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NEWSLETTER NO. 93

MARCH 2013

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FIPA ACTIVITIES ≡

MEETING OF FIPA REPRESENTATIVE WITH PRIME MINISTER OF
ZENICA-DOBOJ CANTON



DIRECTOR OF FIPA JELICA GRUJIC PARTICIPATED AT
BUSINESS FORUMA IN THE UAE AND QATAR



...AND MORE ACTIVITIES...



MEETING OF FIPA REPRESENTATIVE WITH PRIME MINISTER OF ZENICA-DOBOJ CANTON



Within cooperation of FIPA with representatives of the authorities in B&H on improving business environment in the country and increasing the flux of foreign investments, the FIPA representative Maida Becirovic met on 5th March 2013 with the Prime Minister of Zenica-Doboj Canton Mr Fikret Plevljak. At the meeting it was discussed on intensification of the cooperation between FIPA and the Government of the Canton on activities which have to be undertaken in order to be more attractive for foreign investors and to increase the flux of foreign investments. On this occasion, it was pointed out that the Zenica-Doboj Canton has sufficient number of the investment projects that FIPA will promote in the period to come.

The Prime Minister announced on this occasion his participation at the round table/conference "Foreign Investors in better business environment – contribution of the sector of justice" which will be organized by FIPA in cooperation with USAID on 20th March 2013 in hotel Bristol in Sarajevo.



VISIT OF THE NETWORK COOPERATION REPRESENTATIVES TO THE COMPANIES PROFINE D.O.O. AND TEHNODIESEL D.O.O. ZIVINICE

Within the Aftercare Programme realization for 2013 through the network of cooperation for work and post-investment support to foreign investors in B&H, the FIPA representative Tanja Bojovic-Simic, the representative of the Municipality of Zivinice Indira Dzeko and the representative of the Ministry for Entrepreneurship and Development of Tuzla Canton Mirela Omerovic visited on 5th March 2013 the companies Profine d.o.o. and Tehnodiesel d.o.o. from Živinice. They met with Hasan Pezerovic, Head of Sales and Production Department of Profine d.o.o. and with the Director of Tehnodiesel d.o.o. Ahmer Camdzic. The Profine d.o.o. company has been present at the B&H market from 1997, with its headquarter in Zivinice. At the beginning, it had 4 employees and today it has 50 ones.

Profine d.o.o. is a Greenfield investment and it is 100% owned by German investors. The main activity is the sale of profiles and transfer of technology for the production of the PVC joinery.

Tehnodiesel d.o.o. company is owned by Slovenians and have been opened 3 years ago. It is relatively small firm with five full-time employees and two or three seasonal workers. Their main activity is the manufacture and servicing of forklift trucks – plows. Export-oriented, it exports most of goods to Slovenia.

Creating a network of cooperation for work and post-investment support to foreign investors in the country composed of the Agency FIPA as coordinator of activities, competent institutions of the FB&H, cantons and municipalities is foreseen by the Agreement on Cooperation between the B&H Council of Ministers and the International Finance Corporation (IFC) on a "Improving the Business Environment in B&H Project".



FIVE WINE PRODUCERS FROM B&H PARTICIPATED AT “FOODEX JAPAN 2013 FAIR” FROM 5TH TO 8TH MARCH IN TOKYO



The B&H wine cellars : SAVA Semberija d.o.o. Bijeljina, Podrumi Andrija d.o.o. Citluk, Vinarija Citluk d.d. Citluk, Podrumi Tvrdos Trebinje, Vinogradi Nuic d.o.o. Ljubuski participated at 38th International Food and Beverage Exhibition „Foodex Japan 2013” from 5th to 8th March 2013 in Tokyo. At the fair, it was agreed export of 7200 bottles of the B&H wine around at the Japanese market whose value amounts to around 50 000 EUR, which can be considered as a great success. A large contribution to the success of the B&H wine producers was given by the FIPA Office in Mostar and the FIPA Country Representative in Japan Shigehiko Nishihama who have established contact with the B&H wine producers and have visited them and have jointly worked on promotion of the B&H wine quality at the Japanese market. Japanese visitors who tasted wine were impressed, recognized high quality of wine from B&H original grape Blatina and Zilavka. On the 1st day, at the tasting place at FOODEX which had selected wines from all participants including France, Italy and Spain and so on, Blatina Nuic was the most popular and Vranac Tvrdos was the 2nd. Sommelier, chief of famous restaurant or wine bar and trade companies recognized high quality of the B&H wine.

The FIPA Country Representative in Japan participated at the FOODEX every day in front of the B&H booths, promoted and explained in detail to Japanese visitors face to face. He also made very important role for preparation of FOODEX and promotion of B&H products for visitors to decide to import. For B&H, it is 2nd time to participate for FOODEX Japan, but as wine cellar, it is the 1st time. 75000 guests visited the fair, while 72 countries from the world exhibited their products of food and beverage. The participation of the B&H wine producers at FOODEX was organized through the support program “JETRO Zone” intended to the producers of food and beverage from developing countries.

The Embassy of Japan in B&H in cooperation with Office of Japanese External Trade Organization (JETRO) from Vienna organized in July 2012 a seminar on promotion of the wines from Herzegovina in Japan where the wine producers have been familiarized with the Japanese market of the wine, and with possibilities for applying for participation in the “JETRO Zone” Program.



DIRECTOR OF FIPA JELICA GRUJIC PARTICIPATED AT BUSINESS FORUMA IN THE UAE AND QATAR

Within the official visit of the state-economic delegation of Bosnia and Herzegovina to the United Arab Emirates and Qatar from 6th to 10th March 2013, as a member of the delegation, the Director of the B&H Foreign Investment Promotion Agency (FIPA) Jelica Grujic attended three Business Forum held in Abu Dhabi, Dubai and Doha. In the B&H delegation were representatives from 46 companies and institutions.

The size of the delegation, the composition of delegation, economic forums, meetings at the political level and the businessmen level, and attention paid on this visit by the media of the host countries significantly influence the creation of the image of Bosnia and Herzegovina as a safe location for foreign investors.

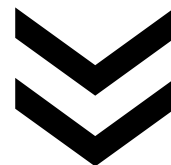
The interest was shown by businessmen of these countries for the establishment of economic cooperation with Bosnia and Herzegovina. A significant number of businessmen participated at forums and it was used the opportunity to present the B&H investment opportunities to these target groups, to present them concrete projects and to establish personal contacts. Now it is our mission to maintain these contacts in the future in order to eventually materialize concrete ideas in period to come. Entrepreneurs of the host countries expressed their interest in Bosnia as part of the region and highlighted the importance of proximity to the European market.

As our comparative advantages it was identified the geographical position of B&H, especially by the Croatian accession to the EU when Bosnia will have more than 1000 km border, not with Croatian, but with EU. Additional advantages are low operating costs, and our untapped natural resources.

Investment funds of Qatar and the UAE have expressed willingness to finance projects from B&H tourism and energy sectors and metal industries. In which measure this opportunity will be used, depends on Bosnia and Herzegovina.



FIPA REPRESENTATIVE AT THE 18TH INTERNATIONAL FAIR “GAST” SPLIT



At the 18th International Fair “Gast” held from 6th to 10th March in Split, the FIPA representative Amir Kazić presented the most significant potential of B&H tourism and participated at B2B meetings.

He also met with Ana Barac from Entrepreneurial Centre of Knin, the President of the Municipality of Primorski Dolac Bozo Vidic, the Project Manager at Enterprise Europe Network Pécs Eniko Schmidt, the President of the Chamber of Commerce of Split Dalmacija Canton Jadranka Radovanic. On this occasion, it was discussed on the modalities of cooperation and the projects implementation in the agriculture and food sectors and in tourism sector of B&H and Croatian by using the EU funds through the CBC programs.

It should be mentioned that Foreign Trade / Foreign Trade Chamber of Bosnia and Herzegovina, in partnership with USAID-SIDA FIRMA Project Bosnia & Herzegovina and Cantonal Chamber of Commerce of Tuzla, with the financial support of the Ministry of Development, Entrepreneurship and Trade of FB&H, organized the joint participation of the B&H companies – furniture manufacturers : Eden Garden d.o.o. – Istočno Sarajevo, FIS d.o.o. – Vitez, Malagić d.o.o. – Živinice, Propak d.o.o. – Tuzla, Rattan Sedia d.o.o. – Brčko i UNIS d.d. – Sarajevo.

Tourist Association of FB&H with Cantonal Tourist Associations and Association of Old Crafts from Tuzla also participated at the fair.



VISIT OF REPRESENTATIVES OF THE NETWORK FOR COOPERATION TO THE COMPANY MANN+HUMMEL BA J.S.C. TEŠANJ

Within the Aftercare Programme realization for 2013 through the network of cooperation for work and post-investment support to foreign investors in B&H, the FIPA representative Nina Pobric, the representative of the Municipality of Tesanj Ismar Alagic and the International Finance Corporation representative Wiliam Mut visited on 12th March 2013 the company MANN+HUMMEL BA J.S.C. from Tesanj. They met with the General Manager Smail Ramovic. Former company Unico Filter Tesanj became in 2005 a member of MANN+HUMMEL Group, the biggest world producer of filters from Germany. MANN+HUMMEL Group is well-known company who operates globally and hires over 14,000 workers in 50 different locations around the world.

In 2012, it realized a turnover of around 47 million BAM, out of which the export represents 95%. From 2006 to 2012, MANN+HUMMEL BA invested around 12 million EUR, and it plans to invest additional 10 million EUR till 2018.



DIRECTOR OF FIPA VISITED THE MUNICIPALITY OF ZIVINICE



On 15th March 2013, the Director of FIPA Jelica Grujic visited the Municipality of Zivinice where she met with representatives of the Municipality, the Municipal Council, as well as with representatives of the 13 municipalities of Tuzla Canton who design, chair and supervise the projects of the development economic and the infrastructure in their municipalities, as well as a number of businessmen from this region.

At a meeting in Zivinice, the Director of FIPA Ms Grujic informed the present people on the Agency's activities, on realized investment projects, and on the projects that are of interest to foreign investors. They were also informed about how and in what way to prepare basic information on the projects which the foreign partner is looking for, as well as in what way they can communicate with FIPA regarding projects, etc.



THE FIPA DIRECTOR PARTICIPATED IN THE WORK OF THE 1ST SESSION OF THE JOINT COMMISSION FOR ECONOMIC COOPERATION BETWEEN THE REPUBLIC OF SERBIA AND B&H

The FIPA Director participated in a two-day 1st session of the Joint Commission for Economic Cooperation between the Republic of Serbia and Bosnia and Herzegovina, which was held in Belgrade on 18th and 19th March 2013. The Joint Commission will work on implementation of the Agreement on Economic Cooperation between the Council of Ministers of B&H and the Government of the Republic of Serbia signed the 2009.

The development of mutual trade and economic relations with the aim to intensify the overall economic cooperation and improving foreign investments was analysed within this meeting.

The possibilities for intensifying cooperation in the domains as trade, investment, agriculture, transport and communications, cross-border cooperation, cooperation in the field of small and medium enterprises, and cooperation at the third markets were also analysed.

It was underlined the importance of the joint activities on the promotion of investment potentials, as on a bilateral basis, but also within the framework of international and regional initiatives.

Serbia is a very important economic partner of B&H and the second major investor in B&H with a participation of 17.4%. The most significant investments of Serbia in the country are related to the telecommunications sector, manufacturing and banking sectors.

BUSINESS & INVESTMENT NEWS ≡



TURKISH COMPANY “YESENERJI” INTERESTED IN INVESTING IN B&H



BERLIN CHAMBER OF INDUSTRY AND COMMERCE: “FEAL”
OWNER JOZO BOGDAN ENTREPRENEUR OF THE YEAR ≡



...AND MORE NEWS...



TURKISH COMPANY “YESENERJI” INTERESTED IN INVESTING IN B&H

Long-term investment in energy projects in B&H is the vision of representatives of international Turkish company “Yesenerji” which was hosted on 12th March in the headquarters of the Federation of B&H (FB&H) in Sarajevo by the FB&H Prime Minister Nermin Niksic. The Director of the company Melih Tarioglu informed Federal Prime Minister about their intentions to engage in investment projects and on information gathered on possible investments. A special focus is placed by the Turkish company on oil terminals FB&H in Ploce, with whose management they previously met. On this occasion they were familiarized with the current situation in this company, and the steps being taken to overcome the problems occurred after the termination of business relations with “Deltagrip.” Tarioglu pointed out that the interest of the company goes even further, and it is building a small refinery in B&H that would be integrated with the Terminal and, as he said, offered a product that would be cheaper than others at the market. He particularly emphasized that after the stay in B&H and getting acquainted with the situation on the ground, his company will send binding letter of intent to express the most serious interest in investing in these projects. “Oil Terminals of the Federation in Ploce further gain in importance by Croatian accession to the European Union (EU) and become more interesting to every investor. Naturally, every investment is welcome, but this is a very complex matter, especially the story about the refinery, and this requires serious study,” said the prime minister Niksic, pointing out that the letter of intent must specify framework for the construction of the refinery, the vision, the location, the issue of zoning, spatial, environmental approvals and other parameters.

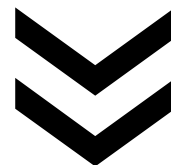
The Director of the Turkish company has expressed interest in investing in renewable energy, particularly solar.

INTERIO013

13.-18.03.'013

CENTAR SKENDERIJA

“INTERIO 2013”: ANNUAL CONFERENCE ON FORESTRY IN B&H



Within the International Fair of Forestry, Wood Industry, Furniture and Interior Design and related Services “INTERIO 2013”, the sixth annual conference on forestry in B&H was held on 18th March in Sarajevo .

The conference was organized by the USAID/Sida FIRMA Project, the Ministry of Agriculture, Water and Forestry of FB&H, the Ministry of Agriculture, Forestry and Water Management of RS and Wood Cluster in B&H.

The primary objectives of the conference were: to determine the status and progress in reforms in forestry, then analyse the activity on the promotion of sustainable forestry in B&H and share them with representatives of institutions and their professional colleagues, to encourage cooperation in projects and activities related to the reform of the forestry sector, and to define the framework projects and activities for future activities.

On the agenda of the conference were the Forest Law in the Federation of B&H, the Law on Forests in RS, illegal actions in B&H forestry, the issue of implementation of the EU regulation on wood (EUTR).

On this occasion, representatives of USAID, SIDA (FIRMA Project) and Department of Mechanical Engineering in Sarajevo presented the projects resulting from the Forestry Program FB&H.



BERLIN CHAMBER OF INDUSTRY AND COMMERCE: “FEAL” OWNER JOZO BOGDAN ENTREPRENEUR OF THE YEAR

The owner of the factory for aluminium processing “Feal” from Siroki Brijeg Jozo Bogdan was awarded by Berlin Chamber of Industry and Commerce as the entrepreneur of the year.

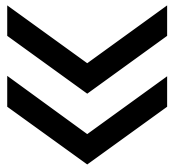
The award was presented to the company Director Bogdan, by the President of the Chamber Eric Schweitzer, at a ceremony in Berlin.

“You have achieved a great success. To establish a factory and in very short time employed 500 people is an outstanding success. This would be a great success in Germany too”, Schweitzer said adding that Germany and Bosnia-Herzegovina need the entrepreneurs like Bogdan.

Factory or processing aluminium “Feal” is important for Germany, since a large part of its production is exported to the German market.



B&H AND SLOVENIAN ENTREPRENEURS MET IN SARAJEVO



Slovenian Business Club organized in Sarajevo on 19th March a gathering of representatives of Slovenian Chamber of Commerce, Foreign Trade Chamber of B&H and Slovenian companies operating in B&H.

Such gatherings are a very good opportunity for introduction of entrepreneurs of the two countries, but also for making deals that would raise the business cooperation to a higher level.

The President of the Foreign Trade Chamber of BiH Ismet Kumalić said that Slovenia is one of five major partners of B&H in foreign trade exchange.

“Slovenia is not only important for B&H as a foreign trade partner, but also as a EU members shows supports in B&H preparations on its path to EU membership”.

Slovenian Ambassador Andrej Graselli said that cooperation of Slovenian and B&H in economy is good, but that there is space to improve it.

An agreement on cooperation between Slovenian Chamber of Commerce and Foreign Trade Chamber of B&H will be signed on 20th March.



BRITISH MAGAZINE “THE ECONOMIST” WROTE ON ECONOMIC SUCCESS OF GORAZDE

The renewed British magazine “The Economist” in the latest edition spoke on successful business of companies in Gorazde. Today Gorazde is known by products of the companies that have residence in this Municipality. With 357 employees, the Bekto Precisa factory makes plastic parts for car lights for Porsche, BMW and Audi. It also cranks out parts for skis and street lamps, in a joint venture with Hella, a German firm. B&H is home to some surprising industrial clusters. Gorazde, in eastern Bosnia, is one of them. Others include Tesanj, Bijeljina and Visoko. Such places typically have dynamic mayors or entrepreneurs, and strong links to Germany. Gorazde has all three. The average monthly (post-tax) Bekto salary is €664 (\$864), comfortably above the B&H norm of €421 but only a fraction of German wages. Employees work hard for their money: the factory runs 24 hours a day, 362 days a year. Some 85% of what they produce is exported, mostly to Germany and Austria. Bekto Precisa is a popular employer. It has just advertised 30 new jobs and received 3,000 applications.

Wages are lower in China, of course, but delivery times from B&H to core European markets can be counted in days instead of weeks. And the quality of local products is high. Neil Lovell, an executive with Mosdorfer, an Austrian firm that buys €2m-worth of electrical equipment from Bekto Precisa a year, says: “We switched production five years ago from Slovakia because of the price advantage. But the quality here is absolutely fantastic.”

Bekto Precisa’s turnover, which was €20.1m in 2012, has been growing by 25-30% in recent years, yielding a profit last year of €1.9m. And it is not the only exporter in town. ASA Prevent, a much larger company, makes covers for car seats. Enisa Bekto, the director of Bekto Precisa, said she wanted someone to run Bosnia like she runs her company. At which, she notes, many of the top managers are women.



CHINESE “DONGFANG” SIGNED CONTRACTS WITH COMPANIES THAT WILL CONDUCT WORKS ON TPP STANARI



Chinese company “Dongfang” which is the general contractor on the construction of power plant Stanari signed on 26th March a contract with companies from RS, which will be engaged in the construction of the plant.

Contracts with “Dongfang” were signed by “MD Peric Company” from Bijeljina and “Grad-promet” from Dobo, and are related to the part of the construction works, while “Kors” from Laktasi signed a contract for part of the power installations.

Besides these, other companies engaged on the preparation and construction of facilities for the power plant from the scope of “EFT Rudnik” and power plant Stanari include local companies “Elnos” from Banja Luka, “Eling” from Teslic, “Gradip” from Prnjavor, “Graditelj” from Teslic which have their subcontractors and suppliers.



B&H AT INTERNATIONAL FAIR MITT 2013, IN MOSCOW

The B&H delegation, led by the Minister of Environment and Tourism of FB&H (FMET), Branka Djuric, visited one of the largest tourism fairs in Europe and the largest fair in the Russian Federation - MITT 2013.

At the Fair MITT 2013, for the first time was presented the tourist potential of B&H.

Representatives of the private and public B&H tourism sector, with the help of FMET, the RS Ministry of Trade and Tourism, and the B&H Foreign Trade Chamber (ECC) and the B&H Ministry of Foreign Trade and Economic Relations, presented to the visitors and potential tourism partners the B&H potentials.

MEETING & EVENTS ≡

March 5	MEETING OF FIPA REPRESENTATIVE WITH PRIME MINISTER OF ZENICA-DOBOJ CANTON
March 5	VISIT OF THE NETWORK COOPERATION REPRESENTATIVES TO THE COMPANIES PROFINE D.O.O. AND TEHNODIESEL D.O.O. ZIVINICE
March 5-8	FIVE WINE PRODUCERS FROM B&H PARTICIPATED AT "FOODEX JAPAN 2013 FAIR" FROM 5TH TO 8TH MARCH IN TOKYO
March 6-10	DIRECTOR OF FIPA JELICA GRUJIC PARTICIPATED AT BUSINESS FORUMA IN THE UAE AND QATAR
March 8	FIPA REPRESENTATIVE AT THE 18TH INTERNATIONAL FAIR "GAST" SPLIT
March 12	VISIT OF REPRESENTATIVES OF THE NETWORK FOR COOPERATION TO THE COMPANY MANN+HUMMEL BA J.S.C. TEŠANJ
March 15	DIRECTOR OF FIPA VISITED THE MUNICIPALITY OF ZIVINICE
March 18-19	THE FIPA DIRECTOR PARTICIPATED IN THE WORK OF THE 1ST SESSION OF THE JOINT COMMISSION FOR ECONOMIC COOPERATION BETWEEN THE REPUBLIC OF SERBIA AND B&H

A map of Europe with white borders on a blue background. Bosnia and Herzegovina is highlighted in yellow and blue with white stars, matching its flag.

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- 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