



Municipality **STOLAC**

Community that offers and attracts

INVESTMENT PROFILE

www.stolac.gov.ba



INVESTMENT PROFILE

Municipality Solac: Community that offers and attracts



Position of Municipality Stolac in BiH



Position of Bosnia and Herzegovina (BiH) in Europe

GEOGRAPHIC POSITION OF MUNICIPALITY STOLAC

Official name	Municipality Stolac
Administrative unit	Herzegovina-Neretva Canton, Federation of Bosnia and Herzegovina
Population	14,502
Address	Ul. kralja Tomislava bb
Contact phone	00 387 (36) 853101
Fax	00 387 (36) 853229
E-mail	opcina@stolac.gov.ba
Web	www.stolac.gov.ba

CONTACTS FOR INVESTORS: Municipality Stolac

- **Tihomir Perić**
Assistant Mayor
- Phone: +387 36/819-019
- E-mail: tiho.peric@gmail.com
- **Đuro Prkačin**
Project Coordinator,,
- Phone: +387 36/819-019
- E-mail: dprkacin@gmail.com



MUNICIPALITY STOLAC COMMUNITY THAT OFFERS AND ATTRACTS

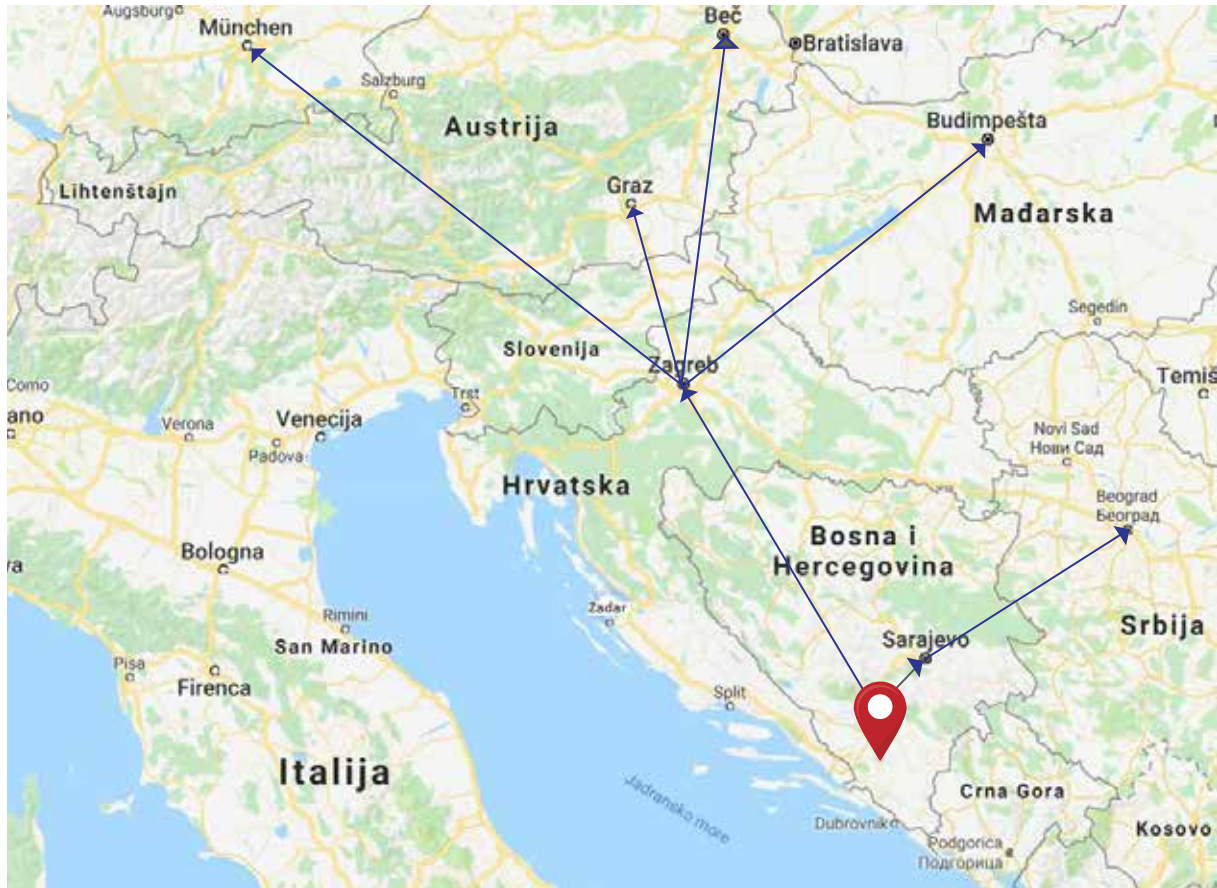
- Municipality Stolac is located in southeastern part of Bosnia and Herzegovina and is well connected to the main corridors linking major centers in the country and in the region. Proximity of the main road and railway corridors, as well as the marine ports and airports in Croatia, makes Stolac a very attractive location for investment.
- Stolac has a large number of sunny days per year (2500 hours per annum), meaning that the average annual number of hours of sunshine per day is 6.4. In view of this potential energy of sun, Municipality Stolac has excellent preconditions for generation of solar energy, but also for development of agriculture and tourism.
- Locations for investment in the municipality Stolac, i.e. Commercial Zone Hodovo, are an excellent opportunity for investment and business development.
- Legal persons in municipality Stolac have earned revenues in the amount of BAM 33.3 m in 2017. Value of 2017 export by Stolac companies was BAM 4.7 m, what is by 12% more than the year before. Key export markets for these companies are the EU countries.
- The value of exports made to the EU markets confirms that the municipality Stolac has qualified labor to offer, which meet the requirements of foreign markets.
- The Municipality Administration is at the service of investors! The Municipality offers support to investors when selecting locations to invest, as well as during the investment process, and they continue providing support during their operation. We have streamlined our procedures for issuing documentation, shortened the time required and reduced costs of operation, established single window system for procedures required for construction or company registration, so you can realize your investment quickly, easily and at lower cost!

S
T
O
L
A
C

ROAD INFRASTRUCTURE

Proximity of EU market and other countries of Southeastern Europe

Municipality Stolac is located in the southeastern part of Bosnia and Herzegovina. Two main roads, M6 and M17 connect it to the strategic road corridors. Motorway Vc is 32 km away, and border crossing to Croatia is 38 km from Stolac. Airport Mostar is 30 km away, and the International Airport Split 183 km. Port of Ploče is 60 km away, and Port of Split 179 km.



DISTANCE FROM MAJOR CENTERS IN THE COUNTRY AND ABROAD

Mostar	37 km
Sarajevo	165 km
Banja Port of	268 km
Split (CRO)	171 km
Zagreb (CRO)	542 km
Belgrade (SRB)	457 km
Budapest (CRO)	882 km
Trieste (I)	619 km
Vienna (A)	896 km
Munich (D)	1006 km

DISTANCE FROM MAJOR ROADS AND PORTS

Motorway Vc	32 km
Motorway A1 (CRO)	46 km
Railroad terminal Mostar	37 km
Railroad terminal Split (CRO)	170 km
International airport Mostar	30 km
International airport Sarajevo	160 km
International airport Split (CRO)	183 km
International airport Beograd (SRB)	265 km
Port of Ploče (CRO)	60 km
Port of Split (CRO)	173 km



OPPORTUNITY TO INVEST IN VARIOUS SECTORS

The backbone of economy in Stolac is made of the following sectors:

- Energy sector;
- Agriculture and food processing;
- Processing industry.

Municipality Stolac has rich natural and cultural heritage, and extremely good climate. Besides the natural and other resources, good transport connectivity and proximity of key corridors make the municipality Stolac a very attractive location for investment.

Preferred sectors, in view of potential of municipality Stolac, include:

- **Agriculture and food processing:**

- » 2,500 hours of sunshine a year, averaging to 6.4 sunny hours per day, offer excellent conditions for growing various agricultural crops.
- » Agricultural production is based on growing early fruits, vegetables in closed areas, and main cultures are cherry, vine (table and wine grape), peach, nectarine, and apple, as well as peppers, tomatoes, potatoes and lettuce.
- » 857 farms have been registered in the Registry of Family Husbandries.

- **Energy sector:**

- » There are 78 companies generating electrical power in municipality Stolac.
- » The sector employs 35 persons

- **Processing industry:**

- » Potentials of the processing industry in municipality Stolac are based on price-competitive labor and attractive investment locations.
- » Food processing industry has strong potential thanks to availability of land and developed primary production.
- » Attractive locations for building processing capacities.



INVESTMENT LOCATIONS

The most important quality of this location with respect of establishing a commercial-business zone must by all means be its micro-location, i.e. left and right side of the mentioned road, which makes the Zone directly connected to the main commercial roads (road Neum-Mostar, road to Dubrovnik and Herceg Novi, and to Sarajevo etc., and proximity of the Mostar airport). Commercial-business zone is outside of the neighboring settlements and makes a relatively isolated unit, and this, combined with convenient situation, landscape and size of the location, offers significant comparative advantages over

Greenfield locations

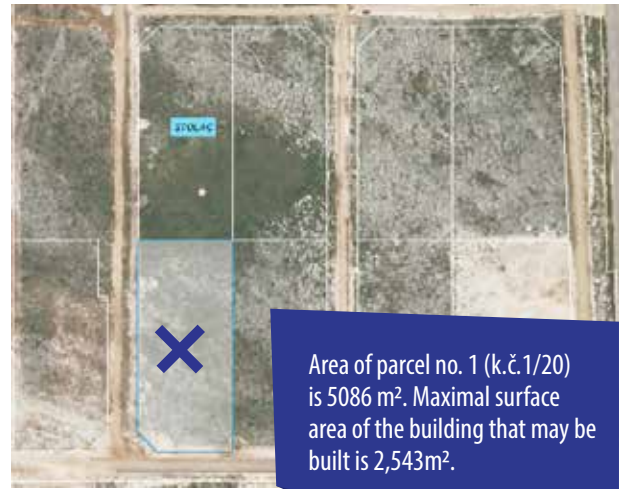


Name of the location: Commercial-business zone Hodovo	
Location:	Commercial-business zone Hodovo is located north of Stolac, along the main road M-17.3. The Zone covers right and left side of the main road M-17.3 Mostar-Stolac. The distance to Mostar airport is only 15 km, and distances to corridor 5c is 10km, to railway is 15 km, to maritime port is Ploče 15 km.
Type:	Greenfield
Area:	Planned area of the Zone Hodovo is 127,55 ha;
Available plots:	The area of 183,979 m ² is intended for entrepreneurs; area designated for construction of solar power plant is 900,318 m ² , the Green belt is 21,913 m ² , while the roads and pavements take up the area of 72,627 m ² . At the moment, there are 17 available parcels in the Zone.
Infrastructure:	Electricity: Electricity supply available; Water: Water supply from regional water supply network Lighting: Lighting available Telecommunications: Telecommunication connections available Access roads: Access to the parcels in the commercial-business zone is from a public road. All parcels are directly along the main road Stolac-Mostar
Ownership:	Municipality Stolac
Documentation:	Spatial plan for municipality Stolac for the period 2013-2023, Regulation plan for the commercial-business zone Hodovo.
Investment options:	Land purchase
Price of sale or lease of the land:	Starting fee for construction land for parcels in the commercial-business zone Hodovo is 3,00 BAM/m ²
Suitable for:	Construction of production plants Construction of power generation plants

 **Occupied locations**
 **Available locations**



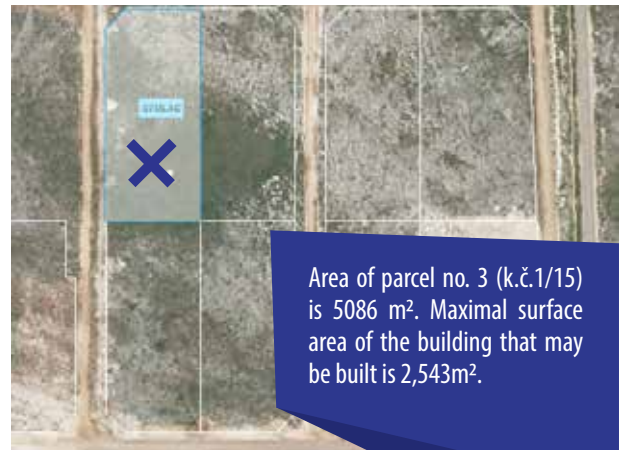
Location no. 1



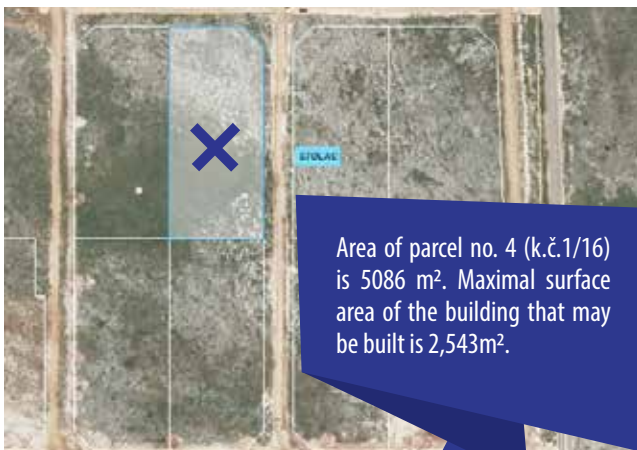
Location no. 2



Location no. 3



Location no. 4



BUSINESS ENVIRONMENT

Business environment in Municipality Stolac is characterized by wealth of natural resources, convenient geographic position and price-competitive labor.

There is a total of 68 legal persons and 272 craftsmen working in Stolac municipality.

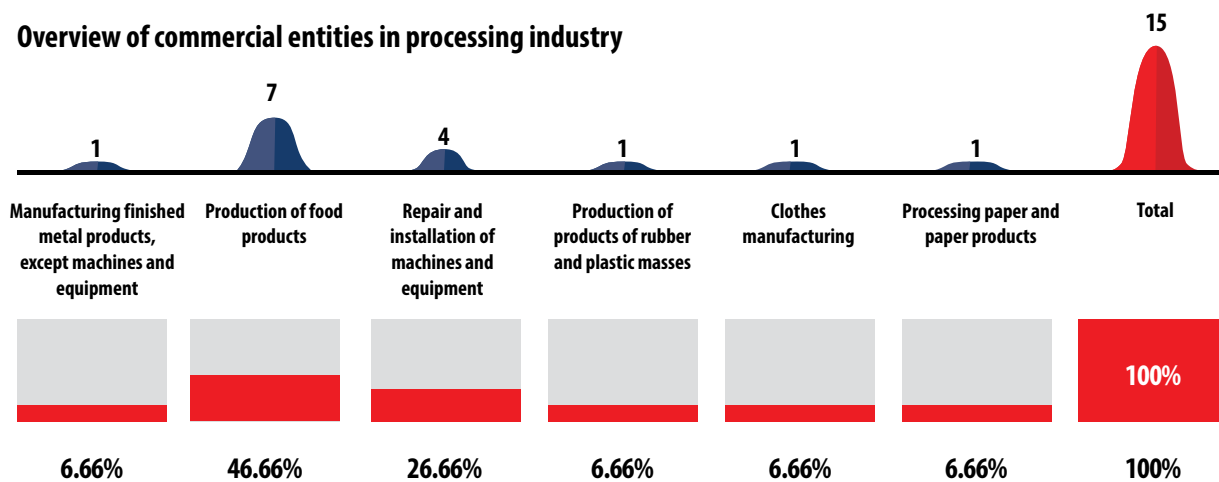
Pregled poslovnih subjekata u općini Stolac

Commercial entities (up to 49 employees)	68	
Commercial entities (50 – 249 employees)	0	68
Commercial entities (over 250 employees)	0	
Craftsmen		272
Total		340

Prevailing industries by number of commercial entities in 2017

Area of activities	Number of commercial entities	%
Retail and wholesale trade; repair of motor vehicles	131	38.60
Vocational, scientific and technical activities	10	2.95
Processing industry	15	4.41
Construction	2	0.59
Information and communications	1	0.30
Other	181	53.15

Overview of commercial entities in processing industry

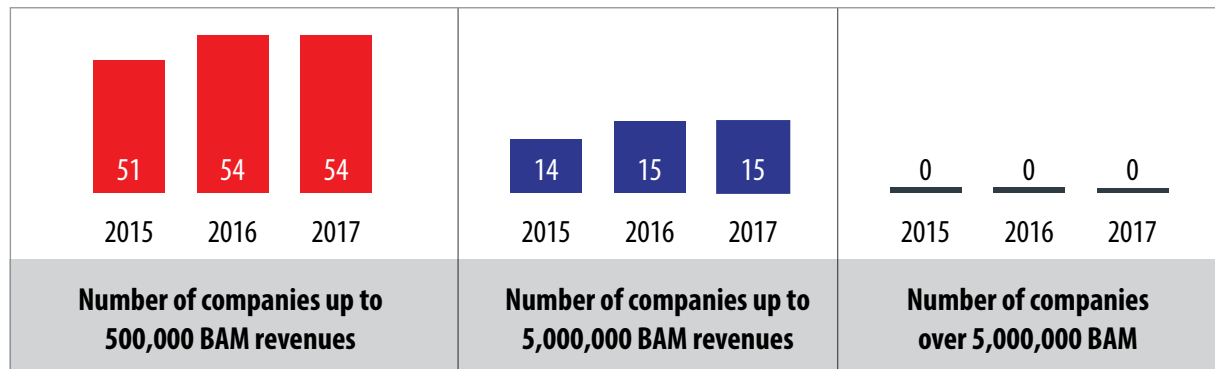


Overview of main indicators of business operations of legal persons in the Municipality Stolac

General information	2015	2016	2017
Number of companies	65	69	69
Total number of employees	422	484	531
Average number of employees	6	7	8
Total sales revenue (BAM)	29,426,076	33,609,530	33,279,882
Export revenue	4,637,845	4,273,554	4,700,531
Average sales revenue (BAM)	452,709	487,095	482,317
Total profit (BAM)	779,714	524,744	612,995

Source: LRC 2017

Structure of companies by revenues earned



Overview of number of employees in municipality

Number of employees with legal persons	902
Number of employees with craftsmen	301
TOTAL:	1,203

Foreign trade, scope of exports and imports and coverage of exports with imports in the municipality in the past 3 years (in 000 BAM)

Year	Exports	Imports	Balance	Coverage of imports with exports %
2015	4.887	4.184	703	116,80
2016	4.758	4.535	223	104,92
2017	4.672	4.340	332	107,65

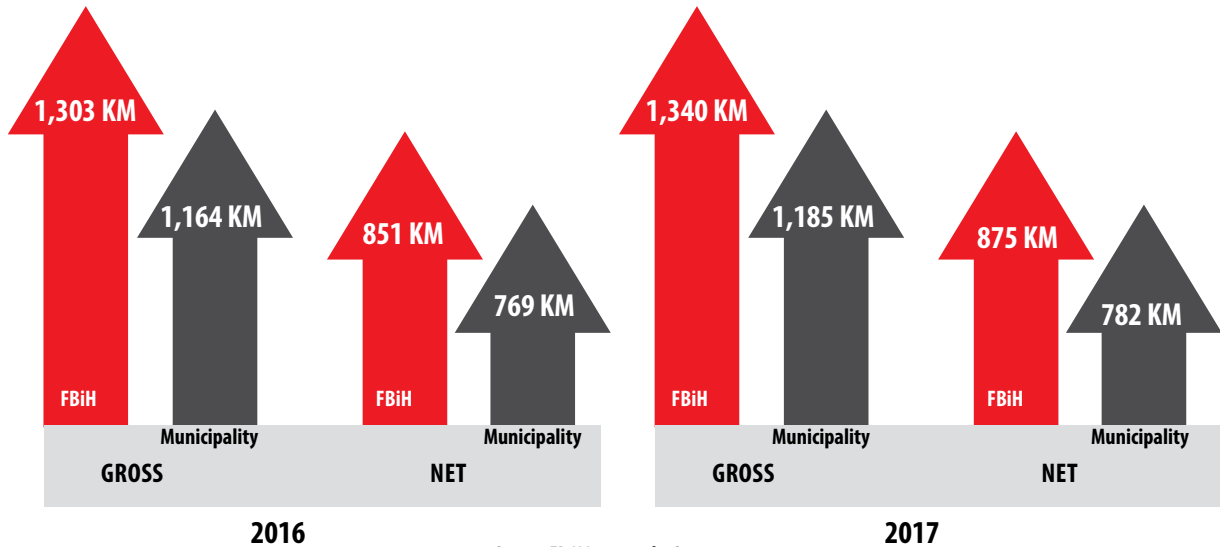
Source: Institute for Development Programming FBiH

HUMAN RESOURCES

Good quality and price-competent labor

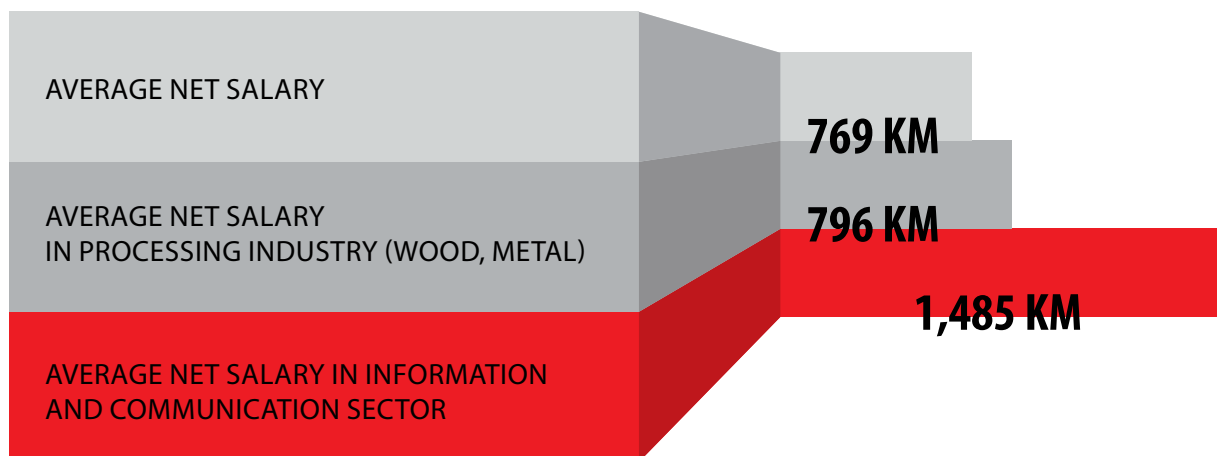
Out of total number of persons available at the labor market, 32% are of the age between 30 and 45.

Average monthly gross and net salaries

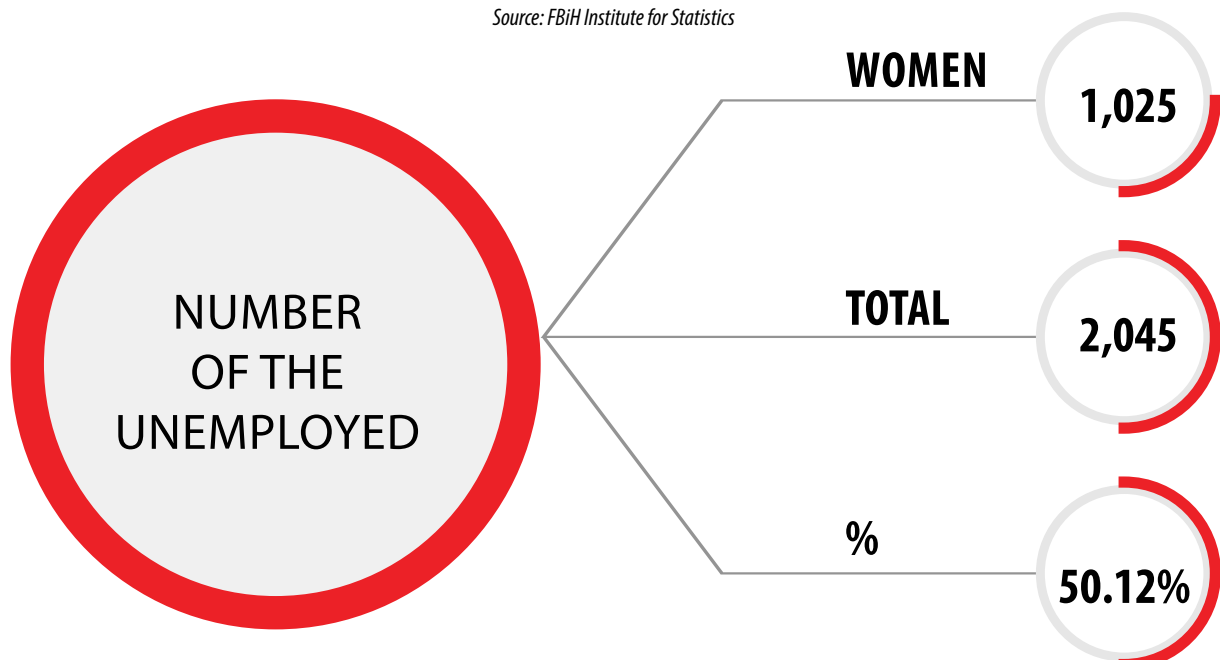


Source: FBIH Institute for Statistics

Average monthly gross and net salaries per worker in the observed lines of business in 2017.



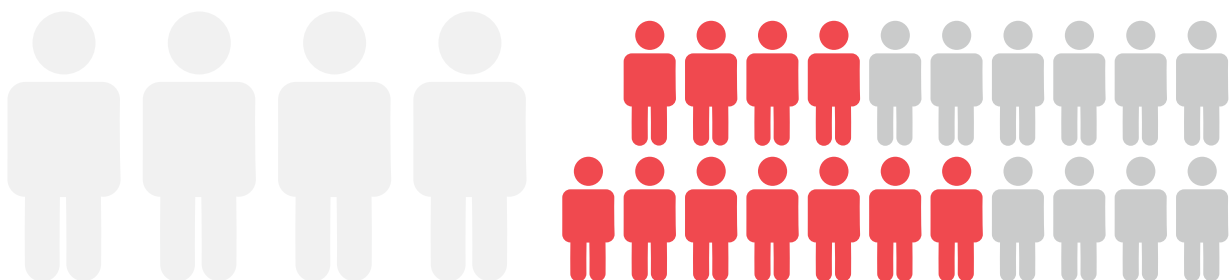
Source: FBIH Institute for Statistics



Qualification, gender and age structure of the unemployed, as of 31st December 2017

Qualification structure	TOTAL	Women	%
0 No school and 1 unqualified workers	405	231	57.04%
2 Semi qualified and low vocational training	17	12	70.59%
3 Qualified workers	799	329	41.18%
4 Technicians – Secondary Vocational Training	576	300	52.08%
5 Highly qualified - specialists	12	2	16.67%
6-1 Higher vocational training	25	17	68.00%
7-1 VSS 180 ECTS	49	27	55.10%
7-2 VSS 240 ECTS, 4y, 5y, 6y	101	62	61.39%
7-3 Master 300 ECTS	61	45	73.77%
7-4 Master, old curriculum	0	0	0.00%
8 Doctors of science	0	0	0.00%
Total	2045	1025	50.12%

Age	TOTAL	Women	%
15 - 19	55	23	41.82%
20 - 24	248	124	50.00%
25 - 29	267	137	51.31%
30 - 34	223	111	49.78%
35 - 39	220	112	50.91%
40 - 44	209	100	47.85%
45 - 49	212	113	53.30%
50 – 54	243	120	49.38%
55 - 59	223	105	47.09%
60 - 65	145	80	55.17%
Total	2045	1025	50.12%



Structure of the unemployed by vocations – active job seekers

Profession	Level of vocational training					
	PK-NSS	KV	SSS	VKV	VŠS	VSS
IT specialist						3
Physicist						1
Chemist						1
Architect, designer						1
Engineer of architecture						1
Civil engineer for geotechnics					1	
Civil engineer						3
Electrical Engineer						1
Mechanical Engineer						6
Geodesy Engineer						1
Ecologist						1
Agronomist						15
General Practice Veterinarian						1
Sanitation Engineer						1
Engineer of Medical Radiology						2
Nurse						8
Physiotherapist						5
Teacher of Psychology						1
Teacher of Political Sciences						1
Teacher of kinesiology						3
Professor of Bosnian language						3
Professor of Croatian language						2
Professor of English language						9
Professor of Latin language						1
Professor of Turkish language						3
Professor of History						8
Professor of Pedagogy						1
Professor of Sociology						1
Professor of Physical and Health education						3
Professor Mathematics						1
Professor of Chemistry						1
Professor of Biology						13
Professor of Geography						2
Professor of Mechanical Engineering						1
Class teacher						4
Lawyer						27
Economist						25
Technician of Civil Engineering			19			
Technician of Electrical Engineering			16			
Technician of Mechanics			48			
Technician of Textiles			17			
Technician of Computers			15			
Technician of Agriculture			31			
Nurse			11			
Technician of Economics			121			

Source: Overview of the unemployed by professions, as of 24 Jul .2018 – Employment service HNC Mostar, office in Stolac

Profession	Level of vocational training					
	PK-NSS	KV	SSS	VKV	VŠS	VSS
Chef				10		
Cook		100				
Waiter		33				
Welder		3				
Tin sheet worker		31				
Metal worker		128				
Metal turner		27				
Car mechanic		60				
Electrical mechanic		19				
Metal worker		8				
Taylor		90				
Needleworker		13				
Driver of a cargo vehicle			13			
Worker for simple jobs	385					
Other	37	287	285	2	43	1
TOTAL	422	799	576	12	74	162
Women	243	329	300	2	44	107

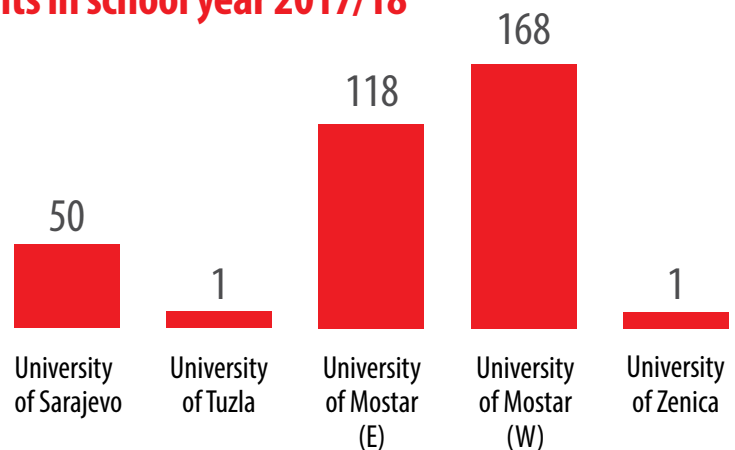
Source: Overview of the unemployed by professions, as of 24 Jul. 2018 – Employment service HNC Mostar, office in Stolac

Number and structure of secondary school students in the school year 2017/18

Educational institution	Sex		Total
	W	M	
Grammar school	W	103	188
	M	85	
Technical and related schools	W	54	149
	M	95	
Vocational schools	W	20	48
	M	28	
Total			385

Number and structure of students in school year 2017/18

Educational institution	Total
University of Sarajevo	50
University of Tuzla	1
University of Mostar (E)	118
University of Mostar (W)	168
University of Zenica	1



INCENTIVES FOR INVESTMENTS IN MUNICIPALITY STOLAC

In the commercial-business zone Hodovo, the utility fee is not charged for the period of 2 (two) years from the day of the duty to pay it comes into force.

More detailed information on all incentives offered in municipality Stolac are available at:

<http://www.stolac.gov.ba/index.php/potpore-gpz-hodovo>

Information on incentives at the level of Bosnia and Herzegovina may be found on the official web page of the FIPA:

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

SERVICES TO INVESTORS – MUNICIPALITY STOLAC CONTINUOUSLY IMPROVES ITS BUSINESS ENVIRONMENT

- Municipality Stolac provides aftercare to domestic and foreign investors to help them deal with any obstacles existing investors may be facing. The support is given through Cooperative Network for Aftercare that includes institutions at all levels of authority in BiH. This kind of support to investors in municipality Stolac has existed since 2018.
- The Economic Council has been created for the purpose of establishing a dialogue between private and public sector and improving business environment, and identifying obstacles the municipal administration can objectively do something about. The Economic Council has been working since early 2018, and is made of 10 members representing private companies, educational sector and municipal administration. The Council gives proposals on how to improve business environment in municipality Stolac.
- The first regulatory reform project has been completed, by which the administrative procedures have been streamlined, costs were brought down, deadlines shortened, and business community and citizens were offered a faster and easier access to municipal services via the electronic registry of administrative procedures.
- Municipality Stolac offers to all potential and current investors a comprehensive support in implementation of the planned investments through designated contact person who is responsible for providing information and organizing meetings between responsible authorities and investors for the purpose of simpler and faster implementation of the planned investment.

Detail information on investment climate in BiH are available at the following official web pages:

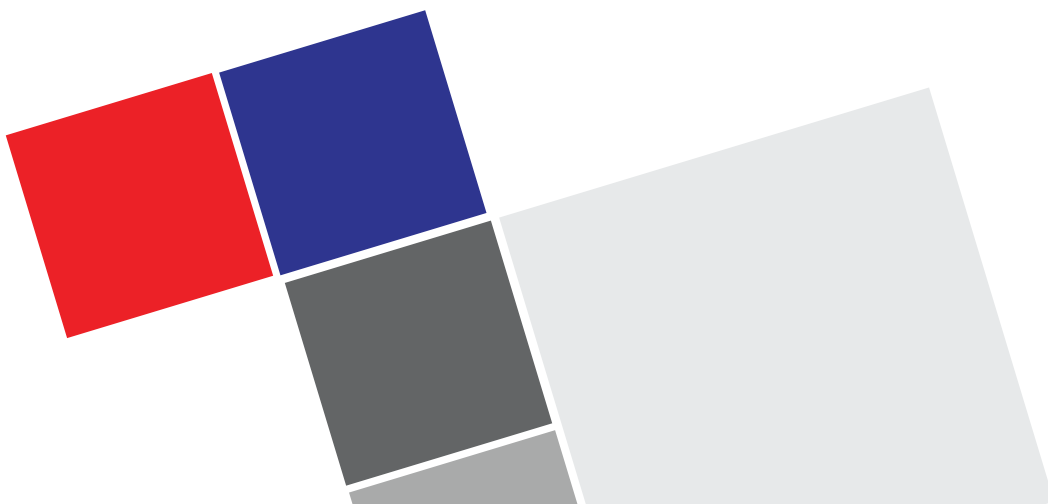
- **Foreign Investment Promotion Agency in BiH (FIPA):**

<http://www.fipa.gov.ba/>

Electronic registries offering detailed overview of permits and licenses that are needed by investors in Bosnia and Herzegovina is available at the following link:

- **Ministry of Foreign Trade and Economic Relations of BiH:**

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





Other steps required for registration of a business entity, with the emphasis on the procedures conducted at the level of municipalities, are the following:

URBAN DEVELOPMENT PERMIT	<ul style="list-style-type: none"> For issuing urban development permit the responsibility lies with the Department for construction, spatial planning, environment and renewal. Average time needed for resolving a complete application is 15 days from the day of completing the application. Municipal administrative fee charged for issuing different Decisions ranges between BAM 10 and 500, depending on the type of the building.
CONSTRUCTION PERMIT	<ul style="list-style-type: none"> Department for construction, spatial planning, environment and renewal is responsible for issuing construction permit. Average time needed for resolving a complete application is 20 days from the day of completing the application. Municipal administrative fees – administrative charges: <ol style="list-style-type: none"> Fee for decision for issuing construction permit: for auxiliary building (garage, storage, etc.) – BAM 15; for a residential unit up to 100 m² – BAM 25; for residential unit over 100 m² – BAM 150; for commercial-residential unit – BAM 150; for commercial building up to 100 m² – BAM 150; for commercial building over 100 m² – BAM 200; for linear infrastructure up to 3 km – BAM 350; for linear infrastructure over 3 km – BAM 450; for infrastructure (PTT base stations, transmitters, transformation stations, etc.) – BAM 500; Fee for developing construction land – depends on the zone (City construction land: Zone 1: residential area 70 BAM/m², for business space 120 BAM/m², for auxiliary residential structure 50 BAM/m². Zone 2: for residential structures 50 BAM/m², for business premises 80 BAM/m², for auxiliary residential structures 25 BAM/m². Zone 3: for residential structures 25 BAM/m², for business premises 40 BAM/m², for auxiliary residential structures 15 BAM/m². Zone 4: for residential structures 10 BAM/m², for business premises 20 BAM/m², for auxiliary residential structures 5 BAM/m², for commercial structures 4 BAM/m². Zone of other construction land: Zone 1: for residential structures 8 BAM/m², for business premises 20 BAM/m², for auxiliary residential structures 3 BAM/m², for commercial structures 2 BAM/m². Zone 2: for residential structures 4 BAM/m², for business premises 8 BAM/m², for auxiliary residential structures 2 BAM/m², for commercial structures 1 BAM/m². Zone 3: for residential structures 1 BAM/m², for business premises 2 BAM/m², for auxiliary residential structures 0,5 BAM/m², for commercial buildings 0,5 BAM/m². In case that the investor participates in implementing the land development works, in accordance with an agreement, the value of the works shall be deducted as follows: water supply 30%, sewage 30%, road access to the construction plot 20%, electricity supply 20%. In all construction zones – for construction of solar power plants 0,58 BAM/m²) Fees following from the basis of natural suitability of construction land (rent) – amount depends on the zone. (Out of average final construction cost of 1 m² in previous year: in the first zone 6%, in the second zone 5%, in the third zone 4%, in the fourth zone 3%. For the allocated other construction land it is determined by 1 m² of useful residential surface and amounts to: in zone 1 of other construction land 3%, in zone 2 of other construction land 2%, Zone 3 of other construction land 1%.)
USE PERMIT	<ul style="list-style-type: none"> Department for construction, spatial planning, environment and renewal is responsible for issuing the use permit. Average time needed for resolving a complete application is 15 days from the day of completing the application. Municipal administrative fees and charges: Fee for decision issuing use permit – amount depends on the type of the structure. (For residential structures in city zones - 2 BAM/m², for residential structures in other zones - 1 BAM/m². For residential building with more than two residential units (buildings) - 3 BAM/m². For commercial (business) building 1st and 2nd city zone - 5 BAM/m², for commercial (business) building in 3rd and 4th city zone and 1st in other - 3 BAM/m², for commercial (business) building in other zones – 1.5 BAM/m². For linear infrastructure (above-ground and underground installations) per meter of length 0.50 BAM. For infrastructure (PTT base stations, transmitters, transformation stations etc.) – 1,000 BAM.) 2. Fee for work of the Commission for Technical Acceptance of the building when issuing use permit – determined in Decision by Municipal Mayor

PRICE OF UTILITIES IN MUNICIPALITY STOLAC

Water supply and sewerage

Description	Price for legal persons and craftsmen
Fee for connection to water supply network	1/2 inch – 75.96 BAM + costs of connection 3/4 inch – 170.92 BAM + costs of connection 1 col – 303.87 BAM + costs of connection 5/4 inch – 474.79 BAM + costs of connection 6/4 inch – 683.70 BAM + costs of connection 2 inch – 1215.46 BAM + costs of connection
Price per m³ (Price without VAT)	1,20 BAM/m ³
Fee for connection to the sewerage network	Diameter 110 – 660.00 BAM + costs of connection Diameter 125 – 750.00 BAM + costs of connection Diameter 160 – 960.00 BAM + costs of connection Diameter 200 – 1200.00 BAM + costs of connection
Price per m³ (Price without VAT)	0,20 BAM/m ³

Collection and removal of municipal waste

Commercial users “entrepreneurs, institutions and companies”	Price for legal persons and craftsmen (without VAT)
Economy	0.08/m ²
Trade	0.65/m ²
Hospitality services	0.50/m ²
Boutiques (clothes stores)	0.50/m ²

OTHER RELEVANT INFORMATION AND LINKS:

Strategic documents of the municipality:

- Development Strategy of Municipality Stolac 2015-2024
- Spatial plan of Municipality Stolac for the period 2013-2023

Korisni linkovi:

- Municipality Stolac, www.stolac.gov.ba
- Government of the Herzegovina-Neretva Canton, <http://www.vlada-hnz-k.ba/>
- Foreign Investment Promotion Agency of BiH; FIPA, www.fipa.gov.ba
- Foreign trade chamber of BiH, www.komorabih.ba
- Indirect Taxation Authority, www.uino.gov.ba

INVESTORS' EXPERIENCES

- "As one of the first participants in implementation of the project "Business Zone Hodovo", I welcome this opportunity to express how satisfied I am with the Municipality starting a project like this and for enabling us to participate in it. Due to complexity of our project and high value of investment in infrastructure the beginning was slow; however, in spite of all obstacles that had existed in the beginning, thanks to involvement of the capable staff of municipal administration and investors themselves, we must say that the dynamic has picked up the pace and the project is now moving forward without major problems. I would like to commend the people in technical services of the municipality who are involved in project implementation for their maximum efforts and acceptance of responsibility for obligations undertaken by the municipal administration. I hope they will continue with expansion of this project and start new projects to ensure conditions in the municipality for growth of the industrial zone and provision of space for new production plants and for new jobs. We also want to commend the municipal authorities for their dedicated work they put in implementing investments in the municipality, as well as their employees, firstly because of their commitment, understanding and politeness in work with the business community."

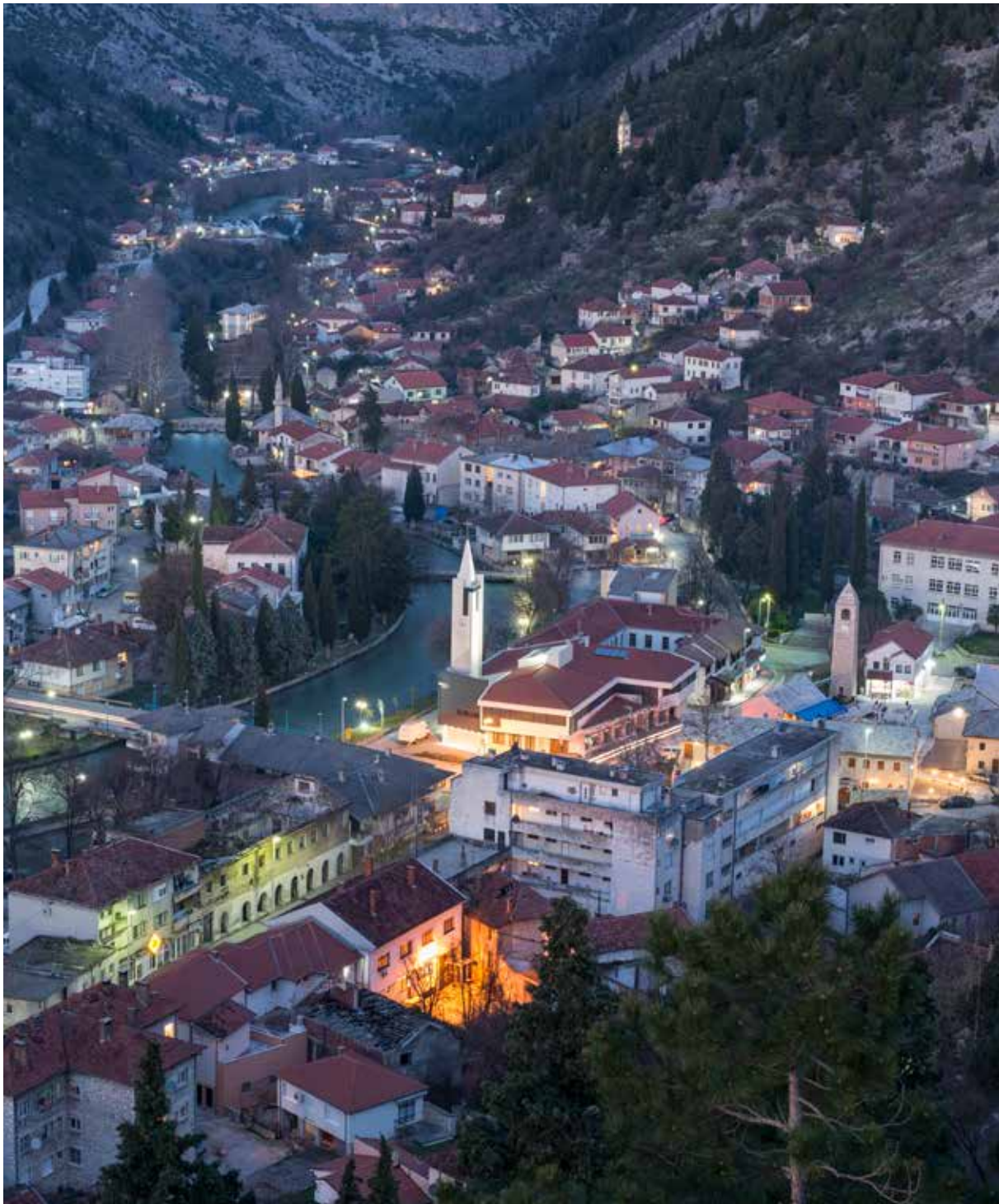
Svjetlana Jerinić, Director - Pažin Ltd Stolac

- "Being among the first commercial entities in the Commercial Zone Hodovo, we must say we were pleasantly surprised by how promptly the municipal administration responded to all our needs, especially compared to other communities in BiH that we had visited in search of suitable location for our factory. This is a team of young people, who are committed and aware that only continued investments in small and medium size companies can take us forward. Free of corruption, we were able develop our business without obstacles, and with strong support of the local authorities. We must say that the officers of the Municipality Stolac have made efforts that go beyond their direct competences to facilitate our communication with public companies when establishing initial business contacts. As exporting company, we are exceptionally pleased with the location of the zone, proximity of customs offices, air and maritime ports, and access to the motorway. With joint efforts, we build better future in healthy environment in our micro community!"

Ana Perić, direktor - MA-COM Ltd Stolac

- **The company Milfas Ltd** is in perpetual business growth that has allowed us to develop a whole palette of products for construction that are made under trademark MILFAS – from base plasters, to smoothing masses, to final coats for façade works and internal and external wall painting. Since we had outgrown our earlier capacities, we had to seek solutions to significantly expand, and we addressed the municipality Stolac to help us solve the problem, and they did so to mutual satisfaction. The municipality administration offered excellent conditions in the Commercial-business zone Hodovo. We want to commend the municipal administration for their committed efforts they put into implementation of investments in the municipality, as well as their staff, first of all because of their commitment, understanding and politeness in work with the entrepreneurs. We can confirm our satisfaction with the conditions offered in the Commercial-business zone Hodovo in the municipality Stolac. In 2015, company Milfas d.o.o. started building two business buildings in the commercial zone Hodovo, one for wholesale and retail trade with construction products, and other for manufacturing construction products. In 2017, the business unit Milfas d.o.o. Hodovo that employs 5 new people.

Katica Raič, Voditelj - Milfas Ltd Hodovo



ENVIRONMENTAL STATEMENT

The municipality pays full attention to environment protection, and such policy relies on strategic document that, among other things, sets operational objective: Protected and enhanced environment by means of establishing a complex system of environmental management. This objective means improved environment protection through upgrading, introducing and / or reexamining measures and standards of environmental protection. Implementation of this objective should satisfy the requirements of sustainable development and provide healthy environment both for present and for future generations.





British Embassy
Sarajevo



The investment profile was developed as part of the Local Investment-friendly Environment (LIFE), which is being implemented by the World Bank Group in partnership with the UK Government, the Council of Ministers of Bosnia and Herzegovina, the Federation of BiH Government, and the Republika Srpska Government. The project has been funded by UK aid from the UK government; however, the views expressed do not necessarily reflect the UK government's official policies. The findings, interpretations, views and conclusions expressed herein do not reflect the views of the Executive Directors of the World Bank Group or the governments they represent.