

2013



FOREIGN INVESTMENT PROMOTION AGENCY

**Bosnia and Herzegovina**

# **Tourism Sector**

BOSNIA AND HERZEGOVINA INVESTMENT OPPORTUNITIES





# Bosnia and Herzegovina Tourism sector

FOREIGN INVESTMENT PROMOTION AGENCY



BOSNIA AND HERZEGOVINA

# YOUR NEW ADVENTURE



# TABLE OF CONTENTS

New unexplored destination .....	6
Tourism in B&H .....	7
Estimated foreign tourist arrivals by category – 2011.....	8
Arrivals by country, 2011.....	8
Ski and mountain tourism .....	9
Eco tourism .....	10
Spa tourism .....	11
Cultural heritage & religious tourism .....	11
Adventure tourism .....	13
Sea tourism .....	14
Enormous development potentials .....	15
Testimonial of existing foreign investor.....	16
Successful stories .....	17
Key institutions & useful contacts .....	18

# Tourism sector in Bosnia and Herzegovina

## NEW UNEXPLORED DESTINATION

Already a hundred years ago the first tourist excursion travelled through the country, which was then under the reign of the Austro-Hungarian Empire. The trip was organized by Thomas Cook & Sons Company of London, later on transformed into the Hapag Lloyd. They also published the first «Tourist Guide to the country» in 1898. The two-week tour started at the border between Croatia and Herzegovina in Dobrljin including stops in Banja Luka, Jajce, Bugojno, Jablanica, Mostar, Sarajevo, Travnik, Dobož and



Tuzla. Shortly after, the Berlin Tourist Office began offering similar trips. The historical charm of these cities remains and makes them worth visiting.

With its natural beauties, good geographical location, wonderful hospitality of Bosnian people, rich heritage and history and gastronomy offerings, and its status as a still unknown tourism destination for major markets, B&H has all pre-determinants for an extremely successful tourism industry story. According to the World Tourism Organization, Bosnia and Herzegovina is defined as one of only three tourism destinations in the world with overall tourism market growth potential in excess of 10% annually through 2020.

By air Bosnia and Herzegovina today is connected to all European centres. The bus-railroad network is well developed and connected to the largest European transportation hubs.

### *LAND OF INREDIBLE BEAUTY*

*... you'll be amazed to find that B&H is one of the most culturally and naturally diverse lands in all of Europe... Green Visions*



## TOURISM IN B&H

Bosnia and Herzegovina, a land of breath-taking natural beauties and ever lasting historical and cultural heritage, largely matches the new market travel trends particularly requirements of the travelers who are looking for new destinations, adventure and authenticity.

This beautiful country has so much to offer for those people who seek different experiences, away from the crowd, whether they are looking of skiing, rafting, hunting or patient bird-watching.

World Economic Forum has published the Travel and Tourism Competitiveness Report for 2013 and Bosnia and Herzegovina's Attitude of population toward foreign visitors Competitiveness Index for 2013 is 6.6, which gives the country a rank of 8 out of 140 countries with comparable data. Also, Bosnia and Herzegovina's Quality of the natural environment Competitiveness Index for 2013 is 5.5, which gives the country a rank of 20 out of 140 countries.

Bosnia and Herzegovina is a melting pot of many different cultures, a bridge between East and West. The traveller's experience is like nowhere else; from Roman times to the reign of the Bosnian Kings; from the Ottoman Period, the Austro-Hungarian Empire and the Yugoslavian era with Marshal Tito as its leader. Bosnia and Herzegovina is also a paradise for nature lovers. Soaring mountains, untouched forests, and wild rivers invite you to come for rafting and canoeing or for long walks. The Olympic ski tracks offer the opportunity of enjoying the snow for affordable prices. Perhaps the greatest asset is the wonderful hospitality of Bosnian people, along with the traditional Bosnian coffee and cakes, the irresistible "ćevapi" (grilled minced-meat fingers), wines of long tradition, our lively urban promenades and small cosy places.

The B&H tourism industry has recorded positive trends in all major growth indicators over the past ten years, with still considerable room for further utilization of its unquestionable potential.

The most promising tourism segments:

- Ski and Mountain tourism
- Ecotourism
- Spa tourism
- Cultural Heritage & Religious tourism
- Adventure tourism
- Sea tourism

Long-term average annual growth rates of foreign tourist arrivals and nights is at remarkable double-digit levels – 11.3% and 10.2% respectively. Arrivals and overnights were up by 9,3% and 12,2% respectively in the first five months of 2012 against same period a year earlier.

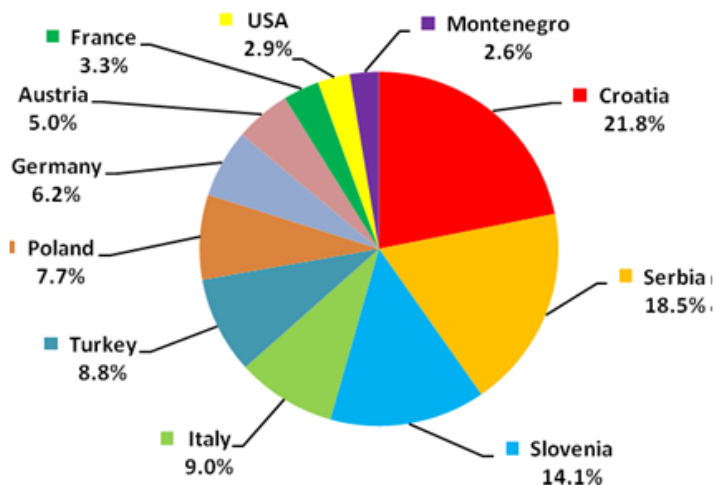
## ESTIMATED FOREIGN TOURIST ARRIVALS BY CATEGORY – 2011

Tourist Category	Estimated Arrivals
Foreign Tourists in commercial accommodation	600.000,00
Day Trips	490.000,00
Diaspora	498.000,00
Total	1.588.000,00

Source: David T. King and Omer Ćar, *Estimating Foreign Tourism Arrivals in BiH, USAID Cluster Competitiveness Activity*

Total added value produced by the tourism sector grew by 1.8% annually in 2011. against a year earlier. Tourism sector records share in total employment of 4.1% in 2011. Croatia, Serbia and Slovenia have been showing encouraging growth in arrivals and overnight stays. Other major tourism generating markets also showed strong growth in arrivals and overnights for the first five months of 2012, with the following statistics: Italy (19.3% and 17%), Turkey (10.5% and 8.2%), Germany (3.6% and 11.8%) and Austria (13% and 10.9%).

## ARRIVALS BY COUNTRY, 2011



Source: BiH Agency for Statistics

*“The country has immense opportunities for tourism development given its rich natural and cultural heritage, its unique mix of cultures and religions, as well as its strategic location close to major European source markets” - UNWTO Secretary General, Mr. Taleb Rifai*

Each year the World Economic Forum has published the Travel and Tourism Competitiveness Report. Bosnia and Herzegovina's Travel and Tourism Competitiveness Index for 2013 is 3.8, which gives the country a rank of 90 out of 140 countries with comparable data. Bosnia and Herzegovina's Attitude of population toward foreign visitors Competitiveness Index for 2013 is 6.6, which gives the country a rank of 8 out of 140. Also, Bosnia and Herzegovina keeps 29th place out of 140 countries for Safety and security, and also 29th place for Availability of qualified labor.

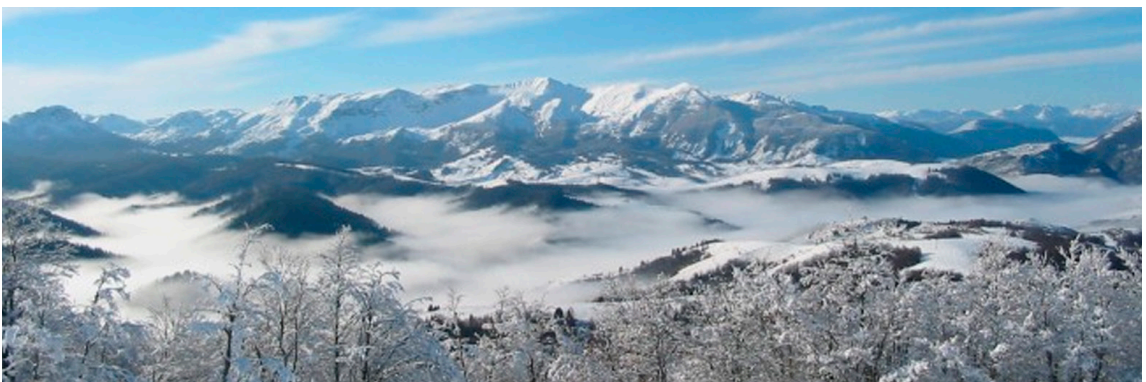


## SKI AND MOUNTAIN TOURISM

*Sarajevo, the national capital Hosted the 1984 Winter Olympics, which, at that time, were the largest Winter Games ever (in terms of athletes and media).*



Skiing, hiking and alpinism tradition in Bosnia and Herzegovina has existed for over a hundred years, but the expansions of winter tourism came after the XIV Olympic Games held in 1984 in Sarajevo. Tourists and especially skiers say that you can find everything in Bosnia and Herzegovina: the perfect ski slopes of Jahorina, the best alpine skiing track on Bjelasnica, and the massive, tall and absolutely tame and open Vlasic, and harsh Kupres, and colorful Igman. The Olympic Mountains Jahorina, Bjelasnica, Igman, Trebevic and Vlasic, as well as recreation centres of Kupres and Risovac, and ski resorts on Kozara, Busovaca, Ostrelj, Vlasenica, Vranica, Borje and others, offer more than 60 kilometres of perfect ski slopes.



*Some of the best-and cheapest-alpine skiing in all of Europe.  
- Outside Magazine -*

The mountain centres are ideal for development of winter, sports, recreation, hunting and fishing tourism. Undoubtedly, Bosnia and Herzegovina has the strongest comparative advantages compared to other countries in the region.

## ECO TOURISM

B&H has already established a number of national and nature parks such are:

- Sutjeska national park
- Kozara national park
- Una national park
- Hutovo Blato nature park
- Bardaca nature park
- Blidinje nature park



Sutjeska national park is one of the first established in Europe and still holds the last remaining thousand year old rainforest Perucica.

A country also has the two swamps which are natural reservations and bird habitats. In the north, there is the Bardaca swamp, and the south Hutovo Blato – both have been declared destinations of an international significance by the Ramser International Convention about swamps.

The canyons, lakes, beautiful rivers, waterfalls, springs, and many more unspoiled natural resources have created a unique Bosnian eco tourism product. Furthermore, the villages in mountain regions, offer tourists the possibility to enjoy the special rural ambient with traditional hospitality, and rich culinary offer of domestic products.

B&H has numerous locations extremely suitable for eco, geo and ethno tourism development particularly in cooperation with capital investors.

## SPA TOURISM

In recent years the tourists are increasingly interested in spa tourism of Bosnia and Herzegovina, because the country is rich in high-quality thermal and mineral springs, health resorts and spas. Usually nestled in beautiful surroundings with unspoiled nature and clean air, these health resorts offer true rest and relaxation, in addition to health care. At present there are 15 health spas in B&H registered as health care institutions. There are located in the areas of Olovo, Fojnica, Bjeljina, Bihać, Srebrenica, Gradacac, Sarajevo, Kiseljak, Laktasi, Bosanska Dubica, Sanski Most, Teslic, Prnjavor, Banja Luka and Visegrad. In last few years B&H has actively worked in development of its spas in order to offer better services to its guests.

However, most of spas need investments in upgrading and modernization of existing facilities and programs, seeking for potential strategic partners to readjust their business models, management philosophy and marketing strategy.

## CULTURAL HERITAGE & RELIGIOUS TOURISM

Bosnia and Herzegovina is a country of long and rich history, which cultural heritage presents a complex mixture of Mediterranean, Byzantine, Ottoman and Central European influences making the country a unique attraction for cultural and religious tourism. There are a number of towns, memorial of the past time and testimonial of continuity of habitation at these places from antique and medieval periods to present time such are: Mostar, Pocitelj, Banja Luka, Trebinje, Travnik, Bihac, Visegrad, Jajce, etc. As a meeting point of different civilizations and cultures over centuries, most of major religions Judaism, Roman Catholics, Christian Orthodox and Islam exist in harmony in B&H offering a number of sacred places and unique experience to domestic and international visitors. Two important monuments and tourist attractions in the country – Old Bridge in Mostar and Mehmed Pasa Sokolovic Bridge in Visegrad are included at UNESCO World Heritage list.



MEDJUGORJE, One of the largest catholic pilgrim sites in the World



TVRDOS, Serb Orthodox monastery near the city of Trebinje, 15th-century



TEKIJA (Dervish monastery) at BLAGAJ, 16th-century



Old Bridge, Mostar  
UNESCO's World Heritage



Mehmed Pasa Sokolovic Bridge, Visegrad  
UNESCO's World Heritage



The Sarajevo Film Festival – the first and the largest film festival in the region!



## ADVENTURE TOURISM

*Bosnia & Herzegovina is an emerging adventure-tourism destination, with excellent whitewater rafting on the Una and Neretva rivers.*

*- Lonely Planet -*

Adventure trips and packages offer different types of active holidays for tourists including: rafting, kayaking, walking the canyons of a series of crystal clear waters of the river Tara, Una, Neretva, Vrbas, climbing rocks, hiking, mountain-biking, paragliding and hang- gliding, skydiving, adventure



driving off-road vehicles in a beautiful and magical ambience of the Olympic Mountains, Treskavica, Romania, Prenja Cvrsnica, Zelengore, Veleza, Vranica, Ozren, etc.

Adventure tourism in the country is still not sufficiently explored, but thanks to the natural beauty of mountains, rivers, canyons and lakes, adventure tourism can become B&H's tourism brand. In 2009 Rafting World Championship was successfully organised in Bosnia and Herzegovina at the River Vrbas and The Rivera Tara.

*National Geographic ranked Bosnia and Herzegovina among the 10 best adventure destinations for 2012. Among the destinations that offer excellent rafting, mountaineering, skiing and other adrenaline sports, B&H was named as offering the best mountain biking trails.*

## SEA TOURISM

With its 23 kilometres of the Adriatic coast and 240 sunny days every year, Bosnia and Herzegovina each year attracts more tourists from all over the world. The town of Neum represents B&H's Adriatic Gate and is the only coastal town in Bosnia and Herzegovina. It was first mentioned in 533 (under the name Neunense), and developed as a maritime retreat in 1965. The Old Town of Neum is 2 km inland.



Scuba-diving, parasailing, boating and jet skiing can be arranged in any of the major hotels. Guests are also offered very attractive tourist visits to Dubrovnik, Mostar, Medjugorje, Hutovo Blato and Vjetrenica. The current accommodation in Neum cannot meet the needs of tourists during the season, which offers investors an excellent opportunity for upgrading and construction of new facilities



## ENORMOUS DEVELOPMENT POTENTIALS

Tourism sector in B&H has enormous potential for development, possessing all preconditions to play a significant role within the country economy. For this reason, the tourism development was consequently recognized as one of the top priorities of the overall national economic development policy.

Significant efforts have been put into creation of favourable business and investment environment for potential investors.

### Investment Opportunities

- Opening and construction of new tourism resorts
- Upgrading of accommodation, entertainment and recreation facilities of existing resorts
- Hotels privatisation
- Nature Parks commercialisation
- Resort operators
- Investment in tourism supporting infrastructure

### Investment Modes & Approaches

- Individual private project
- Joint ventures
- PPP
- Concession
- Acquisition
- Privatisation
- Long term loans

*Tourism in BiH offers a favourable business environment with increasingly active tourism promotion system.*

## TESTIMONIAL OF EXISTING FOREIGN INVESTOR

Hotel Bristol Sarajevo (Saudi Arabia)

Mr. Kai Behrens, General Manager, Hotel Bristol Sarajevo

“The Bristol Sarajevo, one of the most recent opened hotels in Bosnia and Herzegovina. Hotel Bristol Sarajevo is the first internationally operated hotel which opened after the Olympic Games in 1984. We have taken a lot of efforts and investment to showcase Bosnian hospitality. We have taken a lot of interest in promoting Bosnia and Sarajevo to the world. Why Bosnia and Herzegovina? We as an international hotel operator Shaza Hotels which is a partner of Kempinski, have great interest in developing tourism sector in this part of the world. Bosnia has so much to offer in the tourist sector which needs to be discovered and promoted worldwide. What can Bosnia offer? I mean, we have a fantastic landscape, fantastic leisure activities. Bosnia has been awarded the leisure destination in the outside world by the National Geographic. It has been awarded the best destination; the best city to visit in 2012. The issue is we need to communicate this to the local and international community. From an investment point of view, Bosnia and Herzegovina has huge potential in the tourist sector, not only leisure but also in other segments. Bosnia and especially Sarajevo is the heart of the Balkans. Here we have a very large potential in developing it as the meeting in convention, hosting city, in not only the Balkans but South European region. We can attract, and we have already started attracting multinational corporations hosting the events in the city and showcasing to them what Bosnia can do. Over the next couple of years Bosnia will see a huge growth in that segment predominantly by the European Union as the European Union enlarges, Bosnia becomes surrounded by European Union. Nevertheless it will be a relatively budget destination. So there is very big growth ahead of us. This is why we have put in this hotel in Sarajevo as the first investment with the second one coming up in the next 18months to make sure we are moving ahead and showing that Bosnia is the prime destination for SE Europe.”





## SUCCESSFUL STORIES



Hotel Central, Sarajevo  
Investor: Templeville Development, Ireland



Tuzla Hotel, Tuzla  
Investor: RAM Invest, Slovenia

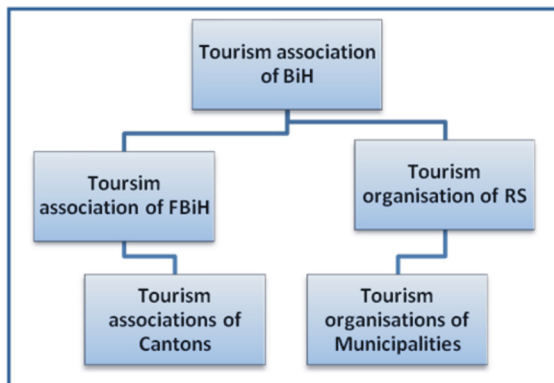
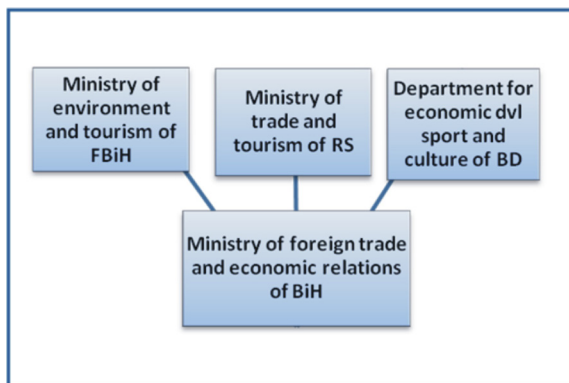


"Ilidža Terme", the hot springs of Sarajevo  
Investor: Terme Čatez, Slovenia



Bristol Hotel, Sarajevo  
Investor: Shiddi International, Saudi Arabia

## KEY INSTITUTIONS & USEFUL CONTACTS



### Useful contacts:

Ministry of environment and tourism of FB&H ..... [www.fmoit.gov.ba](http://www.fmoit.gov.ba)

Ministry of trade and tourism of RS ..... [mtt@mtt.vladars.net](mailto:mtt@mtt.vladars.net)

Investment and Development Bank of RS ..... [www.irbrs.net](http://www.irbrs.net)

Agency for Privatisation of FB&H ..... [www.apf.com.ba](http://www.apf.com.ba)

Tourism Association of B&H ..... [www.bhtourism.ba](http://www.bhtourism.ba)

Tourist Organization of RS ..... [www.turizamrs.org](http://www.turizamrs.org)

FOREIGN INVESTMENT PROMOTION AGENCY

GRBAVIČKA 4.

71 000 SARAJEVO, BIH

PHONE: + 387 33 278 080,

FAX: + 387 33 278 081

E-MAIL: [FIPA@FIPA.GOV.BA](mailto:FIPA@FIPA.GOV.BA),

WEBSITE: [WWW.FIPA.GOV.BA](http://WWW.FIPA.GOV.BA)