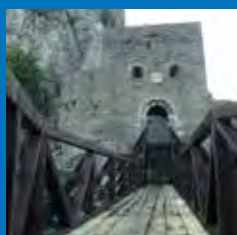


Invest in Tuzla Canton

GUIDE FOR

INVESTORS

in Tuzla Canton



Government of Tuzla Canton



Tuzla, 2014



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Introduction

Dear readers,

We are extremely pleased to present you with the first edition of the Guide for investors in Tuzla Canton, which in a practical and simple way incorporates the most important information needed by potential and existing investors, persons who work with investors, and all other interested parties when planning to invest or visit Tuzla Canton. Aimed at integrating information and promoting the most important resources of Tuzla Canton, the Guide is focused on Canton's six most propulsive industries whose comparative advantages have promoted it in the past and attracted new investments.

The following pages answer the questions such as: how and why to invest in Tuzla Canton, which resources and advantages are available, as well as what type of support investors can get if they decide to invest in Tuzla Canton.

Technical assistance to preparation of the Guide was provided by NERDA (Northeast Regional Development Association) and the International Finance Corporation (IFC), the member of the World Bank Group. We owe a tremendous gratitude to the representatives of the City of Tuzla and municipalities of Tuzla Canton, which have contributed to the Guide by providing the necessary data.

With its comparative advantages reflected in the wealth of resources, tradition as the ground for modern technologies and new products development, qualified labor force, developed entrepreneurial infrastructure, location that allows a quick and inexpensive access to the markets, Tuzla Canton has been an attractive location for investments since long time ago. That is evidenced by the statements of the existing investors who are successfully doing business in Tuzla Canton. We are using this opportunity to thank them for witnessing and confirming the comparative advantages of the Canton, and we hope that their statements will be an encouragement and guarantee for new investors to establish and develop their businesses in this Canton.

All potential investors looking for new business opportunities in Tuzla Canton can obtain all the relevant information and advisory services from cantonal, city and municipal governments of Tuzla Canton, chambers of commerce, non-governmental sector, and other stakeholders listed in the Guide, in order to successfully start a business in one of the most dynamic markets of Bosnia and Herzegovina and the region.

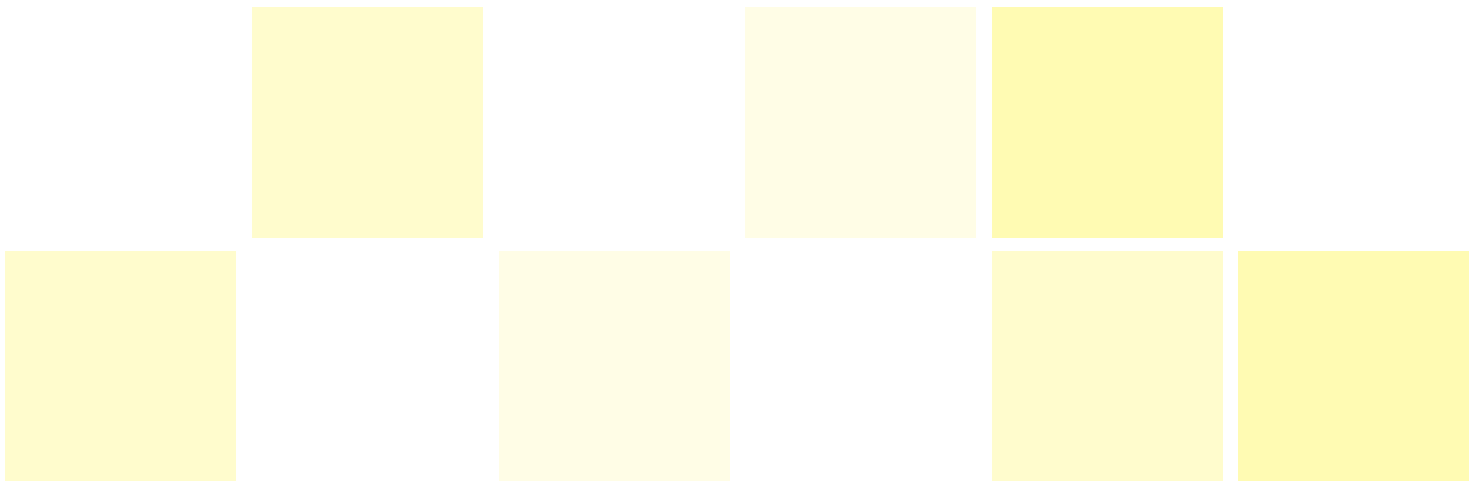
Guide for investors summarizes the key orientation points for your future investment in Tuzla Canton, therefore:

Investors from all over the world,

Welcome to Bosnia and Herzegovina,

Welcome to Tuzla Canton - open, economically and socially dynamic European region, which in a recognizable way ensures economic, cultural and social appeal, development and quality of life for its citizens and the people who live, invest and create here.

Welcome to the entrepreneurial environment of the future!



1. About Bosnia and Herzegovina and Tuzla Canton

Tuzla Canton is situated in the northeastern part of Bosnia and Herzegovina, a heart-shaped country, positioned in Southeast Europe, in the Western Balkans, bordering Croatia (EU), Serbia and Montenegro. Bosnia and Herzegovina is a member of CEFTA (Central European Free Trade Agreement) and EFTA (European Free Trade Association). Tuzla Canton is one of ten cantons in the Federation entity and includes the City of Tuzla and 12 municipalities.

Geographical positions of Bosnia and Herzegovina in Europe and Tuzla Canton in Bosnia and Herzegovina with the presentation of the geographical position of the city and municipalities of Tuzla Canton



Basic information about Bosnia and Herzegovina		
Bosnia and Herzegovina	Population	3,791,622
	Location	Southeast Europe, Western Balkans
	Surface area	51,209.2 km ² (51,197 km ² – land and 12.2 km ² – sea)
	Climate	Mostly continental, Mediterranean in the south
	Currency	Convertible mark (BAM), EUR 1.00 = BAM 1.95580
	Credit rating	B3 stable outlook (“Moddy”), B stable outlook (“Standard&Poor’s”)
	GDP in million BAM (2013)	26,297 BAM – 13,445.65 EUR
	GDP per capita (2013)	6,862 BAM – 3,508.5 EUR

Source: Agency for Statistics of Bosnia and Herzegovina; Central Bank of Bosnia and Herzegovina

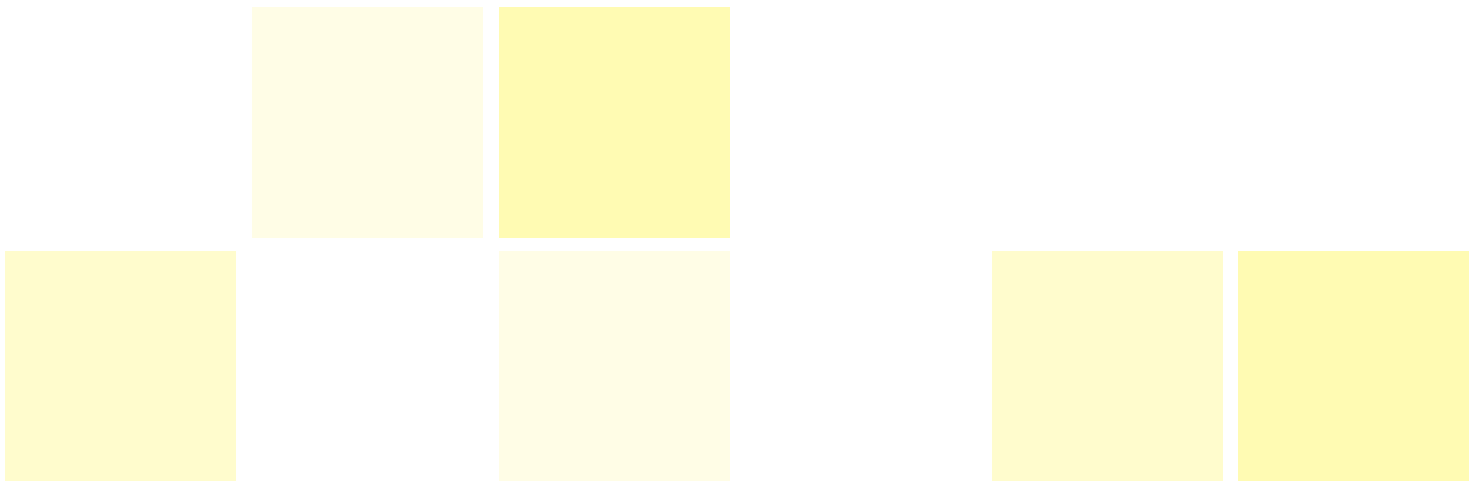
Tuzla Canton has existed in its present form since 1994. It was established by the constitution of the Federation of Bosnia and Herzegovina, as one of its ten cantons, and formed in the parts of the former areas of the Northeast Bosnia, that is the Tuzla district. Administrative, economic and cultural center of the Canton is the City of Tuzla, one of three largest cities in Bosnia and Herzegovina.

Basic information about Tuzla Canton	
Population	477,278
Location	Southeast Europe, Western Balkans, Northeast part of Bosnia and Herzegovina
Surface area	2,649 km ²
Climate	Continental
GDP per capita	5,253 BAM – 2,685.85 EUR
Import (2013)	1,267,969,000.00 BAM – 648,313,199.60 EUR 8.35% of Bosnia and Herzegovina import
Export (2013)	1,028,914,000.00 BAM – 526,083,444.11 EUR 12.28% of Bosnia and Herzegovina export
Foreign Direct Investments (from January 01 until November 30, 2013)	4,014,473 BAM – 2,052,567 EUR
Number of legal entities (2013)	8,406
Number of companies (2013)	3,429
Number of crafts (2013)	10,723
Number of employed persons (2013)	80,727
Number of unemployed persons (2013)	98,956
Average net wage (2013)	738 BAM – 377 EUR

**Tuzla
Canton**

*Source: Institute for Statistics of FBiH; Central Bank of Bosnia and Herzegovina; TRON systems;
Data of Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina*

Tuzla Canton has an important place in historical, geographical, economic and all other aspects of the state of Bosnia and Herzegovina. According to the population size, **it is the most populated Canton** in the Federation of Bosnia and Herzegovina, occupying 10.10% of the Federation of Bosnia and Herzegovina and 5.17% of Bosnia and Herzegovina. Along with the economic tradition, quality labor force, insufficiently used resources and potentials, local and cantonal authorities oriented towards investors and improving the business environment, Tuzla Canton represents an **excellent location for investment** in which potential investors are provided with a range of support services that will contribute to the success and excellence of their business activities in Tuzla Canton.



2. Tuzla Canton – Location with great investment opportunities

WHY INVEST IN TUZLA CANTON?

Industrial tradition in the function of economic growth and development of new products and business processes

Tuzla Canton has a long industrial tradition which, together with favorable business environment, creates an opportunity and basis for economic growth and development of new products and business processes. The key industry in Tuzla Canton is manufacturing industry. Traditional competitive industries and sectors in Tuzla Canton, developed on the basis of wealth of resources, are:

- wood processing industry,
- metal processing industry,
- agricultural production and food processing industry,
- plastics and tools industry, and
- chemical industry.

Manufacturing industry which includes the majority of competitive industries of Tuzla Canton has the largest share in the total export of Tuzla Canton (94%), and the largest number of legal entities and crafts doing business in this sector. Industrial tradition of Tuzla Canton creates opportunities and the basis for strong growth of new technologies and development of new products and business processes.

Favorable geo-strategic position and logistics infrastructure that enables fast and reliable access to markets of the EU, Central and Eastern Europe, Turkey and the Middle East

Favorable geo-strategic position and logistics infrastructure of Tuzla Canton are reflected in the following benefits:

- only 30 km from the border with the Republic of Croatia (the European Union),
- border with Serbia and access to transport corridors towards Central Europe, Turkey and the Middle East,
- location near the future transnational Vc corridor which is to connect Central Europe to the Adriatic Sea,
- access to the River Port Brčko which is connected to the European rail network,
- Tuzla International Airport with five flight routes and charter flights with plans for opening the cargo center.

Available educated and cost-competitive workforce for the key industries in Tuzla Canton

The quality of the workforce in Tuzla Canton is reflected in the possession of knowledge and skills necessary for work in key industries and sectors. It is a result of highly developed and diversified system of university and secondary education, and a number of institutions that provide life-long learning for the upgrading and retraining of workers.

The labor price in Tuzla Canton is significantly lower than in Southeast Europe and the European Union, where the average net salary is approximately 377 EUR, i.e. gross salary approximately 604 EUR.

Established and developed entrepreneurial infrastructure for greenfield and brownfield investments

Tuzla Canton offers all potential investors the established network of business zones (11 existing and 7 in initialization phase), technology parks (2) and business incubators (1 existing and 2 in initialization phase), with developed infrastructure, combined ownership (public and private) and possibilities for greenfield and brownfield investments in various industries.

Government of Tuzla Canton, the City and municipalities of Tuzla Canton provide contact and assistance to potential investors in establishing business operations in these segments of entrepreneurial infrastructure.

3. Special benefits for investors

Cantonal and local authorities of Tuzla Canton are known as reform-oriented authorities that implement reforms to create favorable business environment for investors. In Tuzla Canton, for the first time in Bosnia and Herzegovina, upon request of citizens, the government of experts has been formed. Cantonal and local authorities show their orientation towards investors through the implementation of projects focused on improvement of business environment, joint effort in thematic working groups and multi-sectoral teams as well as creation of new benefits for investors. All this makes Tuzla Canton an attractive location for investment. The Government of Tuzla Canton, City of Tuzla and Živinice and Srebrenik municipalities in collaboration with the International Finance Corporation (IFC), the member of the World Bank Group, have implemented the project of regulatory reform which simplified administrative procedures and lowered their costs. This gave citizens and entrepreneurs a faster and easier access to government services, while improving business environment and approaching to the future trends of e-government. There is a series of benefits for investors in Tuzla Canton at the local and cantonal level, given below.

Ministries of the Government of Tuzla Canton

Ministry of agriculture, forestry and water management

- investors are exempt from paying the fees for changing agricultural land into land for non-agricultural purposes (which usually amounts to 20% of the land market value),
- there is a possibility of applying for financial support in accordance with the Program of financial support in agriculture and rural development, implemented annually.

Ministry of industry, energy and mining

Deadlines for the finalization of administrative procedures have been shortened:

- deadline for issuing the permit for exploitation of minerals has been shortened from 30 to 15 days,
- deadline for issuing the permit for extension of exploitation of minerals has been shortened from 30 to 15 days,
- deadline for issuing the permit for mining works according to the mining project has been shortened from 30 to 15 days,
- deadline for issuing a formal document on the fulfillment of technical equipment conditions for business premises for the collection, processing and production of waste materials and secondary raw materials has been shortened from 30 to 15 days.

Ministry of zone planning and environment protection

Deadlines for the finalization of administrative procedures have been shortened:

- deadline for issuing permits and approvals has been shortened: 8 days (previously 15) is the deadline for location information, 20 days (previously 30) is the deadline for issuing the zoning permit,
- 15 days (previously 30 days) is the deadline for issuing the building permits by the Ministry or the relevant municipal department,
- deadline for the initiative to change the detailed planning document has been shortened from 5 to 2 years from the date when a detailed planning document whose amendment is proposed, comes to force.

Ministry of trade, tourism and transport

Deadlines for the finalization of administrative procedures has been shortened:

- deadline for issuing the Document on the technical and exploitation conditions has been shortened from 15 to 7 days,
- deadline for issuing the License for public transport of passengers and cargo transport has been shortened from 30 to 15 days,
- deadline for issuing IDs for motor vehicle drivers has been shortened from 30 to 7 days,
- deadline for issuing the Additional TAXI label has been shortened from 30 to 7 days,
- deadline for issuing the Permit for the transport business has been shortened from 30 to 7 days.

In most cases, shorter deadlines for the finalization of administrative procedures were followed by reduction of required documents. Also, the Ministry acquires certain documents ex officio.

Ministry of development and entrepreneurship

Ministry of development and entrepreneurship annually announces the call for awarding incentives for small and medium-sized enterprises (SMEs) and crafts registered and are doing business in Tuzla Canton. This call includes incentives for introduction of ISO/IEC standards, CE mark and renewal of previously introduced standards, incentives for newly established SMEs and crafts as well as incentives for partially subsidizing the interest rate on long-term loans approved by commercial banks. Depending on the program, the maximum amount of incentives is 12,000 BAM (approx. 6,100 EUR).

Ministry of finance

The Law on amendments to the Law on property, inheritance, and gift tax (Official Gazette of Tuzla Canton No. 14/09, 3/10, 4/10 and 8/14) exempts companies from paying the property tax on freight and passenger motor vehicles, provided that they are used for their registered business (not limited to the basic business activity).

Guarantee Fund of the Development Association NERDA

Guarantee Fund of the Development Association NERDA is a financial instrument providing entrepreneurs with an easier access to external finances, by issuing guarantees for the loans aimed at improvement of business activities. The Government of Tuzla Canton was among the first to recognize the importance of the Guarantee fund, and in 2007 the Government invested 300,000 BAM (approx. 150,000 EUR) as the deposit. At the time, it was 2/3 of the total value of the Fund. The current 810,000 BAM (approx. 415,000 EUR) deposit value, which is the total investment of the Government of Tuzla Canton, represents more than 50% of the total value of the Fund. It enables companies from Tuzla Canton to apply for loans within the Fund and stimulates development of small and medium-sized enterprises and crafts. It also stimulates investments in manufacturing and service industries, opening of new jobs and keeping the existing jobs.

City of Tuzla

- shorter deadlines for the finalization of administrative procedures,
- lower costs of administrative procedures,
- E-register of administrative procedures of City of Tuzla (<http://80.65.71.100/eregistar/egfVwOdlukaJedinice.aspx>)

Municipalities

Banovići:

- exemption from paying municipal utility tax for displaying company's name for a period of one year for businesses registered in the field of agriculture (manufacturing and seasonal activity in the field of agriculture).

Kladanj:

- faster business registration process and lower administrative fees for registration of crafts in the following areas: traditional and old crafts, agriculture, and tourism in rural households.

Sapna:

- exempt from paying location concession,
- faster issuing of zoning and construction permits,
- minimal prices of construction land,
- low utility prices,
- individual approach to each investor regarding the terms of investments.

Teočak:

- 50% lower administrative fees for newly registered businesses,
- free use of the production hall (35m x 16m, next to the main road M-18) conditioned by employment of citizens from Teočak municipality.

Čelić:

- favorable (free for a certain period of time) use of facilities in two business zones ("Fruits and vegetables processing factory" in Čelić and "Brnjik" in Brnjik) with fully established infrastructure.

Gračanica:

- payment of land rents in installments can be arranged in specific cases,
- 50% reduced utility taxes for displaying company's name for a period of one year for newly registered businesses whose owners are under 30 years of age,
- agricultural incentives.

Srebrenik:

- shorter deadlines for the finalization of administrative procedures,
- lower costs of administrative procedures,
- E-register of administrative procedures of Municipality of Srebrenik (http://srebrenik.ba/index.php?option=com_content&task=blogcategory&id=99&Itemid=7)

Živinice:

- shorter deadlines for the finalization of administrative procedures,
- lower costs of administrative procedures,
- E-register of administrative procedures of Municipality of Živinice (<http://opcinazivinice.org/novi/en/e-registar>)

4. Resources and business sectors

Tuzla Canton has been characterized by long industrial tradition based on natural resources of the Canton and quality and hardworking workforce. In 2013, 3,429 companies, mostly structured as SMEs (99%) and 10,723 crafts made the total number of 14,152 business entities in the Canton. Companies are carriers of economic development and new employment in the Canton, and had 54,710 employees in 2013, achieved the total sales earnings of 5,046,893,610 BAM, with export earnings amounting to 919,842,013 BAM (approx. 20% of the total earnings) with the total profit of 68,603,559 BAM.

Tuzla Canton is characterized by the availability of various natural resources (minerals, land, forests, water), which are the backbone of economic and industrial tradition. Rich in the primary energy sources of solid fossil fuel which support production of secondary sources of energy (electricity, heat and steam), mineral resources (coal, metals and non-metals), forests, agricultural land and mineral, thermal and thermo-mineral waters, the Canton is characterized by the following competitive sectors with the highest potential for investment, growth and new employment:

- **Wood processing industry**
- **Metal processing industry**
- **Agricultural production and food industry**
- **Chemical industry**
- **Plastics and tool industry**
- **Tourism**



4.1. Wood processing industry

The wood processing industry in Bosnia and Herzegovina and Tuzla Canton is the industry with long tradition. One of the oldest and largest companies of the wood processing industry, company “Konjuh” Inc. Živinice (Tuzla Canton), was founded in 1885. Historical sources indicate that in 1912, there were 30 large industrial sawmills, 30 small and 120 ordinary sawmills in Bosnia and Herzegovina.

In the second half of the 20th century, wood processing industry companies were known worldwide. In those years, 220 production programs existed within the forest-industrial company “Šipad” Inc. Sarajevo. “Konjuh” Inc. Živinice (Tuzla Canton) established the maximum capacity in Europe - factory of tables with 500,000 units and factory of chairs with 400,000 units, while “Krivaja” Inc. Zavidovići established the largest plant for manufacture of turned stools (solid seats). In the 1980s, Bosnia and Herzegovina was the second largest European exporter of furniture (after Italy), with the net foreign currency export effect of about \$220 million annually. “Konjuh” Inc. Živinice exported its products to five continents of the world.

The tradition and success of this sector of Tuzla Canton, is facilitated by a remarkable resource - **the forests**, which provide competitive advantage to the companies from this sector operating in Tuzla Canton. **Specifically, the total land fund of the Canton is 269,000 hectares, out of which the forest land accounts for 49%**, concentrated in the mountain zone (mountains Konjuh, Javor and Majevisa). Most forests are located in the area of Kladanj, Živinice and Banovići. Wood mass is estimated to approx. 18.6 million m³. The qualitative composition of the wood mass is characterized by low participation of conifers, i.e. high proportion of low forests in the structure of area covered in forests.

Wood processing industry of Tuzla Canton

- Local availability of raw material base (approx. 40 m³ of wood mass per capita)
- One-hundred-year-long tradition and internationally recognized manufacturing experience in a wide range of products
- Skilled labor force
- Availability of own energy sources (in coal and electricity)
- Relative geographical proximity of large markets

Investors have at their disposal different forest assortments of private and state forests in the Canton area.

Production and sales of forest assortments (1,000 m³) in Tuzla Canton in the period 2011-2013

Forest assortments	Production			Sales		
	2011	2012	2013	2011	2012	2013
Conifers - logs	46	40	46	42	38	40
Conifers - wood	8	7	12	6	6	9
Other long wood of conifers	0	0	0	1	0	0
Stacked wood of conifers	3	6	22	9	9	24
Deciduous - logs	47	50	49	47	51	49
Deciduous - wood	0	0	1	0	1	1
Stacked wood of deciduous	86	89	95	78	89	92

The average annual total volume of allowed cutting (cutting period) in Canton forests, for deciduous and conifer trees amounts to approx. 215,000 m³ of wood.

In 2013, there were 142 companies in the wood processing industry in Tuzla Canton which achieved the growth of the total earnings and total profit compared to the previous two years. The fact that the companies from this industry are predominantly export-oriented is confirmed by the share of export earnings in the total sales earnings which amounts to 62.23% at the level of industry.

Basic economic indicators of companies in the wood processing industry in Tuzla Canton in 2013

Field of processing industry related to wood processing industry	Number of companies	Total number of employees	Total profit	Total sales earnings	Export earnings	Percentage of export earnings in total sales earnings
Processing of wood and products made of wood and cork, except furniture; manufacturing of products made of straw and wicker materials	95	1,233	4,951,378	90,185,105	56,121,631	62.23%
Manufacturing of paper and products of paper	12	166	384,537	8,231,149	985,018	11.97%
Manufacturing of furniture	35	1,495	-442,159	73,959,370	50,159,230	67.82%
TOTAL-Wood processing industry of Tuzla Canton 2013	142	2,661	4,893,756	172,375,624	107,265,879	62.23%

Source: TRON systems

Growth potential of the wood processing industry is contributed by the education of workforce at universities in Tuzla Canton (Faculty of Technology, Civil Engineering Faculty, Mechanical Engineering Faculty) and secondary vocational schools with occupations such as carpenters, mechanical technicians, forestry technicians and others.

By using the advantages for the development of the wood processing industry, the wood processing factories in Tuzla Canton, in spite of the hardships of the global economic crisis, managed to enter foreign markets with an evident increase of furniture and other products of higher stages of processing in the total export to foreign markets, not only to neighboring countries, Croatia and Slovenia, but to some wealthier European countries such as Germany, Austria and the Netherlands, as well as the United States.

The most successful companies in Tuzla Canton in selected sectors of the wood processing industry by operating profit in 2013

Field of processing industry related to the wood processing industry	Company	Country of Investor
Processing of wood and of products made of wood and cork, except furniture; manufacturing of products made of straw and wicker materials	RADIAL Ltd. GRAČANICA	Bosnia and Herzegovina
	ISOWOOD Ltd. GRAČANICA	Bosnia and Herzegovina / The Netherlands
	PEŠTALIĆ Ltd. GRADAČAC	Bosnia and Herzegovina
Manufacturing of paper and products of paper	C.P.A. Ltd. TOJŠIĆI-KALESIJA	Bosnia and Herzegovina
	EXTRA Ltd. TUZLA	Bosnia and Herzegovina
	KARTONPROM Ltd. GRAČANICA	Bosnia and Herzegovina
Manufacturing of furniture	FEN-BH Ltd. LUKAVAC	Bosnia and Herzegovina / Switzerland
	INGRAT Ltd. GRAČANICA	Bosnia and Herzegovina
	PRIMA SOFA Ltd. KALESIJA	Macedonia / Croatia
	IVEREX KOMERC Ltd. ŽIVINICE	Bosnia and Herzegovina
	TMN 2007 Ltd. KLADANJ	Bosnia and Herzegovina
	IZAZOV Ltd. KALESIJA	Bosnia and Herzegovina

Taking into account the strengths of the wood processing industry in Bosnia and Herzegovina, specifically related to Tuzla Canton, a growth path of the wood processing industry of the Canton has indeed been created, based on:

- tradition of industrial production,
- low labor costs,
- geographic location, which allows lower transportation costs to the EU market (0.60 - 1 EUR / km for the driving unit of 100 m³) depending on the destination market and the possibility of return transport,
- available infrastructure for the sector, domestic raw materials, especially forests which abound in Tuzla Canton,
- installed processing capacities,
- organizational flexibility of manufacturers compared to their competition, regarding payment and delivery, due to the existence of small companies with less than 100 employees and ability to service smaller customers.

This is also supported by the fact that demand aspect leaves the room for increase of exports both in terms of geographical segments as well as product diversification. Tradition, rich economic heritage and experience in wood processing are the basis for strengthening, developing and diversifying this sector with numerous opportunities for investments by new investors, relying on the above mentioned resources and advantages.

4.2. Metal processing industry

First industrial capacities of the metal sector in the area of Tuzla were developed from handicraft workshop for maintenance of coal and salt mine equipment (Mechanic workshop Tuzla in 1936), which in 1959 developed in the mining machinery industry, i.e. machinery industry and foundry and in Transportation devices factory Tuzla (1970). The workshops of mechanical and electrical maintenance served as the basis for development of the following companies: “Rudarinvest” Banovići, “Elektroremont” Banovići, “Helios” Banovići, along with the brand new companies: “Remontmontaža” Tuzla, “Fering” Gračanica, “Izolacija” Tuzla, “Fakol” Lukavac, “Alfe-mi” Živinice, “Eli” Tuzla, “Unistok” Kalesija, “Dalekovodmontaža” Tuzla, TMD Gradačac, TMP Srebrenik and others.

The key products and services provided by metal processing companies of Tuzla Canton are production of metal components, constructions, process equipment, different types of profiles, parts for automotive industry, tools and instruments, agricultural equipment, molten elements, metalware, metal constructions installation, projecting, modeling, simulating, optimization, reengineering, maintenance, education and scientific and research activities.

From the standpoint of the total production and sales, export earnings, number of employees and its share in GDP, the metal processing industry is the most important industry and export sector in Bosnia and Herzegovina, which registers foreign trade surplus in most segments of its production. The share of processing industry with the metal processing industry as its component, in the total export of Tuzla Canton in 2013 stood at 94%.

Metal processing industry of Tuzla Canton

- Besides its direct influence on the economic development in form of new employment, creating added value etc., this industry also has indirect (multiple) influence on the development of the industry and the total economy by encouraging development of other economic sectors (energy, mining, construction, and small and medium sized enterprises in general)
- High share in the industry and overall economy in terms of employment
- Export attractive industry branch
- Opportunities for business cooperation and joint ventures with foreign companies from highly developed EU countries
- Skilled workforce formed through secondary education, but also through the Faculty of Mechanical Engineering and the Faculty of Electrical Engineering of Tuzla University
- Due to technological complexity, suitable for cooperation with higher-education institutions and research centers

In 2013, there were 178 companies in the metal processing industry of Tuzla Canton which employed 4,070 workers. The total profit was 3,575,707 BAM. The share of export earnings in the total sales earnings was 29.08%. The highest share of export earnings in the total sales earnings was registered by the companies that produce electric equipment (70.56%).

Basic economic indicators of companies in the metal processing industry in Tuzla Canton in 2013

Field of processing industry related to the metal processing industry	Number of companies	Total number of employees	Total profit	Total sales earnings	Export earnings	Percentage of export earnings in total sales earnings
Production of base metal	7	130	2,433,557	16,666,723	8,358,872	50.15%
Production of finished metal products except machinery and equipment	91	1,968	2,179,874	176,997,008	76,823,666	43.40%
Production of electric equipment	13	377	3,150,705	28,248,198	19,933,345	70.56%
Production of machinery and equipment	36	782	-4,015,537	34,448,137	6,544,415	19.00%
Production of motor vehicles, trailers and semi-trailers	3	395	-280,267	114,444,921	124,999	0.11%
Production of other transport equipment	2	15	8,810	231,693	76,373	32.96%
Repair and installation of machinery and equipment	26	403	98,565	18,521,684	1,406,080	7.59%
TOTAL-Metal processing industry in Tuzla Canton 2013	178	4,070	3,575,707	389,558,364	113,267,750	29.08%

The main factors affecting the development prospects of the metal processing industry of Tuzla Canton which contribute to its competitive advantage are reflected in:

- qualified workforce that is educated for work in this sector through secondary education with numerous profiles such as: mechanical technician, mechanical technician for computer design, mechanical technician – CNC machine operator, mechatronics technician, locksmith, welder, metal lathe operator and other, and also through the Faculty of Mechanical Engineering and the Faculty of Electrical Engineering of Tuzla University,
- connection with regional markets and
- installed processing capacities.

Some of the most successful companies of Tuzla Canton are precisely in the metal processing industry (Alfe-Mi Ltd. Živinice, Deling Ltd. Tuzla and others). Foreign investors have also recognized the potential of this sector, so there are also companies with foreign capital share in Tuzla Canton: CIMOS TMD automotive industry Ltd. Gradačac – founder CIMOS Ltd. automotive industry Slovenia, WAGNER AUTOMOTIV Ltd. aluminum castings foundry Gradačac – cofounder WAGNER AG Switzerland, ELSTA MOSDORFER BOSNIA Ltd. TUZLA – founder ELSTA-Mosdorfer Gesellschaft m.b.H. Austria, TRAKTIONSSYSTEME BOSNIA Ltd. TUZLA – founder Traktionssysteme Austria GmbH Austria and others.

The most successful companies in Tuzla Canton in selected sectors of the metal processing industry by operating profit in 2013		
Field of processing industry related to the metal processing industry	Company	Investor origin
Production of base metal	WAGNER AUTOMOTIV Ltd. GRADAČAC	Bosnia and Herzegovina / Switzerland
	TMD - AGS Ltd. GRADAČAC	Bosnia and Herzegovina
Production of finished metal products except machinery and equipment	UNIS-TOK Ltd. KALESIJA	Bosnia and Herzegovina
	INDEX Ltd. GRAČANICA	Bosnia and Herzegovina
Production of electric equipment	LAFAT KOMERC Ltd. KALESIJA	Bosnia and Herzegovina
	TRAKTIONSSYSTEME BOSNIA Ltd. TUZLA	Austria
Production of machinery and equipment	BOSNA-NILESS Ltd. LUKAVAC	Bosnia and Herzegovina
	STROJ Ltd. GRADAČAC	Bosnia and Herzegovina
Production of motor vehicles, trailers and semi-trailers	TMD Ai Ltd. GRADAČAC	Slovenia
	MAGMA METAL Ltd. GRADAČAC	Bosnia and Herzegovina
Repair and installation of machinery and equipment	ELCOM Ltd. TUZLA	Bosnia and Herzegovina
	TEHNOPETROL Ltd. TUZLA	Bosnia and Herzegovina

Significant investment opportunity for establishment and development of metal processing industry companies is evident in the announced and started investments in the thermal power system in Tuzla Canton. They include the construction of Thermal block 7 in Tuzla with the power of 450 MW and Thermal block in Banovići with the power of 300 MW, whose investment value is estimated at over 2.5 billion BAM and investment maintenance in large business systems in the sector of repair and installation of machinery and equipment.

4.3. Agricultural production and food industry

Agricultural production and food industry are among the oldest economic activities in the Canton. The first factories, Tuzla Brewery and Spirit Factory Tuzla, were built at the time of the Austro-Hungarian governance (between 1884 and 1886). According to the number of economic entities, including crafts (412), companies (187), as well as agricultural holdings (12,753 family agricultural holdings enrolled in the Register of agricultural holdings, with 23,942 members), this sector is considered as one of the most important industry branches of Tuzla Canton.

Agricultural production and food industry of Tuzla Canton show remarkable growth potential based on:

- tradition,
- spatial and zoning capacities,
- wealth of resources,
- skilled labor force.

Tuzla Canton has 114,102 hectares of arable land (plough land – 85,807 ha, orchards – 15,329 ha, meadows – 12,960 ha, vineyards - 6 ha) and 11,123 ha of pastures. Land is underused, with low effects in primary agricultural production. Therefore, domestic production is not even close to meet the population needs for food, which opens up room for new investments in this sector. The Faculty of Technology at Tuzla University, together with its departments of food technology, agriculture and chemical engineering, produces highly educated staff ready to encourage further development of the sector by applying gained knowledge and skills. Qualified workforce in this sector is also educated at secondary vocational schools in the Canton with the profiles that suit the needs of food sector activities (agricultural technician, food technician, chemical technician with focus on biotechnology, etc.).

” Our company – the German Gourmet Dairy Zott – which stands for taste and quality coupled with a passion for milk decided to realize an investment for a production site in Gradačac, because its central location is excellent for strengthening our position in the Adriatic’s. Straight from the beginning of the project, we were supported by the responsible authorities in a very obliging manner and our cooperation was very efficient, effective and positive. We feel welcomed in Gradačac and we are proud that we can rely on such qualified and motivated staff who shares the passion for taste and the natural raw material milk with us. ”

Anton Hammer
Executive Director Finance & Service
Zott SE & Co. KG



According to The Competitiveness study of three value chains in agriculture of Tuzla Canton, created by the International Finance Corporation (IFC), the member of the World Bank Group, for the Government of Tuzla Canton, this Canton has significant potential for agricultural production and agrobusiness. The export potential has been identified for certain types of vegetables (especially dried) and fruits (especially frozen) as well as dairy products (sour cream and cheese), which opens up the room for additional investments in cold-storage units and other processing facilities.

Performance indicators for fruit and vegetable crop, livestock and production of milk, eggs, wool and honey in Tuzla Canton in 2013

Actual harvest yields				Actual fruit yields				Number of livestock		Milk, eggs, wool and honey production	
Harvest	Harvested area in ha	Yield, ton		Harvest	Number of bearing trees	Yield		Livestock	Number		
		Total	By ha			Total, tons	Kg per tree				
Wheat	3,567	16,813	4.7	Cherries	125,868	1,653	13.1	Cattle	58,606	Cow milk (000 l)	93,541.4
Rye	296	1,153	3.9	Sour cherries	51,696	518	10.0	Cows and heifers	42,750	Per milking cow (liters)	2,577.0
Barley	571	2,603	4.6	Apricots	42,303	228	5.4	Sheep	58,236	Sheep milk (000 l)	310.3
Oats	525	1,958	3.7	Apples	1,267,199	12,967	10.2	Sheep for breeding	38,878	Per milking sheep (liters)	27.0
Corn Grain	21,512	89,033	4.1	Pears	505,387	4,308	8.5	Pigs	7,218	Goat milk (000 l)	344.9
Soybeans	22	54	2.5	Quinces	20,685	293	14.2	Sows and dry pregnant sows	593	Per milking goat (liters)	136.0
Potatoes	7,173	69,814	9.7	Plums	2,511,881	43,849	17.5	Horses	1,518	Wool (tons)	74.2
Carrots	95	487	5.1	Peaches	45,225	536	11.8	Mares and young broodmares	138	Per sheep (kg)	1.8
Onions	618	3,218	5.2	Walnuts	80,495	445	5.5	Poultry (in thousand heads)	9,050.8	Eggs (thousands pieces)	66,851.8
Garlic	224	536	5.2					Egg laying hens (in thousand heads)	467.1	Per hen (pieces)	132.4
Beans - Grain	635	536	0.8					Goats	4,299	Honey (tons)	295.9
Peas - Grain	70	68	1.0					Rabbits	1,137	Per hive (kg)	6.7
Cabbage and kale	1,068	4,858	4.6					Beehives	44,470		
Tomato	591	2,944	5.0								
Green pepper	538	1,776	3.3								
Cucumber	513	2,525	4.9								
Clover	2,227	7,516	3.4								
Alfalfa	2,153	7,605	3.5								
Corn for forage	8,773	133,593	15.2								
Fodder beet	9	134	14.9								
A mixture of legumes with grasses and corn	302	950	3.1								
Grass - trefoil mixture	3,290	12,602	3.8								

Source: Federal Bureau of Statistics

Confirmations that this sector of Tuzla Canton has resources that provide competitive advantage in the market are foreign investors such as Zott SE Ltd. Gradačac (investors from Germany, Croatia and BiH) and Lactalis BH Ltd. Gradačac (Dukat, Croatia). In July 2014, the domestic company “Bingo” Ltd. Tuzla completed the most significant investment in the field of agricultural production in Tuzla Canton by opening one of the most modern hen farms, with the capacity of 39,000 egg-laying hens that can produce 35,000 consumption eggs a day, or close to a million a month, with an initial investment of approx. 10,000,000 BAM.

Agricultural production and food industry of Tuzla Canton

- Very significant potential available in the agricultural (arable) land, and also in fruit and livestock
- Significant potential for export as well as for import substitution of products in the domestic market
- Special opportunities in production and export of healthy food, organic food and natural food
- Qualified workforce

Exports of food, livestock, beverages and tobacco in Tuzla Canton in 2013 amounted to 40,405,000 BAM, with a share of around 4% of the total export of the Canton in the given year. The agricultural production and food industry of Tuzla Canton in 2013, involved a total of 187 companies that employed a total of 1,841 workers, with the registered growth rate in the total sales earnings and export earnings when compared to the previous two years. Besides the obvious results achieved in the previous period, there is still a disparity between the potential that this economic branch of Tuzla Canton possesses and the achieved performance. Thus, this economic branch registered a loss in 2013. Local food producers are not sufficiently aware of the opportunities offered by processors, nor are they organized well enough to sell their products to major purchasers/customers. Most local producers produce partly for their own needs and partly for the market needs, generally selling their products locally. In addition, the lack of capital presents a major constraint on more efficient and faster activation of the production factors, which opens up numerous opportunities for investors.

Basic economic indicators of companies in agricultural production and food industry in Tuzla Canton in 2013

Field of Agriculture, forestry and fishing and Processing industry related to agricultural production and food industry	Number of companies	Total number of employees	Total profit	Total sales earnings	Export earnings	Percentage of export earnings in total sales earnings
Crop and animal production, hunting and related services	71	290	-555,504	51,861,775	2,027,287	3.91%
Production of food products	103	1,240	-16,170,309	189,742,632	40,232,492	21.20%
Production of beverages	13	311	-2,178,005	25,569,642	396,720	1.55%
TOTAL-Agricultural production and food industry in Tuzla Canton 2013	187	1,841	-18,903,818	267,174,049	42,656,499	15.97%

The most successful companies in Tuzla Canton in selected sectors of the agricultural production and food industry by operating profit in 2013

Field of Agriculture, forestry and fishing and Processing industry related to agricultural production and food industry	Company	Investor origin
Crop and animal production, hunting and related services	KORNIŠON BOSNIA Ltd. KALESIJA	Bosnia and Herzegovina
	LANDGOLD Ltd. GRAČANICA	Bosnia and Herzegovina
	LEDENIČKA DOLINA (farmers' co-op) GRADAČAC (business unit)	Bosnia and Herzegovina
Production of food products	EUROTRANS Ltd. GRADAČAC	Bosnia and Herzegovina
	MENPROM Ltd. GORNJA TUZLA	Bosnia and Herzegovina
	REBRONJA Ltd. DOBOJ ISTOK	Bosnia and Herzegovina
Production of beverages	BONY Ltd. TUZLA	Bosnia and Herzegovina
	PAPAGO Ltd. LUKAVAC	Bosnia and Herzegovina
	MAJEVIČKI STUDENAC Ltd. TUZLA	Bosnia and Herzegovina

4.4. Plastics and tool industry

There is an increasing evidence of the consumer industries in Bosnia and Herzegovina, which use plastics in their products, potentially offering market opportunities for companies in the plastics and tools processing industry, which opens up the possibility to increase production, equipment utilization and productivity level.

The key products of this sector in Tuzla Canton are: PVC + ALU products (gates, fences, stacking garage doors, construction metalware), plastic packaging (garbage bags, LDPE bags for deep freezing with bar codes, bags with a hard handle for educational institutions, protective foil for the construction industry, general purpose foil, foil for agriculture, warning tapes with detection wire), products for the construction industry, products for heating, plumbing products, products for electrical installations.

Plastics and tool industry of Tuzla Canton

- Geographical location in the wider region of the former Yugoslavia and its tradition
- Companies from Tuzla Canton engaged in this sector are prominent reference centers of the industry
- Experience in plastics processing and stable relationships with customers and suppliers
- Cooperation with partners in the region and free trade agreements
- The existence of Plastics and Tools Cluster that founded the Center of modern technologies

The plastics and tool industry is mostly concentrated in the Gračanica region, with highly successful companies (Plamingo Ltd., Helioplast Ltd., Variplast Ltd. and others) that demonstrate a positive trend when it comes to the access to European markets, as well as with the partners in the region. The companies engaged in the production of Aluminium and PVC joinery are included in some of the largest investments in the construction industry in Bosnia and Herzegovina (Mellain building in Tuzla, Sarajevo City Center building - Al Shiddi Group investment and other). The above mentioned details are evidence of the extraordinary potential for new investments and further development of this sector in Tuzla Canton.

The municipality where the plastics and tool industry of Tuzla Canton is largely concentrated is also the seat to the Association of legal entities “Plastics and Tools Cluster,” the first and the only cluster for this type of business activity in Bosnia and Herzegovina. It was launched in 2007 by the private sector with a mission to connect the micro, small, medium and large enterprises in the sector of plastics and tool processing. The founders are Helioplast Ltd. Gračanica, Plamingo Ltd. Gračanica, Plastex Ltd. Gračanica, Bema BA Ltd. Gračanica, Variplast Ltd. Gračanica, Plastika Božić Ltd. Sočkovac, Zimplast Ltd. Gračanica, Fragmat Izolirka Ltd. Gračanica, IDEA Co. Ltd. Gračanica.

To support the development of this industry, MTTC Ltd. (Machine Tool Technology Center - Center for modern technologies) was founded in Gračanica and is the first significant result of the cluster that provides services to improve the competitiveness of companies engaged in this activity by providing 3D scanning, 3D printing - plastic, plaster, metal, gold, titanium, 3D product and tools design, 3D tools design and optimization, analysis of hidden defects of the product, converting CAD models to CAM, and education services (SolidWorks basic and advanced training module, SolidCAM training for 2.5-axial, 3-axial and 5-axial machining, practical training for CAM on 3-axis and 5-axis CNC machines and processing technology for polymeric materials).

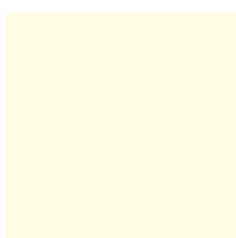
In addition, competitiveness of the sector is contributed by qualified workforce for the sector, educated by the Faculty of Mechanical Engineering in Tuzla, and in secondary schools for occupations: mechanical technician for computer design, electrician of computational technology and automation, producer and assembler of AL and PVC windows and doors, and other.

In 2013, the plastics and tool industry of Tuzla Canton included 69 companies that employed 1,171 workers. The proof that this is a sector with excellent growth potential is the growth of key economic indicators for this branch. The total amount of profits realized by the 69 companies in 2013 amounted to 12,512,213 BAM, with registered continuous growth in the period 2011- 2013, and the total amount of profit in 2013 was by approx. 3 million BAM higher when compared to 2012, and by approx. 6 million BAM higher than in 2011.

Basic economic indicators of companies in the plastics and tool industry in Tuzla Canton in 2013						
Field of the processing industry related to the plastics and tool industry	Number of companies	Total number of employees	Total profit	Total sales earnings	Export earnings	Percentage of export earnings in total sales earnings
Manufacturing of rubber and plastic products	69	1,171	12,512,213	138,402,011	55,991,993	40.46%
TOTAL-Plastics and tool industry in Tuzla Canton 2013	69	1,171	12,512,213	138,402,011	55,991,993	40.46%

Source: TRON systems

The growth of the total profit for the companies in the tool and plastics sector is the result of the continuous growth of total sales earnings, which in 2013 amounted to 138,402,011 BAM. The level of participation of export earnings in the total sales earnings of the companies operating in this sector also increased in the period 2011-2013, and the export earnings in the total sales earnings at the branch level amounted to 40.46%.



The most successful companies in Tuzla Canton in selected sectors of the plastics and tool industry by operating profit in 2013

Field of the processing industry related to the plastics and tool industry	Company	Investor origin
Manufacturing of rubber and plastic products	HERCEG Ltd. SREBRENİK	Bosnia and Herzegovina
	PLAMINGO Ltd. GRAČANICA	Bosnia and Herzegovina / Germany
	ALIBEGOVIĆ-PLAST Ltd. GRAČANICA	Bosnia and Herzegovina
	HELIOPLAST Ltd. GRAČANICA	Bosnia and Herzegovina
	PGL-PROTECT Ltd. LUKAVAC	Bosnia and Herzegovina / Slovenia
	DEPLAST Ltd. TUZLA	Bosnia and Herzegovina
	PLASTEX Ltd. GRAČANICA	Bosnia and Herzegovina
	BUSCHERHOFF-PLASTIKAL JSC. KALESIJA	Bosnia and Herzegovina / Germany
	POLY Ltd. GRAČANICA	Bosnia and Herzegovina
	PULLCOM BH Ltd. GRADAČAC	Bosnia and Herzegovina / Italy

Given the advantages of this sector and the results achieved by the companies engaged in the said activities, and through the analysis of the sector, numerous opportunities and potential for growth of this sector in Tuzla Canton are identified, based on:

- vertical and horizontal integration within the value chain (clustering),
- entering new markets,
- major companies in the automotive and appliances industry are looking for suppliers of plastic components,
- aimed at reducing emissions of carbon monoxide, new EU regulations, require the automotive industry to use lighter components, where plastics is already used as a substitute for metal.

4.5. Chemical industry

The chemical industry in Tuzla Canton has a long tradition, but due to bad privatization processes, poor management by owners, outdated technology, liberalization of imports and neglect of the market the former giants of the Yugoslav economy (Dita JSC. Tuzla, Polihem and others) from the area of Tuzla Canton remained at the margin of market developments. Regardless of the above mentioned, **the strongest production in the chemical industry in Bosnia and Herzegovina, with significant opportunities for new investments, is concentrated in Tuzla Canton.** Chemical industry in the Canton is based on resources that have traditionally allowed the production of salt, soda, coke, and detergents. The annual level of production of coke amounts to approximately 290,000 tons, 380,000 tons of soda and 140,000 tons of salt.

Chemical industry of Tuzla Canton

- Long tradition and recognition for the production of detergents, soda, coke and other products of the chemical industry
- Existing qualified workforce and new workforce educated at secondary schools and universities
- Built infrastructure
- Developed and recognizable brands in the international market

The basis for further development of this industry in Tuzla Canton:

- existing qualified workforce and new workforce educated at secondary schools and universities,
- built infrastructure,
- construction of a treatment plant for municipal and industrial wastewater, in order to protect environment in the Canton which was significantly polluted by the chemical industry.

The chemical industry of Tuzla Canton is distinguished by developed brands recognizable in the international market. Tuzla's salt is an irreplaceable part of households throughout the former Yugoslavia and beyond, and products of the detergents factory Dita Ltd. Tuzla (Ava, Arix, 3DE, Softly and many others) have become synonyms for powder and liquid detergents.

Foreign investors have recognized the potential of this industry with significant investments in the production of soda (Sisecam Soda Lukavac Ltd. - Investor Soda Sanayii A.S. Turkey) and coke, ammonium sulfate, crude tar and others (Global Ispat Coke Industry Ltd. Lukavac, investor Global Infrastructure Holdings Ltd. UK).

New investments in the chemical industry of the Canton contribute to its further development, and one of planned investments in the coming period is the beginning of an important investment cycle in the salt factory Solana JSC. Tuzla. It began by the reconstruction of the transformer station, construction of shelf warehouse, and preparations for the construction of a modern bulk warehouse, which will ultimately result in a new salt factory.

” Tuzla Canton has a very good industrial infrastructure, rich natural resources and skilled workforce, which are the reasons behind investments in the area of this Canton. We have also witnessed a high level of business ethics of our local partners and employees, while emphasizing that the available opportunities do neutralize existing challenges.

Baris Donmez
General Manager Sisecam Soda Ltd. Lukavac



The selected sectors of the chemical industry in Tuzla Canton in 2013, involved a total of 19 companies, which employed 2,391 workers. These companies achieved the total sales earnings in the amount of 391,367,779 BAM. That this is an export-oriented industry is indicated by data on the share of exports in total sales earnings at the branch level, representing 79.85%. Companies in the chemical industry of Tuzla Canton, in 2013, operated at a loss at the industry level, since it is known that most of the capacities depend on foreign markets, where competition is fierce. All disruptions in the world market are directly reflected on the operations of the industry, but with the previously mentioned advantages, supporting activities of restructuring, introduction of new technologies, expansion of markets and certification according to international standards, profit would soon be realized at the industry level.

Basic economic indicators of companies in the chemical industry in Tuzla Canton in 2013

Field of the processing industry related to the chemical industry	Number of companies	Total number of employees	Total profit	Total sales earnings	Export earnings	Percentage of export earnings in total sales earnings
Production of coke and refined petroleum products	3	1,026	-24,063,040	195,351,827	165,507,818	84.72%
Production of chemicals and chemical products	13	862	13,346,895	161,636,184	128,845,527	79.71%
Production of basic pharmaceutical products and pharmaceutical supplements	2	85	723,787	6,151,656	134,005	2.18%
Extraction of salt *	1	418	1,813,802	28,228,112	18,017,650	63.83%
TOTAL-Chemical industry of Tuzla Canton 2013	19	2,391	-8,178,556	391,367,779	312,505,000	79.85%

Source: TRON systems

* Solana JSC. Tuzla represents one of the most important carriers of the chemical industry of Tuzla Canton, but by the code of business activity it is classified in extraction of salt, which is why this branch is included in the overview of the chemical industry.

Two faculties at Tuzla University, the Faculty of Technology with its departments of Chemical Engineering and Technology that offer majors in chemical engineering, chemistry and engineering of materials, ecological engineering and chemical technology and the Faculty of Pharmacy, educate workforce that find jobs in the chemical industry of the Canton and by the acquired knowledge and skills contribute to the further development of the sector. Qualified workforce in this sector is educated in secondary vocational schools in the Canton and in professions that suit the needs of this industry (pharmaceutical technician, chemical technician with focus on biotechnology and chemical technician in pharmaceutical production).

The most successful companies in Tuzla Canton in selected sectors of the chemical industry by operating profit in 2013		
Field of the processing industry related to the chemical industry	Company	Investor origin
Production of coke and refined petroleum products	HEMPRO Ltd. GRADAČAC	Bosnia and Herzegovina
Production of chemicals and chemical products	SISECAM SODA LUKAVAC Ltd. LUKAVAC	Bosnia and Herzegovina / Turkey
	BEAT BH Ltd. ŽIVINICE	Bosnia and Herzegovina
	BAUKLAR Ltd. Lukavac	Bosnia and Herzegovina
Production of basic pharmaceutical products and pharmaceutical supplements	ZADA PHARMACEUTICALS Ltd. LUKAVAC	Bosnia and Herzegovina
	CYDONIA Ltd. GRAČANICA	Bosnia and Herzegovina
Extraction of salt	SOLANA JSC. Tuzla	Bosnia and Herzegovina

4.6. Tourism

Rich cultural and historical heritage is the basis for offers in the field of cultural tourism, and mineral resources provide a basis for offers in health and wellness tourism, and their participation is growing from year to year in Tuzla Canton.

Cultural and historical heritage – opportunity for tourism development

In the area of Tuzla Canton there are 687 registered units of heritage, including 39 national monuments, such as the Colorful (Šarena) mosque with the harem in Tuzla and Gradačac Old Town with Gradašćević Tower, 271 monuments of cultural and historical heritage, 139 architectural monuments, 87 units of ethnological heritage and 97 units of natural heritage. Monuments belong to different historical periods and are open for tourist visits. The largest and oldest archaeological site is a narrow area of the city of Tuzla (lake settlement from the Neolithic period), while in the historical and social milieu of the medieval Bosnian state the characteristic cultural phenomenon of Bosnia was created, which is spread on Tuzla Canton - tombstones, as well as the Stone Town in Srebrenik and Tower in Gradačac.

Mineral springs – opportunities for investment into health and wellness tourism facilities

Larger accumulation of thermal-mineral waters is found in the Spreča faults, which represents the largest fault zone in the former Yugoslavia. Accumulation of thermal waters, which extends in the zone along the river Spreča, from Suho Polje over Gračanica to Miričina, is one of the larger accumulations for these types of spas in the area of the former Yugoslavia. Exploitation capacity of reservoirs provide water diversion with at least 20 exploitation wells, with depth of 30 to 1,000 m, with an average capacity of about 100 m³ per second per borehole. So far, registered sites of thermal water are: Ilidža - Gradačac (health spa, bath), Tuzla and Gračanica (thermal pools).

Usage and healing properties of salt water from Tuzla has been known for more than ten centuries, and the first analysis of Tuzla salt water for medical purposes was performed in 1887, by Vienna balneologist Ernest Ludwig. Tuzla salt water was used during the Ottoman and Austro-Hungarian empires, and there is a record that one of the patients of Slana Banja (Salt Spa) in Tuzla was the Austro-Hungarian Emperor Franz Joseph. At the site of the old spa Bristol in Tuzla, company “Uni Bristol” is implementing one of the largest investments in tourism in the Canton, restoring centuries-old tradition of treatment by salt water, building a complex which will include a clinic with baths, modern spa and health and recreational complex.

According to the World Tourism Organization (UNWTO), Bosnia and Herzegovina has been defined as one of top three tourist destinations in the world with the overall growth potential of the tourism market of 10.5% (for the period up to 2020). Currently, an application for registration of tombstones in Bosnia and Herzegovina, Serbia and Croatia is being prepared. Of these three, BiH has the highest number of tombstones, which amounts to about 60,000, while there are about 4,400 in Croatia and 4,100 in Serbia.

Since 1968, numerous scientific analyses have been conducted, which confirm multiple healing properties of Kladanj mineral water that the famous 17th century Turkish traveler Evliya Çelebi called the “Fountain of Youth” or “Male water”, and which has healing properties primarily in terms of strengthening physical ability. At this site, there is a hotel complex Muška voda (Male water) and Male water spring. Within the hotel premises there is a dam, sports stadium and training ground, making it attractive for sports teams.

There are numerous qualities of tourist offer of Tuzla Canton that would, with the current strengths and heritage and an innovative approach adjusted to world trends and investments, create a momentum for development of other economic sectors in the Canton, but also the overall development of the area, creating many opportunities for new investors.

Richness of tourist offer in Tuzla Canton	
Ethno - tourism	<ul style="list-style-type: none"> Ethno courtyard in Mačkovac Bosnian courtyard “Mala Lohinja” – Gračanica
Historical tourism	<ul style="list-style-type: none"> Gradačac fortress Archaeological Park of neolithic settlement in Tuzla Fortress Gradina in Srebrenik Tombstone necropolises in Kladanj, Banovići, Živinice, Kalesija, Tuzla, Teočak and Sapna Stone spheres in Teočak Tourist train “Ćiro”
Water tourism	<ul style="list-style-type: none"> Thermal spa „Iliđža“ Gradačac, which applies modern methods of treatment and medical rehabilitation, based on the healing properties of mineral water. Complex Pannonian Lakes in Tuzla, located in the city center, includes three artificial salt lakes, salty waterfalls, Neolithic settlement, sports fields and other supporting facilities. Salt lakes, except being an attractive swimming location for many visitors, have medicinal properties due to the content of salts and other minerals. Lake “Modrac” in Lukavac is one of the largest water accumulations in the former Yugoslavia. It is suitable for fishing, and is used to ensure process water for industries in Tuzla and Lukavac. Paradise Lake in Bašigovci (Živinice municipality) - In order to take advantage of this natural resource, local residents and Živinice Municipality implemented activities on preparing the shores of the lake, which is abundant in fish potential, but it is also a great destination for swimmers. Lake “Hazna” Gradačac, area of 1 km², with prepared beaches and other facilities for rest and recreation in natural environment and clean water. Lake “Vidara” Gradačac - area of 7 km², artificial water accumulation with a capacity of over one million m³ of water, which is an area for significant sporting events organized by the sport fishing associations. Lake Bistarac Lukavac is known for its cleanliness, modern swimming areas, large campsite, sports facilities, large parking area, and landscaped picnic areas. It is suitable for sports fishing. Lake “Sniježnica” near Teočak made in the 1970s for needs of the Thermal Power Plant Ugljevik - a paradise for lovers of fishing and swimming.
Religious tourism	<ul style="list-style-type: none"> “Djevojačka pećina” (cave) Kladanj - entrance to the cave is about 30 meters above the right bank of the river Bukovica. One of the most important pilgrimage sites which attracts up to fifty thousand pilgrims a day. The cave contains drawings - engravings, occupying an area of about 15 meters in length that point to the epoch of the early Stone Age - Paleolithic, older than 10,000 years. Sacral buildings (mosques, churches)
Fair tourism	<p>Among major fairs are:</p> <ul style="list-style-type: none"> Plum Fair in Gradačac, Days of berries in Čelić, Business and trade fair in Gračanica, International fair of tourism, hunting and fishing in Lukavac „LIST“. <p>These fairs serve for the presentation the tourist offer of the Canton and promotion and networking of business entities and investors.</p>
Sports tourism	<ul style="list-style-type: none"> As one of the most common places for preparation of Bosnian sports teams and teams from the former Yugoslav countries, is a complex Muška Voda (Male Water) Kladanj, which, among other things, includes hotel, dam, sports stadium and training ground, which makes it suitable for sports teams. Hiking, hunting, fishing, biking, caving, hippodrome/racecourses

A very important option in the creation of health tourism offer is the available combination of clinical and healthcare services - cardiovascular surgery and intervention, dermatological and similar, in which the Public Healthcare Institution University-Clinical Center, Heart Center BiH and private practices are far more competitive in price compared to the same abroad, with the same level of quality.

Tourism of Tuzla Canton

Development of tourism in Tuzla canton is facilitated by the following competitive advantages:

- rich cultural and historical heritage,
- available mineral, thermal and thermo-mineral waters,
- quality transportation network of the Canton by road, rail and air traffic with various destinations in Bosnia and Herzegovina, neighboring countries and Europe,
- qualified workforce.

Tourism in Tuzla Canton has predispositions to achieve a strong growth, taking into account natural resources, rich heritage and history, good geographical location, great cuisine at reasonable prices and the status of an unknown tourist destination for major markets. In Tuzla, there is a Tourist Information Centre, where tourists can find all the necessary information about tours of the city of Tuzla, Tuzla Canton and BiH, information on available accommodation, the current events in the city, as well as tourist maps and souvenirs. Visitors of Tuzla Canton can use a large range of accommodations and services provided by travel agencies, organizations, information centers and certified tourist guides coordinated by the Tourist Board of Tuzla Canton (www.tourism-tk.ba).

Forty-two (42) companies operating in selected sectors of tourism in Tuzla Canton in 2013 employed a total of 332 workers. However, the economic structure of tourism is still largely made up of home businesses, as well as handicrafts. **The increased number of nearly 6,000 overnight stays in 2013 when compared to 2012, increasing orientation towards tourism, and connection of Tuzla Canton with Europe through low-cost flights from Tuzla Airport are all in favor of the new investment opportunities in this sector.**

Cheap charter flights from European cities (Basel, Dortmund, Göteborg, Malmö and Eindhoven) have enabled numerous BiH Diaspora to, due to shorter time required for travel and lower costs, spend more vacation days in Tuzla Canton and Bosnia and Herzegovina, and experience the tourist offer of this area.

Basic economic indicators of companies in tourism sector of Tuzla Canton in 2013						
Field of tourism	Number of companies	Total number of employees	Total profit	Total sales earnings	Export earnings	Percentage of export earnings in total sales earnings
Accommodation	14	216	-1,289,507	5,238,686	0	0.00%
Travel agencies, tour organizers, tour operators and other reservation services and related activities	14	33	229,240	6,542,704	4,918,590	75.18%
Sports, entertainment and recreation activities	14	83	68,333	4,397,984	49,952	1.14%
TOTAL-Tourism in Tuzla Canton 2013	42	332	-991,934	16,179,374	4,968,542	30.71%

Izvor: TRON systems

The structure of natural or inherited and built elements of tourism offer in the area of Tuzla Canton works in favor of creating a **multidimensional touristic offer** and its combination with other branches of the economy. Potential for growth of the sector is supplemented by workforce with specialized knowledge acquired at the Tourism and Catering school in Tuzla, as well as an increasing number of old and traditional crafts. Specifically, the increased awareness of the potential of this sector has contributed to the establishment of 164 new “old and traditional crafts” in the Canton area in the past two years, with the presence of the traditional event, “Days of old crafts,” organized by the Association “Old and artistic crafts” Tuzla.

The most successful companies in Tuzla Canton in the selected sectors of the tourism by operating profit in 2013

Field of tourism	Company	Investor origin
Accommodation	NARGALIĆ-KOMERC Ltd. TUZLA	Bosnia and Herzegovina
	GTI BH Ltd. LUKAVAC	Bosnia and Herzegovina
	SIDOIL Ltd. SREBRENİK	Bosnia and Herzegovina
Travel agencies, tour organizers, tour operators and other reservation services and related activities	LOGCAP-TRAVEL Ltd. ŽIVINICE	Bosnia and Herzegovina
	ELKETOURLS Ltd. LUKAVAC	Bosnia and Herzegovina
	PUTNIK Ltd. TUZLA	Bosnia and Herzegovina / The United States of America
Sports, entertainment and recreation activities	TERME Ltd. GRAČANICA	Bosnia and Herzegovina
	AQUATECH Ltd. TUZLA	Bosnia and Herzegovina

5. Developed entrepreneurial infrastructure for greenfield and brownfield investments

Tuzla Canton offers potential investors an established network of business zones, technology parks and business incubators, with developed infrastructure, mixed ownership (public and private) and possibilities of greenfield and brownfield investments in various industries. Ministries and administrative bodies as well as local authorities of Tuzla Canton are ready to provide their help to potential investors in every moment, regarding business establishment in the previously mentioned entrepreneurial infrastructure subjects.

5.1. Business zones

In Tuzla Canton, there are 18 business zones that include 11 existing ones and seven in the initiation phase.

Business zones in Tuzla Canton					
City / Municipality	Name	Type/Status	Area (ha)	Number of companies	Contact
Tuzla	Development entrepreneurial zone Tuzla	Business zone in the initiation phase – Business-production zone	16	-	Muris Nišić + 387 35 806 371 rpc@rpctuzla.ba
Čelić	Business complex business zone “Brnjik“	Existing business zone	29	3	Arif Salkić + 387 35 668 654 opcelicprivreda@gmail.com
Doboj Istok	Business zone “Luke“	Business zone in the initiation phase – Business zone for the food industry	20	-	Damir Avdaković + 387 35 720 421 privreda.dobojistok@bih.net.ba
	Business zone “Starača“	Business zone in the initiation phase – industrial, mixed zone	32	-	

City / Municipality	Name	Type/Status	Area (ha)	Number of companies	Contact
Gračanica	The zone is not registered – it is regulated by the zone planning documents	Existing business zone – Industrial and entrepreneurial-crafts	234	187	Fernada Helić Čamdžić + 387 35 700 824 f.helic@opcina-gracanica.ba
Gradačac	Industrial zone 1 and 2	Existing business zone – Industrial zone	42.7	35	Mustafa Šakić + 387 35 369 750 opc.grad@bih.net.ba
Kalesija	Industrial zone Kalesija	Existing business zone – Entrepreneurial-crafts	12	11	Mirsada Džinović + 387 35 631 259 opcina@kalesija.ba
	Business zone Kalesija Gornja	Existing business zone – Entrepreneurial-crafts	16	12	
Kladanj	Business zone “Ravni Stanovi“	Business zone in the initiation phase – Entrepreneurial-crafts, industrial or specialized	24.4	-	Dženad Selimbašić + 387 35 628 483 dzenad.selimbasic@kladanj.ba
Lukavac	Industrial zone Lukavac	Existing business zone – Various (industrial, production and services, customs warehouses and other types)	14.4	1	Dževad Mujkić + 387 35 553 554 kabinet_nacelnika@lukavac.ba
Sapna	Industrial-business zone 1 (IP 1)	Business zone in the initiation phase - Industrial-business zone	2	-	Fehrudin Selimović + 387 35 599 558 fehrudin_s@hotmail.com
Srebrenik	“Špionica I “ Srebrenik Municipality	Existing business zone	30	10	Nusret Šerifović + 387 35 369 161 opc.sreb@bih.net.ba
Teočak	Business zone “Janja“	Business zone in the initiation phase	0.5	-	Amir Šabačkić + 387 35 755 886 oteocak@bih.net.ba
Živinice	Business zone Maline	Existing business zone	5.5	26	Hasan Muratović, MA + 387 35 743 303 nacelnik@opcinazivinice.ba
	Business zone Ciljuge 2	Business zone in the initiation phase	9.4	0 companies 38 plots	
	Business zone Kasarna Ljubače	Existing business zone	18.85	4	
	Business zone Novi grad	Existing business zone	5.6	22	
	Business zone Airport Ciljuge	Existing business zone	6.04	2	

5.2. Technology parks

There are two technology parks in Tuzla Canton. Technology park MTTC Ltd. Gračanica is in private ownership, unlike Business Innovation Technology (BIT) Center which is established by Tuzla Municipality.

- Since its establishment, 500,000 BAM (around 250.000 EUR) has been invested in MTCC Ltd. This technology park is focused on advanced technologies for increasing companies' productivity and efficiency.
- BIT Center Tuzla has created an ideal atmosphere and support for ICT companies, both for start-ups and established companies. In order to create financially stable companies with high growth and development potential, and also to give support and speed up the development process of companies located in BIT Center Tuzla, especially for young educated people, adequate infrastructure, specialized services and trainings have been provided.

Technology parks in Tuzla Canton						
City/ Municipality	Name	Status	Area (m ²)	Number of companies	Number of laboratories	Contact
Tuzla	BIT (Business Innovation Technology) Center	Existing technology park	1,700 m ²	20	4	Robert Martić + 387 35 304 650 robert@bit.ba; info@bit.ba
Gračanica	MTTC Ltd. Gračanica (Center for advanced technologies)	Existing technology park	200 m ²	21	1	Nedim Dedić, Nusret Muharemović + 387 35 705 198 info@mttc.ba

5.3. Business incubators

Business incubators, as a relevant element of entrepreneurial infrastructure, are also present in Tuzla Canton.

- Development-entrepreneurial center Tuzla was established by Tuzla Municipality in 2003. Since the very beginning, it was created as a business zone model with incubator facilities, with purpose of accommodation and providing support services for establishment and development of companies. So far, over 75 companies have used the facilities and services of this center, which included over 600 employees. The business zone is a complex that consists of 26 buildings with the total area of 9,613 m². Among them, there are 21 buildings with the total area of 9,037 m², which provide the possibility for various entrepreneurial activities for companies located in the zone. The total area surface of the business zone complex is 158,770 m². Foreign investors also recognized advantages of this incubator and some companies with foreign investment share located in the incubator are Earth-Tec BH Ltd. (investor origin – Italy), Global Shoes Service Ltd. (investor origin – Italy), Importal diffusion Ltd. (investor origin – France) and others.
- Within the EU project “Business Environment Strengthening for more SMEs in Tuzla and Neighboring Municipalities – BESt 4 SMEs“, the establishment of Centers for support to entrepreneurship with incubator facilities, modeled after BIT Center Tuzla, is planned in Srebrenik and Kalesija municipalities. Functional center in Srebrenik, as well as in Kalesija, should be established by the end of 2015, and it will enable business incubation of five new companies in each of these centers.

Business incubators in Tuzla Canton					
City/ Municipality	Name	Type/Status	Area (ha)	Number of companies	Contact
Tuzla	Development-entrepreneurial center – Incubator “Lipnica”	Existing business incubator	9,500 m ²	26	Muris Nišić + 387 35 806 371 rpc@rpc.tuzla.ba
Srebrenik	Center for support to entrepreneurship with incubator facilities	Business incubator in the initiation phase	200 m ²	up to 5 new SMEs	Adnan Bjelić + 387 35 369 161 opc.sreb@bih.net.ba
Kalesija	Center for support to entrepreneurship with incubator facilities	Business incubator in the initiation phase	200 m ²	up to 5 new SMEs	Emir Sakić + 387 35 631 259 opcina@kalesija.ba

6. Reform-oriented Government

Bearing in mind the importance of the small business sector, and relying on the commitments of the Government of Tuzla Canton aimed at improving the business environment in Tuzla Canton, creating jobs and ensuring economic development of Tuzla Canton, in July 2011 the Ministry of development and entrepreneurship of Tuzla Canton was formed.

In addition to the general tasks of departmental jurisdiction, the Ministry provides services to investors and all other economic subjects, which, among other things, include:

- information on starting a business and investment opportunities in Tuzla Canton;
- technical support in the investment process;
- networking with partner institutions that provide support for the establishment of companies and increase in employment;
- post-investment support for existing investors (aftercare), implemented by the cooperative networks at all levels of government in BiH;
- information on support programs for investors, offered by other levels of government and international institutions;
- incentives for entrepreneurship development;
- support in the preparation of applications for programs to support business subjects.

Additional information about the Ministry of development and entrepreneurship of Tuzla Canton is available at the Ministry website www.mrptk.ba. With the aim of creating a better business environment, the Government of Tuzla Canton and the IFC (International Finance Corporation), a member of the World Bank Group, have, as of October 2012, successfully implemented the regulatory reform project “Improvement of the business environment in Tuzla Canton with the aim of attracting new investments”.

The realization of the project led to significant savings in time, documentation and costs for the implementation of certain administrative procedures at ministries and the administrative level of Tuzla Canton.

The official website of the Government of Tuzla Canton contains the **electronic register of administrative procedures** that lists all of the necessary documents/attachments, taxes/fees, deadlines, and other important elements for managing administrative procedures.

Data on electronic registers with details on permits and licenses that investors may need in BiH, Federation of BiH, Tuzla Canton, some of its municipalities and City of Tuzla

Name of institution	Web link to access electronic register
Ministry of Foreign Trade and Economic Relations (MOFTER)	http://rap.mvteo.gov.ba/egfVwOdlukaJedinice.aspx
Federation of BiH	http://fbihvlada.gov.ba/bosanski/ereg/index.php
Tuzla Canton	http://195.222.57.146/egfVwOdlukaJedinice.aspx
City of Tuzla	http://80.65.71.100/eregistar/egfVwOdlukaJedinice.aspx
Srebrenik Municipality	http://srebrenik.ba/index.php?option=com_content&task=blogcategory&id=99&Itemid=73
Živinice Municipality	http://opcinaivinice.org/novi/en/e-registar

Fiscal and non-fiscal incentives are available to investors at all levels of government in BiH.

List of fiscal and non-fiscal investment incentives	
Name of institution	Web link for access to the list of fiscal and non-fiscal investment incentives
Ministry of Foreign Trade and Economic Relations (MOFTER)	http://www.mvteo.gov.ba/izvjestaji_publicacije/izvjestaji/default.aspx?id=6175&langTag=en-US
Agency for Foreign Investment Promotion (FIPA)	http://www.fipa.gov.ba/informacije/povlastice/strani_investitori/default.aspx?id=141&langTag=en-US
Tuzla Canton	http://www.vladatk.kim.ba/Vlada/javni_pozivi/Lista_investicionih_poticaja_na_TK_-_engleski_jezik_30062014.pdf

Through thematic working groups and interdepartmental teams, the Government of Tuzla Canton works on the analysis of regulations that define the business environment of the Canton, creates proposals for amendments to the regulations referred to the lower and higher levels of government, and, in accordance with its responsibilities, conducts ongoing regulatory changes to improve the business environment.

7. Easy and quick access to markets

Tuzla Canton is characterized by a favorable geostrategic position and logistics infrastructure that is evident in:

- only 30 km distance from the border with the Republic of Croatia (the European Union),
- border with Serbia and access to transport corridors towards Central Europe, Turkey and the Middle East,
- location near the future transnational Vc corridor which is to connect Central Europe to the Adriatic Sea,
- access to the River Port Brčko which is connected to the European rail network,
- Tuzla International Airport with five flight routes and charter flights.

Owing to its advantages over other types of traffic, **road traffic** is the most present form of mass and individual transport on the territory of Tuzla Canton. Integration of Tuzla Canton in European and BiH transport lines has been realized by means of a developed network of high-level roads in the Canton.

Road network in the area of Tuzla Canton is comprised of:

main roads (311 km), regional (340.4 km) and local roads and streets in cities (1,500 km), and plans for the highway as follows: Tuzla highway - the Sava River (Orašje) junction to Corridor X (Salzburg - Ljubljana - Zagreb - Belgrade - Niš - Skopje) and highway Tuzla - Žepče junction to corridor Vc (Budapest - Sarajevo - Ploče).

Linkages with international roads

- Main road M-112 (Tuzla - Doboј) is linked to the European road E-73 (Budapest - Mohacs - Osijek - Đakovo - Šamac - Zenica - Mostar - Metković - representing the highway on Corridor Vc).
- Main road M-113 (Šićki Brod - Donji Hrgovi - Orašje) that is linked to the A-3 highway (Zagreb - Belgrade - highway on Corridor X).
- Main road M-211 (Simin Han - Bijeljina) is linked to the European road E-70 (Ljubljana - Zagreb - Belgrade).

Due to its specificity and number of advantages, **railway traffic** is also very present in Tuzla Canton, but mainly in the transport of cargo, while its presence in passenger transport has decreased. The railway network in Tuzla Canton includes the following lines: Tuzla – Doboј, Živinice - Zvornik and Brčko - Banovići, with the total length of 187.30 km.

Tuzla Canton has good road and railway communication with the **port of Brčko**, which is located in the northeastern part of Bosnia and Herzegovina, on the right bank of the Sava river. Port of Brčko is linked to the European rail network via Tuzla – Vinkovci railroad. In 1946, railroad Brčko - Banovići was built, by which the port of Brčko established a direct rail link with Tuzla economic basin.



At the beginning of Xella BH founding, everything seemed very difficult. In 2008, when Xella International, as a foreign investor initiated its 23 million EUR worth investment in the former factory Siporex, a lot of work, perseverance and patience eventually paid off and resulted in this, as we have today in Tuzla. The main reason for Xella International coming to Tuzla Canton and its acquisition of Siporex Inc. was a good geographical location of the factory in terms of opportunities for export to neighboring countries, then good raw material base which allows favorable conditions for production, as well as trained and highly qualified workforce.

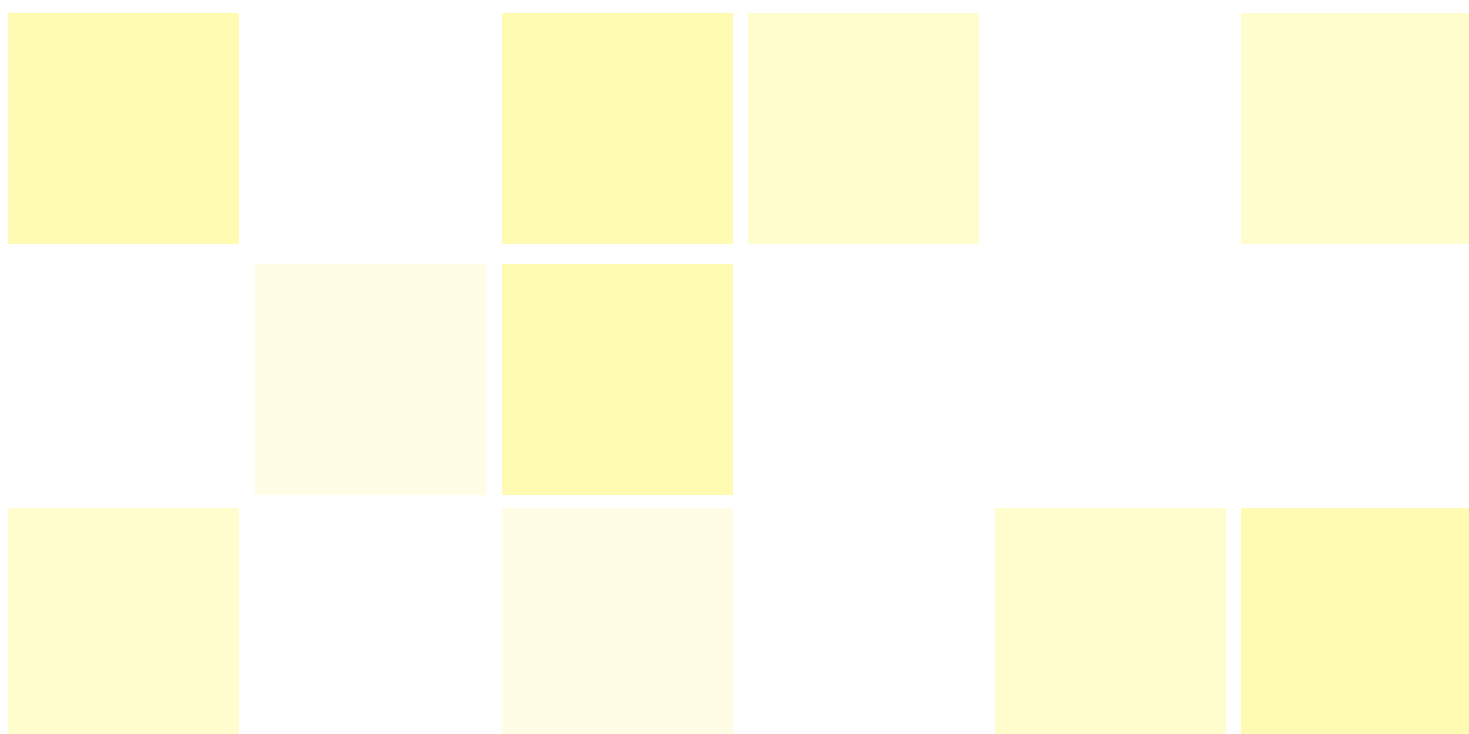


Nihad Begić
Sales and Marketing Director, Xella BH Ltd. Tuzla



The establishment of the Public Enterprise “Tuzla International Airport” created the basic conditions for the development and improvement of **air traffic** in Tuzla Canton, both in the field of passenger and cargo transport. The development of air traffic in Tuzla Canton is expanding, especially in the field of passenger transport, since the airline “Wizz-Air” in May 2013 established routes to Malmö, Göteborg (Sweden) and Basel (Switzerland), and in June 2014, two additional lines to Dortmund, Germany, and Eindhoven in the Netherlands. In addition to these five regular routes from the airport, during summer months charter flights are organized for holidays in Turkey, along with cargo transport and freight forwarding and delivery of general aviation.

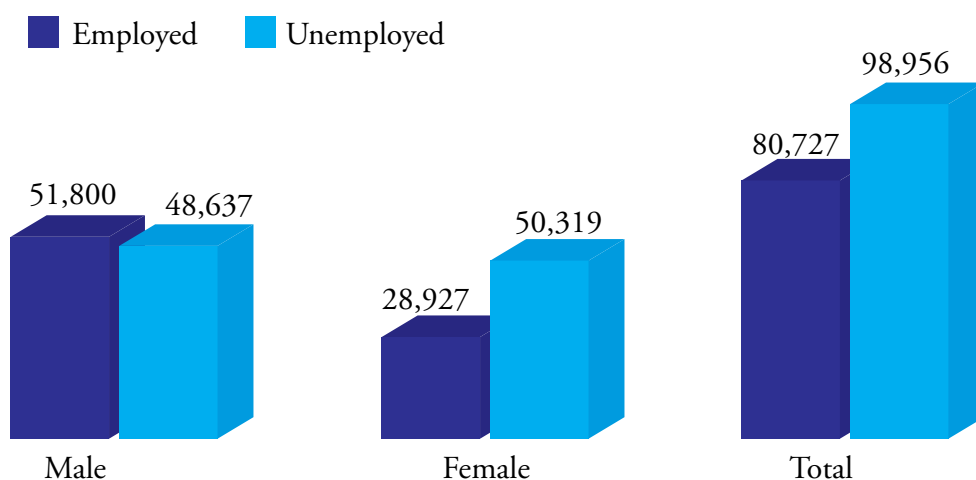
The future plans include investment into the opening of cargo center at Tuzla airport.



8. Qualified workforce

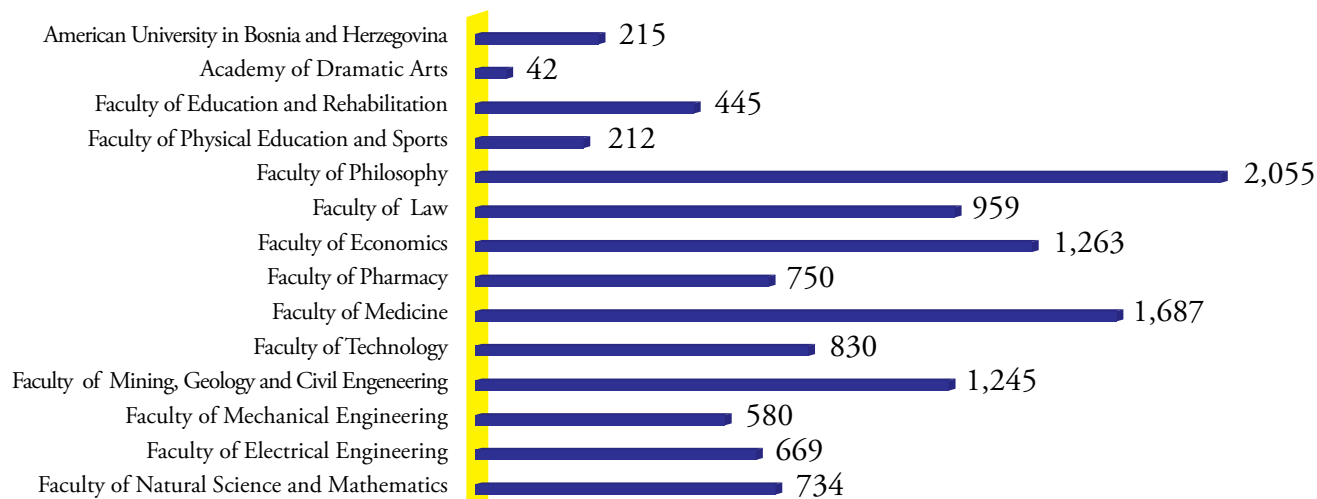
Tuzla Canton is the **most populated Canton** in the Federation of Bosnia and Herzegovina, with a total population of 477,278 inhabitants according to the preliminary results of the Census in 2013. Thus, the population density is 180.17 inhabitants per km², and 20.1% of the total population of the Federation of Bosnia and Herzegovina or 12.6 % of the total population of Bosnia and Herzegovina. Tuzla Canton is known for its industrial tradition and valuable workforce which was the carrier of the construction and development of large industrial companies of the Yugoslav economy. Many industrial facilities have not survived the transition process, which resulted in increased unemployment, but also increased interest in entrepreneurship and raised the number of successful start-up businesses in different industries. In addition, the education system in Tuzla Canton is strongly oriented towards education of personnel for industries which are the backbone of the growth and development of Tuzla Canton.

Overview of employed and unemployed persons in Tuzla Canton in 2013 by sex



The structure of unemployed persons is dominated by females (50,319), skilled workers (33,829) aged 24 to 30, while most people wait between 25 and 48 months for a job. Higher education institutions in Tuzla Canton had a total of 11,686 students enrolled in 2013, of whom 11,471 were enrolled at Tuzla University and 215 at the American University in Bosnia and Herzegovina, based in Tuzla.

Number of students enrolled in higher education institutions in Tuzla Canton in 2013



Tuzla University organizes and performs the science-teaching process within 47 graduate course programs and 50 postgraduate course programs at 13 faculties: The Academy of Dramatic Arts, Faculty of Education and Rehabilitation, Faculty of Economics, Faculty of Electrical Engineering, Faculty of Physical Education and Sports, Faculty of Pharmacy, Faculty of Philosophy, Faculty of Mechanical Engineering, Faculty of Medicine, Faculty of Law, Faculty of Natural Science and Mathematics, Faculty of Mining, Geology and Civil Engineering, and Faculty of Technology. The teaching process at the American University in Bosnia and Herzegovina (AUBiH) is based on the American liberal education with graduate, postgraduate and doctoral studies, which are in line with the Bologna principles. AUBiH is based on the American education system and the curriculum and rules of study are aligned with it. According to the mission of the University, its goal is to provide quality university education to students from across the region, which follows the world trends in specialized fields of economics, public relations, technology and art.

There are 36 secondary schools registered in Tuzla Canton, out of which 32 are public institutions, one is a private school and three of them are secondary schools for adult education. In the academic year 2013/2014, 22,300 students attended classes in 32 secondary schools.

The potential for growth of economic sectors which are the development backbone of Tuzla Canton (wood processing industry, metal processing industry, food industry and agricultural production, plastics and tool industry and chemical industry) is facilitated by the education of staff in higher education institutions, as well as by vocational training. Apart from general profiles, professionals that are being educated at the Faculty of Mechanical Engineering, Faculty of Electrical Engineering, Faculty of Civil Engineering, Faculty of Pharmacy and Faculty of Technology create a specialized workforce for these propulsive industries. A total of 4,643 students completed secondary vocational education in the academic year 2012/2013 and 3,173 students were enrolled in secondary vocational schools in the Canton area in the academic year 2013/2014, including professional profiles focused on before mentioned industries.

Number of students who completed secondary vocational education in the academic year 2012/2013 and number of students enrolled in vocational schools in the academic year 2013/2014, for the vocational IV degree of professional profiles for industries with significant growth potential for Tuzla Canton

No.	Professional vocation / profession – IV degree	Number of students who completed their education in the academic year 2012/2013	Number of students enrolled in the academic year 2013/2014
1.	Mechanical technician	83	-
2.	Mechanical technician for computer design	245	216
3.	Mechanical technician operator for CNC machine	45	40
4.	Mechanical technician for energetics	-	18
5.	Electrician for energetics	207	150
6.	Electrician for computational techniques and automation	-	15
7.	Electrical engineering technician	47	39
8.	Computer technician	52	52
9.	Electronics technician	24	25
10.	Mechatronics technician	23	24
11.	Agricultural technician	146	59
12.	Food technician	59	34
13.	Veterinary technician	49	27
14.	Forestry technician	25	50
15.	Architectural technician	58	23
16.	Chemical technician for biotechnology	44	21
17.	Chemical technician for pharmaceutical production	53	56
18.	Chemical technician - Microbiologist	-	30
19.	Graphics technician - Web Designer	-	23
20.	Tourist technician	57	36

Source: Records of the Ministry of education, science, culture and sports of Tuzla Canton

The strengthening of competencies of workforce in the field of metal processing industry is contributed by the Welding Institute Ltd. established by Schweißtechnische Lehranstalt Magdeburg - SLM (Germany) and the Government of Tuzla Canton. Its core business involves training, additional training and attestation of welders, including all the necessary tests pursuant to EN 287-1, ISO 9606 standards and the issuance of the international certificate for candidates (DVS or TÜV).

These activities are carried out in a modern equipped workshop (approx. 700 m²) with 22 workplaces and a special room for grinding. In addition to these capacities, the Institute also has a modern equipped laboratory intended for testing welded joints. Also, the Institute, in cooperation with the Welding Association BiH, the Association for Welding Advancement of Serbia and the Welding Institute in Belgrade, organizes courses for international engineers and international technologists for welding (IWE/IWT). The Government of Tuzla Canton plans to relocate the Institute to the premises of the Mechanical Engineering High School in Tuzla, which will provide direct practical training for students of this school.

There are also adult education institutions in Tuzla Canton. The Law on Adult Education of Tuzla Canton, currently in the adoption process, in addition to the Law on Primary Education and the Law on Secondary Education will provide more accurate and advanced options for retraining, upgrading and vocational training according to the specific needs of investors and the labor market in Tuzla Canton.

9. Support to investors' business success

Companies, existing and potential organizations and organizations that are either currently active or plan to pursue business activities in Tuzla Canton can be given counseling and other types of assistance by many institutions that cooperate and provide support.

Who provides support to your business success in Tuzla Canton?

- Government and non-governmental organizations specialized for support to economic development - ministries and administrative bodies of Tuzla Canton (www.vladatk.kim.ba), the City of Tuzla and municipalities on the territory of Tuzla Canton, Northeast Regional Development Association NERDA (www.nerda.ba), Entrepreneurship Development Center (www.cerpod-tuzla.org), Center for Development and Support (www.crp.org.ba), Association of Entrepreneurs and Crafts Tuzla (www.sptuzla.ba) and many others;
- Cantonal Chamber of Commerce Tuzla (www.kpktz.ba);
- Chamber of Crafts of Tuzla Canton (www.oktk.ba);
- Legal entities specialized in various types of counseling services (accounting services, business and legal counseling);
- Legal entities specialized in forwarding and logistics services;
- Commercial banks (list of banks in BiH - <http://www.cbbh.ba/index.php?id=7&lang=en>);
- Tuzla University (www.untz.ba) and others.

The goal of business networking in Tuzla Canton lies in the following: strengthening competitiveness; developing, improving and encouraging domestic production and export; creating affordable methods of operating in the regional market; networking academic institutions and industry; development of new services and products; encouraging the usage of pre-accession funds with the promotion of European entrepreneurial network and specific effects of EU membership.

Which types of support can you get?

- finding and contacting partners, mediation between potential partners,
- informing on investment opportunities,
- recognizing specific export opportunities, sales channels and modes of market entrance,
- providing information on general foreign-trade and specific local markets,
- informing on regulations related to certain products and commercial activities,
- creating analyses on economic relations and situation on the labor market as well as on development tendencies,
- assisting in the registration of company,
- providing counseling services related to business activities, taxes, legal regulations, mediation in finding professional associates,
- creating data bases on interested companies for exact evaluation of business needs,
- recognizing opportunities for cooperation in the field of supply-related activities,
- post-investment support to investors (aftercare program) and other support activities.

10. Framework for investing in Tuzla Canton

10.1. Rights of foreign investors in Bosnia and Herzegovina

The rights of foreign investors in Bosnia and Herzegovina, pursuant to the Law on Foreign Direct Investment Policy in BiH are:

- foreign investors have the same rights and obligations as residents of Bosnia and Herzegovina,
- foreign investors are entitled to open accounts with any commercial bank in the local or a freely convertible currency,
- foreign investors will have the right to freely employ foreign nationals from abroad unless otherwise specified by the laws of Bosnia and Herzegovina on labor and immigration,
- foreign investors are protected against nationalization, expropriation, requisition and measures having equivalent effect,
- foreign investors have the same ownership rights over real estates as Bosnian legal entities,
- foreign investors have the right to transfer abroad, freely and without delay, in a freely convertible currency, the profit arising as a result of their investment in Bosnia and Herzegovina.

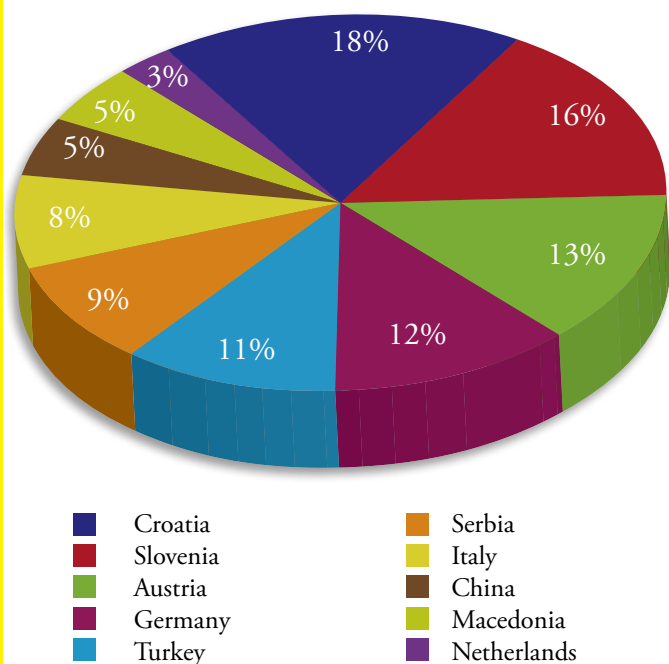
The Law on Foreign Direct Investment Policy in Bosnia and Herzegovina is available online at:

http://www.fipa.gov.ba/publikacije_materijali/zakoni/default.aspx?id=315&langTag=en-US

10.2. Foreign investors in Tuzla Canton

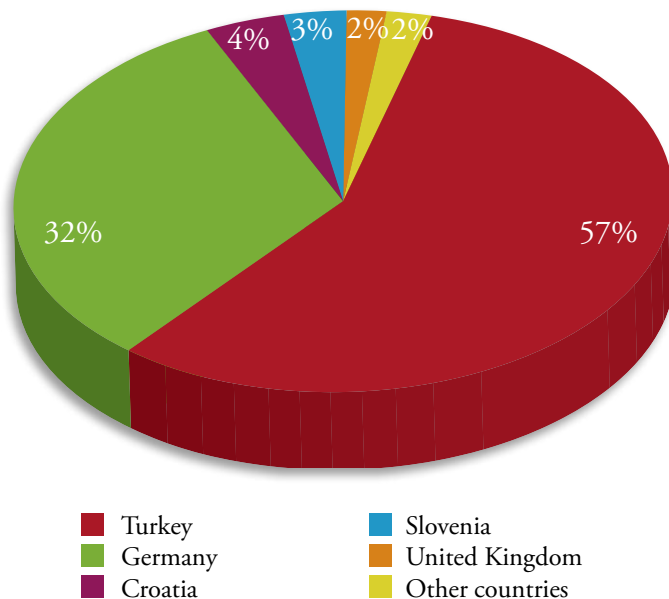
In the period from 2011 to 2013, many foreign investors invested in Tuzla Canton. Among them, ten countries stand out in based on the number of companies with foreign direct investment.

Overview of the top ten countries according to the number of companies with foreign direct investment in Tuzla Canton in the period 2011-2013



Source: Record of the Ministry of foreign trade and economic relations of Bosnia and Herzegovina Remark: until November, 30, 2013

Top five countries of investors in Tuzla Canton in the period 2011-2013



Source: Record of the Ministry of foreign trade and economic relations of Bosnia and Herzegovina

10.3. Public-private partnership in Tuzla Canton

The adoption of the Law on public-private partnership (PPP) of Tuzla Canton and implementation rules created the regulatory frameworks on the territory of the Canton for concluding and realization of the first PPP projects, especially in terms of traffic infrastructure, education and healthcare.

The PPP projects in Tuzla Canton can be implemented through two forms of PPP:

- contracted public-private partnership (mutual relations of public and private partners are regulated by the PPP contract) and
- status public-private partnership (based on co-owner relations of public and private partners in a joint company that is the carrier of the project implementation through the Partnership Contract effective as the PPP contract).

Contact institutions for the public-private partnership projects on the territory of the Canton are the Committee on Concessions of Tuzla Canton (komisijatk@bih.net.ba, + 387 35 281 742) and the Ministry of development and entrepreneurship of Tuzla Canton (www.mrptk.ba).

10.4. Starting a business

Regarding the form of starting a business, the legislation of the Federation of Bosnia and Herzegovina applicable on the territory of Tuzla Canton recognizes craft – a simpler form of organization, and company.

Craft is an independent and permanent performing of permitted economic activities by persons, with the aim of making a profit through production, trade or providing services in the market. This form is rather suitable for those activities related to handicrafts, agriculture, transport etc.

Company is a legal entity that independently performs the activity of production and sale of products as well as providing services in the market in order to make a profit. Pursuant to the Law on Companies of the Federation of Bosnia and Herzegovina (Official Gazette of the Federation of Bosnia and Herzegovina, No. 23/99, 45/00, 2/02, 6/02, 29/03, 68/05, 91/07, 84/08, 88/08, 7/09, 63/10 and 75/13), they can be organized in one of four forms.

Possible forms of company organization	
Company form	Federation of Bosnia and Herzegovina (Tuzla Canton)
Company with unlimited liability	Shall be established by concluding a contract between two or more domestic/foreign physical persons. Members have unlimited joint responsibilities for company's liabilities. Maximum or minimum capital stock is not specified.
Ltd. (Limited liability company)	Shall be established by adopting the act of incorporation or contract between one or more domestic/foreign individuals and/or entities with capital stock divided into shares. A member of a limited liability company shall be responsible for company's liabilities in the amount of his/her share. Minimum stock capital is 2,000 BAM (approximately 1,000 EUR).
Limited Partnership	Established by a contract between two or more domestic/foreign persons and/or legal entities. At least one partner has full responsibility (including private ownership) and at least one partner has the liability limited by the value of his/her share in the company. Maximum or minimum capital stock is not specified.
Joint Stock Company	This legal entity is established by one or more domestic/foreign persons or legal entities - shareholders with capital stock divided into shares. Open society is a legal entity (bank, insurance company or a company) with a minimum capital stock of 4,000,000 BAM (approximately 2 million EUR) and at least 40 shareholders whose shares are issued through a public offering. Closed society is a type of joint-stock company whose shares are issued among a limited number of participants. The minimum capital stock is 50,000 BAM (approximately 25,000 EUR).

Differences between craft and Ltd.

	Craft	Ltd.
Capital stock:	None	2,000 BAM (approx. 1,000 EUR)
Registration costs:	Approx. 250 BAM (approx. 128 EUR)	Approx. 1,000 BAM (Approx. 511 EUR)
Time required for registration:	15 days max	40 days max
Registration body:	Competent municipal department	Municipal court – economical department
Responsibility:	Craft property	Capital stock value
Bookkeeping:	Single-entry bookkeeping	Double-entry bookkeeping
Chamber membership:	Cantonal chambers of crafts/Chamber of crafts of the Federation of BiH - obligatory	Chamber of commerce of Federation of BiH - voluntary
Activities:	All activities are permitted with owner's appropriate qualification for the related crafts and/or license for licensed crafts	All activities permitted
Profit tax rate:	10%	10%
Employees:	No limitations	No limitations
Paying the VAT in the amount of 17%:	Invoice collected	Invoice issued

Small and medium sized enterprises in Federation of BiH and Tuzla Canton

Medium sized enterprise	Persons and legal entities that on average employ less than 250 workers a year, with annual turnover less than 40 million BAM (approx. 20 million EUR) and/or annual balance sheet less than 30 million BAM (approx. 15 million EUR).
Small sized enterprise	Persons and legal entities that on average employ less than 50 workers a year, with annual turnover and/or balance sheet less than 4 million BAM (approx. 2 million EUR).
Micro enterprise	Persons and legal entities that on average employ less than 10 workers a year, with annual turnover and/or balance sheet less than 400,000 BAM (approx. 200,000 EUR).

The most frequent type of company's organization chosen by domestic and foreign investors is a limited liability company.

Registration of limited liability company on the territory of Federation of BiH (Tuzla Canton) in steps

STEP 1	Preparation and creation of the foundation charter
STEP 2	Payment of stock capital
STEP 3	Registration with the relevant municipal/general jurisdiction court
STEP 4	Seal making
STEP 5	Opening an account with a commercial bank
STEP 6	Registration of the company and employees at the tax authorities
STEP 7	Statement given by the founder on fulfilling all the conditions for the commencement of activities (submitted to the relevant inspection department)

The registration of legal entities for the territory of the entire Canton is performed by:

Municipal Court in Tuzla, Department of register for legal entities

Address: Maršala Tita br. 137, 75000 Tuzla

Phone: + 387 35 307 221

E-mail: registar.tz@bih.net.ba

Web site: <http://pravosudje.ba/vstv/faces/index.jsp?ins=32>

More detailed information on the process of registration of companies with the foreign capital share is available as follows:

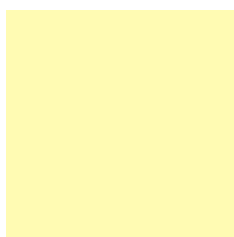
- Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina:
<http://mvteo.gov.ba/Default.aspx?pageIndex=1&langTag=bs-BA>
- Foreign Investment Promotion Agency (FIPA) - Relevant laws:
http://www.fipa.gov.ba/publikacije_materijali/zakoni/default.aspx?id=317&langTag=en-US
- Foreign Investment Promotion Agency (FIPA) – Law on Foreign Investment:
http://www.fipa.gov.ba/publikacije_materijali/zakoni/default.aspx?id=317&langTag=en-US

10.5. Tax system

Basic tax categories in Bosnia and Herzegovina, and consequently in Tuzla Canton, particularly important for investors are those related to taxes and contributions. It is important to mention that Bosnia and Herzegovina has one of the lowest profit taxes of 10%, in the region and Europe.

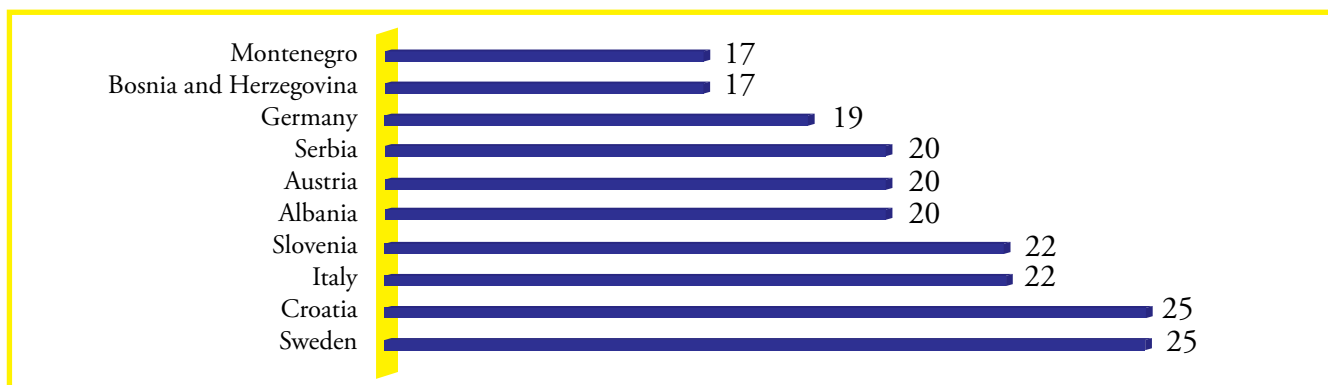
Basic tax categories in Bosnia and Herzegovina and Tuzla Canton	
Types of taxes	Amount
Value Added Tax	17%
Profit Tax	10%
Income Tax	10%
Property Tax	Depending on the type (real estate, inheritance, etc.)
Social security contributions paid by employer and employee	68%
Excise taxes (special type of tax paid on some products such as petroleum derivatives, tobacco products, nonalcoholic drinks, alcoholic beverages, beer, wine, and coffee)	Depending on the tariff class

Profit transferred from abroad is exempt from taxation if previously subjected to taxation abroad. Pursuant to valid laws of Bosnia and Herzegovina, foreign and domestic investors have the same obligations and reductions, thus avoiding double taxation.



Percentage of VAT for BiH and selected countries of the region and Europe

Besides Montenegro, Bosnia and Herzegovina has the lowest rate of Value Added Tax (VAT) among the countries in Europe and the region, which amounts to 17%.



In Bosnia and Herzegovina and Tuzla Canton, there are tax benefits related to VAT and profit tax. More information is available on the official FIPA website

<http://www.fipa.gov.ba/informacije/poslovanje/porezi/default.aspx?id=76&langTag=en-US>

10.6. Customs system

The list of signed regional and bilateral trade agreements of Bosnia and Herzegovina:

- Agreement on avoidance of double taxation (with 40 countries),
- Central European Free Trade Agreement (CEFTA) (6 countries) and a free trade agreement with Turkey,
- Agreement on accession and cooperation with the EU,
- Agreement on promotion and reciprocal protection of investors (with 40 countries).

Foreign investors are exempt from customs duties (except for passenger motor vehicles and slot machines).

More information can be found on the official website of the Ministry of Foreign Trade and Economic Relations (<http://www.mvteo.gov.ba>) and Foreign Investment Promotion Agency in BiH (<http://www.fipa.gov.ba>).

11. Business costs in Tuzla Canton

11.1. Salaries

The labor costs in BiH and Tuzla Canton are significantly lower than in South East Europe and the European Union. Excellent conditions provided by Tuzla Canton in the field of healthcare and education contribute significantly to the competitiveness of the workforce. Incentives provided by various authority levels provide support to investors in employing. One example is the annual call by the Federal Central Employment Office aimed at providing support to employment of persons with various professional profiles.

Contributions in Tuzla Canton are calculated on the basis of gross salary, which amounts to approximately 604.79 EUR.

a) The share of the contributions paid by employees (a total of 31% of gross salary):

- 17% for pension and disability insurance,
- 12.5% for health insurance,
- 1.5% for unemployment insurance.

b) The share in the contributions paid by employer (a total of 10.5% of gross salary):

- 6% for pension and disability insurance,
- 4% for health insurance, and
- 0.5% for unemployment insurance.

Gross salary includes employee's net salary, multiplied by a coefficient determined, plus contributions from salaries.

Example of calculating workers' salaries in Tuzla Canton	
Net salary	782.32 BAM – 400 EUR
Gross salary	approx. 1,183 BAM – 604.79 EUR
Total cost for employer	approx. 1,319 BAM – 674.39 EUR

11.2. Real estates

Basically, investor planning to construct a new object or reconstruct the existing one needs to obtain three permits: zoning permit, construction permit and inspection certificate. The procedures for obtaining all the three documents are simplified by the regulatory reform implemented by the Government of Tuzla Canton supported by the International Finance Corporation (IFC), the member of the World Bank Group.

Steps for issuing construction permits in Tuzla Canton	
Type of permit/approval	Description
Zoning permit or location information	Following the legal validity of zoning permit or location information, investor needs to submit a request for issuing construction permit within a year. The request is submitted to the same body, most often a relevant municipal body that issued zoning permit or location information.
Construction permit	<p>The request for issuing construction permit needs to include the following: zoning permit or location information, proof of the right to build on the given site, three copies of the main project, written report on the main project revision, project report on examining works if its data was used in the preparation of the main project, evidence on administrative fee paid, and other elements specified by particular laws (water approval, sanitary approval for the project and location, certificate on the applied fire protection measures and labor protection in project documents).</p> <p>The relevant municipal body or the Ministry of zone planning and environment protection shall issue construction permit within 20 days from submitting the full request.</p> <p>A client may lodge an appeal on the formal decision on construction permit issued by the relevant municipal department to the Ministry within 15 days from the decision receipt.</p> <p>Investor is obliged to report construction commencement to the body that issued construction permit and the relevant inspection body, not later than eight days prior to construction.</p>
Inspection certificate	Constructed building may be used only after the Ministry or the relevant municipal department issues the inspection certificate, based on the previously conducted technical inspection of the building by the technical inspection committee.

More information: Ministry of zone planning and environment protection of Tuzla Canton (+ 387 35 369 428, minpuzo@tk.kim.ba)



11.3. Utility Services

On the whole territory of Tuzla Canton there is a functional network of electricity, gas, and water supply and other necessary energy sources. The regularity of effective supply is the responsibility of relevant institutions which serve to citizens and economy of Tuzla Canton.

High quality drinking tap water is available in large quantities. The price of water supply is significantly lower than the average price at the European level, while energy costs and public utility costs are among the lowest in Europe.

Determining prices of water and sewage is in the competence of local or municipal authorities.

Fuel prices in Bosnia and Herzegovina are on average lower by 0.10 EUR/l than in other SEE countries, on average by 0.15 EUR/l than in EU countries. Diesel price is by some 0.40 EUR / l lower in comparison with the EU. The retail price of car gas in Bosnia and Herzegovina is about 1,00 BAM (Approx. 0,52 EUR) per liter.

The price of electricity is significantly lower than in the EU and it is determined by the tariff group, season, and higher/lower daily rates. The table below shows tariff rates for eligible (non-tariff) electricity customers (customers at 110 kV and 35 kV network) and electricity prices made by the public company Power Supply BiH “EPBiH“ as the provider.

Tariff rates for eligible (non-tariff) electricity customers						
Customer category		Measuring point	Calculation power	Active energy		Excessively taken reactive power
				HT	LT	
		BAM	BAM/kW/month	pf/kWh		pf/kvarh
High voltage	Customers at 110 kV	20.00	15.68	9.94	4.97	1.09
Medium voltage	Customers at 35 kV	20.00	16.68	9.56	4.78	2.14

The decision on the price of supply service by the public provider Power Supply BiH was made by the Federal Electricity Regulatory Agency and the prices have been applied since January 2013.

Natural gas supply

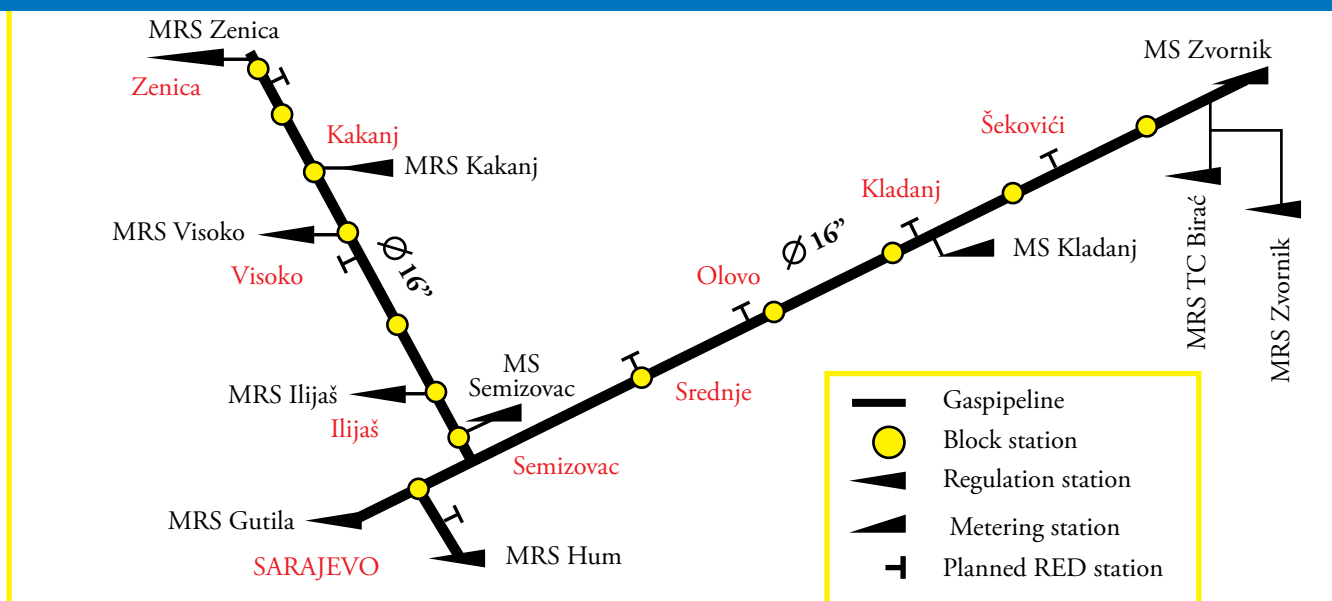
The task of the company for production and transport of gas “BH-GAS“ is to ensure reliable and continuous supply of natural gas to consumers and make natural gas more attractive in the energy market of Bosnia and Herzegovina by constantly improving its business activities.

Natural gas transportation system in Bosnia and Herzegovina has the main characteristics as follows:

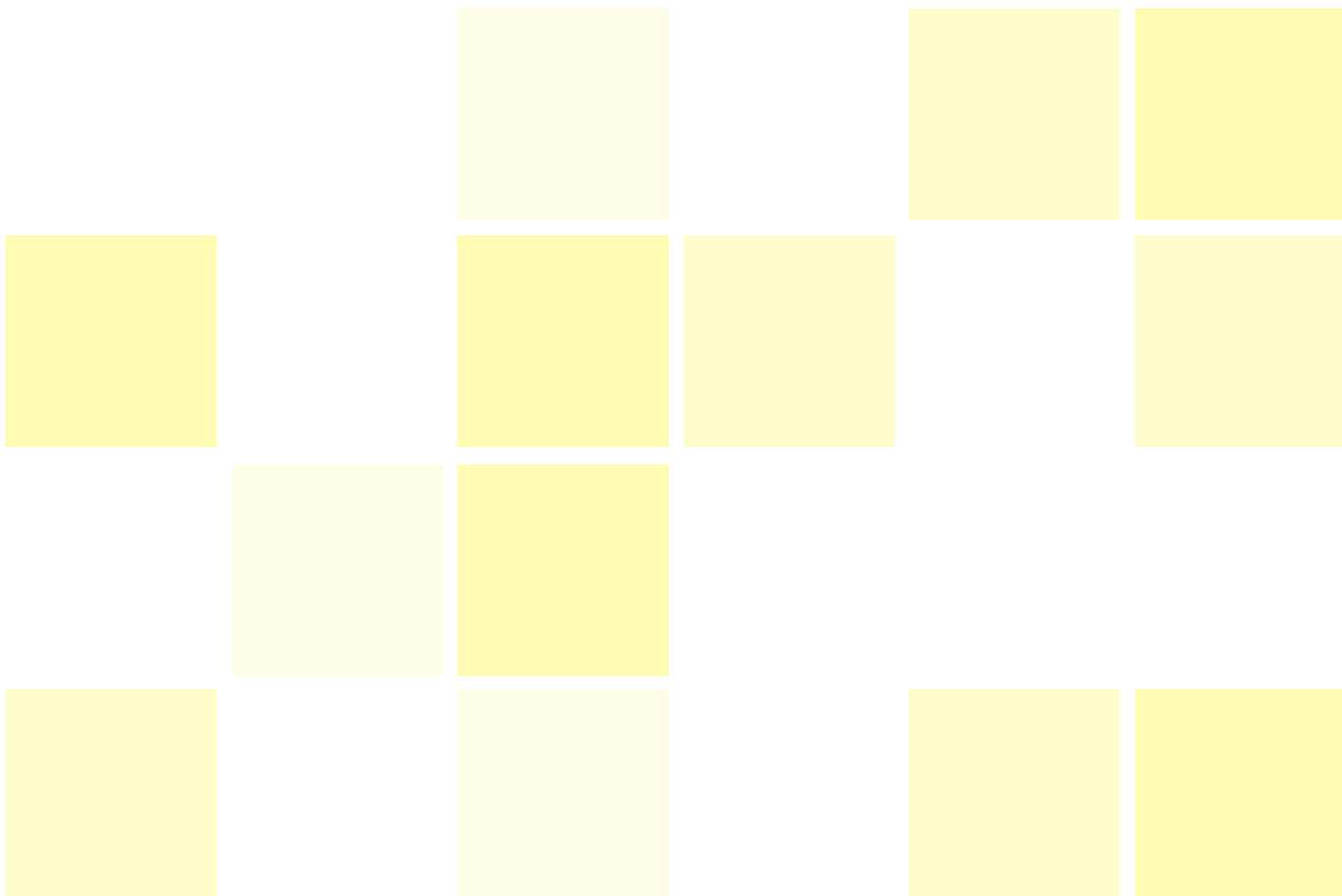
- gas pipeline with a length of 191 km,
- gas pipeline with a diameter of 406.4 mm,
- designed pressure of 50 bar,
- designed capacity of 1 billion m³ per year.

“BH-Gas“ controls the gas pipeline in the length of 135 km.

Scheme of gas transport system of Bosnia and Herzegovina



The price of natural gas for industrial consumers is 17.44 EUR/GJ, 0.5916 EUR/S m³.



12. Opportunities for investments in the Tuzla Canton region project profiles

Besides a series of investment opportunities in various economic sectors of Tuzla Canton presented in this Guide, the following part brings the profiles of three specific projects of investment opportunities in the Tuzla Canton region.

Opportunities for investments in the Tuzla Canton region – Project profile	
Project name	Tuzla International Airport (TIA) – Regional CARGO Center with Airpark
Location	Gornje Dubrave, Tuzla, Tuzla Canton.
Short description of location	<p>Tuzla International Airport, G.Dubrave bb, 75270 Živinice, Bosnia and Herzegovina. TIA is located in the northeast part of Bosnia and Herzegovina. Geographical coordinates and other relevant data are given as follows:</p> <p>TIA coordinates 442731.16 N 0184329.22 E Direction and distance from the city 11 km BRG 170s from Tuzla City Height above sea-level and relevant temperature 239 M / 23°C (JUL - AUG)</p>
Short description of project	<p>Based on previously made studies that showed project validity, available resources, potential investors' recommendations and the expansion of air cargo transport, the Government of Tuzla Canton decided to develop TIA as a regional Cargo Center with Airpark and duty-free zone, with regular passenger traffic (Government and Parliament announced this to be the project of a strategic interest for Tuzla Canton). The project would include the investment through the foundation of a Public-private partnership in the opening of the Cargo Center within TIA and increased profit of the existing airport company, region development and new jobs.</p> <p>A series of preparatory activities has already been made before starting the project realization (new job systematization and management qualified for project realization; staff certification completed for managing the Airport, the Airport facilities include: runway, taxiways, three separate platforms, navigation devices, equipment for cargo receipt and delivery and its own cargo warehouses, fire-fighting service for larger categories; additional asphalt parking lot; operating taxi and rent-a-car services; restaurant for passengers and staff; new access road to the Airport categorized from a local to second-degree main road).</p> <p>Project realization activities:</p> <ul style="list-style-type: none"> • construction of CARGO Center; • construction of Air park; • expansion of Airport runway; • construction of business and logistics center with warehouses; • strengthening the function of TIA tourist agency.
Project's estimated value	62,585,600 BAM – 32,000,000 EUR
Project's current status	<p>Project's feasibility study was made as well as the profile in Bosnian and English. The project was included in the Catalogue of projects for investment conferences in the field of infrastructure.</p> <p>Currently, the project is in the stage of searching for a strategic partner for the realization of other activities primarily related to investment into the reconstruction of warehouse facilities, purchase of equipment for loading, unloading and storing cargo, equipment for warehouses, reconstruction of runway, taxiways and platforms and the construction of a business and logistics center with warehouses.</p>
Business opportunity	Brownfield investment
Contact person	<p>Mensud Brčaninović, Head of Traffic and Technology Sector Phone: +387 35 814 605 Fax: +387 35 745 750 E-mail: opcentar@bih.net.ba Web site: www.tuzla-airport.ba</p>

Opportunities for investments in the Tuzla Canton region – Project profile

Project name	Orašje-Tuzla-Žepče Highway
Location	Orašje-Tuzla Highway passes through the municipalities: Orašje, Brčko, Čelić, Srebrenik, and Tuzla. This means that it passes through two cantons – Posavski and Tuzla and Brčko District of Bosnia and Herzegovina. The highway Tuzla-Žepče-junction to Vc corridor passes through the municipalities: Tuzla, Lukavac, Banovići, Zavidovići, and Žepče.
Short description of location	Orašje – Tuzla Highway includes 5 lots. LOT 1 starts at the International border crossing with the Republic of Croatia, i.e. on the bridge over the river Sava, while LOT 5 ends before the no-longer used open pit mining “Šićki Brod” followed by the beltway Mihatovići where Orašje-Tuzla highway ends. The highway Tuzla-Žepče-junction to Vc corridor starts after the beltway Mihatovići, going through Lukavac, around Lake Lukavac through the valley of the river Turija. Then, it goes through Banovići municipality, over the territories of Seona and Krivaja settlements it enters Zavidovići municipality. The highway continues along the road Svinjašnica to the rivers Krivaja and Bosna where it enters Žepče municipality and connects to the inter-regional highway junction to corridor Vc.
Short description of project	The project of Orašje-Tuzla-Žepče Highway is divided into two parts: 1. Orašje-Tuzla Highway, length 61.02 km; 2. Highway Tuzla-Žepče-junction to corridor Vc, length 52.13 km.
Project's estimated value	1. Orašje-Tuzla Highway, approx. 815 million BAM (approx. 416 million EUR); 2. Highway Tuzla-Žepče-junction to corridor Vc –preliminary design in preparation, after which the project values would be assessed.
Project's current status	Preparation of investment and technical documents for the part of the highway Orašje-Tuzla-Žepče is divided into two parts: 1. Orašje-Tuzla: 61.02 km; 2. Tuzla-Žepče: 52.13 km; Completed documents for Orašje –Tuzla Highway: <ul style="list-style-type: none"> • Preliminary designs for five LOTs of Orašje-Tuzla Highway: <ul style="list-style-type: none"> • LOT 1 – Orašje-Brčko 16.19 km; • LOT 2 – Brčko-Maoča 14.11 km; • LOT 3 – Maoča-Majevica 10.71 km; • LOT 4 – Majevica-Čanići 12.54 km; • LOT 5 – Čanići-Tuzla 7.47 km; • Environmental impact study; • Feasibility study; • Environmental certificate issued for LOTs 1,3,4,5; • For LOT 2, through the Ministry of traffic and communication the request was made for the changes in the zoning plan of Brčko District. The necessary documents have been delivered; • Tender documents are currently in preparation for announcement and commencement of tender procedure for the Analysis of preliminary design and preparation of the main project of Tuzla-Orašje Highway. Completed documents for Tuzla-Žepče Highway: The planner has completed the following stages of investment and technical documents for the highway Tuzla-Žepče-junction to corridor Vc: <ul style="list-style-type: none"> • Technical study; • Preliminary ideas; • Preliminary ideas evaluation and multi-criteria analysis; • Preparation of feasibility study draft; • Following the selection of the most favorable option, the Planner has delivered suggestions that are then presented to the municipalities through which the highway is to pass for approval; • Municipalities Tuzla, Lukavac, Banovići, and Zavidovići approved the preliminary ideas, which created conditions for the start of explorations and preparation of preliminary design for the first 32 kilometers of the route. Some 60% of the Preliminary design have been completed for this route; • Architecture project of the highway facilities is under preparation (traffic equipment, light signals, fittings and tunnels).
Business opportunity	Greenfield investment
Contact person	PE Autoceste FBiH Ltd. Mostar Seat in Mostar: Braće Fejića bb, 88000 Mostar Phone: + 387 36 512 300 Fax: + 387 36 512 301 Operational office in Sarajevo: Dubrovačka 6, 71000 Sarajevo Phone: + 387 33 277 900 Fax: + 387 33 277 901 E-mail: info@jpautoceste.ba Web site: www.jpautoceste.ba Ministry of trade, tourism and transport of Tuzla Canton (contact mediator) Nenad Lukanović Address: Fra Grge Martića 8, 75000 Tuzla, BiH Phone: +387 35 369 393 Web site: www.vladatk.kim.ba E-mail: mintts@tk.kim.ba

Opportunities for investments in the Tuzla Canton region – Project profile

Project name	Construction and adaptation of capacities for Tuzla University Campus
Location	Tuzla Canton, Tuzla, eastern part of the City of Tuzla
Short description of location	The zone of public infrastructure – the zone aimed at social activities (education) with the total surface area of 403,986 m ² situated in the eastern part of the City of Tuzla.
Short description of project (the data from the academic year 2013/2014)	Tuzla University was founded in 1976. Today, the University offers 47 graduate course programs and 50 postgraduate course programs at 13 faculties: The Academy of Dramatic Arts, Faculty of Education and Rehabilitation, Faculty of Economics, Faculty of Electrical Engineering, Faculty of Physical Education and Sports, Faculty of Pharmacy, Faculty of Philosophy, Faculty of Mechanical Engineering, Faculty of Medicine, Faculty of Law, Faculty of Natural Science and Mathematics, Faculty of Mining, Geology and Civil Engineering and Faculty of Technology. There are over 18,000 students enrolled in all study cycles. By the Decision on standards and norms for the field of higher education in Federation of BiH, Tuzla University needs to build minimum 75,000 m ² of facilities and reconstruct and adapt to students' needs 15,000 m ² of the existing premises. The construction is implemented through the construction of new and adaptation of the existing buildings within the campus of the former army barracks Husein Kapetan Gradašćević. This process requires the additional construction and adaptation of the existing buildings that would satisfy the needs of the University for the capacity. The Project includes the works on the reconstruction of the existing facilities and introduction of the central heating system for six buildings. Preliminary construction project for the entire Campus includes the construction of some 242.200 m ² of facilities for all the faculties to be built, followed by the construction of the accompanying elements.
Project's estimated value	4,274,467 BAM (2,185,534 EUR) for the reconstruction of three existing buildings and the introduction of the central heating system for six buildings – phase I. The total value of the project that includes the construction of new and reconstruction of the existing buildings for Tuzla University is 150,000,000 BAM (76,694,959 EUR).
Project's current status	<ul style="list-style-type: none"> • The University was registered with the full and solely right of disposal for the land of the Campus • Purpose: construction of University campus with all the accompanying elements • Urban design permit issued • Introduction of the central heating system for six buildings covered by the reconstruction plan in phase I of the Campus construction
Business opportunity	Brownfield investment
Contact person	Tuzla University, Chancellor's Office Phone: + 387 35 300 500 Fax: + 387 35 300 547 E-mail: rektorat@untz.ba Web site: www.untz.ba

Contacts of relevant institutions and organizations of importance to investors

Government of Tuzla Canton

Address: Rudarska 57, 75000 Tuzla, Bosnia and Herzegovina
Phone: +387 35 280 711
Phone: +387 35 369 303 (Prime minister's office)
Fax: +387 35 369 306
Web site: www.vladatk.kim.ba
E-mail: vlada@tk.kim.ba

Ministries of Tuzla Canton

Ministry of internal affairs

Address: Turalibegova bb, 75000 Tuzla, Bosnia and Herzegovina
Phone: +387 35 255 543
Web site: www.muptk.ba
E-mail: portparol@muptk.ba

Ministry of finance

Address: Turalibegova 40, 75000 Tuzla, Bosnia and Herzegovina
Phone: +387 35 369 367
Web site: www.vladatk.kim.ba
E-mail: minfntk@bih.net.ba

Ministry of development and entrepreneurship

Address: Rudarska 57, 75000 Tuzla, Bosnia and Herzegovina
Phone: +387 35 369 352
Web site: www.mrptk.ba
E-mail: minrp@tk.kim.ba

Ministry of agriculture, forestry and water management

Address: Aleja Alije Izetbegovića, 75000 Tuzla, Bosnia and Herzegovina
Phone: +387 35 369 421
Web site: www.vladatk.kim.ba
E-mail: minpvs@tk.kim.ba

Ministry of zone planning and environment protection

Address: Aleja Alije Izetbegovića, 75000 Tuzla, Bosnia and Herzegovina
Phone: +387 35 369 428
Web site: www.vladatk.kim.ba
E-mail: minpuzo@tk.kim.ba

Ministry of trade, tourism and transport

Address: Fra Grge Martića 8, 75000 Tuzla, Bosnia and Herzegovina
Phone: +387 35 369 393
Web site: www.vladatk.kim.ba
E-mail: minmts@tk.kim.ba

Ministry of justice and administration

Address: Džafer mahala 51, 75000 Tuzla, Bosnia and Herzegovina
Phone : +387 35 369 375
Web site: www.vladatk.kim.ba
E-mail: minpu@tk.kim.ba

Ministry of veterans' affairs

Address: Fra Grge Martića 8, 75000 Tuzla, Bosnia and Herzegovina
Phone: +387 35 369 401/402
Web site: www.vladatk.kim.ba
E-mail: minbp@tk.kim.ba

Ministry of industry, energy and mining

Address: Rudarska 57, 75000 Tuzla, Bosnia and Herzegovina
Phone: +387 35 369 327
Web site: www.vladatk.kim.ba
E-mail: minier@tk.kim.ba

Ministry of education, science, culture and sport

Address: Muhameda Hevija Uskufija br.1., 75000 Tuzla, Bosnia and Herzegovina
Phone: +387 35 281 296
Web site: www.monkstk.ba
E-mail: monks@tk.kim.ba

Ministry of labor, social affairs and return

Address: Kozaračka br. 11, 75000 Tuzla, Bosnia and Herzegovina
Phone: +387 35 369 335
Web site: www.vladatk.kim.ba
E-mail: minrspp@tk.kim.ba

Ministry of health

Address: Albina Herljevića 2, 75000 Tuzla, Bosnia and Herzegovina
Phone : +387 35 369 419
Web site: www.vladatk.kim.ba
E-mail: minzdr@tk.kim.ba

Other relevant institutions and organizations

Cantonal Chamber of Commerce Tuzla

Address: Trg slobode bb, 75000 Tuzla, Bosnia and Herzegovina
Phone: +387 35 258 260
Fax: +387 35 258 271
Web site: www.kpktz.ba
E-mail: komora@kpktz.ba

Chamber of Crafts of Tuzla Canton

Address: Tuzlanske brigade br. 60, 75000 Tuzla, Bosnia and Herzegovina
Phone/fax: +387 35 270 065
Web site: www.oktk.ba
E-mail: info@oktk.ba

Tourist Board of Tuzla Canton

Address: Ul. Muftije ef. Kurta br.1, 75000 Tuzla, Bosnia and Herzegovina
Phone/fax: +387 35 270 065
Web site: www.tourism-tk.ba

Tourist Info Center

Address: Soni trg bb, 75000 Tuzla, Bosnia and Herzegovina
Phone/fax: +387 35 257 449
E-mail: turisticka.zajednica@bih.net.ba

Northeast regional development association NERDA

Address: M. i Ž. Crnogorčevića br. 5, 75000 Tuzla, Bosnia and Herzegovina
Phone: +387 35 369 900
Fax: +387 35 369 903
Web site: www.nerda.ba
E-mail: nerda@nerda.ba

Employers' Association of Tuzla Canton

Address: Trg slobode bb II/22, 75000 Tuzla, Bosnia and Herzegovina
Phone: + 387 61 024 687
Web site: www.poslodavcitk.com
E-mail: info@poslodavcitk.com

Relevant departments for development, entrepreneurship and crafts of the City of Tuzla and the municipalities of Tuzla Canton

City of Tuzla

Department for development, entrepreneurship and social affairs
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Municipality of Banovići

Department for planning, development and entrepreneurship
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Phone: + 387 35 743 409
Web site: www.opcina-banovici.com.ba
E-mail: info@opcina-banovici.com.ba

Municipality of Čelić

Department for economy, transport and development
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E-mail: opcelic@gmail.com

Municipality of Doboj Istok

Department for finances and entrepreneurship
Address: Klokotnica-Doboj Istok, Klokotnica bb, 74207 Doboj Istok, Bosnia and Herzegovina
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Municipality of Gračanica

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Department for finances, entrepreneurship and local development
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Municipality of Lukavac

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Municipality of Srebrenik

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Municipality of Teočak

Department for economy, finance, zone planning and civil protection
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