



GUIDE FOR INVESTORS IN TUZLA CANTON

MINISTRY OF ECONOMY OF TUZLA CANTON
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Introduction

Dear readers,

We are exceptionally pleased to present you the third edition of the Guide for investors in Tuzla Canton, incorporating in a practical and simple way the most important information that potential and existing investors, persons cooperating with investors and all other interested entities need should they decide to invest in or visit Tuzla Canton. With an aim to integrate information and promote the most important resources of Tuzla Canton, the Guide focuses on Canton's six the most propulsive industries whose comparative advantages have promoted the Canton for a long time and attracted new investments.

The answer to the questions why and how to invest in Tuzla Canton, which resources and advantages are available, as well as type of support the investors can get, should they decide to invest in Tuzla Canton is given at the following pages.

With its comparative advantages reflected in the wealth of resources, tradition as the basis for development of contemporary technologies and new products, qualified workforce, developed entrepreneurial infrastructure, location enabling fast and inexpensive access to the markets, Tuzla Canton has been an attractive location for investments since long time ago, where a range of support services contributing to success and excellence of their business operations within Tuzla Canton is available to the potential investors .

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. The investors will be fully supported in start-up of their businesses at one of the most dynamic markets in Bosnia and Herzegovina and the region.

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

The investors from all over the world, welcome to Bosnia and Herzegovina,

Welcome to Tuzla Canton - open, economically attractive and socially dynamic European region, which ensures, in a recognizable way, a blend of industrial tradition, sustainable development and quality of life, respect for human rights and gender equality of the population living, working and investing in it.

Welcome to the entrepreneurial environment of the future!

1. About Bosnia and Herzegovina and Tuzla Canton

Bosnia and Herzegovina is located in Southeast Europe, in the western part of the Balkan Peninsula, and it borders with Croatia (EU), Serbia and Montenegro.

This developing country is open to foreign investment and it offers a liberal trade regime. Bosnia and Herzegovina is a member of the UN, the World Bank, the IMF, the OSCE, the Council of Europe, the Partnership for Peace, CEFTA, the Energy Community and is one of the founders of the Union for the Mediterranean.



Tuzla Canton

Tuzla Canton is one of ten cantons in the entity Federation of Bosnia and Herzegovina and is located in the north-eastern part of BH. The Canton comprises 13 local self-governance units, as follows:

- cities: Tuzla, Živinice, Gračanica, Građačac, Lukavac and Srebrenik,
- municipalities: Banovići, Doboj Istok, Čelić, Kalesija, Kladanj, Sapna and Teočak.

Administrative, economic and cultural centre of the Canton is the City of Tuzla, one of three largest cities in Bosnia and Herzegovina. Tuzla Canton has an important place in historical, geographical and economic aspect of the state of Bosnia and Herzegovina.

According to the population number, it is the most populated Canton in the Federation of Bosnia and Herzegovina, covering 10,10% of the area in the Federation of Bosnia and Herzegovina and 5,17% of Bosnia and Herzegovina.

Main information about Bosnia and Herzegovina

Population: **3.531.159 - Census (30th September 2013.)**

Location: **Southeast Europe, Western Balkans**

Area: **51.209,2 km² (51.197 km² – land i 12,2 km² – sea)**

Climate: **Mainly continental, Mediterranean in the south**

Currency: **Convertible mark (BAM), 1 EUR = 1,95583 BAM**

Credit rating: **B3 stable ("Moddy"), B stable ("Standard&Poor's")**

BGDP in million BAM (2019.): **35.296 BAM**

GDP per capita (2019.): **10.128 BAM**

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

Main information about Tuzla Canton

Population (2020.): **437.607**

Location: **Southeast Europe, Western Balkans, Northeast part of Bosnia and Herzegovina**

Area: **2.649 km²**

Climate: **Continental**

Import(2020.): **1.871.497.000 BAM**

Export (2020.): **1.671.315.000 BAM**

Import-Export Coverage Ratio: **89%**

Foreign Direct Investments (2015-2019.): **36.937.311 BAM**

Number of legal entities (2020.): **9.740**

Number of companies (2020.): **3.852**

Number of crafts (2020.): **11.408**

Number of the employed (2020.) **97.863**

Number of the unemployed (2020.): **76.878**

Average net wage (2020.): **863 BAM**

Source: Federal Bureau of Statistics, Tuzla Canton Development Strategy

2. Why invest in Tuzla Canton?

• Favourable operating costs

Ranking fDi's European Cities & Regions of the Future according to business profitability:

• Bosnia and Herzegovina is the first investment location in the category of medium-sized European regions of the future to attract foreign investment based on profitability. According to this ranking, Bosnia and Herzegovina takes the 4th position in 2016/2017, the 3rd position in 2018/2019 and the 1st position in 2020 / 2021.¹

• Facilities for investors

National treatment of foreign investors, value added tax rates (17%), profit tax (10%) and income tax (10%) among the lowest in the region and Europe and the liberal foreign trade regime make BH and Tuzla Canton a safe and profitable environment for business.

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

Tuzla Canton has an extensive industrial tradition which, together with favourable business environment, is an opportunity and basis for economic growth and development of new products and business processes.

The key industry in Tuzla Canton is processing industry, while traditional competitive industries and sectors developed based on the abundant available resources in Tuzla Canton, are:

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

Processing industry has the largest number of legal entities and crafts operating in this sector. Industrial tradition of Tuzla Canton makes opportunities and the basis for intensive growth of new technologies and development of new products and business processes.

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

The quality of the workforce in Tuzla Canton reflects in availability of knowledge and skills necessary for work in key industries and sectors. It is the result of highly developed and diversified system of university and secondary education, as well as a number of institutions providing life-long vocational upskilling and re-training for workers.

The labour price in Tuzla Canton is significantly lower than in the Southeast Europe and the European Union, where the average net salary is approximately 441 EUR, i.e. gross salary approximately 686 EUR.

Favourable geostrategic position and logistics infrastructure enabling fast and quality access to the markets of the EU, Central and Eastern Europe, Turkey and the Middle East

Favourable geostrategic position and logistics infrastructure of Tuzla Canton reflects in the following advantages:

- *only 30 km distance from the border with the Republic of Croatia (the European Union),*
- *border with Serbia and access to transport corridors to Central Europe, Turkey and the Middle East,*
- *proximity to the future transnational corridor Vc connecting the Central Europe and the Adriatic Sea,*
- *connection with the river port of Brčko, which is connected to the European railway network,*
- *Tuzla International Airport with 17 airlines to 7 countries, two base planes and plans for opening a cargo centre.*

Regulated entrepreneurial infrastructure for greenfield and brownfield investments

Tuzla Canton provides to potential investors the network of business zones (28), technology parks (1) and business incubators (3), with developed infrastructure, combined ownership (public and private) and opportunities for greenfield and brownfield investments in various industries. Tuzla Canton, the cities and the municipalities of Tuzla Canton, are open to potential investors for contact and assistance at any time, while establishing their business in these segments of entrepreneurial infrastructure.

1. *European Cities and Regions of the Future 2020/21, Financial Times Ltd, London, available at: <https://www.fdiintelligence.com/article/76767>*

3. Special benefits for investors

BENEFITS AT THE STATE LEVEL

Benefits for foreign investors

According to the Law on Foreign Direct Investment Policy in BH, foreign investors:

- *have the same rights and obligations as BH residents;*
- *have the right, for the purpose of their investments, to open accounts with any commercial bank in the territory of BH, in local or freely convertible currency;*
- *will have the right to employ foreign citizens from abroad, unless otherwise stipulated by the labour and immigration laws of BH;*
- *are protected from nationalization, expropriation, requisition and measures having equivalent effect; such measures may be only taken for the public interest, pursuant to the applicable laws and regulations, with payment of appropriate fee;*
- *have the same ownership rights over real estate as BH legal entity;*
- *have the right to transfer abroad, freely and without delay, in a freely convertible currency, the profits arising from their investment in BH.*

The rights and privileges granted to foreign investors and the obligations, may not be revoked or annulled with the enforcement of subsequently enacted laws and by-laws. If such subsequently enacted laws and by-laws are more favourable to foreign investors, they have the right to choose the regime that will be applicable to their investment.

Customs benefits

Foreign investment will be exempted from customs and customs duties, except for passenger vehicles, slot machines and games of chance. For the purpose of the customs privilege use, the beneficiary of the privilege shall submit to the customs authority within according to the registered office of the privilege user, together with a written request for exemption from payment of import duties, the following documents:

- *a contract or other appropriate investment document related to the equipment for which the exemption from payment of import duties is requested;*
- *proof of registration of a foreign deposit at the competent state authority;*
- *specification of equipment according to tariff codes and designations from the Customs Tariff of BH indicating the quantity, individual and total value, certified by the user of the privilege;*
- *the investor's statement that the equipment is not older than 10 years;*
- *a certificate confirming that the imported equipment complies with the standards of the human environment protection and other standards of protection at workplace, issued by the institution or another competent authority for that activity.*

The customs service makes a decision within 15 days from the date of the request submission.

Free zones

Free zones in BH are part of the customs territory of BH and have the status of a legal entity. According to the Law on Free Zones, the founder of a free zone can be one or more national or foreign legal and natural entities registered in Bosnia and Herzegovina. One of 4 free zones within the Federation of Bosnia and Herzegovina is located in the City of Lukavac (Free Zone Holz). Users of the free zone are exempted from VAT and import duties on equipment to be used in production. Investments in free zones, transfer of profits and transfer of investments are free as well. The establishment of a free zone is economically justified if, based on the presented elaborate of economic feasibility of the free zone establishment and other evidences, it may be determined that the value of exported goods from the free zone will exceed at least 50% of the total value of manufactured goods that leave the free zone in the period of 12 months.

BENEFITS FOR INVESTORS IN THE FEDERATION OF BOSNIA AND HERZEGOVINA

Pursuant to the provisions of the Federation of Bosnia and Herzegovina Law on profit tax, foreign investors shall enjoy the following benefits:

- *to the taxpayer, who invests the own funds into production equipment in value over 50% of achieved profit within the current tax period, the obligation for calculated profit tax shall be reduced for 30% of the amount in the year of investment;*
- *to the taxpayer who in the period of five consecutive years, invests their own funds in total amount of 20 million BAM, where 4 million BAM would be invested in the first year, the obligation of the profit tax shall be reduced for 50% of the amount in the years of investment;*
- *the taxpayer is entitled to a tax-deductible expenditure in twice the amount of the gross salary paid to newly hired employees providing the following conditions are met:*
 - *the employment contract period must be at least 12 months with full-time work hours and*
 - *the newly hired employee has not been employed by the taxpayer or related parties in the previous five years.*

BENEFITS FOR INVESTORS IN TUZLA CANTON

Cantonal and local authorities prove their orientation to investors through implementation of the projects aimed at improvement of business environment and making new benefits for investors, thus making Tuzla Canton an attractive location for investment.

Efficient public administration in function of improving the quality of life of citizens and attracting investments in all aspects of development is one of the strategic development goals of Tuzla Canton. In this context, various benefits have been established for investors at local and cantonal level, as summarized in the text below.

TUZLA CANTON WAS THE FIRST IN BH TO INTRODUCE REFUNDING OF THE COMPANY FOUNDING COSTS

In order to make a more conducive environment for establishment and development of entrepreneurship, the authorities of the Tuzla Canton decided to refund to business initiators the founding costs of companies/crafts in 2022. The aim is to encourage all those who intend to start their own business by enabling them a smooth access to information and financial support in the beginning. This practice begins in January 2022, and the Ministry of Finance of the Tuzla Canton has allocated half a million BAM for these purposes.

Ministry of economy

- investors are exempted from payment of the fees for changing the purpose of agricultural land to non-agricultural land (which usually amounts to 20% of the land market value),
- possibility of applying for financial support in accordance with the Program of financial support to agriculture and rural development, implemented on annual basis.

Ministry of industry, energy and mining

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

Ministry of physical planning and environment protection

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

Ministry of finance

The Law on Amendments to the Law on Property, Inheritance and Gift Tax enables every business entity not to pay the property tax for registered activity (and not only the basic one) that uses cargo and passenger motor vehicles.

BENEFITS FOR THE ECONOMY DURING THE COVID 19 PANDEMIC

Aware that the COVID-19 pandemic has reflected to the entire socio-economic situation, the Government of Tuzla Canton tried to downsize those consequences to a minimum. In this regard, the representatives in the Assembly of Tuzla Canton adopted the Cantonal Law on Subsidy for mitigation of the consequences caused by disaster - the "Corona Law". This law determines the funding sources for the subsidy aimed at mitigation of the consequences caused by disaster within the Tuzla Canton, the type of subsidy, the beneficiaries of the subsidy, subsidy awarding terms, and supervision of this law implementation as well as penalty clauses. In addition, the "Corona-Law" enabled a subsidy for payment of wages in the amount of 406 BAM to all those who were unable to perform their business operations in the past period, i.e. business entities. Natural entities were also entitled to the subsidy - craftsmen performing independently their registered business operations, excluding those who, in accordance with the income tax regulations, pay the income tax in a flat-rate amount. Over seven thousand workers within the Tuzla Canton benefited from this Law, which directly contributed to the economy and the workers. Tuzla Canton was one of the first cantons in the country to demonstrate responsibility towards the workers and the economy.

During the COVID 19 pandemic in 2021, the Government of Tuzla Canton has extended assistance to entrepreneurs in transport sector as well. It included about 800 thousand BAM to help bus transporters and taxi drivers in Tuzla Canton, who have recorded business losses from 30 to 70% since the beginning of the COVID 19 pandemic. For the first time, the Ministry of Trade, Tourism and Transport of Tuzla Canton launched a public call to help this sector, subsidizing a part of gross salary to bus operators in the amount of 380 BAM per employee for April and May 2021 and to taxi drivers in the amount of 135 BAM for April and May as well.

Cities

GRAČANICA

- payment of land rents in instalments;
- 50% reduced utility taxes for displaying company's name in the period of one year for newly registered businesses whose owners are under 30 years of age;
- shorter and simplified procedures for issuing of permits (3 days);
- agricultural businesses are exempted from payment of utility taxes for crafts, individual residential and residential-business buildings;
- agricultural incentives from the Budget of the City, Tuzla Canton and Federation of Bosnia and Herzegovina;
- over 2 million BAM incentives per year for crop and livestock production.

GRADAČAC

- possibility for rent payment in instalments;
- possibility for choosing the way of construction land arrangement;
- anti-hail protection provided for the entire area of the City;
- possibility for exemption from payment of administrative fees;
- created web site² that provides all necessary information to entrepreneurs.

SREBRENİK

- 30% shorter deadlines for implementation of administrative procedures;
- 20% lower administrative procedure costs;
- E-register of administrative procedures of the City of Srebrenik;
- free of charge founding of crafts and trade shops for the unemployed.

TUZLA

- shorter deadlines for implementation of administrative procedures (depending on type of activity, the procedure may last up to 2 days);
- introduced DMS system for recording and monitoring the documents, which significantly improved administrative processes;
- 50% lower administrative procedure costs for independent entrepreneurs who register their business for the first time;
- E-register of administrative procedures of the City of Tuzla³;
- deferred rent payment, e.g. 50% before issuing the construction permit, and the remaining amount in the following period up to 3 years, with provision of a guarantee;
- Office for entrepreneurs established in the City Administration building as a support to current and future entrepreneurs and investors.

ŽIVINICE

- shorter deadlines for implementation of administrative procedures (possible implementation of the procedure to 2 hours);
- 50% lower price of issuing/amending legal solutions for minimum technical requirements in the sector of catering industry for natural, legal entities/ companies;
- Business Centre – support in resolving administrative procedures;
- E-register of administrative procedures of the City of Živinice⁴;
- providing support to existing investors within the Post-Investment Support Program in cooperation with other levels of authority in BH;
- prepared bilingual "Guide for Investors" - available at the web site of the City⁵;
- established system for SMS and electronic check-ups of case status.

LUKAVAC

- project assignment is being prepared for development of the Regulatory Plan of the business zone "Lukavac Zapad", which will provide construction land and utility infrastructure for environmentally friendly industry and other branches of economy;
- the possibility of deferred rent payment for the convenience of the location;
- incentives for crafts through subsidizing benefits to Pension Insurance Fund;
- business GIS software in place;
- incentives for agricultural production for crop and livestock production amount to about 1,2 million BAM per year from the municipal budget, the Budget of Tuzla Canton and the Budget of Federation of Bosnia and Herzegovina;
- craft registration is possible within 3 days (issuance of a decision on registration) providing all the conditions from the Law on Crafts are met.



2. <http://www.investingradacac.ba/>

3. <http://80.65.71.100/eregistar/egfVwOdlukaJedinice.aspx>

4. <http://gradzivinice.ba/e-registar>

5. <http://gradzivinice.ba>

Municipalities

BANOVIĆI

- financial incentives for starting up the own business:
 - founding of a company, one-time financial assistance in the amount of 1.500 BAM;
 - establishment of a craft, one-time financial assistance in the amount of 1.000 BAM.

DOBOJ ISTOK

- financial incentives for milking cows in the milk procurement system (50 BAM per milking cow) and for development of beekeeping and honey production (5 BAM per a hive);
- quick approval of all permits by the municipal office for physical planning.

ČELIĆ

- obtaining construction land free of charge or at subsidized prices with the possibility of delayed payments;
- possible exemption from payment of the utility benefits or its reduction;
- reduction of utility fees;
- benefits for company tax, as well as other benefits at the level of Canton or Federation of Bosnia and Herzegovina (such as facilities to benefits for new employees, etc.).

KALESIJA

- incentive for construction of business and production facilities:
 - to 100 m² of net construction area - 30% of the fee calculated for the rent and arrangement of the urban construction land;
 - from 101 to 200 m² of net construction area - 50% of the fee calculated for the rent and arrangement of the urban construction land;
 - from 201 to 500 m² of net construction area - 70% of the fee calculated for the rent and arrangement of the urban construction land;
 - over 501 m² of net construction area in the full amount of the fee calculated for the rent and arrangement of the urban construction land;
- Centre for support to entrepreneurship with incubation capacities is in place.

KLADANJ

- acceleration of registration process and lower administrative fees for registration of crafts in the areas of: traditional and old crafts, agriculture and tourism in rural households;
- registration process under the jurisdiction of the municipal department is shortened, deadline for issuing a registration decision to craftsmen, caterers or traders is shortened to 1-3 days, while deadline for review of documents is shortened to 1 day;
- draft Decision on amending and supplementing the Decision on administrative fees and tariff of municipal administrative fees is prepared; By this draft Decision,

natural entities who register a craft or associated activity, trade or catering business for the first time, will be exempted from payment of administrative fee for issuing of the decision on foundation of the business.

SAPNA

- non-payment of location convenience;
- deadline for issuing approvals and permits by the municipal authority is 30 days;
- for investors who build production facilities, the Municipality will build basic infrastructure to their building plot - road (up to 200 meters from a local or regional road), sewerage and water (up to 300 meters from the primary sewage collector); if the facility is at a bigger distance than mentioned, the Municipality will co-fund the basic infrastructure;
- to the investors who include subcontractors, agricultural producers, craftsmen, independent entrepreneurs or other forms of cooperation that involves the population of Sapna municipality in their production or purchase of market surpluses within the Municipality, the Municipality will provide a plot and land necessary for the production or purchase the facility with related necessary infrastructure that is under the responsibility of the Municipality;
- the investors requiring the areas larger than 5.000 m² will be exempted by the Municipality from payment of the fee for conversion of agricultural land into construction land or will co-fund the conversion with 30% of the amount the most, as determined by the responsible authority;
- to investors who build the planned facility on the purchased land plot and start the activity within the period not longer than 2 years, the Municipality will repay the funds paid for the real estate sales tax of 5%;
- investors from the municipality, who live and work outside Bosnia and Herzegovina, will be reimbursed the funds paid to the Municipality for business start-up taxes and fees, if they employ on a full-time basis at least 2 workers/residents of the municipality of Sapna, who are registered at the Employment Office and providing they paid benefits for full-time employees pursuant to the Law for minimum period of 12 months;
- for all investors whose investment value in the construction of residential and residential-business facilities exceeds 1.000.000 BAM, the Municipality will charge the rent up to a maximum amount of 20%;
- business facilities whose investment value exceeds 1.000.000 BAM shall pay rent in the amount of 1 BAM per square meter of usable office space.

TEOČAK

- 50% reduction of administrative fees for newly registered businesses;
- free of charge use of the production hall (35m x 16m, next to the main road M-18) under condition of employment of the persons from the Teočak municipality.

4. Natural resources and most important business sectors

The Canton has a long and extensive industrial tradition based on natural resources of the Canton and good-quality and hardworking workforce. Within Tuzla Canton in 2020, there were 3.852 active companies, mainly small and medium enterprises (99%), and 11.408 crafts, which make a total of 15.260 business entities in the Canton. Business companies of the Tuzla Canton are the carriers of economic development and new employments in the Canton, and in 2020 they employed 61.772 workers in total. In 2020, the companies generated total business income over 12.132.136.183 BAM, which is 50% more than in 2016. The region of 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, e.g. solid fossil fuel that the extensive production of secondary energy relies on (electricity, thermal energy 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 employments:

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

Wood processing industry

The wood processing industry in Bosnia and Herzegovina and Tuzla Canton has been an industry branch with a long tradition. One of the oldest and largest wood-processing companies "Konjuh" JSC. 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. One of the most important natural resources, which is also a requirement for success and tradition of the wood-processing sector in the economy of the Tuzla Canton, are forests, which puts the economic entities operating in this sector in a positive position compared to competitors at the market. Namely, the total land capacities of the Canton amounts 126.071 ha, with 60,37% of state-owned forests and forest land, while 39,63% is privately owned. The major part of the forest land is concentrated in the mountain belt (Konjuh, Javor and Majevisa mountains). Majority of the forests are located in Kladanj, Živinice and Banovići municipalities.

Wood processing industry of Tuzla Canton:

- **Local availability of raw materials (wood mass is estimated at around 16,8 million m³),**
- **A hundred-year-long tradition and internationally recognized manufacturing experience in wide assortment of products,**
- **Skilled workforce,**
- **Availability of own energy sources (coal and electricity),**
- **Relative geographical proximity to large markets.**

Production and sales of forest assortments (1.000 m³) in Tuzla Canton in the period 2016 - 2020

	Production					Sales				
	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
TOTAL	212	211	190	163	172	213	205	190	166	172
<i>Conifer trees - logs</i>	38	43	41	33	31	36	37	39	32	30
<i>Conifer trees – wood</i>	9	7	13	6	5	8	6	12	6	4
<i>Stacked wood of conifer trees</i>	33	29	27	19	15	39	29	28	21	18
<i>Deciduous trees – logs</i>	40	37	27	31	38	38	34	26	31	36
<i>Deciduous trees – wood</i>	2	3	2	1	0	2	3	2	1	0
<i>Stacked wood of deciduous trees</i>	-	-	-	0	1	-	-	-	0	1
<i>Firewood of deciduous trees</i>	91	92	81	73	82	91	96	83	76	83

Forest cutting plan for 2021 foresees that 194.455 m³ will be cut and produced in total.

Main economic indicators of companies in the wood-processing industry in Tuzla Canton in 2020

FIELD	Number of companies	Total number of employees	Total profit (BAM)	Total business income (BAM)
Processing of wood and products made of wood and cork, excluding furniture; manufacturing of products made of straw and wicker materials	96	1.894	4.624.464	115.154.332
Manufacturing of paper and paper products	13	477	292.213	11.263.345
Furniture production	53	2.156	7.997.998	147.860.694
TOTAL	162	4.527	12.914.675	274.278.371

Source: Data of the Financial-Intelligence Agency

Education of the workforce at the 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 also contribute to the growth potential of the wood-processing industry.

Utilizing the advantages for development of wood-processing industry, the wood processing factories within Tuzla Canton managed to penetrate the foreign markets with evident increase of furniture production share and other products in higher processing stages in total export to foreign markets. Development route of wood industry in Tuzla Canton has surely relied in its development to the following factors:

- *tradition of industrial production,*
- *low labour costs,*
- *geographic location enabling lower transportation costs to the EU market (0,60 - 1 EUR / km per driving unit of 100 m³) depending on target market and possibility for return transport,*
- *available infrastructure in the sector, domestic raw materials, particularly forests that Tuzla Canton is abundant with,*
- *processing capacities in place,*
- *organisational flexibility of manufacturers compared to the competition, with regards to payment and supply, considering the availability of small companies with less than 100 employees and ability to service smaller customers.*

Metal processing industry

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

- *qualified workforce that is educated for work in this sector within 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, as well as at the Faculty of Mechanical Engineering and the Faculty of Electrical Engineering of Tuzla University,*
- *connection with regional markets and*
- *processing capacities in place.*

Metal processing industry of Tuzla Canton:

- *In addition to its direct impact to economic development in the form of new employment, creating added value etc., this industry also has a multiple impact to development of industry and overall economy by encouraging development of other economic sectors (energy, mining, construction, and SME sector in general),*
- *High share in employment in the industry and overall economy,*
- *Export-attractive industry branch,*
- *Opportunities for business cooperation and joint ventures with foreign companies from highly developed EU countries.*
- *Skilled workforce formed within secondary education, as well as at the Faculty of Mechanical Engineering and the Faculty of Electrical Engineering of Tuzla University,*
- *Due to technological complexity, advantages for cooperation with higher-education institutions and research centers.*

Main economic indicators of the companies in the metal processing industry of Tuzla Canton in 2020

FIELD	Number of companies	Total number of employees	Total profit (BAM)	Total business income (BAM)
<i>Production of base metal</i>	6	338	-176.288	53.344.159
<i>Production of finished metal products excluding machinery and equipment</i>	119	2.836	20.556.381	377.866.794
<i>Production of electrical equipment</i>	14	631	8.504.901	50.805.203
<i>Production of machinery and appliances</i>	37	781	6.843.846	64.614.501
<i>Production of motor vehicles, trailers and semi-trailers</i>	7	695	-6.658.581	79.481.450
<i>Production of other transport equipment</i>	2	2	-51.298	36.753
<i>Repair and installation of machinery and equipment</i>	22	362	5.066.536	33.792.472
TOTAL	207	5.645	34.085.497	659.941.332

Source: Data of the Financial-Intelligence Agency

Some of the most successful companies in the Tuzla Canton are involved in metal processing activities (UNIS-TOK Ltd. Kalesija, ALFE-MI Ltd. Živinice, Index Ltd. Gračanica, etc.), while foreign investors have also recognized the potential of this industry. Therefore, the companies with elements of foreign investment are successfully operating in Tuzla Canton such as CIMOS TMD Automobile industry Ltd. Gradačac - founder of CIMOS Ltd. Automobile industry Slovenia, WAGNER AUTOMOTIV Ltd. foundry of aluminium castings Gradačac and others.

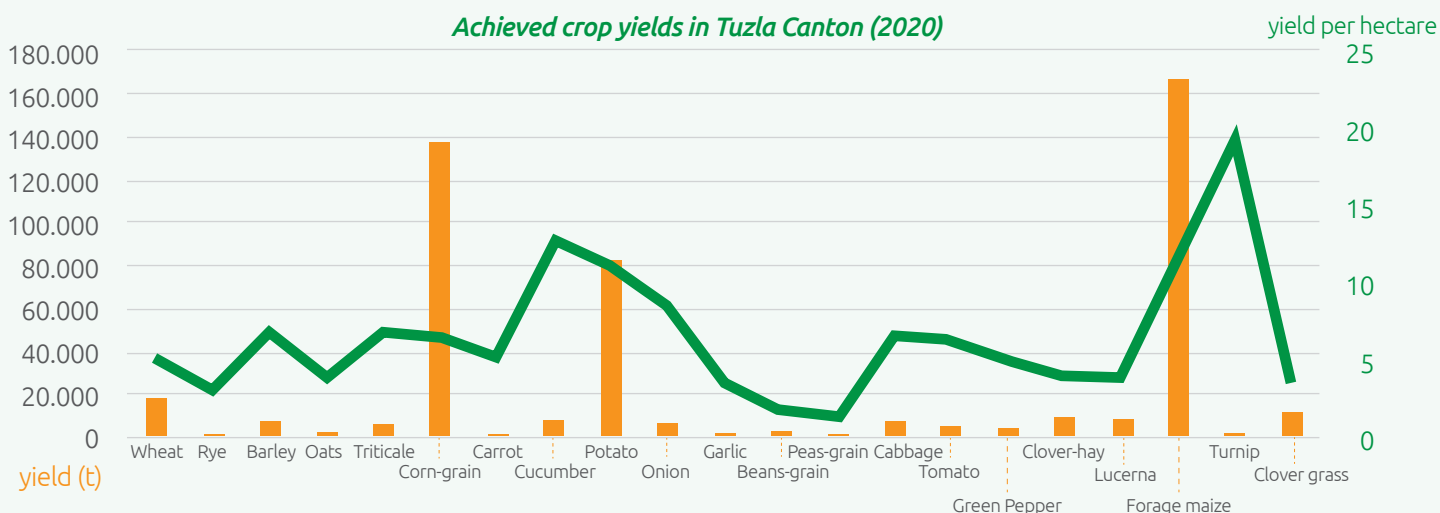
Agricultural production and food industry

By the number of economic entities, including crafts (815), legal entities (160), as well as registered farms (19.159), this sector is considered as one of the most important industry branches of Tuzla Canton. Agricultural production and food industry of Tuzla Canton have an exceptional growth potential based on:

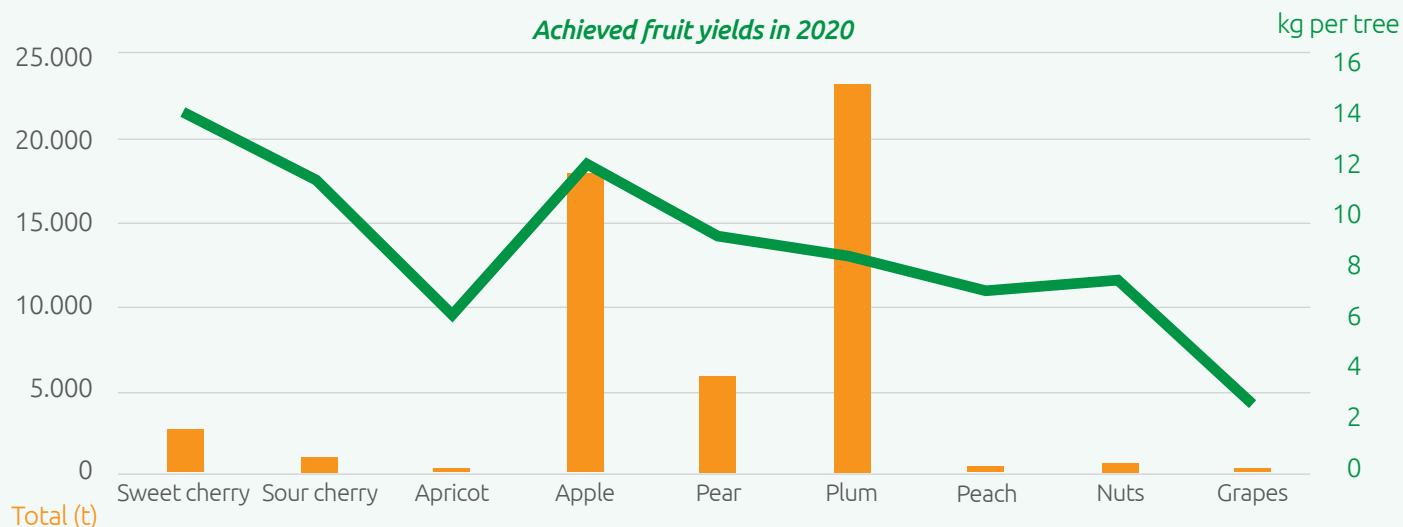
- **tradition,**
- **spatial and zoning capacities,**
- **abundant resources,**
- **skilled workforce.**

Tuzla Canton has 110.612 hectares of arable agricultural land. The land is underused, with low effects in primary agricultural production. Therefore, domestic production does not even closely meet the population needs for food, which opens the space for new investments in this sector. The Faculty of Technology at Tuzla University, together with its departments of food technology, agronomy and chemical engineering, produces highly educated staff ready to encourage further development of the sector with gained knowledge and skills. Qualified workforce in this sector is also educated in secondary vocational schools of the Canton for the profiles needed in this activity (agricultural technician, food technician, chemical technician of biotechnology branch, etc.).

The most common crops in the Tuzla Canton are corn (grain and forage maize), potatoes and wheat. Total yields and crop yields per hectare of land are shown in the following chart.



The most significant capacities of food industry in Tuzla Canton are in the fruits and vegetables processing, meat and milk processing, mill-bakery industry, beer production, refreshing beverages and mineral water production, as well as production of cakes and confectionery products. Presence of foreign investors such as Dukat from Croatia, who invested in Lactalis BH Ltd. Gradačac confirms that this sector of Tuzla Canton has the resources ensuring competitive advantage at the market.



Main economic indicators of companies in agricultural production and food industry of Tuzla Canton in 2020

FIELD	Number of companies	Total number of employees	Total profit (BAM)	Total business income (BAM)
Crop and livestock production, hunting and associated services	66	330	1.374.852	57.166.395
Production of food products	100	1.426	6.006.389	210.808.848
Production of beverages	11	289	3.223.751	31.920.236
TOTAL	177	2.045	10.604.992	299.895.479

Source: Data of the Financial-intelligence Agency

Plastics and tool industry

There is an increasing presence of the consumer industries in Bosnia and Herzegovina, utilizing plastics in their products, potentially offering market opportunities for companies in plastics and tools processing industry, which makes the opportunity for increase of production, equipment use and higher productivity level.

The key products in 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 central heating, plumbing products, products for electrical installations.

Main economic indicators of the companies in plastics and tool industry in Tuzla Canton in 2020

FIELD	Number of companies	Total number of employees	Total profit (BAM)	Total business income (BAM)
Manufacturing of rubber and plastic products	83	2.460	27.350.309	269.936.026
TOTAL	83	2.460	27.350.309	269.936.026

Source: Data of the Financial-intelligence Agency

Plastics and tool industry of Tuzla Canton:

- **Geographical location in the wider region of the former Yugoslavia and its tradition,**
- **Companies from Tuzla Canton working in this sector are prominent reference centres of the industry,**
- **Experience in plastics processing and stable relationships with customers and suppliers,**
- **Cooperation with partners in the region and availability of free trade agreements.**

The above contributes to outstanding potential for new investments and further development of this sector in Tuzla Canton. In addition, qualified workforce for the sector, educated at the Faculty of Mechanical Engineering in Tuzla and in the secondary schools for the following occupations: mechanical technician for computer design, electro-engineering technician for computer technology and automation, producer and installer of ALU and PVC windows and doors and other, contribute to the competitiveness of the sector.

The growth of the total profit for the companies in plastics and tool sector is the result of the continuous growth of total sales income, which in 2020 totalled about 270 million BAM. The amount of total profit achieved by 83 business companies in 2020 was over 27 million BAM, which is about 50% increase compared to 2016. Considering the advantages of this sector and the results achieved by the companies involved in the mentioned activities, and based on the analysis of the sector, numerous opportunities and growth potential for this sector in Tuzla Canton are identified, based on:

- **vertical and horizontal integration around the value chain,**
- **entering new markets,**
- **large companies in the automotive and appliances industry are looking for suppliers of plastic components,**
- **to reduce carbon monoxide emissions, new EU regulations require the automotive industry to use lighter components, where plastics is already used as a substitute for metal.**



Chemical industry

The chemical industry of Tuzla Canton is distinguished by developed brands recognizable at the international market. Tuzla's salt is the most recognisable product in the region and wider, while the products of detergents' factory Dita JSC. Tuzla (Ava, Arix, 3DE, Softly and many others) have become the 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), cement production (Cement factory Lukavac Ltd. - investor Asamer Baustofe AG) and coke, ammonium sulphate, crude tar and others (Global Ispat Coke Industry Ltd. Lukavac, investor Global Infrastructure Holdings Ltd. UK).

Further development of this industry in Tuzla Canton is based on:

- **built infrastructure,**
- **construction of a facility for treatment of municipal and industrial waste water in order to protect the environment in Tuzla Canton, which was significantly violated by the chemical industry.**

Chemical industry of Tuzla Canton:

- **Long tradition and recognition for the production of detergents, soda, coke and other products of the chemical industry available qualified workforce and new workforce educated at universities and high school,**
- **Built infrastructure,**
- **Developed and recognizable brands at the international market.**

Main economic indicators of companies in the chemical industry in Tuzla Canton in 2020

FIELD	Number of companies	Total number of employees	Total profit (BAM)	Total business income (BAM)
Production of coke and refined petroleum products	4	999	1.171.159	210.350.985
Production of chemicals and chemical products	15	913	30.238.697	259.621.845
Production of basic pharmaceutical products and pharmaceutical preparations	2	98	3.457.855	13.275.169
Production of other non- metal mineral products	24	551	18.200.343	117.526.445
Extraction of salt⁶	2	438	5.105.846	41.884.274
TOTAL	47	2999	58.173.900	642.658.718

Source: Data of the Financial-intelligence Agency



6. Solana d.d. Tuzla is one of the most important carriers of chemical industry in Tuzla Canton, but according to the activity code, it is classified in the salt extraction activity, due to which this branch is also included in the overview of chemical industry.

Tourism

Abundant cultural and historical heritage is the basis for supply in the field of cultural tourism, while mineral resources are the basis for development of health and wellness tourism capacities, whose participation is increasing from year to year in Tuzla Canton.

High-quality road and air traffic connections with various destinations in BH, neighbouring countries and Europe also contribute to the development and creation of investment opportunities in tourism sector of Tuzla Canton. Low-cost flights from European destinations enabled the numerous Bosnian diaspora to spend a longer vacation in Tuzla area as well as to experience the tourist offer of this area, due to the shorter time and lower costs of travel. Significant progress has been recorded in development of tourism in Tuzla Canton, from an average of 31.000 tourists in 2013 to 48.800 tourists in 2019. Due to the consequences of COVID-19 pandemic in 2020, the number of tourists in Tuzla Canton has drastically dropped down, though the increase in the number of tourists and the recovery of tourism sector in Tuzla Canton is expected in the coming years.

Cultural-historical values and cultural events, natural values and outstanding gastronomy, as well as friendly and accommodating hosts attract more and more tourists every year, who use various tourist products in attractive locations:

- **cultural and historical tourism – 47 national monuments from different historical periods (medieval tombstones, Stone town in Srebrenik, Castle in Gradačac);**
- **health and wellness tourism - larger accumulations of thermal-mineral waters (Iliđža - Gradačac (health resort, spa), Tuzla and Gračanica (thermal pools)), medicinal salt water (complex of Pannonian lakes located in the centre of Tuzla city, comprising three artificial salt lakes, salt waterfalls, Stilt house Neolithic settlement, sports fields and other related facilities);**
- **ethno tourism („Etno avlija“ Mačkovac, „Bosanska avlija“ Mala Lohinja – Gračanica);**
- **water tourism and fishing - numerous natural and artificial lakes used, among other things, for fishing and recreation;**
- **religious tourism („Djevojačka pećina“ Maiden cave Kladanj, numerous religious buildings);**
- **fair and business tourism (numerous fairs within Tuzla Canton).**

Please see more information at the web-site of Tourism Association of Tuzla Canton⁷.

Exceptionally important opportunity for health tourism development is also the availability of a combination of clinical health services - cardiovascular surgeries and interventions, dermatological and similar services, where the Public Health Institution University Clinical Centre, Bayer Medical Institute and private medical offices are far more competitive by price than the same institutions abroad, and they do not lag behind the foreign institutions at all in the quality of services.

Numerous and rich assortment of the tourism supply in Tuzla Canton, along with the existing advantages and heritage, as well as innovative approach adapted to global trends and investments, has become a driving force for development of other economic branches in the Canton, but also for development of the entire area, thus making the space for new investors with numerous opportunities.



7. <https://tourism-tk.ba/>

5. Simple and quick access to markets

The Tuzla Canton is characterized by a very favourable geostrategic position and logistical infrastructure, reflected in the following:

- *only 30 km distance from the border with the Republic of Croatia (the European Union);*
- *the border with Serbia and access to transport corridors towards the Central Europe, Turkey and the Middle East;*
- *the vicinity of the future transnational corridor Vc that connects the Central Europe with the Adriatic Sea;*
- *connection with the river port of Brčko, which is connected to the European railway network;*
- *the availability of Tuzla International Airport with 17 airlines and charter flights.*

The road traffic is the most represented form of mass and individual transport within Tuzla Canton, due to its advantages compared to other forms of traffic. The inclusion of the Tuzla Canton in the European and BH transport flows is enabled through a well-developed network of high-quality roads in the Canton area.

Traffic connection with international road routes:

- *The main road M-112 (Tuzla – Doboj) connects to the European road E-73 (Budapest – Mohač – Osijek – Đakovo – Šamac – Zenica – Mostar – Metković – which is also the highway on Vc corridor);*
- *The main road M-113 (Šiški Brod – Donji Hrgovi – Orašje) connects to the A-3 highway (Zagreb – Belgrade – highway at the corridor X);*
- *The main road M-211 (Simin Han – Bijeljina) connects to the European road E-70 (Ljubljana – Zagreb – Belgrade)*

FREIGHT RAILWAY TRANSPORT:

- *Tuzla – Doboj (57,6 km);*
- *Živinice – Zvornik (44,1 km);*
- *Brčko – Banovići (85,6 km).*

The Tuzla Canton has a good road and rail connections with the port of Brčko, located in the north-eastern part of Bosnia and Herzegovina, on the right bank of the Sava River waterway.

AIR TRAFFIC - International airport Tuzla:

- *The airline company "Wizz-Air" operates at the airport;*
- *17 airlines have been established in 7 countries since 2013;*
- *In the past eight years, about 2,5 million passengers were transported;*
- *In addition to passenger traffic, cargo transport is also carried out through the airport, and Turkish Airlines established cargo flights from Tuzla to Istanbul in 2016.*

6. Qualified workforce

Canton is known for its industrial tradition and valuable workforce, which was the carrier of the construction and development of large industrial companies in the Yugoslav economy. Numerous industrial facilities have not survived the transition process, which resulted with increased unemployment rate, as well as increased interest of Tuzla Canton citizens in entrepreneurship and raised the number of successful start-up businesses in different industries. Besides, the educational system in Tuzla Canton is strongly oriented towards education of personnel for industries, which are the backbone of growth and development in Tuzla Canton. In 2020, there were 97.863 employed and 76.878 unemployed persons in the Tuzla Canton. In the same year, unemployment rate decreased for 16% compared to 2016. The structure of the unemployed is dominated by women (47.392) and unqualified occupations (24.467).

There is a developed educational infrastructure in the Tuzla Canton, which includes institutions of higher education and secondary vocational schools.

The University of Tuzla organizes and performs the science-teaching process at 13 faculties:

- *The Academy of Drama 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,*
- *Faculty of Technology.*

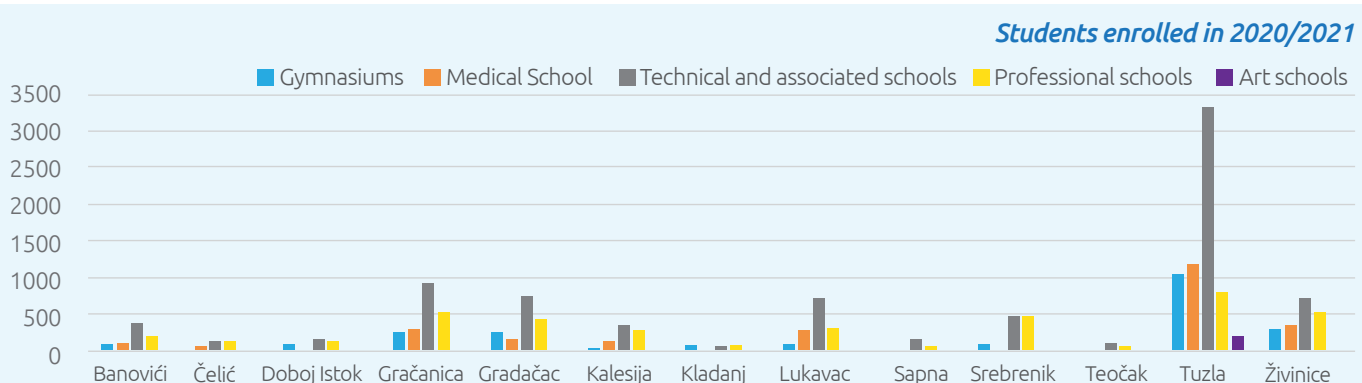
Institutions of higher education in Tuzla Canton:

INSTITUTION	ADDRESS	CONTACT
University of Tuzla	Dr. Tihomila Markovića 1, Tuzla	035/300-500 rektorat@untz.ba
European University of Kallos	Maršala Tita 2A, Tuzla	035 /299-091 ss@eukallos.edu.ba
Higher education institution "International business-information academy" Tuzla (IPI Academy)	Kulina-bana 2, Tuzla	035/ 258 454 info@ipi-akademija.ba
College of Finances and Accounting FINra	Mitra Trifunovića Uče 6, Tuzla	035/310-390 info@finra.ba
College of Computer Sciences and Informatics eMPIRICOM in Tuzla	Fočanska bb, Tuzla	035/ 312-350 empirica@empirica.ba
Department of the University of Travnik in the Tuzla Canton	Maline bb, Živinice	035/744 055 studentskatuzla@pfk.edu.ba

There are 34 high schools registered in Tuzla Canton. The secondary education system of the Tuzla Canton includes high schools-gymnasium, medical schools, technical and associated schools, professional schools and art schools. The total number of students in medical schools is 2.486. Majority of students are enrolled to the following courses: nurse - technician, dental nurse - technician and pharmaceutical technician.

Total 11.940 students attended classes in technical and professional schools in 2020/2021, of which 1.178 students enrolled the courses for acquiring a III-degree profession. Majority of the students enrolled the following courses: electrical engineering technician, economic technician, mechanical technician, computer technician, etc. Among the students who enrolled the third degree of secondary vocational schools, the most common occupations are: hairdresser, welder, electrician, motor vehicle driver and car mechanic.

A total of 2.183 students are enrolled in the high schools-gymnasium, while 191 students are enrolled to art schools.



The Government of Tuzla Canton, through the Ministry of Education and Science of Tuzla Canton, launched in October 2020 a call for awarding scholarships to full-time students in the first grade of high schools, with emphasis on deficit occupations.

A total of 155 students applied to the public call, and 123 of them met the requirements and were granted the scholarship in the amount of 900 BAM. This way, the first grade students, who were interested in studying for the listed deficit occupations, were awarded the scholarships, namely: 62 students for welder profession, 20 for car electrician, 9 students for carpenter and upholsterer, 8 for mining machinery operator in open pit mine, 6 for tailors, 4 students for a cook, gas and plumber and 1 for a mason.

7. Developed entrepreneurial infrastructure for greenfield and brownfield investments

Tuzla Canton offers to potential investors an established network of business zones, technology parks and business incubators, with developed infrastructure, combined ownership (public and private) and possibilities for greenfield and brownfield investments in various industries. The Ministries and administrations as well as local authorities of Tuzla Canton are available to potential investors for contact at any time, as well as support in business establishment in the previously mentioned entrepreneurial infrastructure entities.

Business zones

BANOVIĆI - Business zone SADNICE

GENERAL INFORMATION: Year of establishment **2016**. - Branch of origin: **Industrial** - Ownership: **Municipal** - Total area: **24,08 ha**



INFRASTRUCTURE	
Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	YES
Solid waste disposal	NO

CONTACTS

Address: Banovići Selo bb, Banovići
Name of manager: Selmet Husanović; Amir Mrkonjić
Name of manager: Administration
E-mail: amir.mrkonjic@banovici.gov.ba
Telephone: +387 35 743 406
Web address: www.banovici.gov.ba

Benefits for zone users:

a) The right to subsidies in the form of invested fund's repayment, which amounts:

- *for building's construction from 500 to 700 m² of net construction area in the amount of 30% of the fee charged for rent and fees for arrangement of city construction land;*
- *for building's construction from 700 to 900 m² of net construction area in the amount of 50% of the fee charged for rent and fees for arrangement of city construction land;*
- *for building's construction from 900 to 1.200 m² of net construction area in the amount of 70% of the fee charged for rent and fees for arrangement of city construction land;*
- *for the construction over 1.200 m² of net construction area in total amount of fee charged for rent and fees for arrangement of city construction land;*

b) The right to subsidies in the form of exemption from the obligation to pay the utility fee for the plot on which the facility is being constructed within 5 (five) year period from the date of obtaining the approval for the facility use.

ČELIĆ - Business zone BRNJIK

GENERAL INFORMATION: Year of establishment **2009**. - Branch of origin: **Industrial** - Ownership: **Combined** - Total area: **6,29 ha**



INFRASTRUCTURE	
Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	YES
Solid waste disposal	YES

CONTACTS

Address: Brnjik bb, 75246 Čelić
Contact persons: Arif Salkić, Amir Kahrmanović
Name of manager: The Municipality of Čelić
E-mail: opcelic@gmail.com
Telephone: +387 35 668 650
Web address: http://opcinačelic.com/

ČELIĆ - Business Zone CERIK

GENERAL INFORMATION: Year of establishment **2016**. - Branch of origin: **Industrial - processing** - Ownership: **Private** - Total area: **2,14 ha**



INFRASTRUCTURE

Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	YES
Solid waste disposal	YES

CONTACTS

Address: **Ekrema Agića bb, 75246 Čelić**
Contact persons: **Arif Salkić, Amir Kahrmanović**
Name of manager: **The Municipality of Čelić**
E-mail: **opcelic@gmail.com**
Telephone: **+387 35 668 650**
Web address: **<http://opcinacelic.com/>**

ČELIĆ - Business Zone ETIVAŽA

GENERAL INFORMATION: Year of establishment **2009**. - Branch of origin: **Industrial** - Ownership: **Combined** - Total area: **22,2 ha**



INFRASTRUCTURE

Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	YES
Solid waste disposal	YES

CONTACTS

Address: **Ekrema Agića bb, 75246 Čelić**
Contact persons: **Arif Salkić, Amir Kahrmanović**
Name of manager: **The Municipality of Čelić**
E-mail: **opcelic@gmail.com**
Telephone: **+387 35 668 650**
Web address: **<http://opcinacelic.com/>**

ČELIĆ - Business Zone FRIGOS

GENERAL INFORMATION: Year of establishment **2016**. - Ownership: **Private** - Total area: **4,16 ha**



INFRASTRUCTURE

Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	YES
Solid waste disposal	YES

CONTACTS

Address: **208. brdske brigade bb, 75246 Čelić**
Contact persons: **Arif Salkić, Amir Kahrmanović**
Name of manager: **The Municipality of Čelić**
E-mail: **opcelic@gmail.com**
Telephone: **+387 35 668 650**
Web address: **<http://opcinacelic.com/>**

ČELIĆ - Business Zone ŠIBOŠNICA

GENERAL INFORMATION: Year of establishment **2016**. - Branch of origin: **Industrial** - Ownership: **Municipal** - Total area: **1,02 ha**



INFRASTRUCTURE

Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	YES
Solid waste disposal	YES

CONTACTS

Address: **Osmana Smajića Seje bb, 75245 Šibošnica, Čelić**
Contact persons: **Arif Salkić, Amir Kahrmanović**
Name of manager: **The Municipality of Čelić**
E-mail: **opcelic@gmail.com**
Telephone: **+387 35 668 650**
Web address: **<http://opcinacelic.com/>**

Benefits for zone users:

- *The Budget provides the funds for financing registration costs of newly established business entities within Čelić municipality, as well as the funds for the newly established crafts in duration of 3 months.*

Business entities who intend to start up the business may have their rent calculated through investments into facilities and employment of workers from the municipality of Čelić.

DOBOJ ISTOK - Business Zone LUKE

GENERAL INFORMATION - Branch of origin: **Agricultural** - Ownership: **Municipal** - Total area: **15,00 ha**



INFRASTRUCTURE

Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	YES
Solid waste disposal	YES

CONTACTS

Address: Brijesnica Mala bb, Luke, Doboju Istok
Contact persons: Kismet d.o.o.; Damir Avdaković; Halid Hadžić
Name of manager: Damir Avdaković B.Sc.(Econ)
E-mail: privreda.dobojistok@bih.net.ba
Telephone: +387 35 720 421; +387 61 154 723
Web address: http://opcinadobojistok.ba/

DOBOJ ISTOK - Business Zone STARAČA

GENERAL INFORMATION - Branch of origin: **Entrepreneurial and industrial** - Ownership: **Private** - Total area: **30,00 ha**



INFRASTRUCTURE

Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	YES
Solid waste disposal	YES

CONTACTS

Address: Klokotnica bb, Doboju Istok
Contact persons: Damir Avdaković; Halid Hadžić
Name of manager: Damir Avdaković B.Sc.(Econ)
E-mail: privreda.dobojistok@bih.net.ba
Telephone: +387 35 720 421

GRAČANICA - Business Zone RADNA ZONA I,II,III AND STARA INDUSTRIJSKA ZONA

GENERAL INFORMATION - Branch of origin: **Business and entrepreneurial** - Ownership: **Private** - Total area: **234,00 ha**



INFRASTRUCTURE

Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	YES
Solid waste disposal	YES

CONTACTS

Address: Branilaca grada bb, Gračanica
Contact persons: Fernada Helić Čamdžić; Mirza Hodžić; Haris Jukan;
Name of manager: Fernada Helić Čamdžić
E-mail: f.helic@opcina-gracanica.ba
Telephone: +385 35 700 824

Benefits for zone users:

- *Possibility for rent payment in monthly instalments (contract is signed with the City about rent payment methods);*
- *Since 2018, the City of Gračanica has been providing subsidies to companies from the city, including the companies located in the business zone;*
- *Assistance in construction of utility and road infrastructure to new investors (by filling in the business zone, the City is actively working on spreading of utility and road infrastructure).*

GRADAČAC - Business Zone INDUSTRIJSKA ZONA I

GENERAL INFORMATION: Year of establishment **2016**. - Branch of origin: **Industrial** - Ownership: **Private** - Total area: **50 ha**



INFRASTRUCTURE

Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	YES
Solid waste disposal	YES

CONTACTS

Address: **Sarajevska bb, Gradačac**
Contact persons: **Damir Kurjaković; Indira Hiseni**
E-mail: **damir.kurjakovic@gradacac.ba**
Telephone: **+387 35 369 750**

GRADAČAC - Business Zone INDUSTRIJSKA ZONA II

GENERAL INFORMATION: Year of establishment **2016**. - Branch of origin: **Entrepreneurial and industrial** - Ownership: **Combined** - Total area: **42 ha**



INFRASTRUCTURE

Roads in the zone	NO
Roads to the zone	YES
Water supply network	YES
Electricity	NO
Telephone	YES
Internet	YES
Sewerage system	YES
Solid waste disposal	YES

CONTACTS

Address: **Sarajevska bb, Gradačac**
Contact persons: **Damir Kurjaković; Indira Hiseni**
Name of manager: **Damir Kurjaković**
E-mail: **damir.kurjakovic@gradacac.ba**
Telephone: **+387 35 369 750**
Web address: **www.gradacac.ba;**
www.investingradacac.ba

GRADAČAC - Business Zone VUČKOVI

GENERAL INFORMATION: Year of establishment **2009**. - Branch of origin: **Entrepreneurial and industrial** - Ownership: **Private** - Total area: **14,7 ha**



INFRASTRUCTURE

Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	NO
Solid waste disposal	NO

CONTACTS

Address: **Kerep, Gradačac**
Contact persons: **Damir Kurjaković; Indira Hiseni**
E-mail: **damir.kurjakovic@gradacac.ba**
Telephone: **+387 35 369 750**

GRADAČAC - Business Zone POREBRICE

GENERAL INFORMATION: Year of establishment **2009**. - Branch of origin: **Business and entrepreneurial** - Ownership: **Private** - Total area: **14,1 ha**



INFRASTRUCTURE

Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	NO
Solid waste disposal	YES

CONTACTS

Address: **Porebrice, Gradačac**
Contact persons: **Damir Kurjaković; Indira Hiseni**
E-mail: **damir.kurjakovic@gradacac.ba**
Telephone: **+387 35 369 750**

Benefits for zone users:

- *payment of convenience fee (rent in instalments);*
- *possibility of choosing the way to arrange the construction land;*
- *provided anti-hail protection for the entire area of Gradačac city;*
- *possibility for exemption from administrative fees' payment.*

KALESIJA - Business Zone KALESIJA GRAD, KALESIJSKO POLJE AND ĆETENIŠTA

GENERAL INFORMATION: Year of establishment 2017. - Ownership: Municipal - Total area: 84,9 ha



INFRASTRUCTURE

Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	YES
Solid waste disposal	YES

CONTACTS

Address: Kalesija bb , Kalesija
 Contact person: Abdulah Gutić
 E-mail: abdulah.gutic@kalesija.ba
 Telephone: +387 35 367 706

KALESIJA - Business Zone VUKOVIJE GORNJE 1

GENERAL INFORMATION: Year of establishment 2017. - Ownership: Municipal - Total area: 1,57 ha



INFRASTRUCTURE

Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	NO
Solid waste disposal	YES

CONTACTS

Address: Kalesija bb , Kalesija
 Contact person: Abdulah Gutić
 E-mail: abdulah.gutic@kalesija.ba
 Telephone: +387 35 367 706

KALESIJA - Business Zone PZ4 - PETROVAČKO POLJE

GENERAL INFORMATION: Year of establishment 2017. - Ownership: Municipal - Total area: 7,7 ha



INFRASTRUCTURE

Roads in the zone	YES
Water supply network	NO
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	NO
Solid waste disposal	YES

CONTACTS

Address: Kalesija bb , Kalesija
 Contact person: Abdulah Gutić
 E-mail: abdulah.gutic@kalesija.ba
 Telephone: +387 35 367 706

KALESIJA - Business Zone PZ5 – KRUŠIK and PZ6 - KRUŠIK

GENERAL INFORMATION: Year of establishment 2017. - Ownership: **Municipal** - Total area: 50,8 ha



INFRASTRUCTURE

Roads in the zone	YES
Water supply network	NO
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	NO
Solid waste disposal	YES

CONTACTS

Address: **Kalesija bb , Kalesija**
Contact person: **Abdulah Gutić**
E-mail: **abdulah.gutic@kalesija.ba**
Telephone: **+387 35 367 706**

KALESIJA - Business Zone PZ7 - TOJŠIĆI

GENERAL INFORMATION: Year of establishment 2017. - Ownership: **Municipal** - Total area: 13,3 ha



INFRASTRUCTURE

Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	NO
Solid waste disposal	YES

CONTACTS

Address: **Kalesija bb , Kalesija**
Contact person: **Abdulah Gutić**
E-mail: **abdulah.gutic@kalesija.ba**
Telephone: **+387 35 367 706**

KALESIJA - Business Zone PZ14 – MEMIĆI

GENERAL INFORMATION: Year of establishment 2017. - Ownership: **Municipal** - Total area: 8,91 ha



INFRASTRUCTURE

Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	NO
Solid waste disposal	YES

CONTACTS

Address: **Kalesija bb , Kalesija**
Contact person: **Abdulah Gutić**
E-mail: **abdulah.gutic@kalesija.ba**
Telephone: **+387 35 367 706**

KLADANJ - Business Zone PZ14 – RAVNI STANOVI

GENERAL INFORMATION: Year of establishment 2009. - Branch of origin: **Industrial -processing** - Ownership: **Municipal** - Total area: 24,4 ha
Total area of free land plots: 24,4 ha



INFRASTRUCTURE

Roads in the zone	YES
Water supply network	NO
Electricity	NO
Telephone	NO
Internet	NO
Sewerage system	NO
Solid waste disposal	YES

CONTACTS

Address: **Stanovi bb, 75 280 Kladanj**
Contact persons: **Dženad Selimbašić; Alem Tabić**
E-mail: **dzenad.selimbasic@kladanj.ba**
Telephone: **+387 35 628 483**

The planned business zone, in the initial establishment phase, unbuilt, is located along the main road Tuzla - Sarajevo. The land of the business zone is registered in the cadastre/land register.

LUKAVAC - Business Zone INDUSTRIJSKA ZONA LUKAVACGENERAL INFORMATION: Year of establishment **2007**. - Branch of origin: **Entrepreneurial and industrial** - Ownership: **Private** - Total area: **12 ha****INFRASTRUCTURE**

Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	YES
Solid waste disposal	YES

CONTACTS

Address: **Magistralni put bb, Lukavac**

Contact person: **Esad Suljić**

E-mail: **sluzba-plrip@lukavac.ba**

Telephone: **+387 35 366 780**

Web address: **www.opcina.lukavac.ba**

SAPNA - Business Zone INDUSTRIJSKO POSLOVNA ZONA 1GENERAL INFORMATION: Branch of origin: **Entrepreneurial and industrial** - Ownership: **Mixed** - Total area: **2,43 ha****INFRASTRUCTURE**

Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	NO
Solid waste disposal	YES

CONTACTS

Address: **206. Viteške brigade bb, Sapna**

Contact persons: **Hasidin Hodžić; Jasmin Suljić; Avdo Muharemović**

Name of manager: **The Municipality of Sapna**

E-mail: **o.sapna@opcinasapna.ba**

Telephone: **+387 35 599 558**

SREBRENİK - Business Zone ŠPIONICA I and ŠPIONICA IIGENERAL INFORMATION: Year of establishment **2017**. - Total area: **42,8 ha****INFRASTRUCTURE**

Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	YES
Solid waste disposal	NO

CONTACTS

Address: **Srebrenik, Srebrenik**

Contact person: **Enis Brašnjić**

Name of manager: **Department for entrepreneurship, local development and investments;**

E-mail: **poduzetnistvo@srebrenik.ba**

Telephone: **+387 35 369 157**

TUZLA - Business Zone KREKA SJEVERGENERAL INFORMATION: Branch of origin: **Entrepreneurial and industrial** - Total area: **14 ha****INFRASTRUCTURE**

Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	YES
Solid waste disposal	YES

CONTACTS

Address: **Tuzla**

Contact person: **Dijana Dizdarević-Radovanović**

Name of manager: **Department for entrepreneurship, local development and investments;**

E-mail: **dijanad@tuzla.ba**

Telephone: **+387 35 307 387**

Benefits for zone TUZLA - KREKA SJEVER users:

- *the benefits in the form of deferred payment of the convenience fee for use of the city construction land (rent) are available to the investors, namely 50% prior to issuing of the construction permit, and the rest in the following period up to 3 years, with provision of a guarantee.*

ŽIVINICE - Business Zone CILJUGE II

GENERAL INFORMATION: Year of establishment 2018. - Branch of origin: **Entrepreneurial and industrial** - Ownership: **Mixed** - Total area: **32,76 ha**



INFRASTRUCTURE

Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	YES
Solid waste disposal	YES

CONTACTS

Address: **Ciljuge II, Živinice**

Contact person: **Admir Aljić**

E-mail: **admir@opcinazivinice.ba**

Telephone: **+387 35 743 304**

ŽIVINICE - Business Zone MALINE

GENERAL INFORMATION: Year of establishment 2015. - Total area: **56,59 ha**



INFRASTRUCTURE

Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	NO
Solid waste disposal	YES

CONTACTS

Address: **Maline, Živinice**

Contact person: **Admir Aljić**

E-mail: **admir@opcinazivinice.ba**

Telephone: **+387 35 743 304**

ŽIVINICE - Business Zone NOVI GRAD

GENERAL INFORMATION: Year of establishment 2015. - Total area: **10,83 ha**



INFRASTRUCTURE

Roads in the zone	YES
Water supply network	YES
Electricity	YES
Telephone	YES
Internet	YES
Sewerage system	YES
Solid waste disposal	NO

CONTACTS

Address: **Novi grad, Živinice**

Contact person: **Admir Aljić**

E-mail: **admir@opcinazivinice.ba**

Telephone: **+387 35 743 304**

Technology parks

Technology parks within Tuzla Canton

City/Municipality	Name	Status	Area	Number of business entities	Contact
Tuzla	BIT (Business Innovation Technology) Centar	Existing Technology Park	2.700 m ²	25	+387 35 304 650 info@bit.ba
Gračanica	MTTC d.o.o. - Centre for Advanced Technologies	Existing Technology Park	200 m ²	21	+ 387 35 705 187 info@mttc.ba

Business incubators

Business incubators within Tuzla Canton

City/Municipality	Name	Area	Number of business entities	Contact
Tuzla	Development-entrepreneurial centre – Incubator “Lipnica”	12.159 m ²	35	+ 387 35 806 371 rpc@rpctuzla.ba
Živinice	Business incubator Živinice	Located in the city administration building	To 5	+ 387 35 743 304 admir@gradzivinice.ba
Srebrenik	Centre for support to entrepreneurship with incubator facilities	200 m ²	To 5	+387 35 369 161
Kalesija	Centre for support to entrepreneurship with incubator facilities	200 m ²	To 5	+387 35 631 259

8. Reform-oriented Government

To make more efficient business environment and open new employments, as well as to ensure economic development, in October 2017 the Ministry of Development and Entrepreneurship and the Ministry of Industry, Energy and Mining were merged into one ministry, named as the Ministry of Economy.

In addition to the main activities within its competencies, services to be provided by the Ministry to investors and other business entities include, inter alia:

- **information on start-up business and investment opportunities in Tuzla Canton;**
- **technical support in the investment process;**
- **linking with partner institutions that provide support to founding companies and increase of employment;**
- **post-investment support to the existing investors (aftercare) carried out by a cooperative network at all authority levels in BH;**
- **information about support programs for investors, provided by other levels of authorities and international institutions;**
- **subsidies for entrepreneurship development;**
- **support in preparing the applications for business support programs.**

Additional information about jurisdictions of other ministries of interest for investors are available at the website of the Government of Tuzla Canton⁸.

The Government of Tuzla Canton, made the Tuzla Canton Development Strategy for the period 2021 - 2027⁹ which is the key strategic-planning document of Tuzla Canton. The strategy has been made as a framework for defining common goals, encouraging local forces, but also as a response to the challenges of future development of the Canton as well as overall life in the Canton.

8. <http://www.vladatk.gov.ba/>

9. http://www.vladatk.kim.ba/Ministarstva/MP/2021/SR/STRATEGIJA_RAZVOJA_TUZLANSKOG_KANTONA_ZA_PERIOD_2021.-2027.pdf

9. Stakeholders supporting the investors

The business entities, existing and potential investors and organizations, currently active or intending to operate businesses within Tuzla Canton, may be given advisory and other types of support services by numerous institutions that mutually cooperate and provide support in work.

Who provides support to your business success in Tuzla Canton?

- *Government and non-governmental organizations specialized for support to economic development - ministries and administrative authorities of Tuzla Canton, cities and municipalities within Tuzla Canton, Centre for Development and Support¹⁰, The NERDA Development Association¹¹, General association of independent entrepreneurs Tuzla and many others;*
- *Cantonal Chamber of Commerce Tuzla¹²;*
- *Chamber of Crafts of Tuzla Canton¹³;*
- *Legal entities specialized in different types of advisory services (accounting, business and legal advising);*
- *Legal entities specialized in freight forwarding and logistic services;*
- *Commercial banks (list of banks in Bosnia and Herzegovina¹⁴);*
- *University of Tuzla and others¹⁵.*

What kind of support you can get?

- *finding and contacting partners, mediation between potential partners,*
- *informing about investment opportunities,*
- *identifying specific export opportunities, sales channels and terms of market penetration,*
- *providing information about general foreign-trade and specific local markets,*
- *informing about regulations pertaining to certain products and commercial activities,*
- *making the analyses of economic relations and situation at the labour market as well as development trends,*
- *assistance in registration of company,*
- *advisory services about business operations, taxes, legal regulations, mediation in finding professional associates,*
- *compiling the databases of interested companies for exact evaluation of business needs,*
- *identifying the cooperation opportunities in the field of supply activities,*
- *post-investment support to investors (aftercare program) and other support activities.*



10. www.crp.org.ba; 11. www.nerda.ba; 12. www.kpktz.ba; 13. www.oktk.ba; 14. <http://www.cbbh.ba/Content/Read/7>; 15. www.untz.ba

10. Information of interest for investors

Rights of foreign investors in Bosnia and Herzegovina

According to the Law on Foreign Direct Investment Policy in Bosnia and Herzegovina¹⁶, foreign investors:

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

The foreign investors concerned about restrictions on transfer of profits, expropriation, war and civil unrest and denial of justice can be insured against those risks with the European Union Investment Guarantee Trust Fund for BH, the Multilateral Investment Insurance Agency - MIGA (a part of the World Bank Group).

Public-private partnership in Tuzla Canton

To improve the available regulatory framework for public-private partnership projects, attract foreign and domestic investors, the Government of Tuzla Canton passed a new Law on Public-Private Partnership in 2017. The Ministry of Economy is the responsible authority for the implementation of the Law on Public-Private Partnership, and after the establishment of the regulatory framework, it has intensified the activities on implementation of the Law.

In the beginning of 2020, the Government of Tuzla Canton adopted the Regulation on identification, preparing, contracting and monitoring of the implementation of public-private partnership projects. According to the adopted Regulation on changes and addenda to the Regulation on identification, preparing, contracting and monitoring of the implementation of public-private partnership projects, a new Catalogue of potential Public-Private Partnership projects should be published in 2021.

Starting up a business

Regarding the form of business start-up, the legislation of the Federation of Bosnia and Herzegovina applicable within the Tuzla Canton recognizes craft – as a simpler form of organization, and a company.

- **Craft is an independent and permanent performing of allowed business activities by natural entities in order to generate income through production, trade or providing services at the market. This form is suitable for handicrafts, agriculture, transport and other activities.**
- **Company is a legal entity that performs independently the production and sale of products as well as provision of services at the market in order to make a profit. Pursuant to the Corporate Law on Companies in the Federation of Bosnia and Herzegovina, the company may be organized as one of four forms.**

UNLIMITED JOINT LIABILITY COMPANY

- Members bear unlimited soloidary liability for company's obligations.
- Maximum or minimum initial capital stock is not specified.

Possible forms of organizing a company

LIMITED LIABILITY COMPANY (Ltd.)

- A member shall be responsible for the company's liabilities in the amount of his/her share.
- Minimum capital stock is 1.000 BAM (approx. 511 EUR).

LIMITED PARTNERSHIP

- 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

- Open company 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 call.
- Closed company is a type of joint-stock company whose shares are issued among a limited number of stakeholders. The minimum capital stock is 50.000 BAM (approx. 25.000 EUR).

16. http://www.fipa.gov.ba/publikacije_materijali/zakoni/default.aspx?id=317&langTag=bs-BA

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

Registration of limited liability company within the Federation of BH (Tuzla Canton) in steps:

- 1 Preparing and making the foundation charter (public notary)
- 2 Payment of founding capital
- 3 Registration with the jurisdiction court
- 4 Seal making
- 5 Opening an account with a commercial bank
- 6 Registration of the company and employees at the tax authorities
- 7 Statement of the founder on fulfillment of the terms for start up (to be submitted to the competent inspection department)

Information about electronic registers with details on permits and licenses that the investors may need in the Federation of Bosnia and Herzegovina, Tuzla Canton, individual cities of Tuzla Canton, as well as lists of fiscal and non-fiscal investment subsidies are available at the links below.

Electronic registers of administrative procedures	Lists of fiscal and non-fiscal investment subsidies
Federation of Bosnia and Herzegovina ¹⁷	Foreign Investment Promotion Agency of Bosnia and Herzegovina (FIPA) ¹⁸
Tuzla Canton ¹⁹	
City of Tuzla ²¹	
City of Srebrenik ²²	
City of Živinice ²³	
	Tuzla Canton ²⁰

Small and medium enterprises in the Federation of Bosnia and Herzegovina and Tuzla Canton

Medium enterprise	Value of business assets ≤ 20 million BAM Annual income ≤ 40 million BAM Number of employees ≤ 250
Small enterprise	Value of business assets ≤ 4 million BAM Annual income ≤ 8 million BAM Number of employees ≤ 50
Micro enterprise	Value of business assets ≤ 350 thousand BAM Annual income ≤ thousand BAM Number of employees ≤ 10

17. <http://fbihvlada.gov.ba/bosanski/ereg/index.php>

18. http://www.fipa.gov.ba/informacije/povlastice/strani_investitori/default.aspx?id=141&langTag=%20bs-BA

19. <http://www.vladatk.kim.ba/component/content/article?id=5317>

20. <http://www.vladatk.kim.ba/component/content/article/533-minis-tarstva/ministarstvo-razvoja-i-poduzetnistva/dokumenti-mrp/poticaji/4971-popis-dostupnih-investicijskih-poticaja-investitorima-u-tk>

21. <http://80.65.71.100/eregistar/egfVwOdlukaJedinice.aspx>

22. <https://srebrenik.ba/home/invest-srebrenik-ba/news>

23. <http://gradzivinice.ba/e-registar>

Registration to the registers of legal entities for the Tuzla Canton is carried out by:

Municipal Court in Tuzla ²⁴

Department for legal entities' register

Address: **Ul. ZAVNOBIH-a bb, 75000 Tuzla;**

Telephone: **+ 387 35 307 221**

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

Tax system

The main tax categories in Bosnia and Herzegovina, as well as in Tuzla Canton, of particular importance for the investors, are those related to taxes and benefits. Important to mention is that Bosnia and Herzegovina has one of the lowest income taxes of 10% in the region and Europe.

Main 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 type (real estate, inheritance, etc.)
Social security benefits	68%
Excise taxes ²⁵	Depending on tariff class

Foreign citizens and taxes in Bosnia and Herzegovina

All foreign citizens with residence in Bosnia and Herzegovina pay the tax on income generated within the calendar year at the territory of Bosnia and Herzegovina. At the same time, all foreign citizens who are not residents of Bosnia and Herzegovina and who generate income in the Federation of Bosnia and Herzegovina and Republika Srpska are considered tax payers.

Customs system and international agreements

• Free trade agreements

Bosnia and Herzegovina signed the Central European Free Trade Agreement (CEFTA) with the following countries:

- ALBANIA
- SERBIA
- MOLDOVA
- MONTENEGRO
- MACEDONIA
- KOSOVO

Bosnia and Herzegovina also signed free trade agreement with Turkey, thus enabling the access to a new market of 70 million people.

• Stabilization and Association Agreement

The Stabilization and Association Agreement (SAA) between the European Union (EU) and Bosnia and Herzegovina (BH) came into force on the 1st of June 2015. This way a solid and close partnership was established between the EU and BH, while mutual political, economic and trade ties were deepened. The SAA will also contribute to progressive harmonization of BH legislation with the EU legislation.

• EFTA

The agreement on free trade between Bosnia and Herzegovina and the EFTA countries (Switzerland, Norway, Iceland and Liechtenstein) was signed on 24th of June in 2013 in Norway, and it came into force in January 2015.

24. <https://opsud-tuzla.pravosudje.ba/vstvfo/B/32/>

25. Special type of tax paid on some products such as petroleum derivatives, tobacco products, non-alcoholic drinks, alcoholic beverages, beer, wine, and coffee.

- ***Agreement on avoidance of double taxation***

The following agreements on the avoidance of double taxation, which Bosnia and Herzegovina signed with other countries are in force:

Albania, Algeria, Austria, Azerbaijan, Belgium, Montenegro, Czech Republic, Egypt, Finland, France, Greece, Croatia, Netherlands, Iran, Ireland, Italy, Jordan, Kuwait, Qatar, China, Cyprus, Hungary, Malaysia, Macedonia, Moldova, Norway, Germany, Pakistan, Poland, Romania, Slovakia, Slovenia, Serbia, Spain, Sweden, Sri Lanka, Turkey, United Arab Emirates, United Kingdom and Northern Ireland.

- ***Preferential export regime***

Bosnia and Herzegovina has a unilateral preferential regime with the USA, New Zealand, Switzerland, Norway, Japan, Russia, Kazakhstan, Belarus, Canada and Australia. Furthermore, Bosnia and Herzegovina has a preferential export regime with Iran.

- ***Agreements on promotion and mutual protection of investments***

The following agreements on promotion and mutual protection of investments, which Bosnia and Herzegovina signed with other countries, are in force:

Albania, Austria, Belgium and Luxembourg, Belarus, Czech Republic, Denmark, Egypt, Finland, France, Greece, Croatia, Netherlands, India, Iran, Italy, Jordan, Canada, Qatar, China, Kuwait, Lithuania, Hungary, Macedonia, Malaysia, Moldova, Germany, OPEC - FOND, Pakistan, Portugal, Romania, USA - OPIC, San Marino, Slovakia, Slovenia, Serbia, Spain, Switzerland, Sweden, Turkey, United Kingdom, Ukraine.



11. Operating costs in Tuzla Canton

Salaries

The labour costs in Bosnia and Herzegovina and Tuzla Canton are significantly lower than in the South East Europe and the European Union. Excellent conditions provided by Tuzla Canton in healthcare and education sector contribute significantly to the competitiveness of workforce. Subsidies at different authority levels support the investors in employment, and the annual call of the Federal Employment Bureau aimed at providing support to employment of persons with different professional profiles is a confirmation to it.

a) The share of benefits paid by employees:

- 17% for pension and disability insurance,
- 2,5% for health insurance,
- 1,5% for unemployment insurance.

b) The share of benefits paid by employer:

- 6% for pension and disability insurance,
- 4% for health insurance, and
- 0,50% for unemployment insurance.

Example of calculating workers' salaries in Tuzla Canton

Neto salary	863 BAM - 441 EUR
Gross salary	1341 BAM - 686 EUR
Total cost for employer	1497 BAM - 765 EUR

Real estates

The investor who intend to construct a new building or to reconstruct the existing one, must obtain three permits: physical planning permit, construction permit and occupancy permit. The procedures for obtaining all three documents are simplified with the regulatory reform introduced by the Government of Tuzla Canton with support of the International Finance Corporation (IFC), a member of the World Bank Group.

No.	Type of permit/	Expected deadline
1.	Physical planning permit or location information	The expected deadline for issuing physical planning permit is 20 days. The expected deadline for deciding on properly submitted request for location information is 8 days. The deadline for reviewing requests and issuing request for amended documentation is 3 days.
2.	Construction permit	The expected deadline for issuing construction permit is 15 days. The deadline for reviewing requests and issuing requests for amended documentation is 8 days.
3.	Occupancy permit	The expected deadline for issuing occupancy permit is 45 days.
4.	Environmental permit ²⁶	The expected deadline for issuing environmental permit is 90 days.

In addition to Tuzla Canton, construction permits are issued by each local self-governance unit. All necessary information about issuing of the construction permits and urban planning approvals are available at the following links:

Banovići	http://kpktz.ba/2/index.php/lokacija/opcina-banovici
Čelić	http://kpktz.ba/2/index.php/lokacija/opcina-celic
Doboj Istok	http://kpktz.ba/2/index.php/lokacija/opcina-doboj-istok
Gračanica	http://kpktz.ba/2/index.php/lokacija/opcina-gracanica
Gradačac	http://kpktz.ba/2/index.php/lokacija/opcina-gradacac
Kalesija	http://kpktz.ba/2/index.php/lokacija/opcina-kalesija
Kladanj	http://kpktz.ba/2/index.php/lokacija/opcina-kladanj
Lukavac	http://kpktz.ba/2/index.php/lokacija/opcina-lukavac
Sapna	http://kpktz.ba/2/index.php/lokacija/opcina-sapna
Srebrenik	http://kpktz.ba/2/index.php/lokacija/opcina-srebrenik
Teočak	http://kpktz.ba/2/index.php/lokacija/opcina-teocak
Tuzla	http://kpktz.ba/2/index.php/lokacija/grad-tuzla
Živinice	http://kpktz.ba/2/index.php/lokacija/opcina-zivinice

27. It is necessary to attach an environmental permit to the application for urban planning approval for the buildings stipulated as such by a special law.

Utility Services

The entire territory of Tuzla Canton has a functional network in place for electricity and water supply as well as other necessary energy sources.

Good-quality drinking tap water is available in large quantities. The price of water supply is much lower than the average price in the European Union, while energy and utility costs are among the lowest in Europe. Water and sewage pricing is within the competence of local or municipal authorities.

In average, fuel prices in Bosnia and Herzegovina are lower for 0,11 EUR/l than in other SEE countries and for 0,30 EUR/l than in the EU countries. The difference in diesel price is about 0,31 EUR/l compared to the European Union. The retail price of auto gas in Bosnia and Herzegovina is about 1,5 BAM (0,76 EUR) per litre.

The price of electricity is much lower than in the EU and is determined by the tariff group, season, and higher/lower daily rates. Tariff rates for eligible (non-tariff) electricity customers (customers connected to 110 kV and 35 kV network) and prices of electricity determined by the Public Enterprise Electric Utility of Bosnia and Herzegovina as the provider are given in the table below.

Customer category		Measuring point	Calculation power	Active energy		Excessive reactive power
				Higher tariff	Lower tariff	
		BAM	BAM/kW/month	pf/kWh		pf/kvarh
High voltage	Customers at 110 kV	20	15,68	9,94	4,97	1,09
Medium voltage	Customers at 35 kV	20	16,68	9,56	4,78	2,14



12. Investments opportunities in the Tuzla Canton region - project profiles

In addition to numerous investment opportunities in different economic sectors of Tuzla Canton presented in this Guide, the following chapter introduces the profiles of six projects - investment opportunities in the Tuzla Canton region.

Project title	Improvement of spatial capacities at the University of Tuzla
Location	Tuzla Canton, Tuzla, the eastern part of the Tuzla City
Summary	<p>The project comprises the following activities:</p> <ul style="list-style-type: none"> • Support to the process of coordinating the development of the Tuzla University Campus • Adopting the Development Strategy for Tuzla University Campus • Construction of the Tuzla University Campus • Support to qualitative improvement of the available infrastructural capacities at the University of Tuzla according to the Development Strategy of the University of Tuzla • Support to quantitative improvement of the available infrastructural capacities at the University of Tuzla according to the Development Strategy of the University of Tuzla • Support to construction of the University Science and Technology Park (UNTP) within the Tuzla University Campus
Estimated value	33.000.000 BAM (16.872.632 EUR)
Competent institution	Ministry of Education and Science of Tuzla Canton

Project title	Construction of highways/fast roads and main roads network within Tuzla Canton
Location	Tuzla Canton
Summary	<p>The project comprises the following activities:</p> <ul style="list-style-type: none"> • Construction of a highway/fast road Tuzla-Brčko-Orašje (Sava River), as a part of a highway/fast road Sarajevo-Tuzla-Belgrade • Construction of a fast road Tuzla-Doboj with regulation of the Spreča river bed and connection with the V-c highway. • Construction of a section at the main road M-18 Šiški Brod – Kladanj (border of Tuzla Canton) • Issuing the necessary permits for construction of the sections at highways/fast roads and main roads within Tuzla Canton.
Estimated value	2.216.050.000 BAM (1.133.048.373 EUR)
Competent institution	Federal Ministry of Transport and Communications; Ministry of Trade, Tourism and Transport of Tuzla Canton

Project title	Expansion of the heat energy supply network in the district heating system
Location	Tuzla Canton, City of Živinice, City of Gračanica, Municipality of Banovići
Summary	<p>The project comprises the following activities:</p> <ul style="list-style-type: none"> • Construction of district heating systems in the municipalities/cities of Tuzla Canton (City of Živinice) • Expansion of the district heating system in the municipalities and cities where such a system exists (City of Gračanica) • Procurement of additional 12 MW boiler and extension of the district heating network to the entire area of Banovići municipality • Procurement and installation of the heating stations • Construction of primary and secondary heating network.
Estimated value	26.000.000 BAM (13.293.589 EUR)
Competent institution	Ministry of physical planning and environment protection of Tuzla Canton

Project title	Development of tourist infrastructure
Location	Tuzla Canton
Summary	<p>The project comprises the following activities:</p> <ul style="list-style-type: none"> • Installation of tourist signalization at the main roads of Tuzla Canton • Development of a study of tourist signalization at regional roads of the Tuzla Canton as well as at the local roads of the municipalities/cities within the Tuzla Canton • Arrangement of access roads to tourist locations (access road to Old Town Srebrenik, etc.) • Tracing and mapping the hiking trails within Tuzla Canton • Support to arrangement of picnic areas and other tourist infrastructure for outdoor tourism (Ilinčica picnic site, Busija picnic site, etc.), construction of the Banovići narrow-gauge tourist railway
Estimated value	25.700.000 BAM (13.140.201 EUR)
Competent institution	Ministry of Education and Science of Tuzla Canton

Project title	Strengthening the material, technical and human capacities of health institutions
Location	Tuzlan Canton, Tuzla
Summary	<p>The project comprises the following activities:</p> <ul style="list-style-type: none"> • Reconstruction of primary and secondary health care facilities (health centres and regional clinics) • Equipping health care institutions and associated laboratories with the necessary diagnostic and medical equipment • Equipping the Emergency Medicine Centre at PHI UCC Tuzla (Adapting the space, as well as education and recruitment of staff) • Establishment and equipping of the Institute for Emergency Medical Care of Tuzla Canton (adapting the space, procurement of necessary equipment and staff training) • Recruitment of doctors with deficit specializations, as well as other quality medical personnel
Estimated value	40.500.000 BAM (20.707.321 EUR)
Competent institution	Ministry of Health of Tuzla Canton



Project title	Development of air traffic infrastructure
Location	Tuzla Canton, Dubrave
Summary	<p>The project comprises the following activities:</p> <ul style="list-style-type: none"> • Construction of central lighting line at the runway • The project aimed at improving the existing airport lights in order to raise the runway precision approach category to CAT III • Development of investment and technical project documentation for extension of the runway • Renewal of the worn-out part of the runway, reconstruction of the rollers (A, B and F) and rehabilitation of the drainage system • Project for the III gate construction • Construction of the Training Centre for professional staff and administrative posts • Project for installation of the air bridge • Expansion of the port platform and construction of the service route • Hotel construction • Construction of a parking lot for passenger cars and a system for sanitary sewage and rainwater disposal • Project for access-observation road to the "International Airport Tuzla" Ltd. Živinice • The project for procurement of missing and new airport equipment, and renewal of existing airport equipment • Master Plan Development Project • Project for construction of the west wing of the passenger terminal • Solar power plant construction project with feasibility study
Estimated value	29.058.000 BAM (14.857.120 EUR)
Competent institution	Ministry of Trade, Tourism and Transport of Tuzla Canton



Government of Tuzla Canton

Address: Rudarska 65, 75000 Tuzla
Phone: +387 35 280 711 (Centrala)
Fax: +387 35 369 306
Web site: www.vladatk.gov.ba
E-mail: vlada@tk.kim.ba

MINISTRIES OF TUZLA CANTON

Ministry of internal affairs

Address: Turalibegova bb, 75000 Tuzla
Phone: + 387 35 250 011
Web site: www.muptk.ba
E-mail: kontakt@muptk.ba

Ministry of finance

Address: Turalibegova 40, 75000 Tuzla
Phone: +387 35 369 367
Web site: www.vladatk.gov.ba
E-mail: minfintk@bih.net.ba

Ministry of culture, sport and youth

Address: Rudarska 65, 75000 Tuzla
Phone: +387 35 369 352
Web site: www.mksmtk.gov.ba
E-mail: mksm@tk.kim.ba

Ministry of education and science

Address: Muhameda Hevajija Uskufija 1, 75 000 Tuzla
Phone: +387 35 281 296
Web site: www.montk.gov.ba
E-mail: mon@tk.kim.ba

Ministry of agriculture, forestry and water management

Address: Rudarska 57, 75000 Tuzla
Phone: +387 35 369 421
Web site: www.vladatk.gov.ba
E-mail: minpvs@tk.kim.ba

Ministry of physical planning and environment protection

Address: Rudarska 65, 75000 Tuzla
Phone: +387 35 369 428
Web site: www.vladatk.gov.ba
E-mail: minpuzo@tk.kim.ba

Ministry of trade, tourism and transport

Address: Mije Keroševića 20., 75000 Tuzla
Phone: +387 35 369 393
Web site: www.mttstk.gov.ba
E-mail: minotts@tk.kim.ba

Ministry of justice and administration

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

Ministry of veterans' affairs

Address: Rudarska 65, 75000 Tuzla
Phone: +387 35 369 401/402
Web site: www.vladatk.gov.ba
E-mail: minbp@tk.kim.ba

Ministry of economy

Address: Aleja Alije Izetbegovića 29, Tuzla
Phone: +387 35 369 327
Web site: www.vladatk.gov.ba
E-mail: mp@tk.kim.ba

Ministry of labour, social affairs and return

Address: Fra Grga Martića 8, 75000 Tuzla
Phone: +387 35 369 335
Web site: www.vladatk.gov.ba
E-mail: minrspp@tk.kim.ba

Ministry of health

Address: Rudarska 72, 75000 Tuzla
Phone: +387 35 369 419
Web site: www.vladatk.gov.ba
E-mail: minzdr@tk.kim.ba

Other relevant institutions and organizations

Cantonal Chamber of Commerce Tuzla

Address: Trg slobode bb, 75000 Tuzla
Phone: +387 35 369 550/560
Fax: +387 35 369 552
Web site: www.kpktz.ba
E-mail: komora@kpktz.ba

Chamber of Crafts of Tuzla Canton

Address: Rudarska br. 56, 75000 Tuzla
Phone/Fax: +387 35 270 065
Web site: www.oktk.ba
E-mail: obrtnicka.komora.tk@gmail.com

Tourist Board of Tuzla Canton

Address: Ul. Muftije ef. Kurta br.1, 75000 Tuzla
Phone: +387 35 228 800
Web site: www.tourism-tk.ba
E-mail: turzejtk@bih.net.ba

Tourist Info Centre

Address: Soni trg br. 8, 75000 Tuzla
Phone/Fax: +387 35 257 449
E-mail: info@tztz.ba

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

Municipality of Banovići

Department for economy, planning and development

Address: Ul. Alije Dostovića br.1, 75290 Banovići,
Phone: + 387 35 743 406
Web site: www.opcina-banovici.com.ba
E-mail: amir.mrkonjic@banovici.gov.ba

Municipality of Čelić

Department for economy, transport and development

Address: Alije Izetbegovića 60-II, 75246 Čelić
Phone: + 387 35 668 654
Web site: www.opcinacelic.ba
E-mail: opcelic@gmail.com

Municipality of Doboј Istok

Department for entrepreneurship and finance

Address: Trg Alije Izetbegovića 1, 74207 Doboј Istok
Phone: + 387 35 720 421
Web site: www.opcinadobojistok.ba
E-mail: sluzba.finansije@opcinadobojistok.ba

City of Gračanica

Department for entrepreneurship, development and finance

Address: Mulamustafe Bašeskije br. 1, 75320 Gračanica
Phone: + 387 35 700 803
Web site: www.gracanica.gov.ba
E-mail: n.sinanovic@gracanica.gov.ba

City of Gradačac

Department for economy, budget and finance

Address: H.K. Gradašćevića br. 54, 76250 Gradačac,
Phone: + 387 35 369 750
Web site: www.gradacac.ba
E-mail: senad.vukovic@gradacac.ba

Municipality of Kalesija

Department for economy and budget

Address: Ul. Patriotske lige bb, 75260 Kalesija
Phone: + 387 35 367 706
Web site: www.kalesija.ba
E-mail: opcina@kalesija.ba

Municipality of Kladanj

Department for finance, entrepreneurship and local economic development

Address: Ul. Kladanjske brigade br. 2, 75280 Kladanj
Phone: + 387 35 628 483
Web site: www.kladanj.ba
E-mail: opcinakl@bih.net.ba;
dzenad.selimbasic@kladanj.ba

City of Lukavac

Department for economy, local development and inspection affairs

Address: Trg slobode br. 1, 75300 Lukavac,
Web site: www.opcina.lukavac.ba
E-mail: sluzba-plrip@lukavac.ba

Municipality of Sapna

Department for economy, budget and finance

Address: 206. Viteške brigade bb, 75411 Sapna,
Phone: + 387 35 599 530
Web site: www.opcinasapna.ba
E-mail: o.sapna@opcinasapna.ba; o.sapna@bih.net.ba

City of Srebrenik

Department for entrepreneurship, local development and investments

Address: Ul. Varoških polja bb, 75350 Srebrenik
Phone: + 387 35 369 162/157
Web site: www.srebrenik.ba
E-mail: poduzetnistvo@srebrenik.ba; opc.sreb@bih.net.ba

Municipality of Teočak

Department for economy, finance, physical planning and civil protection

Address: Centar bb, 75414 Teočak,
Phone: + 387 35 755 886
Web site: www.teocak.gov.ba
E-mail: info@teocak.gov.ba

City of Tuzla

Department for economic development, entrepreneurship and agriculture

Address: ZAVNOBIH-a br.11, 75000 Tuzla,
Phone: + 387 35 307 380
Web site: www.grad.tuzla.ba
E-mail: zijad.lugavic@tuzla.ba

City of Živinice

Department for local economic development, finance and treasury

Address: Alije Izetbegovića br. 28, 75270 Živinice,
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E-mail: indira@gradzivinice.ba





GUIDE FOR INVESTORS IN TUZLA CANTON
Ministry of economy of Tuzla Canton
