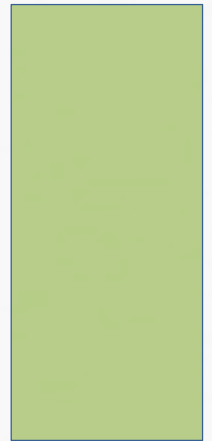




# MUNICIPALITY GRADAČAC

INVESTMENT POTENTIALS



# CONTENT:

- Why invest in Gradačac?
- General information
- Crucial sectors
- Labour market
- Industrial zone
- Business friendly environment
- Incentives
- Quality of life
- Contacts

# WHY INVEST IN GRADAČAC?

- Strategic position and access to EU market with 600 million residents
- Plenty natural resources
- Developed processing industry (metal, food, wood and textile)
- Potential for further development of agriculture, leading BiH municipality in production of plums, pears and apples
- Export-orientated companies
- Long tradition of entrepreneurship

# WHY INVEST IN GRADAČAC??

- Qualified work force in domain of agriculture, metal industry and processing industry
- Modernized communal infrastructure
- Competitive business conditions
- Industrial zone adjusted to the needs of production
- Efficient municipal administration
- Incentive tax policy on BiH level



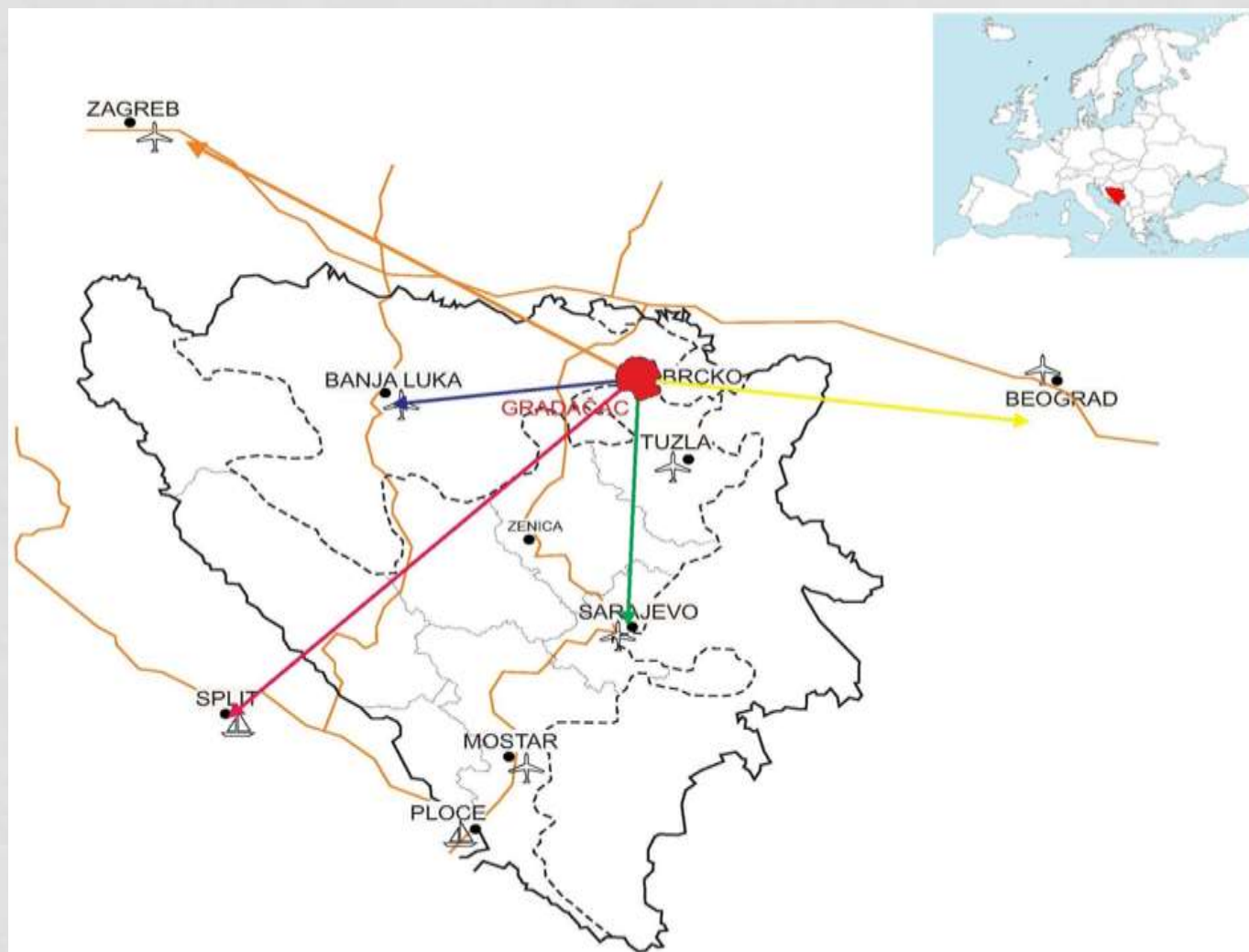
## GENERAL INFORMATION

MUNICIPALITY GRADAČAC

# FEW FACTS

Area	Altitude	Population	Density of residents per km <sup>2</sup>
<b>218 km<sup>2</sup></b>	<b>129 m</b>	<b>41.836</b>	<b>211,6</b>
Climate	Average temperature	Time zone	Currency
<b>Moderate-continental</b>	<b>Summer 20,8°C Winter 1,7°C</b>	<b>CET GMT +1</b>	<b>BAM</b>

# FAVOURABLE GEOTRAFFIC POSITION



# DISTANCE TO EU 40 km

- 40 km to border with Croatia, EU and EU market with 600 million people
- Proximity (30km) to future Pan-European corridor 5C(Budapest-Osijek-Sarajevo-Ploče)
- Connection with wider region:
  - International river port Brčko (38km)
  - International airports Tuzla (80km), Sarajevo (180km), Belgrade (192km) and Zagreb (341km)



# PROXIMITY OF INTERNATIONAL AIRPORTS AND HARBOURS (SEA AND RIVER)

	Location	Distance (km)
	Brčko, BiH (river harbour)	38
	Tuzla, BiH (international airport)	80
	Sarajevo, BiH (international airport)	172
	Belgrade, Serbia (international airport)	179
	Zagreb, Croatia (international airport)	264
	Ploče, Croatia (sea harbour)	350



## CRUCIAL SECTORS

MUNICIPLAITY GRADAČAC

# GRADAČAC IN NUMBERS

Export orientated municipality:

- 5th biggest municipality in BiH by export (5,12%) in 2014.
- 2nd municipality of Tuzla canton with 151,4 million EUR of export (26,25%)

<b>GDP per capita (€)</b>	1.494 € (2015.), FBiH average (3.670 €)
<b>Budget (€)</b>	6 million € (2015.)
<b>Unemployment rate</b>	50,5% (2016.)
<b>Employment rate</b>	7.334 (01.2016.)
<b>Number of unemployed</b>	7.489 (02.2016.)
<b>Average gross salary(€)</b>	441 € (01.2016.)
<b>Average net salary(€)</b>	304 € (01.2016.)
<b>Number of companies/craftsmen</b>	828/1.171 (2015.)

# BUSINESS TRADITION AND ACTIVE ENTREPRENEURIAL SECTOR

- Business tradition in processing industry (metal, wood, textile, food), construction, trade and services
- Continuous growth of business activity throughout partnership between local and foreign investors
- Producers of parts for leading world car industries
- Regional leaders and food-processing industry, successful cooperation with local milk producers
- One of biggest production and trade BiH centres and leading municipality in production of plums

# CRUCIAL SECTORS

- Agriculture
- Processing industry :
  - food
  - metal
  - wood
  - textile
- Construction
- Tourism

# OVERVIEW OF AGRICULTURAL SECTOR

## CRUCIAL FACTS

**39**

Companies

**390**

Average net  
salary in KM

**871**

Number of  
employed

# AGRICULTURE

- Leading BiH municipality in production of plums
- 15,845 ha arable area:
  - 80% arable land,
  - 20% orchards
- Agricultural land suitable for cultivation of fruits, vegetables and cattle breeding
- Dominating cultivation of plums, apples, pears and cherries.
- Cattle breeding (production of cow milk)
- International fair of agriculture and food processing industry – Plum Fair, most visted business event in BiH.



# OVERVIEW OF FOOD INDUSTRY

## CRUCIAL FACTS

**16**

Companies

**560**

Average net  
salary in KM

**371**

Number of  
employed



# FOOD INDUSTRY

- More than 30 % of total exported milk and its products from BiH is produced in Gradačac.
- More than 3.600 farmers and cooperative partners – successful cooperation between investor and local producers
- Export to markets of Serbia, Montenegro, FYR Mazedonia, Kosovo and Albania.

# POSSIBILITIES OF BUSINESS COOPERATION

Mljekara Inmer d.o.o.



- Processing and production of milk and dairy products
- Employed: 81
- Income (2013): 13,6 mil EUR
- Export : 26% (HR, SRB,RKS,AL, MNE, RM)
- Quality standards: ISO 9001, ISO 14001, HACCP



Zott SEE d.o.o.



- Processing and production of milk and dairy products
- Employed: 60
- Income (2014): 9,97 mil EUR
- Export : 45% (CEFTA, EU-HR)
- Quality standards: HACCP



# POSSIBILITIES OF BUSINESS COOPERATION

**Eurotrans-Mlin Nezić d.o.o.**



- Production of flour
- Employed: 40
- Income (2014): 13 mil EUR
- Local market: 100%
- Quality standards: ISO 9001:2008, HACCP



Company	
<b>Cimos TMD Automobilska industrija d.o.o.</b>	Slovenia
<b>Eurotrans – Mlin Nezić d.o.o.</b>	BIH
<b>IMK Kula d.o.o.</b>	BIH
<b>Mljekara Inmer d.o.o. Gradačac</b>	France
<b>Kovgrad d.o.o.</b>	BIH
<b>Namještaj d.d.</b>	BIH
<b>Pullcom BH d.o.o.</b>	BIH/Italy
<b>Thema d.o.o. Gradačac</b>	BIH
<b>TMD Dommers Lighting d.o.o.</b>	Germany
<b>Wagner Automotiv d.o.o.</b>	BIH/Switzerland
<b>Zott SEE d.o.o.</b>	Germany

# OVERVIES OF METAL PROCESSING INDUSTRY

## CRUCIAL FACTS

**28**

Companies

**700**

Average net  
salary in KM

**1140**

Number of  
employed

# METAL PROCESSING INDUSTRY

- Most competitive metal processing sector where successfully operate local companies (TMD-AGS, STROJ, MAGMA METAL), foreign companies (CIMOS Slovenija) and mixed companies (Wagner Automotiv BIH/Švicarska).
- Producers of car parts for world companies of Audi, BMW, Daimler, Fiat, Ford, PSA, GM, Opel, Volkswagen.

# POSSIBILITIES OF BUSINESS COOPERATION

Cimos TMD Automobilska industrija  
d.o.o.



- Production of parts and accessories for cars
- Parts for turbines and other
- Employed: 427
- income (2013): 56 mil EUR
- Export :100% (EU)
- Quality standards: ISO TS 16949:2009, ISO 9001:2008



Wagner Automotiv d.o.o.



- Production of parts for car industry and other industries
- High-pressure alum. casting
- Employed: 122
- income (2014): 8,15 mil EUR
- Export:100% (DE, AT, CH, HU)
- Quality standards: ISO TS 16949:2009, ISO 9001:2008



# POSSIBILITIES OF BUSINESS COOPERATION

## Kovgrad d.o.o.

- Production of wrought parts for rotation systems
- Employed: 220
- income (2014): 2 mil EUR
- Export :100% (AT, DE, IT, FR, HR)
- Quality standards: ISO 9001:2000



## TMD Dommers Lighting d.o.o.

**TMD dommers**  
*Svijetlost Vašeg prostora*

- Production of lighting bodies
- Employed: 72
- income (2014): 2,3 mil EUR
- Export :97% (DE, CH, AT)
- Quality standards: ISO 9001:2008



# OVERVIEW OF WOOD PROCESSING INDUSTRY

## CRUCIAL FACTS

**25**

Companies

**500**

Average net  
salary in KM

**141**

Number of  
employed



# POSSIBILITIES OF BUSINESS COOPERATION

## Pullcom BH d.o.o.



- Production of fiberglass profiles
- Employed: 43
- income (2014): 2,7 mil EUR
- Export : 92,83% (IT, NL, CH, AT)
- Quality standards: ISO 9001:2008, ISO EN 13706



## Namještaj d.d.



- Production of final products made of
- Employed: 139
- income (2014): oko 1 mil EUR
- Export : 40% (HR, SI, DE, CH, NO, SE, UK)
- Quality standards: ISO 9001:2008



# OTHER SECTORS

## POSSIBILITIES OF BUSINESS COOPERATION

IMK Kula d.o.o.



»KULA« GRADAČAC  
INDUSTRIJA MODNE KONFEKCIJE

- Clothes production
- Employed: 761
- income (2014): 5,6 mil EUR
- Export : 98% (EU)
- Quality standards: ISO 9001:2008, GORE-TEX licence



Thema d.o.o.

*Proizvodnja i promet obuće*  
**Thema** Gradačac

- Footwear production
- Employed: 316
- income(2014): 3,7 mil EUR
- Export :100% (AT, SI, IT, DE)



# POTENTIAL FOR DEVELOPMENT OF TOURISM

- Thermal water sources (rehabilitation spa Ilidža)
- Lakes Hazna and Vidara, hunting grounds  
Gradašnica
- Cultural-historical (Old town and surroundings)

# OPPORTUNITIES TO INVEST

- Healing tourism Banja Iliđža
  - Accommodational and service capacities
  - Sport-recreational tourism
  - Lakes Hazna and Vidara, hunting grounds Gradašnica
  - Swimming areas, walk paths, sport hunt and fishing, water sports, other outdoor activities
- Cultural and event tourism
  - Cultural-historical heritage (Old town and surroundings)
  - Events and fairs (International plum fair)



LABOUR MARKET

MUNICIPALITY GRADAČAC

# EXPERT WORK FORCE

- Tradition of education and operation in processing industry (metal, textile, agricultural-food sector), health, construction
- Disposable work force of various profiles (expert, technical, general), high school degree and high education
- Majority of young and active population
- Cost-competitive work force
- Proximity of university centers in BiH and region



# SECONDARY EDUCATION

Two secondary schools are located in municipality, offering technical, expert and general education:

- vocational school with 3 and 4-year programs, and
- grammar school.

In school year 2014/15, 1639 students attend the education in secondary and 75% are attending the classes in vocational program to become:

- agricultural technician,
- electrical technician (for energetics, computer technics and automatics),
- medical technician,
- mechanical technician (for CNC machines, computer software),
- textile technician
- construction technician,
- economic technician.

Around 500 students complete their education each year.

# HIGH EDUCATION

In school year 2013/14, 741 students from Gradačac attended the classes on BiH Universities. Most of them are attending the classes in Tuzla and Sarajevo, then in Mostar and International University of Travnik.

During this period, 105 students got their graduation.

Few students attend the classes on Zagreb University in Croatia.



# AVAILABLE WORK FORCE

- Total work force: 14,823
- Available work force: 7,489
- Unemployment rate: 50,5%
  
- Average gross salary: 881 BAM (€ 441)
- Average net salary : 595 BAM (€ 304)



## INDUSTRIAL ZONE

MUNICIPALITY GRADAČAC

# OPPORTUNITIES TO INVEST

- Industrial zone Gradačac
  - In proximity of the centre of municipality, 30km from border with Croatia(EU)
  - 101ha (42,7 ha za greenfield investments)
  - Construction of infrastructure and arrangement in phases (curently working on 10ha of municipal land)
  - Purpose: production, services, logistics, craftsmanship
  - 28 enrepreneurs currently operating in zone, employing 2.500 workers
  - Activities:processing industry, construction, trade and services

# OPPORTUNITIES OF BUSINESS COOPERATION

- Industrial zone Gradačac
- 28 entrepreneurs, 2.500 employees, over 126 million EUR of income i over 89 million EUR of export in 2014. (58,78% export of municipality, 15,43% export of Tuzla canton)



# INCENTIVES

MUNICIPALITY GRADAČAC

# INCENTIVES FOR INVESTORS

- Local incentives:
  - Favourable land price
  - Easements for water and sewage
- Cantonal incentives
- Competitive conditions of business in BiH:
  - Profit tax 10%
  - Value added tax (VAT) 17%
  - Income tax 10%
- National tax incentives (production, export, employment of disabled persons) and customs incentives for foreign investors.

BUSINESS ENVIRONMENT

MUNICIPALITY GRADAČAC

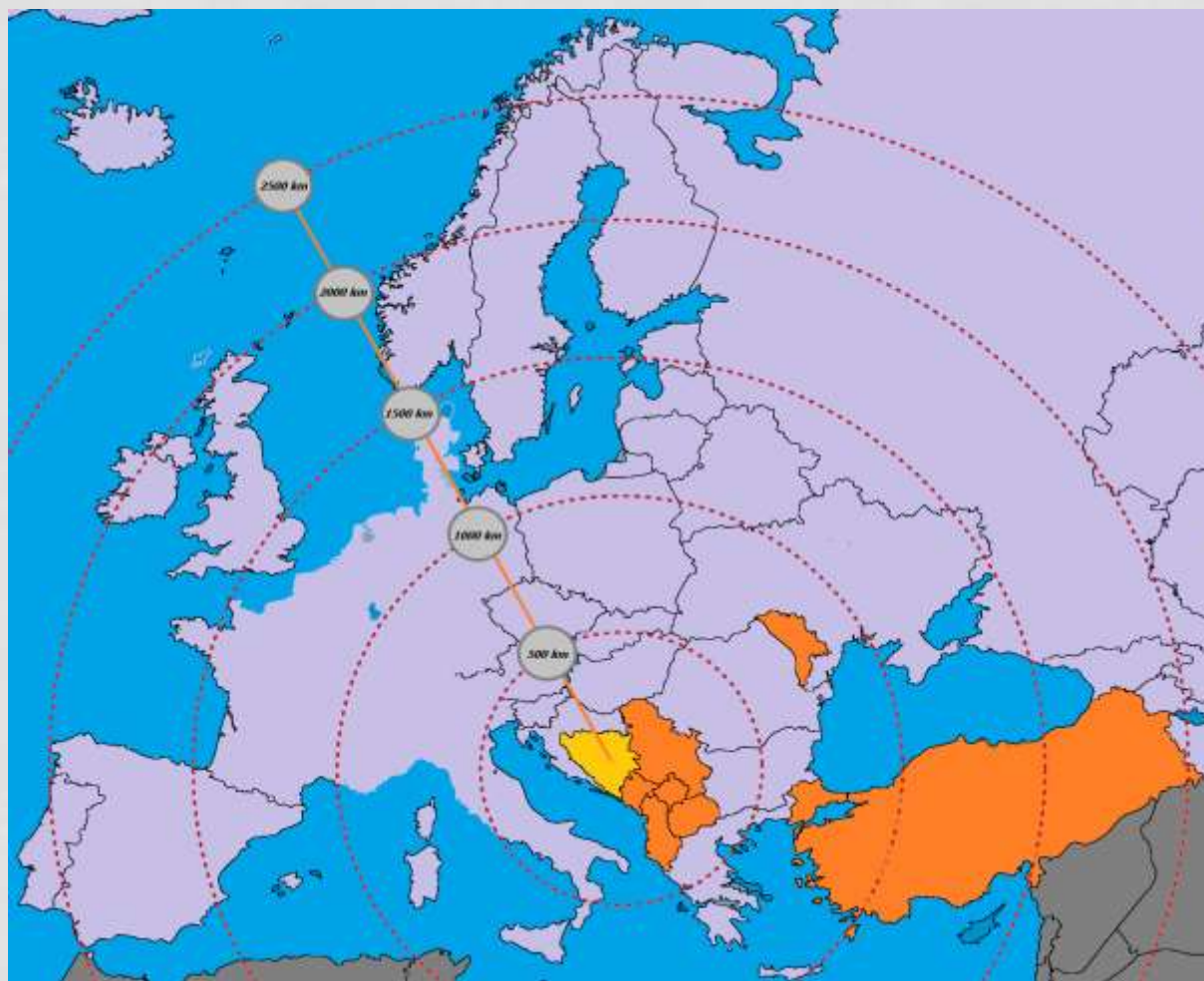
# LIBERAL FOREIGN TRADE REGIME WITH MAJORITY OF COUNTRIES

CEFTA Agreement  
30 million

Preference trade  
agreement with EU,  
28 countries - 500  
million

Free trade agreement  
with Turkey  
- 70 million

Preference export regime  
with USA, Australia, New  
Zealand, Switzerland,  
Norway, Russia, Japan,  
Canada and Iran.





# INTERNATIONAL AGREEMENTS

- CEFTA agreement provides opportunity of selling products on international market.
- Central Europe agreement on free trade\*.
- Agreement on stabilization and association to EU and its members, and temporary agreement on trade and training affairs.
- Agreement on free trade with Republic of Turkey
- Regional and bilateral agreement on foreign trade with EU, USA, Japan, Switzerland, New Zealand, Norway, Iran.

\*signed by BiH, Albania, Croatia, FYR Macedonia, Moldavia, Montenegro, Serbia i UNMIK Kosovo

# LOWER TAXES, BIGGER PROFIT

## Incentive tax politics

Description	BiH	Serbia	Montenegro
Income tax	10%	10%	12% - 40%
Profit tax	10%	15%	20%
VAT	17%	20% and 8%	25%, 13%, and 0%

Obliged entity, in the year of determination of profit tax, who achieved more than 30% by export, in comparison to total income, shall be exempt of paying profit tax for year in question and be subject of other easements.

# EFFICIENT ADMINISTRATION

- Up to 20 days until issuance of construction permit
- Up to 20 days until issuance location permit
- Municipality is in the process of certification for municipality of business friendly (BFC SEE)
- Established Business Council which enables continuous dialogue between representatives of public, private and civil sector.

# OVERVIEW OF PRICES

type	measure	Average price in EUR (VAT included)
Water with sewage	m <sup>3</sup>	1,74
Trash removal	month	6 - 55,20 depending on activity
Electricity	kWh	High tariff 0,1264 Low tariff 0,0629
phone	month	Subscription for land line phone 18,00 Subscription for mobile phone 9.00, 18.00, 30.00, 60.00
Internet	Subscription	Mobile internet 24.00

# ACCESS TO CAPITAL

Financial sector (subsidiary office or branch offices):

- 9 banks
- 5 micro-loan organizations
- 14 insurance companies

# OVERVIEW OF FINANCIAL INSTITUTIONS

Financial institutions	Address	phone	Web
BBI BANKA POSLOVNICA GRADACAC	H.K. GRADAŠČEVIĆA BB	035/821-095 035/821-096	gradacac@bbi.ba
HYPO ALPE ADRIA BANK POSLOVNICA GRADACAC	H.K. GRADAŠČEVIĆA BB	035/821-490 035/821-496	<a href="mailto:jasminka.jasarevic@hypo-alpe-adri.com">jasminka.jasarevic@hypo-alpe-adri.com</a>
NTESA SANPAOLO BANK POSLOVNICA GRADACAC	H.K. GRADAŠČEVIĆA BB	035/822-730 035/822-739	dzemal.omeragic@intesasanpaolobanka.ba
RAIFFEISSEN BANK POSLOVNICA GRADACAC	H.K. GRADAŠČEVIĆA BB	035/369-130 035/369-131	damir.mujić@rbb-sarajevo.raiffeisen.at
SBERBANK POSLOVNICA GRADACAC	H.K. GRADAŠČEVIĆA BB	035/822-781 035/822-788	sanela.hamzic@sberbank.ba
SPARKASSE BANK POSLOVNICA GRADACAC	H.K. GRADAŠČEVIĆA BB	035/821-505 035/821-506	aleta.osmanovic@sparkasse.ba
UNI CREDIT BANK POSLOVNICA GRADACAC	ŠEHIDSKA 1	035/822-500 035/822-502	edina.durakovic@unicreditgroup.ba
NLB BANKA POSLOVNICA GRADAČAC	H.K. GRADAŠČEVIĆA BB	035/259-483 035/259-487	midhat.mujić@nlb.ba
MF BANKA POSLOVNICA GRADAČAC	H.K. GRADAŠČEVIĆA BB	035/821-090 035/821-092	edis.taletovic@mfbanka.com

# OVERVIEW OF HEALTH INSTITUTIONS

Health institutions	type	Address	Phone	Web
JZU CENTAR ZA FIZIKALNU MEDICINU, REHABILITACIJU I BANJSKO LIJEČENJE "ILIDŽA"	Spa/rehabilitation centre	HAZNA BB.	035/368-600	ilidza@bih.net.ba
JZU DOM ZDRAVLJA GRADAČAC	Public health centre	JOSIPA ŠIBERA BB	035/817-110	Info@dzgradacac.com
POLIKLINIKA BAJRAMOVIĆ	Private health centre	UL. VI BATALJONA BB	035/852-343	<a href="mailto:s.bajramovic233@gmail.com">s.bajramovic233@gmail.com</a>

QUALITY OF LIFE

MUNICIPALITY GRADAČAC



# QUALITY OF LIFE

- Safe and delightful place for work and life
- Colourful cultural-historical, sport-recreation offer (Old town, walk paths, swimming areas, hunting and fishing, water sports)
- Numerous cultural, entertaining and sport events
- Rich local culinary offer



## CONTACT

MUNICIPALITY GRADAČAC

# CONTACT

- Expert and professional team of Gradačac municipality is at your service
  - Općina Gradačac
  - Address: Husein Kapetana Gradašćevića 54,  
76250 Gradačac, BIH
  - Ph. +387(0)35 369-750 Fax. +387(0)35 369-751
    - Email: [opc.grad@bih.net.ba](mailto:opc.grad@bih.net.ba)
    - Internet: [www.gradacac.ba](http://www.gradacac.ba)

