



Invest in Kotor Varos

March 2017





MUNICIPALITY OF
KOTOR VAROS

Why invest in Kotor Varos?

- A favorable geographical position
- Greenfield and Brownfield investment possibilities
- Long tradition in wood processing, leather, machine, 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
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- Investment Potentials (Brownfield and Greenfield)
- Present Investors
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Geostrategic Position



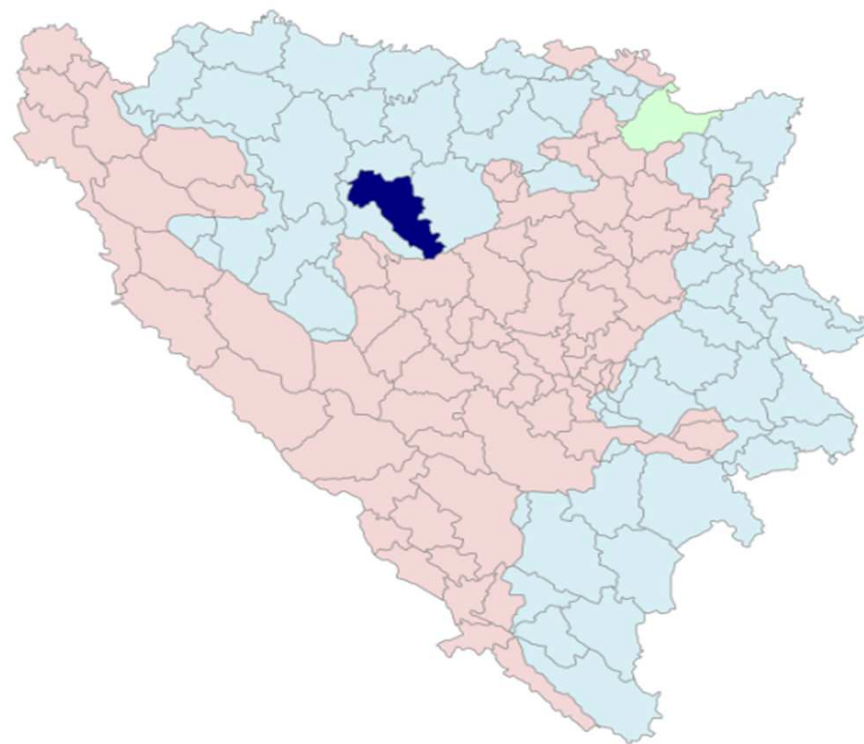


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Where we are?



Bosnia and Herzegovina on the European map



Municipality of Kotor Varos on the Bosnia and Herzegovina map



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Geostrategic Position

- 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 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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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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Vision and Strategic Development Goals

Kotor Varos, city on Vrbanja river, 2020 –
favorite destination for business, tourism and living

Place for development of small enterprises and competitive products in
agriculture, tourism, wood processing and leather processing sectors
with developed urban and rural areas. The community where education
and knowledge contributes to economic growth and better living
standards.

1. Intensive development of
small enterprises and
competitive agricultural,
industrial and tourist products.

2. Improve quality of life and
reduced risks from natural
hazards.

3. Protect and use the rich
natural heritage in
accordance with ecological
principles and the principles
of sustainable development



Human Resources





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Human Resources

Unemployed: 2.502

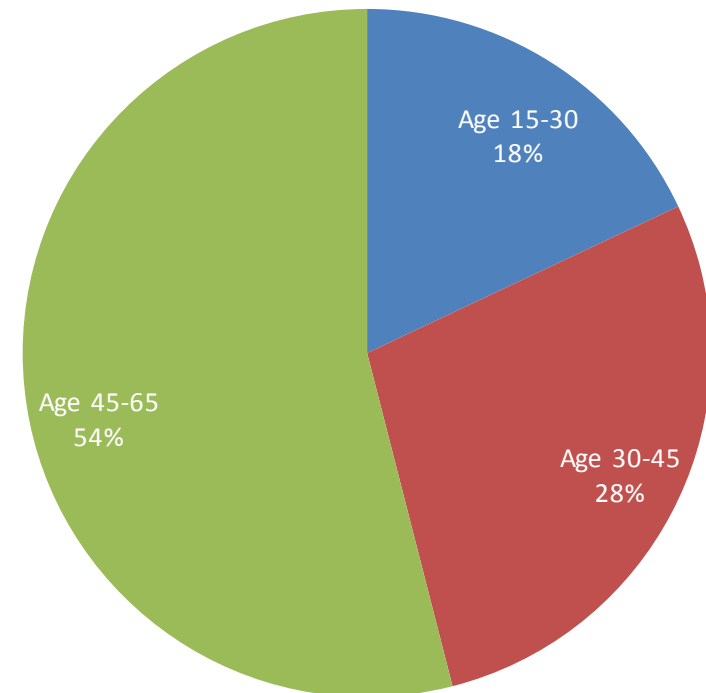
Profiles of unemployed:

- 926 skilled workers
- 411 high-school graduates
- 1165 others

Most frequent occupations:

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

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.

Starting next school year, it is planned to introduce following educational profiles:

- mechanical and metal processing (mechanical technicians for computer aided design, mechanical technicians for the CNC machines, whitesmiths, welders),
- electrical engineering (technicians for information technologies)
- leather profession (shoemaker)
- economic profession (economic technician)

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

- Long tradition in the processing of wood, leather, metal and textile products (leather, footwear, leather goods, hosiery, machinery and equipment, metal structures, etc.).
- 93 companies operate in Kotor Varoš.
- Out of 5.193 workers 3.500 employed by large, medium and small enterprises and private businesses
- 5 companies employ over 2500 employees
- 4 export-oriented (Sportek, Dermal R, Mehaničke konstrukcije, Sim-technik, Fagus)



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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, 300 employees
- 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 computer 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

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.
- 204 registered farms/households (growing fruits, vegetables, grains, livestock)
- 7 associations of agricultural producers (growers, beekeepers, shepherds).
- 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 5 years
- Issuance of location conditions, construction and usage permits (15 days)
- 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



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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_publicacije/izvjestaji/default.aspx?id=6175&langTag=en-US



Investment Locations

(Brownfield and Greenfield)





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Priority Areas

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 m²**

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 m²**



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 m²**, 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 m²**, possibility and
subsequent acquisition of land **1000 m²**

Ownership: **private**

"DUROGEM" d.o.o. Celinac



RESERVED

(Domestic investor)



Offer: Sale or organizing production



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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 m² (two floors)**

Population of Maslovare: **5000**

Ownership: **Municipal**

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



30% 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: **village Siprage, 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



Siprage



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: k.č. 2347/11 i k.č. 2347/379

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: 39 258 m²

Ownership: Municipal

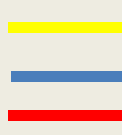
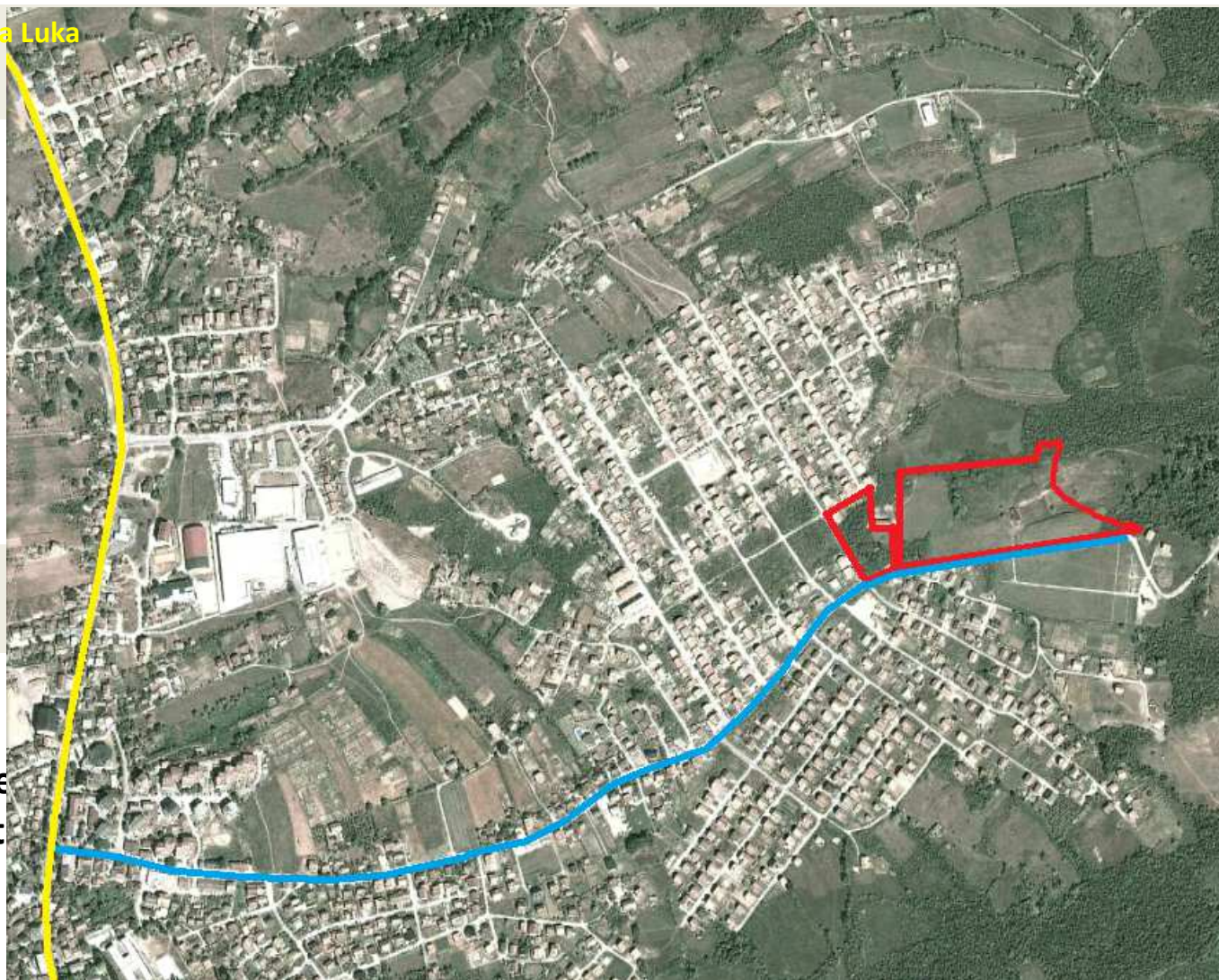
**Plots are drawn in the plan and are
3 classes as a meadow.**

Options deferred payment

**building permits and accelerated procedure
making decisions on the allocation of const
land**

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

Banja Luka



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



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Offer (Greenfield)

Building land

Plot: k.č. 705

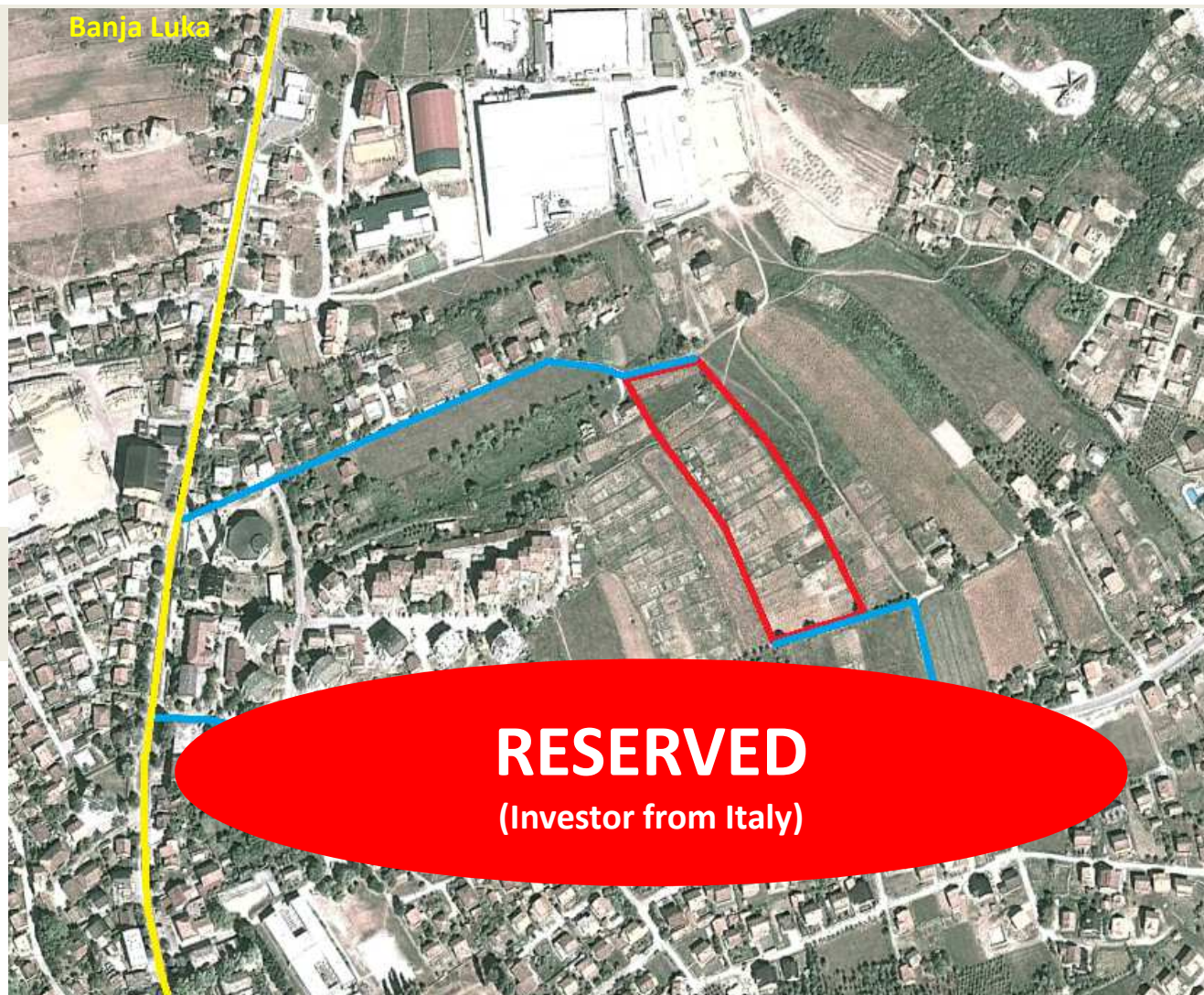
Location: urban area,
500 m from the main road M4,
19 km from the train station in Čelincu,
50 km from the airport Banja Luka.

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

Plot area: **14370 m²**

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
—



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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 m²**

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
—



Present Investors





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Present foreign and domestic investors



DERMAL R
Fabrika obuće Kotor Varoš





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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 8 (the ninth in construction) factories with about 1800 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 Zecetto,









Financial Institutions





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Financial Institutions

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



Price list



Price of construction land :

- The first zone : 21,60 KM po m² usable area
- The second zone : 14,40 KM po m² usable area
- The third zone : 7,40 KM po m² usable area

Construction land organization

The fee for construction land is paid at an average price of building infrastructure in m² of usable area of the building that is being built:

- water supply network 1,35 KM
- fecal sewage network 5,90 KM
- stormwater sewer network 5,90 KM
- electro network 1,48 KM
- asphalt road-street with sidewalks 15,77 KM
- public lighting 1,67 KM

Prices of municipal services for business customers

- water 2,40 KM/m³ + PDV
- Sewerage 0,25 KM/m³ + PDV
- Available internet and telephone



Contacts





Welcome to the municipality of Kotor Varos!

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