 51 78 46 50	<a href="http://www.addiko-rs.ba">www.addiko-rs.ba</a>
 <b>NLB Banka</b>	Cara Dušana 23 78220 Kotor Varoš	+387 51 78 50 90 +387 51 78 53 53	<a href="http://www.nlbrazvojnabanka.com">www.nlbrazvojnabanka.com</a>



# Price list



## Construction land organization

The fee for construction land is paid at an average price of building infrastructure in m<sup>2</sup> of usable area of the building that is being built:

- The cost of landscaping urban construction land is in the range of 0 - 33 KM / m<sup>2</sup> usable area;
- Price of construction annuity:
  - The first zone : 19,44 KM po m<sup>2</sup> usable area
  - The second zone : 12,96 KM po m<sup>2</sup> usable area
  - The third zone : 6,48 KM po m<sup>2</sup> usable area
  - other urban construction land 50% of the price of the third zone;

(The cost of landscaping urban construction land and Price of construction annuityrent are not to be paid outside the urban area)

## Prices of municipal services for business customers

- water 2,40 KM/m<sup>3</sup> + PDV
- Sewerage 0,40 KM/m<sup>3</sup> + PDV
- Available internet and telephone

Benefits to investors for purchasing land in accordance with the Regulations

<https://invest-kotorvaros.com/wp-content/uploads/DOC120417-12042017123920.pdf>



# Contacts





## Welcome to the municipality of Kotor Varos!

Mayor of the Municipality of Kotor Varos: Zdenko Sakan

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