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WE ALSO INFORM YOU THAT FIPA MOVED TO THE NEW PREMISES LOCATED AT GRBAVIČKA 4, SARAJEVO.



NEWSLETTER NO. 88

OCTOBER 2012

FIPA ACTIVITIES ≡

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HIGHLIGHTS ≡

SOUTHEAST EUROPE BUSINESS FORUM IN ISTANBUL



SOUTHEAST EUROPE BUSINESS FORUM 22 – 23 November 2012, Istanbul, Turkey

More than 300 CEOs and decision-makers from Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Former Yugoslav Republic of Macedonia (FYROM), Moldova, Montenegro, Romania, Serbia, Turkey will participate at the Forum.

FIPA ACTIVITIES ≡

FIPA RECORDED THE NEW PROMOTIONAL VIDEO ABOUT INVESTMENT OPPORTUNITIES IN B&H ≡



BUSINESS MEETINGS



ROUNDTABLE “FUTURE TEXTILE AND CLOTHING INDUSTRY-EXPERIENCE OF THE FR OF GERMANY” ≡



...AND MORE ACTIVITIES...



FOREIGN INVESTMENT PROMOTION AGENCY
OF BOSNIA AND HERZEGOVINA



FIPA PRESENTATION FOR NORWEGIAN INVESTORS



At the Business Group Meeting for Norwegian investors organized by the Royal Norwegian Embassy in B&H, Nina Pobric, Head of Promotion Department of FIPA, had on 2nd October 2012 a presentation on the FIPA activities on promotion of Bosnia and Herzegovina as a safe and profitable location for investing, and on services that FIPA provides to the existing and potentials of foreign investors in B&H.

At the meeting, the Ambassador of the Kingdom of Norway H.E. Vibeke Lilloe addressed participants, and then the Norwegian businesses and business incubators presented their activities and the main challenges they face in running business in B&H.

EXPO REAL



FIPA PARTICIPATED AT EXPO REAL 2012 IN MUNICH

The Foreign Investment Promotion Agency (FIPA) this year for the first time participated at the 15th Investment EXPO REAL 2012 in Munich from 8th to 10th October, at which participated over 1700 exhibitors from 31 countries. The delegation of B&H, among representatives of the FIPA Agency, included representatives of the Government of RS, the Government of FB&H and the Government of District Brcko.

Within the fair, a special roundtable about the investment opportunities in Bosnia and Herzegovina has been held on Wednesday 10 October. The goal of this roundtable was to present investment opportunities in B&H to potential investors, as well as to realize direct contacts with interested potential investors. Concrete investment projects were offered on this occasion, as well as a wide variety of promotional materials in electronic and printed form.

It is expected that this fair will partially contribute to the improvement of the general image of the possibilities for investing in B&H, and that it will lead to the realization of concrete projects in the following steps.



BUSINESS FORUM BETWEEN B&H AND ITALIAN BUSINESSPEOPLE



The Foreign Trade Chamber of Bosnia and Herzegovina, in cooperation with the Chamber of Commerce of Milan (PROMOS) and the Agency for Promotion Abroad and the Internationalization of Italian Firms (ICE), has organized a Business Forum and bilateral meetings of B&H and Italian businesspeople on 17th October in Sarajevo.

The aim of the meeting was to connect potential business partners in order to establish trade cooperation, investment, and industrial - technical relations.

The forum was attended by representatives of 50 companies from Bosnia and Herzegovina and 9 companies from Italy.

The Director of the Foreign Investment Promotion Agency of Bosnia and Herzegovina (FIPA) Jelica Grujic presented the investment opportunities of Bosnia and Herzegovina to Italian businessmen and pointed out that Italy invested up to December 2011 124 million euros in B&H, which ranks it at 10th place in terms of volume of investment in B&H.

Charge d'affaires of the Embassy of Italy in B&H Stucci Stefano said that B&H is interesting in various sectors for Italy, especially when it comes to the energy, metal processing sectors and tourism.

Stucci stressed that Italy is the 2nd foreign trade partner of Bosnia and Herzegovina when it comes to Europe and said that the two major Italian banks, Unicredit and Intesa Sanpaolo, are occupying more than 30% of the financial market in B&H.



FIPA REPRESENTATIVES VISITED THE COMPANY KAVAT IN TRAVNIK

On 22nd October 2012, the representatives of FIPA visited the company Kavat in Travnik, where they met with the Director Smajil SABIC, and introduced him with the objectives and activities of FIPA in 2012.

The company Kavat Travnik is established in 2009 and is engaged in the production of children's leather shoes. It is 100% export-oriented, their products are not available at the local market due to the price competition.

The company has 117 employees and is owned by the Swedish Shoe Factory AB, based in Sweden. The factory in Travnik carries out all activities, and as a final product, footwear is exported at the market of Austria, Russia and Scandinavia.

According to Mr Sabic, in running business they don't have problems. He is satisfied with the business environment in Bosnia and Herzegovina.

The main reason for investing in B&H and for moving operations from Estonia to B&H were cheap and skilled labour force. The priority steps in the future are the construction of a new factory on 4000 m² and the land acquisition of the former giant Borac Travnik at about 10000 m². For this investment, they plan to invest an additional 5 million BAM and to hire another 300 workers due to positive business results. Mr Sabic hopes to have the support of the local government and the Prime Minister to planned investments taking into account the high investment and creation of many new jobs in Travnik which has a long tradition in the textile industry.



FIPA VISIT TO IONIX SYSTEMS PRODUCTION FACILITY IN MAGLAJ



Within its aftercare program of visiting existing investors, the FIPA representatives in October 2012 visited the company Ionix Systems BH d.o.o. placed in Maglaj. Ionix Systems is a British specialist designer and manufacturer of wiring harness and woven systems, providing interconnection solutions for aerospace, defence, power generation and other high-performance engineering sectors. The head office and manufacturing facility of Ionix Systems is based in Lancashire and they also have manufacturing facilities based in Croatia and Estonia.

Since September 2012, this British manufacturer enters the B&H's market and opened a production facility in Maglaj creating a job for more than 90 employees. According to the Executive director Mr. Stephen Allan, the main reason for investing in B&H is its favourable location and cost competitive production environment. During the company's establishment they benefited from cooperativeness and readiness of the Municipality of Maglaj to support them in implementing their business ideas. Ionix Systems consider the business environment in Bosnia and Herzegovina as the satisfactory one, and they are already planning to take an additional space to support their future growth plans and increasing of local employees. The representatives of FIPA B&H also visited the Stock company „Prerada i promet mlijeka (PPM)“ Tuzla, where they met with the Mrs. Zora Manjić, Head of Legal Department.

Stock company „Prerada i promet mlijeka“ dd Tuzla is industrial milk processing company which was established in 1959. At the beginning of 2004 „PPM“ Tuzla got a strategic partner (96,03 ownership), the Slovenian company „Ljubljanske Mlekarne“ which with their knowledge and staff made a faster development of „PPM“ Tuzla.

The company „Ljubljanske Mlekarne“ was founded in 1956., and today processes around 200 million litres per year, which is about 50% of all collected milk in Slovenia. The main reason for investing in BiH was cheap and skilled labour force, expansion of its production as well as the nearness of bh market. „Prerada i promet mlijeka“ dd Tuzla has production capacities of 100.000 litres of milk per day, has 105 employees and the company has established itself as a strong leader in its native Tuzla region supporting neighbouring farmers.



EXPO REAL



JUWAL PRODUCTION PLANT IN MOSTAR OFFICIALLY OPENED



In the presence of business partners, government, political and diplomatic representatives the Juwal production plant in Mostar was officially opened on 2nd October 2012. The production plant is part of the Swiss company JUWAL Group which produces custom-made aluminium facades, windows and doors.

Juwal Ltd. already employs fifteen persons and will employ thirty more. Since July 2012 the company has been exporting to the Swiss and German markets. As the owner of the Juwal group, Ralph P. Junker said, the idea to establish a company in Mostar was born in November last year. Eight months later the idea is been implemented. "One of the reasons for choosing Mostar was also the disposability of profiled metal workers", said Junker. Seed money for conducting a production in Mostar was provided by the Start-up Fund of the State Secretariat for Economic Affairs with the aim to create business opportunities in countries like Bosnia and Herzegovina. The Mayor of Mostar Ljubo Beslic emphasized that this is a big step for Mostar and it gives him the pleasure to be the city mayor in moments like this. The Swiss Ambassador in B&H Andre Schaller thanked the representatives of government and administration in Bosnia and Herzegovina for their support, wishing that this support continues in the future by simplifying administrative matters and cutting unnecessary red tape. "Companies like Juwal are like lighthouses to other potential investors. With their lights on, they show that the investment climate is good and international standards for business ethics are respected", said Schaller. The first contact of FIPA with the Swiss investor Ralph Junker and his local partners was made at the beginning of 2012. Several meetings were held where the mentioned investor presented his plan to establish in Mostar a company for production of windows, door and facade of aluminium.

MEETING & EVENTS ≡

October 2

FIPA PRESENTATION FOR NORWEGIAN INVESTORS

October 8-10

FIPA PARTICIPATED AT EXPO REAL 2012 IN MUNICH

October 8-10

BUSINESS FORUM BETWEEN B&H AND ITALIAN BUSINESSPEOPLE

A map of Europe with white outlines of countries on a blue background. The country of Bosnia and Herzegovina is highlighted with a yellow and blue flag featuring white stars. The text is centered over the map.

INVEST IN BOSNIA AND HERZEGOVINA YOUR NEW OPPORTUNITY

WWW.FIPA.GOV.BA



WHY INVEST IN BOSNIA AND HERZEGOVINA?

- STRATEGIC LOCATION
 - AVAILABLE NATURAL RESOURCES AND BEAUTIES
 - LONG TRADITION IN DIFFERENT INDUSTRY BRANCHES
- ABUNDANCE OF INDUSTRIAL ZONE, ATTRACTIVE SITES AND AVAILABLE PRODUCTION FACILITIES
 - FAVOURABLE LEGAL ENVIRONMENT
 - LOW TAX RATES
- HIGHLY EDUCATED AND PRICE COMPETITIVE LABOUR FORCE
 - STABLE DOMESTIC CURRENCY BAM PEGGED TO EURO
 - REGIONAL AND BILATERAL FREE TRADE AGREEMENTS
 - EU PERSPECTIVE