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



# NEWSLETTER NO. 100

OCTOBER 2013

## FIPA ACTIVITIES ≡

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## ANOTHER PROOF THAT BOSNIA AND HERZEGOVINA IS WORTH INVESTING IN

According to the latest Global Competitiveness Index of the World Economic Forum (WEF) 2013-2014 which focuses on the quality of teaching in mathematics and natural sciences in schools, the best positioned among Balkan countries and beyond is B&H.

Bosnia and Herzegovina at the WEF list for the quality of teaching in mathematics and natural sciences, or quality mathematicians and scientists, is on the 13th place out of 148 countries, so is qualified in the top world list in this area. From countries of the region after B&H comes Croatia, which is on the 22nd place in the field of quality education in mathematics and science, and on the 23rd place of WEF list is Montenegro. Macedonians are on 51st place, Albanians on the 54th, while Serbia is on 55th place.

Also, Bosnia and Herzegovina's Availability of Scientists and Engineers Index for 2013 is 4.7, which gives the country a rank of 27 out of 148 countries with comparable data (the best rank in Region). From countries of the region after B&H, comes Croatia which is on the 76th place, Montenegro which is on the 78th place and on the 85th place of WEF list is Serbia. Slovenians are on 89th place, Macedonians on the 92nd place, while Albanians is on 106th place. Bosnia and Herzegovina's Quality of management schools Index for 2013 is 4.7, which gives the country a rank of 41 out of 148 countries (also, the best rank in Region). Slovenia is on the 74th place, Croatia is on the 78th, Albania 85th, Macedonia 99th and Serbia is on the 114th, place. If you are a foreign investor who has yet to make a foray into Bosnia and Herzegovina, now is the time to step in and capture a share of excellent investment opportunities.

# FIPA ACTIVITIES ≡

VISIT TO COMPANIES FRISCHEIS D.O.O. AND ANTESIL D.O.O. IN VISOKO ≡



FIPA PARTICIPATED AT EXPO REAL 2013  
IN MUNICH ≡



...AND MORE ACTIVITIES...



## MEETING WITH A REPRESENTATIVE OF UNCTAD



The Director of the FIPA Agency Jelica Grujic received on 1st October 2013 Mr Joerg Weber, Head of Investment Policies Branch, Division on Investment and Enterprise of UNCTAD.  
It was discussed economic cooperation in the country.



## VISIT TO COMPANIES FRISCHEIS D.O.O. AND ANTESIL D.O.O. IN VISOKO

Within the Aftercare visit with partners, on 1st October 2013, representatives of the Foreign Investment Promotion Agency of BIH (FIPA) visited foreign companies Frischeis Ltd. and Antesil d.o.o. in the Municipality of Visoko. Frischeis d.o.o. is a company 100% owned by an Austrian investor. The company is engaged in trade of wood raw materials. At the market of Bosnia and Herzegovina, they have been present from 2007.

Company Antesil d.o.o. is engaged in the production and processing of leather and footwear and they are 100% export oriented.

Antesil is owned by Italian investors and at the market of Bosnia and Herzegovina, they have been operating from 2003.



## FIPA PARTICIPATED AT EXPO REAL 2013 IN MUNICH



The 16th Investment EXPO REAL 2013 was held in Munich from 7th to 9th October 2013.

For the second time, the Foreign Investment Promotion Agency of BIH (FIPA) together with the Government of FB&H, the Government of RS and the Government of District Brcko participated at this highly important business event.

Within the BIH exhibition stand, presentations of the most important infrastructures investment projects of BIH were held at the fair.

1700 exhibitors from 33 countries were presented at 64 000 m<sup>2</sup> of showroom.



## FIPA PARTICIPATION AT AUSTRIA SHOWCASE “ENGINEERING AND METAL PROCESSING” IN ZENICA

A FIPA representative participated at Austria Showcase “Engineering and metal processing” held in Zenica on 8th October 2013 by the Austrian Embassy to BIH Office for Trade.

This event included 9 Austrian companies, out of which five seeks deliverers, partners for joint project realization, and companies that can develop some machine components based on drafts.

Goal of this event was to provide information to Austrian companies on possibilities of cooperation in metal processing sector.

Out of all sectors, the sector of metal processing and engineering had the highest percentage of orders from Austrian companies.





## FIPA PRESENTATION AT ECONOMIC FORUM IN ZEPCE



Within the first Economic Forum of the Municipality of Zepce "Investment opportunities of the Municipality - Benefits of Business in Small Communities", which was held on 10th October 2013, the FIPA representative Nina Pobric had a presentation on investment possibilities of Bosnia and Herzegovina.

The organizer was the Municipality of Zepce, while the co-organizer was the Zepce Development Agency. The city partner was Osijek from Croatia.

Forum participants were representatives of Osijek and Beli Manastir, representatives of the Croatian Economic Chamber Regional Office of Osijek, Croatian Employers' Association Regional Office Osijek, Croatian Embassy in BIH, Foreign Investment Promotion Agency of BIH, Federal Ministry of Development, Business and Trade, Foreign Trade Chamber of Federation BIH, GIZ Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH and others.



## AS OF JANUARY 2014 BONTEX WILL EMPLOY NEW 200 PEOPLE, AND TTI WILL INCREASES THE PRODUCTION OF FIREPLACES TO 3000 PIECES

In order to provide the economy of Zenica- Dobož Canton with conditions for the easier development of new investment programs, to reduce the time required for obtaining the necessary documentation for starting-up, from the lowest to the highest levels of authorities, it is necessary to identify the major obstacles to the realization of these efforts. This is the task of the special working group established by the Government of Zenica- Dobož Canton that implements this project in cooperation with IFC - International Finance Corporation, the Member of the World Bank. This government's commission visits promising companies in Canton. The last visit was realized in the company Bontex from Maglaj and TTI from Zavidovići. Ivica Mandura, advisor of the Prime Minister, Haris Hrgić, Assistant to the Secretary of the Government, Buza Osman, Assistant of the Minister of Economy and Amra Pojskić, senior associate at the Ministry of Spatial Planning, Transport and Communications and the Environment met with the owners of these companies and discussed on the current situation in the production. They offered help to resolve some obstacles in terms of obtaining certain licenses. These meetings were also attended by Eldara Sose from the Federal Ministry of Energy, Mining and Dika Mustafić, Head of the Support Investors Department of the FIPA Agency. As both Bontex and TTI represent foreign investments, it was discussed ways to get complicated legislation in certain areas simplified and thus enable greater exports and new employment. Otherwise, the firm Bontex owned by Senajida Husić, manufactures shirts and other garments by and all production is exported to Switzerland. From January 2014, in addition to existing 190 employees, Bontex will employ another 200 workers who will produce medical textile equipment and clothing for foreign partners. Representatives of the Cantonal Government offered assistance in finding adequate staff of the textile profession, but also informed of the incentives given by the Government of Canton and other institutions for increasing production and exports.

# BUSINESS & INVESTMENT NEWS ≡



MOSTAR ECONOMY FAIR 2013  
WAS OPENED



BUSINESS FORUM ≡  
BIH-ITALY



...AND MORE NEWS...



## SBK PRIVATIZATION AGENCY LAUNCHES “ŠIPAD-VRANICA” PRIVATIZATION PROCESS



The Privatization Agency of Central Bosnia Canton (SBK) has launched the privatization process of the Company for the manufacture of furniture “Šipad-Vranica” from Fojnica, which will be implemented through tender in the large-scale privatization.

Subject to selling is the equity of the company at a nominal value of 3,581,529 KM, which is wholly owned by the state.

According to determined criteria of sale, the buyer is required for a period of three years, to invest funds in the minimum amount of 900,000 KM and at least three years to keep 25 people employed.

The deadline for submission of application is November 4.



## MARRIOTT HOTEL TO BE CONSTRUCTED IN SARAJEVO

The Sarajevo Canton Prime Minister Suad Zeljkovic met on 1st October in Sarajevo with representatives of Overseas Private Investment Corporation on construction of a Marriott hotel in the BiH capital. Zeljkovic said it is about a high-class business hotel to be constructed at the location of Skenderija. "Hilton and Marriott are one house but with various level of quality. Return of invested money is directly proportional to hotel quality, ie the higher level of hotel quality - the longer period of money return. Therefore the investor's decision is to construct a Marriott hotel while the story on Hilton remains open," Zeljkovic said. OPIC Director Kenneth Angel stressed that this investment helps US companies who wish to invest outside America, with special accent on development projects. "In BiH we are considering a project of Marriot hotel company, a US brand. The franchise contract is foreseen with Sarajevo's Lake," Angel said.

He added that this hotel will respect the latest standards of green hotel development.

"The project will be linked to Marriot hotel chain and is the first project in which OPIC will be the investor in BiH."

Lake Director Nedzad Bubica explained that construction of the hotel has already begun but added that the key thing is to respect strict Marriot standards.

"American Development Bank is ready to finance our project. We expect the hotel to be completed by next year," he said.



## NEW HALL OF COMPANY 'KRUPA- KABINE' DOO PUT INTO OPERATION



By submitting use permits, issued by the Municipality of Bosanska Krupa was put in operation the new hall of "Krupa-Kabine" doo from Bosanska Krupa.

The company also employed 88 new workers, and when all construction works are completed for the first part of the project and builds another smaller hall, that number will increase to 100.

The Mayor of Bosanska Krupa Armin Halitovic said he was pleased with this turn of events, and the announcement of the second phase of expansion of the company.

He thanked the Italian investors, followed by management of the company who recognized Bosanska Krupa as a place for foreign capital investment.

Director of "Krupa-Kabina" doo Sead Mujagic said he was "very happy that the company managed to do all that is planned, in the time allowed, and that 88 families have the opportunity for a quality life."

He noted that this is "just the first phase of a broad project leading to the finalization of the production in this factory."

Factory "Krupa-Kabina" from Bosanska Krupa is part of the Siaka group from Italy, whose main activity is the production of agricultural machinery and cabins.

The owner of this group Maria Vittoria Villa invested in the new facility about 5 million KM, and doubled its useful working space.



MEGGLE-ANOTHER SUCCESSFUL COMPANIES FROM THE PROGRAM OF POST-INVESTMENT SUPPORT TO FOREIGN INVESTORS (AFTERCARE) IMPLEMENTED BY FIPA IN COOPERATION WITH THE INTERNATIONAL FINANCE CORPORATION-IFC

The dairy MEGGLE, the best business story in Bihac, this year also invests significant financial resources in building a new boiler room and storage space, in the amount of three million BAM.

The company employs 110 workers and it uses the services of the 200 farmers who produce 2.2 million litres of milk per year, which represents, including incentives, significant amount of around two million BAM.

Kemal Hrnjic, Director of dairy MEGGLE Bihac stressed that dairy will plan new investments in 2014 aiming at maintaining the leading position of the company in Bosnia and Herzegovina.

# MEETING & EVENTS ≡

October 1	MEETING WITH A REPRESENTATIVE OF UNCTAD
October 1	VISIT TO COMPANIES FRISCHEIS D.O.O. AND ANTESIL D.O.O. IN VISOKO
October 7-9	FIPA PARTICIPATED AT EXPO REAL 2013 IN MUNICH
October 8	FIPA PARTICIPATION AT AUSTRIA SHOWCASE "ENGINEERING AND METAL PROCESSING" IN ZENICA
October 10	FIPA PRESENTATION AT ECONOMIC FORUM IN ZEPCE
October 23	AS OF JANUARY 2014 BONTEX WILL EMPLOY NEW 200 PEOPLE , AND TTI WILL INCREASES THE PRODUCTION OF FIREPLACES TO 3000 PIECES



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.

# INVEST IN BOSNIA AND HERZEGOVINA YOUR NEW OPPORTUNITY

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