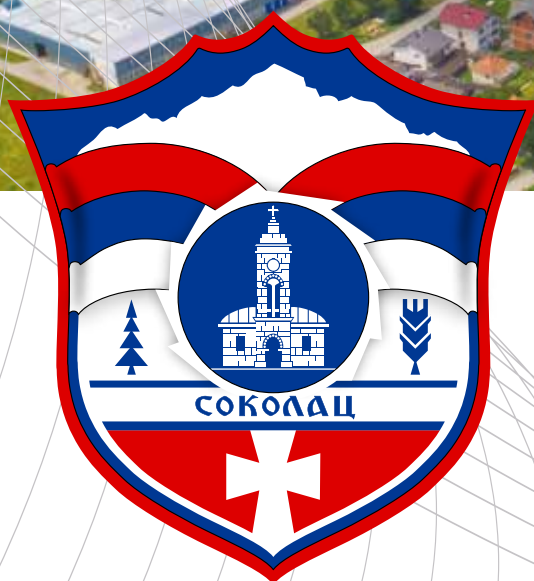


INVEST IN SOKOLAC



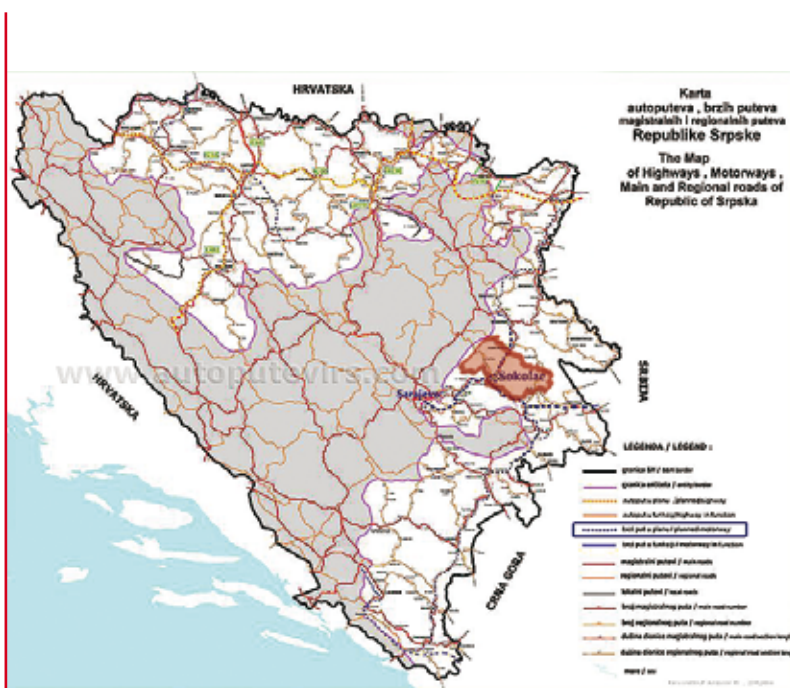
www.opstinasokolac.net | www.opstinasokolac.biz

WHERE IS THE MUNICIPALITY OF SOKOLAC LOCATED?

The Municipality of Sokolac is located in the eastern part of Bosnia and Herzegovina in Republika Srpska, at the distance of 42 kilometers from Sarajevo, the capital of Bosnia and Herzegovina, at the intersection of the primary roads leading from Sarajevo towards Serbia and Montenegro, and from Serbia and Montenegro towards the Adriatic Sea.



Position of BiH in Europe



Position of the Municipality of Sokolac in BiH

| | |
|-----------------------------------|---|
| Area size | 700 km ² |
| Population | 12,607 |
| Population density | 18.01 inhabitants /km ² |
| Administrative affiliation | City of Istočno Sarajevo, Republika Srpska (RS), Bosnia and Herzegovina (BiH) |
| Altitude | 800-1,300 meters above sea level |
| Time zone | GMT + 1 |
| Climate | Continental, pre-mountain and mountain climate |
| Relief | Hilly and mountainous area |



WHAT DOES THE MUNICIPALITY OF SOKOLAC OFFER TO INVESTORS?

- » **Investment locations in the business zones of Podromanija (43 hectares) and Nova Romanija (18.2 hectares).** Your goods could be transported in less than 1 hour of driving from the Municipality of Sokolac to the future trans-national corridor Vc that is recognized as the main regional transport corridor from Budapest (Hungary) through Osijek (Croatia) and Sarajevo (BiH) to Ploče (Croatia).
- » **Favorable business environment, focusing on development of entrepreneurship and small businesses, and pronounced growth of main economic parameters.** In the course of the period from 2012 to 2016, the Municipality of Sokolac increased its exports by 33.15%, which represents an increase in the share in export of the City of Istočno Sarajevo and RS, by 28.81% and 25.93%, respectively.
- » **Diversity and wealth of raw materials and a business tradition in the processing industry are in the function of economic growth and development of new products:**
 - **The wealth of self-renewable wood based raw materials in the Municipality of Sokolac** with the estimated inventory of the total wood mass on around 8,482,000 m³ and total annual volume yield of 276,000 m³, many years of experience in wood processing and a qualified labor force, represent the business opportunity for products made of wood in all the phases of processing, for which there is a trend of growth in demand on the global market.
 - **Land with the area of 32,474 hectares for the development of agriculture with an emphasis on organic food production**, of which 8,061 hectares are available for lease and in the ownership of the Municipality of Sokolac. **The Center for Improvements of Agricultural Production in Hilly and Mountainous Areas in the Municipality of Sokolac** is the only one in the region for the production of virus-free seeds of potatoes, fodder plants, and small seeds.
- » **Available biomass for the generation of various forms of energy (heat energy, power).** Estimated annual potential of local biomass amounts to 56,000 m³ of forest wood residue and 25,000 m³ from wood industry.
- » **The Municipality implemented the regulatory reform which resulted in shortened time and lowered costs of permits and licenses for existing and new companies.**

**Municipality
of Sokolac,
partner to
investors**

The Municipality is a partner for investors, and we guarantee that we shall do our best to facilitate your investment!



ACCESS TO REGIONAL MARKETS



Position of the Municipality of Sokolac in relation with border crossings towards Serbia, Croatia / EU, and Montenegro

The primary road Sarajevo – Podromanija – Sokolac – Zvornik – Belgrade (M19) crosses the municipality, as well as the road Podromanija – Rogatica – Višegrad – Užice (M 19.3), which represents the direction of the future fast road that is planned as a connection to the Corridor Vc.

| Border Crossings | Distance (km) | Time required for transport (h)* | Airports | Distance (km) | Time required for transport (h)* |
|---|---------------|----------------------------------|---|-------------------------|----------------------------------|
| With the Republic of Serbia: <ul style="list-style-type: none"> Karakaj – International border crossing of category I in road transport Šepak – International border crossing for passenger traffic in road transport Rača – International border crossing of category I in road transport. | 99 | 2h01 | Sarajevo (BiH) (cargo) Banja Luka (BiH) Belgrade (SRB) (cargo) Zagreb (HR) (cargo) | 62 233 268 427 | 1h47 4h57 4h37 6h23 |
| With the Republic of Croatia / European Union: <ul style="list-style-type: none"> Orašje - International border crossing of category I in road transport (transport of persons, all types of goods and means of transport) <i>Through this border crossing it is also possible to transport fruit and vegetables that, under the legislation of the contractual parties, is subject to the control of compliance with market standards and determination of health and safety in transport across the shared state border.</i> Brčko - International border crossing of category I in road transport Šamac - International border crossing of category I in road transport | 171 | 3h43 | Ports Brčko (BiH) Ploče (HR) Bar (MNE) | 164 250 304 | 3h43 4h59 6h22 |
| With the Republic of Montenegro: <ul style="list-style-type: none"> Hum - International border crossing of category I in road transport Klobuk - International border crossing of category I in road transport. | 118 245 | 2h13 4h31 | Distance from the Municipality of Sokolac to the key markets Belgrade (Serbia) 283 4h57 Zagreb (Croatia) 427 6h23 Bucharest (Romania) 808 14h43 Rome (Italy) 952 15h34 Istanbul (Turkey) 1,115 16h20 | | |

Izvor: www.viamichelin.com

* Does not include the time required for inspection supervision at the border.



FAVORABLE BUSINESS ENVIRONMENT FOR ENTREPRENEURSHIP AND SMALL BUSINESSES

- » Development of entrepreneurship and small businesses is the focus of development of the Municipality of Sokolac.
- » The total number of business entities and stores in the Municipality amounts to 282.

| Structure of business entities by activity | Number |
|--|-----------|
| Wood processing industry | 28 |
| Forestry | 2 |
| Power and water supply | 2 |
| Textiles, leather, and footwear industry | 1 |
| Food processing industry | 4 |
| Agriculture | 2 |
| Construction | 7 |
| Metal and electrical industry | 2 |
| Tourism and trade | 31 |
| Other | 17 |
| Total | 96 |

Source: Agency for Intermediary, IT and Financial Services (APIF), January 2016

| Structure of stores | Number |
|--------------------------|------------|
| Craft stores | 49 |
| Retail stores | 37 |
| Crafts and retail stores | 25 |
| Restaurants and cafes | 36 |
| Public transport | 9 |
| Other | 30 |
| Total | 186 |

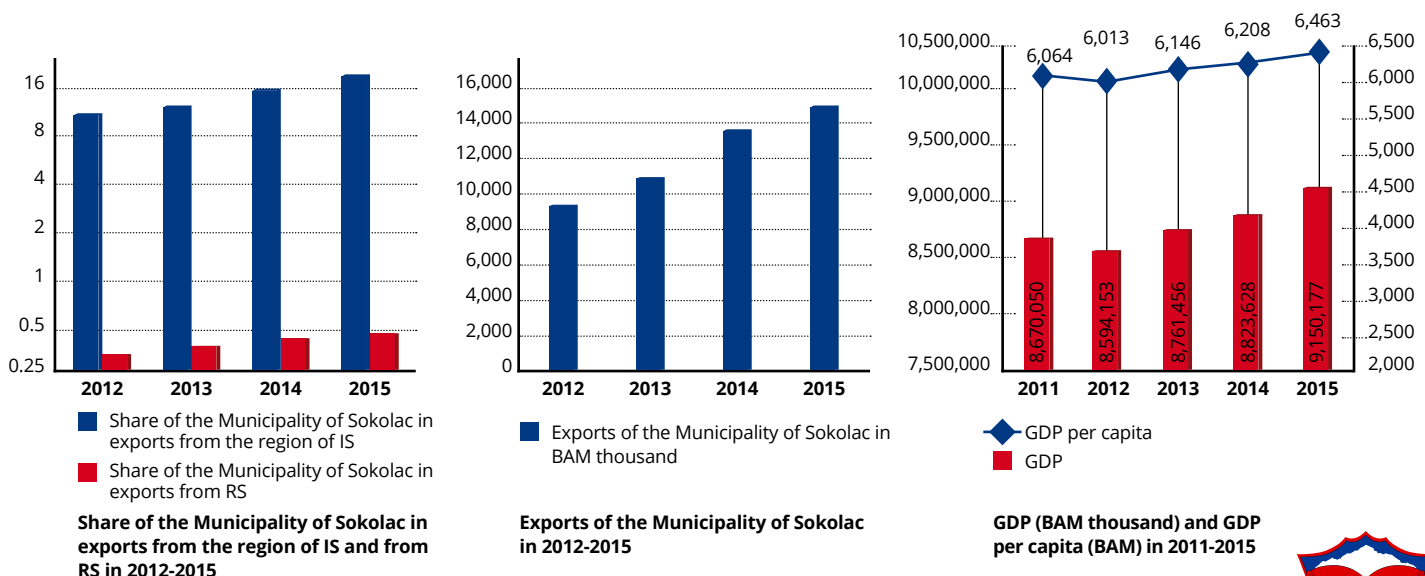
Source: Department for Economy and Finance of the Municipality of Sokolac, January 2016

Dynamic business environment: Intense growth of exports and GDP are the results of reforms and continuous support that the Municipality of Sokolac is providing to investors.

External trade exchange of the Municipality of Sokolac for 2015 in BAM thousand

| Imports | Share of the Municipality of Sokolac in imports of the region of Istočno Sarajevo (%) | Share of the Municipality of Sokolac in imports in Republika Srpska (%) | Exports | Share of the Municipality of Sokolac in exports of the region of Istočno Sarajevo (%) | Share of the Municipality of Sokolac in exports from Republika Srpska (%) | Coverage of imports with exports (%) |
|---------|---|---|---------|---|---|--------------------------------------|
| 3,450 | 2.29 | 0.08 | 14,900 | 17.32 | 0.54 | 431.91 |

Source: Chamber of Commerce of Istočno Sarajevo



Source: <http://komorars.ba>



SERVICES WE PROVIDE TO INVESTORS

» ONE STOP SHOP FOR ISSUANCE OF CONSTRUCTION PERMIT

» INFORMATION FOR INVESTORS IN ONE PLACE AND SUPPORT TO INVESTORS IN THE PROCESS OF INVESTING

» INCENTIVES FOR INVESTORS – The Municipality of Sokolac is continuously providing incentives for the private sector development:

- The Rulebook on Terms and Method for Dispossession of Real Estate in the Ownership of the Municipality of Sokolac, on the basis of which it is possible to sell the real estate in the ownership of the Municipality below the market price, with the objective of implementation of an investment project of special significance for local economic development ("Official Gazette of the City of Istočno Sarajevo" No. 19 as of August 12, 2016),
- Charge for one time rent and development of city construction land (for the period of 5 and 10 years),
- Charge for legalization of constructed facilities (payment in installments and payment in cash in lump sum with additional discount of 10%),
- Incentive funds for livestock production – procurement of heifers,
- Regress for interest on agricultural credits,
- Relief and exemptions from the payment of utility fees,
- Relief and exemptions from the payment of utility charges.

Additional informations on incentives for investors are available on the following link:

<http://www.opstinasokolac.net/podsticaji>

REFORMS ON BUSINESS ENVIRONMENT IMPROVEMENT - The mayor and the municipal administration are continuously working on improving the business environment, providing support to investors, and improvements of infrastructure in the Municipality:

- With technical assistance of the World Bank Group, the Municipality of Sokolac implemented a regulatory reform that shortened time and reduced costs of administrative procedures for the real sector and households. The e-register of the Municipality of Sokolac is available on the following link: <http://0808sokolreg2016.com>
- The transparency of municipal administration work increased through establishment of the electronic register of administrative procedures and the electronic register of incentives awarded to investors by the Municipality.
- The municipality is providing support to existing investors through the Aftercare program based on the cooperation with other government levels within the Collaborative network.
- The webpage was established for potential investors to find detailed information on investment opportunities in the Municipality of Sokolac, at the link: www.opstinasokolac.biz.
- Infrastructural projects are being implemented that are significantly improving the infrastructure for specific investments in the municipality: reconstruction and construction of a new water supply system, reconstruction and construction of a new sanitation network, and construction of the waste water treatment system.
- The Studies prepared:
 - Feasibility Study of the district heating system fueled with biomass with cogeneration – Sokolac,
 - Feasibility Study for a comprehensive solution of water supply, sanitation, waste water treatment, protection of water sources, and protection of the environment in the Municipality of Sokolac,
 - Environmental Impact Study – solid waste management in the Municipality of Sokolac,
 - Pre-investment Study of business zones construction in the City of East Sarajevo,
 - Study for construction of solar based power plants on Glasinačko polje/final report.



» **DOCUMENTATION UNDER COMPETENCE OF THE MUNICIPALITY OF SOKOLAC REQUIRED FOR IMPLEMENTATION OF INVESTMENTS / REINVESTMENTS** - *The municipal administration is oriented towards the beneficiaries and is issuing licenses and permits within the shortest period possible upon submission of a complete application.*

1. Location requirements with urban planning and technical requirements - the prescribed deadline for issuance is 10 days, in practice it can be issued within 1 day upon the submission of complete documentation. The price depends on the area size and ranges from BAM 170 to BAM 300. The competent department is the Department for Physical Space Regulation and Housing and Utility Affairs.

2. Agricultural permit - the prescribed deadline for issuance is 15 days; in practice it can be issued within 3 days upon the submission of complete documentation. The cost is defined under the Law on Agricultural Land, Official Gazette of Republika Srpska No. 93/06, in Article 33, and under the Decision on Determination of Cadastral Revenue from Land in RS, Official Gazette of Republika Srpska No. 28/13, and it also depends on the type and class of land. The prices below are expressed in BAM/m².

- Meadow crops: Class I - 2.56; Class II - 1.71; Class III - 1.05; Class IV - 0.57; Class V - 0.23; Class VI - 0.19; Class VII - 0.12; Class VIII - 0.09.
- Orchard crops: Class I - 3.26; Class II - 1.81; Class III - 0.83; Class IV - 0.41; Class V - 0.14.
- Grassland crops: Class I - 2.84; Class II - 1.93; Class III - 1.17; Class IV - 0.59; Class V - 0.20; Class VI - 0.12.
- Pastureland crops: Class I - 0.45; Class II - 0.25; Class III - 0.13; Class IV - 0.07.
- Forest crops: Class I - 2.99; Class II - 2.33; Class III - 1.13; Class IV - 0.73; Class V - 0.18; Class VI - 0.17.

The competent department is the Department for Local Development.

3. Construction permit - the prescribed deadline for issuance is 5 days, it is possible to issue a permit within 1 day upon the submission of complete documentation. The competent department is the Department for Physical Space Regulation and Housing and Utility Affairs. The price depends on the zone.

- Rent: zone I - BAM 32.4 x useful area; zone II - BAM 27.0 x useful area; zone III - BAM 21.6 x useful area; zone IV - BAM 16.2 x useful area; zone V - BAM 10.8 x useful area; zone VI - BAM 5.4 x useful area. There are no costs for land that is outside of the zoned area.
- Development of city construction land: zone I - BAM 16.5 x useful space; zone II - BAM 12.4 x useful space; zone III - BAM 8.3 x useful space; zone IV - BAM 5.2 x useful space; zone V - BAM 4.1 x useful space; zone VI - BAM 2.1 x useful space. There are no costs for land that is outside of the zoned area.



HUMAN RESOURCES

The Municipality of Sokolac offers a qualified labor force for all the phases of wood processing in forestry and wood industry, as the key competitive sector.

| Availability of labor force by qualifications and occupation in the Municipality of Sokolac | Agricultural workers | Forestry workers | Wood processing workers | Tourism workers | Construction workers | Textile industry workers |
|---|----------------------|------------------|-------------------------|-----------------|----------------------|--------------------------|
| Qualified workers | 5 | 14 | 168 | 47 | 6 | 15 |
| High school qualifications | 29 | 71 | 78 | 10 | 14 | 7 |
| College level qualifications | 3 | 0 | 1 | 0 | 0 | 0 |
| University level qualifications | 13 | 1 | 0 | 0 | 2 | 0 |

Source: Republika Srpska Employment Institute, Bureau in Sokolac, January of 2016

| | |
|---|---|
| NUMBER OF EMPLOYED PERSONS | 3,030 (60%) |
| NUMBER OF UNEMPLOYED PERSONS | 1,989 (40%) |
| AVERAGE NET SALARY IN THE MUNICIPALITY OF SOKOLAC | BAM 808 |
| AVERAGE NET SALARY IN REPUBLIKA SRPSKA | BAM 841 |
| EDUCATIONAL INSTITUTIONS | <p>High school Center „Vasilije Ostroški“ – educating the following profiles: grammar school (general profile), forestry and wood processing. http://www.sscvasilijeostroski.com</p> <p>Since 2007, the College for Servicing Businesses (Visoka škola za uslužni biznis – VUB) has been operating in the Municipality of Sokolac. http://www.vub.edu.ba</p> <p>Majority of students originating from the area of Sokolac are receiving higher education at the University of Istočno Sarajevo. http://www.ues.rs.ba</p> |

**Municipality
of Sokolac,
partner to
investors**

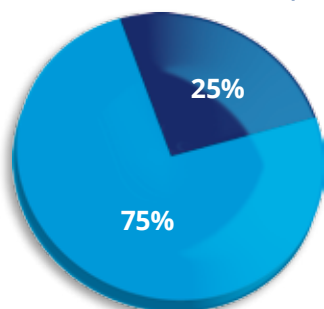


COMPETITIVE SECTORS FOR INVESTING

FORESTRY AND WOOD PROCESSING SECTOR

The Municipality of Sokolac provides to investors **excellent potentials for investing in forestry and wood processing industry, as a reproductive unit for a rounded up manufacturing and processing process, with options for manufacturing with added value.**

Share of wood processing industry in total revenues of the Municipality



■ Revenues of other industry branches

■ Revenues of wood processing industry

Source: APIF Sokolac

Forestry

- The Municipality has at its disposal 38,013 hectares of forests and forest land (94.76% state owned land and 5.24% privately owned land).
- The inventories of total wood mass are assessed at around 8,482,000 m³, while the total annual volume yield of wood mass amounts to 276,000 m³.
- The planned annual volume of logging in the Municipality amounted to around 90,000 m³ in recent years.

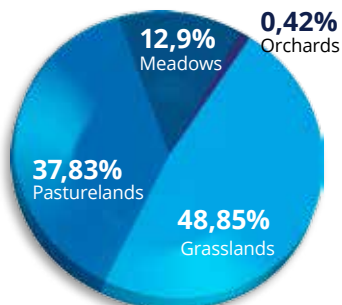
Wood processing

- Wood processing industry is the sector with the highest number of employed persons in the Municipality (around 1,000 employees).
- In the last 2 years 3 factories for the pellet production were opened with around 150,000 tons of production based on wood waste, on annual level.
- **Business opportunity:** In addition to semi-finished goods and final products made from wood, there is an opportunity for manufacturing of chipboard and railway or tramway sleepers, and for utilization of forestry waste, wood industry waste, and low-quality wood for heating.



AGRICULTURE

Structure of land in the Municipality of Sokolac



The Municipality of Sokolac offers to investors in the agricultural sector 8,061 hectares of agricultural land, given under lease for the period of 8 years at the minimum, and at the price ranging from BAM 30 to BAM 90, depending on the land quality. Healthy and clean environment represents an opportunity for investment in economical mixed agricultural production (livestock and crops).

Source: Department of Local Development of the Municipality of Sokolac

- The project is ongoing for the **Revitalization of the Center for Improvement of Agricultural Production in Hilly and Mountainous Areas, which is the only center of that type in BiH and in the broader region, including Serbia and Croatia.** The Center is an integral part of the Agricultural Institute of Republika Srpska in Banja Luka. **Business related possibilities** offered by the Center are the following:
 - Production of virus free potato seeds, fodder plants and small seeds for market demands,
 - Increase in the volume of agricultural production in hilly and mountainous areas,
 - Training and education,
 - Scientific and research work.

Link for additional information: <http://www.poljinst.rs.org/sr-RS>

| In which agriculture sectors you could invest? | | | | | | | | | | | |
|--|---|------|-------------------------------|------|---------|------|-------------|------|-------------|------|-------------|
| Livestock keeping | In 2015, the total of 1,800 calves and 21,000 lambs were produced in the area of Sokolac. Business opportunity: ecological breeding of calves and lambs, production of meat and meat products. | | | | | | | | | | |
| Milk production | <table border="1"> <thead> <tr> <th>Year</th> <th>Produced quantity of milk (l)</th> </tr> </thead> <tbody> <tr> <td>2012</td> <td>800,000</td> </tr> <tr> <td>2013</td> <td>1.3 million</td> </tr> <tr> <td>2014</td> <td>2.5 million</td> </tr> <tr> <td>2015</td> <td>3.5 million</td> </tr> </tbody> </table> <p>In 3 years, the milk production volume in the Municipality of Sokolac grew by more than 450%. All the produced milk is being sold to already known buyers and the demand for raw milk is increasing.</p> | Year | Produced quantity of milk (l) | 2012 | 800,000 | 2013 | 1.3 million | 2014 | 2.5 million | 2015 | 3.5 million |
| Year | Produced quantity of milk (l) | | | | | | | | | | |
| 2012 | 800,000 | | | | | | | | | | |
| 2013 | 1.3 million | | | | | | | | | | |
| 2014 | 2.5 million | | | | | | | | | | |
| 2015 | 3.5 million | | | | | | | | | | |
| Crop production | The area of Sokolac offers excellent natural conditions for growing potatoes, which production is increasing. In 2014, the production was 13,000 kg/ha i.e. total of 2,210 t; in 2015 total of 2,275 t of potatoes was produced. | | | | | | | | | | |
| Honey production | In 2015 the beekeepers produced 30,000 kg of honey. The honey from Romanija mountain has characteristic organoleptic properties because of the specific natural environment and is in high demand in the market. | | | | | | | | | | |
| Medicinal plants | The Mountain of Romanija, like an oasis of preserved nature and unpolluted environment, is very rich in medicinal and aromatic plant species, forest fruit, and mushrooms. The medicinal plants are sold through organized buyout for drying, further processing, and manufacturing of aromatic oils for pharmaceutical and cosmetic industry. | | | | | | | | | | |
| Fishing | The total length of water streams in Sokolac is 87 km with crystal clear and fast water flows ideal for trout breeding. Business opportunity in the Municipality is the establishment of trout production, in various age groups. | | | | | | | | | | |
| Poultry | A business opportunity in the municipality is the founding of mini poultry farms. | | | | | | | | | | |



TOURISM

With its mountain trails in the length of 40 kilometers leading through unspoiled nature at the elevation of 800 – 1,300 m, rich flora and fauna, wide shooting grounds and numerous fish ponds, rivers and streams, natural caves, healthy food and cultural and historical monuments, the Municipality of Sokolac represents the **air spa and attractive tourist destination for vacation, recreation, and sports training and competition.**

- **Sport tourism** - Sportsmen have at their disposal sports infrastructure for physical condition development and competitions in healthy climatic conditions. Sokolac has a representative sports facility that is open for numerous athletic competitions at the level of RS, BiH, and further on.
- The city stadium "Bara" with its athletic tartan track with area size of 4,590 m², has 6 lanes of 400 meters and 8 lanes of 100 meters, and is marked according to the IAAF regulations.
- The sports hall in Sokolac is ready for competitions in various sports with around 1,000 seats for spectators, and area size of 3,400 m².
- Open paved courts for basketball, volleyball, small court football, and tennis (two courts each in the Municipality).

Business opportunity: Continued development of sports tourism. A project for the sports and recreational center in Sokolac is on offer.



- **Cultural and historical heritage and ethno tourism** - The Municipality of Sokolac offers to investors huge potentials and excellent conditions for development of village based, ethno, mountaineering, sports based, and religious tourism.
- **Girska cave** is, based on its dimensions and characteristics, amongst the fifteen most significant speleological facilities of Republika Srpska.
- **Starina Novak cave** is a cave known for the myths that surround it.
- **Pod Lipom cave** - a cave with artistic drawings that point to the Paleolithic, in which 40,000 years old remains of Neanderthals were found.
- **Necropolis with stećak stones in Luburić polje that** in July 2016 were included in the World Heritage List of UNESCO and enjoy the status of national monuments of Bosnia and Herzegovina.
- **Gastronomical offer of healthy food.** The process of protection of geographic origin and branding of the honey and kajmak (cream) from Romanija mountain is ongoing.



- **Two hunting grounds of mountain type:** the special shooting ground of “Romanija” with area size of 12,799 hectares, and the economic shooting ground of “Sokolac” with area size of 17,509 hectares with numerous species of wild game: bears, wolves, hares, foxes, deer, boars.
- **Conifer forests, clean air free of allergens and rich in oxygen, and clean water** have a calming effect and positive impact on the health of human organism and recovery from respiratory illnesses, neurological diseases, allergies, anemia, and immunodeficiency. **There is an opportunity for investing in health tourism.**
- **Fishing in the rivers of Kaljina and Bioštica** – these rivers are rich in brook and rainbow trout, grayling, and sprout. The source of the Bioštica river is a protected area.
- **Construction of a mountain lodge on Crvene stijene on the Romanija mountain, with capacities for 12 persons, is ongoing.**
- **Business opportunity:** Construction of the ethno village in the area of Ravna Romanija is planned.

All detailed information on the tourism offer in the Municipality of Sokolac can be found on the following link: www.sokolacturizam.net

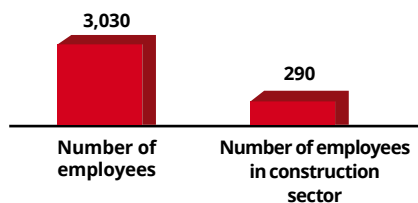


TEXTILE SECTOR

- Experience in additional processing and processing of leather and footwear (contract work), existing capacities of the Fates a.d. company, which manufactures machine-woven and hand-knotted carpets, and the available qualified labor force represent a high quality foundation for the development of the textile sector.
- **There is a possibility for investing** in additional processing, processing and value added products (clothes, footwear, etc.) from different materials (textiles, leather).

CONSTRUCTION SECTOR

The number of employees in construction sector compared to total number of employees in the Municipality of Sokolac



Source: Sokolac Employment Bureau

With long tradition in high quality works, the construction sector companies in the Municipality of Sokolac **offer their services in low rise and high rise construction.**

Individual companies are operating in compliance with ISO 9001 and ISO 14001 standards (quality management standards and environment improvement standards).



FAVORABLE COSTS OF DOING BUSINESS FOR INVESTORS

Land Prices

- Market price of the city construction land is determined on the basis of residential and business zones that are specified in the Decision on Regulation of Physical Space and Construction Land in the Municipality of Sokolac (Official Gazette of the City of Istočno Sarajevo, No. 12/14).
- Price of 1 m² of the city construction land varies from BAM 100/m² for land in zone IA to BAM 1/m² for land in zone VI.
- To enter the zone, investor pays the price of connection for power in the amount of BAM 1,900, while the price of water and sanitation amounts to BAM 3/m² plus the price for labor force engaged. There are no additional costs or procedures.

| | |
|---|---|
| Water | BAM 3.50 / m³ |
| Sanitation | BAM 0.75 / m³ |
| Heat energy (district heating fueled by biomass)* <i>* District heating covers the area of 26,000 m². Upon conclusion of the project for district heating fueled by biomass (co-generation) by 2018, the area of 133,000 m² shall be covered with district heating.</i> | BAM 3.00 /m² for 12 months |
| Power | BAM 0.1317 /kWh (summer); BAM 0.712 / kWh (winter) |
| Waste collection | BAM 17.094 container tour BAM 273.504 truck tour |
| Monthly subscription for land line | BAM 17.45 – 19.21 |
| Rate for call - land line Domestic calls (minute) | BAM 0.03 – 0.39 |
| Monthly subscription for mobile phone | BAM 17.57 – 105.43 |
| Internet (ADSL, subscription) | BAM 22.27 – 58.57 |
| Mobile internet (subscription) | BAM 11.71 – 46.86 |
| <i>Prices provided above exclude VAT (17%)</i> | |



ATTRACTIVE INVESTMENT LOCATIONS

The Municipality of Sokolac offers to investors:

- Business Zone Podromanija, Bjelosavljevići (direction the Municipality of Rogatica),
- Industrial Zone Nova Romanija,
- Land for taking under lease with area size of 8,061 ha.

BUSINESS ZONE PODROMANIJA



| | |
|---|---|
| Type of zone | Greenfield |
| Total area size | 43 ha |
| Number of parcels | 108 |
| Land use | Construction / agricultural |
| Ownership | 100% private |
| Location | The zone is located along the primary road M-19 Sarajevo - Višegrad and covers 100 m in width on both sides of the road. The zone is 54 km away from the railroad, 50 km from the airport Sarajevo and 4.2 km from the urban center of the Municipality of Sokolac. |
| Infrastructure | Along the primary road the utility infrastructure already exists so the access and connection of newly built facilities are facilitated, and costs of construction of public infrastructure on the location are reduced. The high voltage line is in immediate vicinity. |
| Description of the zone | On both sides of the road individual housing facilities that have an entry into the primary road are sporadically located, so the zone lacks continuity in land area. On the places where there are no facilities built the land is wide enough for the construction of new production and business facilities. In the Pre-Investment Study of business zones construction in the City of East Sarajevo the Business Zone Podromanija is defined as a priority zone. |
| Priority sectors for investing in the zone | All sectors that do not have a negative effect on the environment. |
| Existing companies | a.d. Romanija putevi; d.o.o. Cow farm; d.o.o. Junior; Agricultural cooperative Agrokoop; d.o.o. Duga pellet; d.o.o. Termag |
| Business opportunity | Purchase of land. Price: BAM 3/m ² . The land is located in zone III. |
| Contact for information | Municipality of Sokolac Department for Local Development Telephone: + 387 57 448 712/ Ext.113 |



INDUSTRIJSKA ZONA NOVA ROMANIJA A.D. SOKOLAC



| | |
|---|---|
| Type of zone | Brownfield |
| Total area size | 18.2 ha |
| Area size of facilities | 40,536 m ² |
| Land use | Construction |
| Ownership | Ownership of RS Government that is selling the zone through the RS Investment Development Bank. |
| Location | The zone is located along the primary road M-19 Sarajevo - Višegrad. The zone is 50 kilometers away from the railroads, 46 kilometers from the airport in Sarajevo, and 0.9 kilometers away from the urban center of the Municipality of Sokolac. |
| Infrastructure | The location provides entire infrastructure: substations, power network, water supply systems, paved road communications, open paved spaces for disposal of raw materials and finished products. |
| Description of the zone | <ul style="list-style-type: none"> • Facilities comprise the following: <ul style="list-style-type: none"> <i>Plants in which manufacturing is currently ongoing:</i> <ul style="list-style-type: none"> • Primary wood processing - cutting conifer roundwood (2,219 m²); • Final wood processing - manufacturing of construction joinery, glued wood elements, wall and floor paneling of conifer (3,550 m²). <i>Plants that are currently not in function:</i> <ul style="list-style-type: none"> • Factory of chipboard panels (6,279 m²); • Facility and equipment for a restaurant (563 m²) and • Area for vehicle transport (27,925 m²). |
| Priority sectors for investing in the zone | All sectors that do not have a negative effect on the environment. |
| Business opportunity | Purchase. All the aforementioned plants are subject to sale. |
| Contact for information | Municipality of Sokolac Department for Local Development Telephone: + 387 57 448 712/ Ext.113 |



AVAILABLE LAND

- The land in the area size of 8,061 hectares is given under lease for the period of 8 to 12 years with possibility of extension.
- The land is in the ownership of the Municipality of Sokolac, and is situated in three locations: Glasinačko polje, Luburić polje, and Poljak polje.
- Maximum area size that can be given under lease for companies and entrepreneurs is 200 hectares, and for natural persons 30 hectares. The purpose the land serves is for the agriculture.

| Land class | Annual prices of lease of one hectare |
|--------------------------|--|
| Class I | BAM 90/ha |
| Class II | BAM 80/ha |
| Class III | BAM 70/ha |
| Class IV | BAM 60/ha |
| Class V | BAM 50/ha |
| Classes VI, VII and VIII | BAM 30/ha |

OTHER INDUSTRIAL ZONES IN THE MUNICIPALITY OF SOKOLAC



Industrial Zone Unis Sokolac



Industrial Zone Duga Komerc Sokolac

| Name of the zone | Industrial Zone Unis Sokolac | Industrial Zone Duga Komerc Sokolac |
|------------------|---|-------------------------------------|
| Type of zone | Brownfield | Brownfield |
| Area size | 3.2624 ha | 2.4685 ha |
| Infrastructure | Equipped | Equipped |
| Purpose | Manufacturing, processing, warehouse, transport, trade and services | Food processing industry |
| Ownership | 100% private ownership | 100% private ownership |
| Status | Full (currently under lease) | Full (currently under lease) |



OTHER SERVICES

COMPANY REGISTRATION

The company registration is within the competence of the Commercial Court in Istočno Sarajevo. The intermediary in registration is the Agency for Intermediation, IT, and Financial Services – APIF. Link: www.apif.net

- The registration of stores is within the competence of the Department for Economy and Finance in the Municipality of Sokolac. The cost amounts to BAM 25-30, and the registration takes 2 days.

AVAILABILITY OF OTHER BUSINESS SERVICES

- In Sokolac operate: Basic Court, 4 commercial banks, 6 insurance companies, 3 shipping companies, 6 lawyers, 1 notary public, several bookkeeping agencies.
- **Electronic registries** with a detailed overview of permits and licenses that investors in the Municipality of Sokolac, Republika Srpska and Bosnia and Herzegovina need are available on the following links:

Municipality of Sokolac

<http://0808sokolreg2016.com>

Republika Srpska Government

<http://www.regodobrenja.net/index.php?jezik=1>

BiH Ministry of Foreign Trade and Economic Relations

<http://rap.mvteo.gov.ba/egfVwOdlukajedinice.aspx>

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

Municipality of Sokolac

<http://www.opstinasokolac.net/podsticaji>

Republika Srpska Government / Invest Srpska

<http://www.investsrpska.net/index.aspx?PageID=436&menuID=215&langid=3>

BiH Ministry of Foreign Trade and Economic Relations

http://www.mvteo.gov.ba/izvjestaji_publikacije/izvjestaji/default.aspx?id=6176&langTag=bs-BA

BiH Foreign Investment Promotion Agency (FIPA)

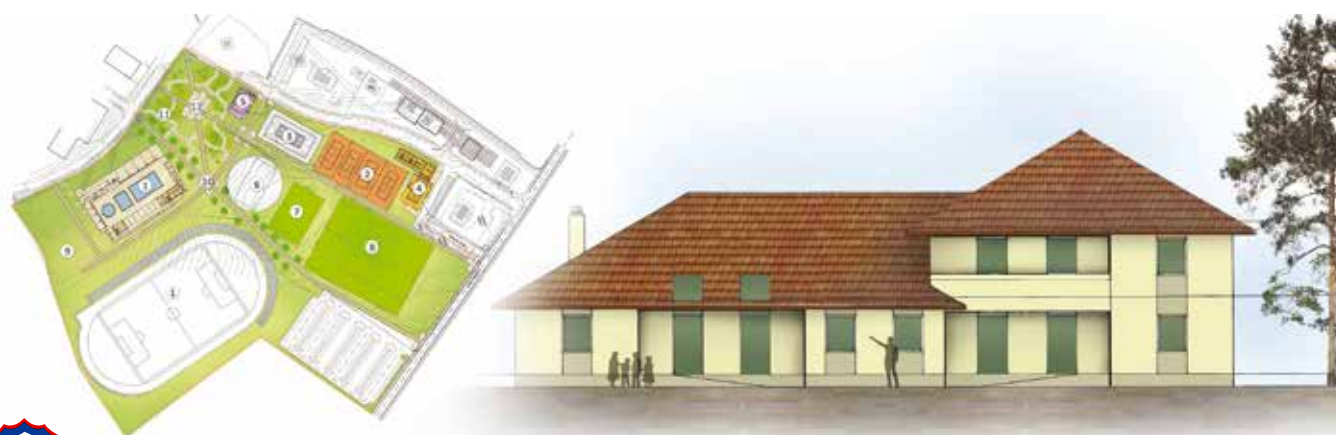
http://www.fipa.gov.ba/informacije/povlastice/strani_investitori/default.aspx?id=141&langTag=bs-BA

**Municipality of
Sokolac, partner
to investors**



INVESTICIONI PROJEKTI OPŠTINE SOKOLAC

| No | Project title | Project description |
|----|---|--|
| 1. | Sports and recreational center in Sokolac | <p>The project for the "Sports Recreational Center" on the area size of 75,000 m² (7.5 hectares) implies, in addition to existing sport facilities (stadium, two courts, sports hall), also the newly designed facilities that are divided in four groups: tennis complex, poll complex, universal sports area, green park zone.</p> <p>Form of cooperation with potential investor: Joint Venture. The project profile is available for download on the FIPA website, link: http://www.fipa.gov.ba/investinbih/index_htm_files/Sports%20and%20recreation%20centre,%20Sokolac.pdf</p> |
| 2. | District heating system fueled by biomass with co-generation | <p>In line with the Feasibility Study of the district heating system fueled with biomass with cogeneration-Sokolac, the realization of reconstruction and expansion of the district heating network in the municipality is ongoing, including construction of the co-generation plant that will generate 4.1 MW of heat energy and 1 MW of power.</p> <p>Form of cooperation with potential investor: Public and Private Partnership. The project profile is available for download on the FIPA website, link: http://www.fipa.gov.ba/investinbih/index_htm_files/Cogeneration%20plant%20on%20biomass,%20Sokolac.pdf</p> |
| 3. | Ethno village Sokolovgrad | <p>The area reserved for construction of the Ethno village (5.30 hectares) is divided into 6 plateaus on which the construction of a number of smaller traditional houses is planned, in the manner that they used to be built by master builders, in addition to hospitality facilities, sports, and accommodation facilities. The remaining are of around 21.50 hectares is reserved for construction of a golf course and an area for Nordic skiing in the wintertime.</p> <p>Form of cooperation with potential investor: Joint Venture. The project profile is available for download on the FIPA website, link: http://www.fipa.gov.ba/investinbih/index_htm_files/Cogeneration%20plant%20on%20biomass,%20Sokolac.pdf</p> |
| 4. | Airport in Sokolac | <p>The location of airport on Glasinačko polje is 38 kilometers away from Sarajevo. The project "Taking-off and landing strips of the Sokolac Airport" was prepared.</p> <p>Form of cooperation with potential investor: Joint Venture.</p> |
| 5. | Reconstruction of public lighting and improvement of energy efficiency in the system of public lighting in the Municipality of Sokolac | <p>The project design implies the reconstruction, management and maintenance of public lighting in the Municipality of Sokolac through the introduction of the LED technology.</p> <p>Form of cooperation with potential investor: Public and Private Partnership.</p> |



CURRENTLY DOING BUSINESS IN THE MUNICIPALITY OF SOKOLAC:

Wood processing industry

Čajević komerc d.o.o. Sokolac

www.cajevic-komerc.com

Manufacturing of finished products and semi-finished products from wood.

Podromanija d.o.o. Sokolac

www.podromanija.com

Manufacturing of construction joinery.

Duga pellet d.o.o. Sokolac

www.dugapellet.com

Manufacturing of wood pellets, capacity of 10,000 tons on annual level.

Novi komerc d.o.o. Sokolac

Manufacturing of cut timber, joinery elements and eco pellets.

Žarson d.o.o. Sokolac

Manufacturing of cut timber and pellets.

Agriculture and food processing industry

Center for Improvement of Agriculture in Hilly and Mountainous Areas

An integral part of the Agricultural Institute of Republika Srpska.
<http://www.poljinstrs.org/sr-RS>

Bereg s.z.t.p.r. Sokolac

Manufacturing of bread, pies, baked goods, and all other products from the sweet, frozen, and confectionary program. Excellent example of development of entrepreneurial activity in the Municipality of Sokolac.

Textile sector

Fates a.d. Sokolac

www.adfatesosokolac.com

Factory for manufacturing and sale of carpets. Production volume in 2015 amounted to 25,852 m² of machine made carpets.

Construction sector

Romanija putevi a.d. Sokolac

www.romanijaputevi.com

Company for road maintenance, protection, reconstruction, and construction. 32.35% of Austrian capital, 280 employees.

Trade

Onogošt d.o.o. Sokolac

www.onogost.com

Retail trade with foodstuffs and non-food products. Sales network developed in 21 retail facilities.

Statements of investors in the Municipality of Sokolac

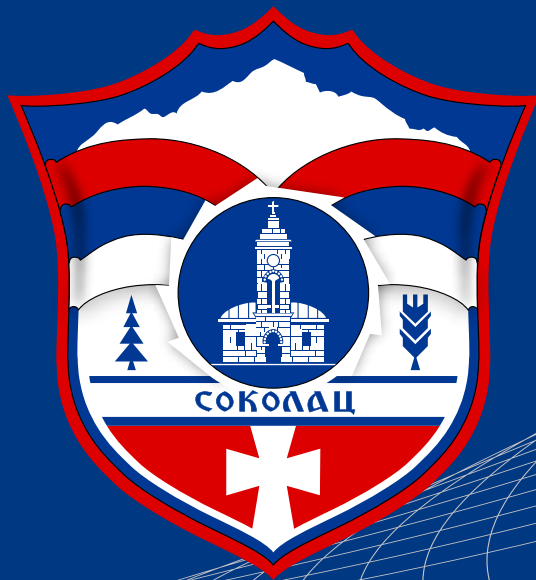
“The activity of Onogošt company is a trade, currently the company has 150 employees. From a small family business Onogošt has grown into a company that has operations in twenty-one facility in five municipalities of the Eastern part of Republika Srpska. In 2014 the company has extended the business to the construction sector. I got a great support from the municipal administration and I can say that as of recently the Municipality of Sokolac has been a favorable place for investments.”

Milomir Nogošić, owner of Onogošt d.o.o

„Since the very beginning we’ve had a full support and excellent collaboration with the municipal administration. A number of benefits, including a favorable business environment, encourages our plans for further business expansion and job creation.”

Ljeposava Vračar, director of the TC Zona d.o.o.





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