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NEWSLETTER NO. 114 DECEMBER 2014

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A MODERN CATTLE FARM WAS OPENED IN TRNOPOLJE

On 27 November 2014, the ribbon cutting ceremony was marked opening the breeding and selection centre NRF - "Arifagić Investment" for the Norwegian red beef in Trnopolje. After the opening ceremony, attendees had the opportunity to visit the most modern facilities and the unique centre of this kind in the Western Balkans and Southeast Europe. The largest centre of this type in the world was opened thanks to the credit line of the Ziraat Bank BH from April 2012 in the amount of 100 million BAM, which is provided with the primary aim of strengthening the BiH economy, support to sustainable return and job creation. The Director of the company Jusuf Arifagić, successful businessman in Norway, born in Kozarac, in his speech, thanked everyone who participated in the project.

"My motivation for this project was that in the village where I was born, I do something modern and pro-European, and that I get the opportunity to people to find a job in this country. I also wanted to show that we are, nevertheless, a people who can lives and works together, what I think I succeeded in. The common man from Bosnia and Herzegovina can become successful abroad, and unfortunately, when he returned to his country, things can get a little harder. However, I think that man needs to go across the river and build bridges, "said Arifagić.

The Norwegian Ambassador to BiH Anne Vibeke Lilloe expressed satisfaction with the opening of the centre, and stressed how agriculture is important for the Western Balkans.

"Economic development and job creation is vital for the progress of BiH. Agriculture plays a major role in the economic and social sphere for the Western Balkan countries, particularly because of its importance to GDP. This farm currently employs 30 people, and in the future this number will be higher. At the farm there are 500 cows, and the production of milk started in February this year. These are the foundations of the modern agricultural production, "said Vibeke.

FIPA ACTIVITIES >



The Agency FIPA representatives visited Sberbank BH







...AND MORE ACTIVITIES...





PRESENTATION OF THE FIPA AGENCY FOR TURK-ISH ASSOCIATION OF BUSINESSMEN NILSIAD FROM THE MUNICIPALITY OF NILUFER (BURSA, TURKEY)

The Foundation BIGMEV organized on 19 December 2014 in Sarajevo the presentation of investment potential of BiH for Turkish association of businessmen NILSIAD from the Municipality of Nilufer (Bursa, Turkey).

On that occasion, the FIPA representative Nina Pobrić presented the comparative advantages and investment potentials of Bosnia and Herzegovina to representatives of nine Turkish companies from the automotive, metal and textile industries.

NILSIAD is an association within the industrial zone NOSAB, gathers 300 companies, with a total turnover of about 1 billion, employs more than 20,000 workers, and exports to over 20 countries worldwide.

After the presentation, bilateral meetings with the BiH companies will be held in the Trade Chamber of the Federation of BiH.



THE AGENCY FIPA REPRESENTATIVES VISITED SBERBANK BH



Representatives of the Foreign Investment Promotion Agency of BiH (FIPA) with the representative of the Ministry of Finance of FBiH visited Sherbank BH dd Sarajevo on 16 December 2014.

They met with Mr. Denis Hasanić, member of the Board and Executive Director, Ms. Lejla Selimović, head of the Finance Department and Mr. Vedran Peršić, head of the Marketing and Communications Department. Representatives of Sberbank BH presented their experiences when it comes to the business environment in BiH, and identified existing challenges and obstacles they face in business. They also discussed plans for further improvement and business development in BiH.

Sberbank BH is a member of Sberbank of Europe which is operating at 11 markets in Central and Eastern Europe. In addition to its headquarters in Sarajevo, BH Sberbank has 30 branches in other towns of BiH, and employs 439 people.





MEETING OF THE NETWORK OF COOPERATION FOR POST-INVESTMENT SUPPORT TO FOREIGN COMPANIES IN BIH

A meeting of the Network of cooperation for post-investment support to foreign companies in BiH was held on 9 December 2014 in Sarajevo. The results of the work of the Network of cooperation for 2014 were analysed at the meeting and activities for the Program of Post-Investment Support to Foreign Investors in 2015 were proposed. Also, it was discussed strengthening the capacity of existing partners in the Network for work with existing investors with a focus on solving administrative obstacles that investors face in their business, as well as the definition of the reforms proposals of the business environment based on the investors open issues.

Building sustainability of the Programme of Post-Investment Support to Foreign Investors and the Network of cooperation in the future was one of the central topics of the meeting.

In 2014, the FIPA Agency together with the partner institutions visited 63 companies that have foreign capital in BiH and have invested so far 816 million euros. 79% or 50 visited companies are from production sector. Companies belong to the metal sector, automotive, agriculture and textile industry, mining and wood processing sectors and have 8311 employees. Most of the visited companies plan new investments and new employment in the following three years. The Network of cooperation consists of representatives of twelve municipalities (Tešanj, Srebrenik, Bosanska Krupa, Živinice, Vitez, Posušje, Visoko, Travnik, Žepče, Ilidža, Goražde and Kiseljak), five cantons (Una Sana, Tuzla, Zenica-Doboj, Hercegovina-Neretva and Livno Canton), two cities (Mostar and Tuzla), Brčko District, Office of the Prime Minister of FBIH, eight competent ministries and agencies, the Foreign Investment Promotion Agency of BiH (FIPA) and the Ministry of Foreign Trade and Economic Relations of BiH.



The Most Important Foreign Investors in B&H in 2013 Selection Event



The Foreign Investment Promotion Agency of BiH (FIPA) organized on 9 December 2014 in Sarajevo the traditional event of selection of the most significant investors in BiH for 2013.

Considering importance of foreign investments for economic development of the country, decrease of unemployment and foreign trade deficit, introduction of new technologies and managerial skills and for improving the competitiveness of the BiH economy, the FIPA Agency has recognised the importance of organizing such event in order to emphasize the companies whose investments in Bosnia and Herzegovina were the most important in the previous year.

The presence of foreign investors sends a strong message to potentials investors that BiH is a country in which the foreign investments are safe and profitable and significantly contributes to improve the image of BiH.

This year awards were handed in four categories:

- -the most important "greenfield" investment
- -the most important investment realized through privatisation/acquisition
- -the most important investment which contributes to opening the biggest number of working places
- -the most important investment through joint venture

"Selection of Foreign investor in B&H" is an event within which the most successful foreign companies running business in our country are presented and which contribute to a positive perception of Bosnia and Herzegovina in the business world.

The company "EFT Mine and Thermal Power Plant Stanari, Doboj "was the most important investor in the "Greenfield" category. The company "G Petrol Ltd Sarajevo" was chosen as the most successful investor in the category of "Acquisition/Privatisation. In the category of "Opening the biggest number of working places" was selected "Napco Beds Factory Ltd Petrovo", while the company "Interwork Ltd Bosanski Petrovac" was the most important investor in the category of "Joint venture".

The event gathered large number of representatives of institutions, international organizations, embassies, business community and media in BiH.





Round table "Proposals and Measures to Improve the Business Environment in Bosnia and Herzegovina"

The Foreign Investment Promotion Agency (FIPA) organized on 9 December 2014 in Sarajevo a round table on the topic: "Proposals and Measures to Improve the Business Environment in Bosnia and Herzegovina" with the aim to present the identified administrative barriers that hinder the significant inflow of foreign investments in Bosnia and Herzegovina, and the way for resolving problems.

In direct contact with foreign investors running business in the country and talking about the local business environment, among problems faced, investors stand out: complicated and lengthy customs procedures, lack of support for exporters, the lack of transparency of incentives and subsidies, labour legislation, as well as the general lack of harmonization of legal regulations at all levels of government, the absence of the introduction of the one-stop shop system in FBiH, the lack of electronic signatures and other.

Economic trends at the world and European markets directly reflect on the economy in Bosnia and Herzegovina, including foreign investments. However, despite these impacts, the image of the investment location has a significant role in attracting foreign investment.

Taking into account all of the above and guided by a common need to increase foreign investment, creating market investment policy, creating a favourable, stable, predictable, non-discriminatory and stimulating business environment in the country, the roundtable participants agreed on the following:

- -Foreign and domestic investments are crucial for economic development of a country, given that they affect job creation, technology transfer and knowledge, increase productivity and competitiveness of a country.
- -Roundtable participants are firmly committed to continue with the started reforms, and to take additional action to strengthen the capacity in order to re solve the identified problems.
- -For a successful program to attract foreign investment is necessary to ensure the smooth running of the companies' activities. Prerequisites for the arrival of foreign investors are predictable and favourable business environment, procedures and tax that don't burden, the administration in the service of the economy, macroeconomic stability and investment security.
- -It is necessary to strengthen communication with existing investors and to assist companies to identify further opportunities for expansion and new investments.
- -Support of the local authorities as well as all other levels of government is also a very important factor influencing investment decisions. It is necessary to have a permanent communication between representatives of the competent institutions and foreign investors and the most useful suggestions for improving the business environment can be provided just by investors who do business here.

The conclusions will be communicated to the competent institution.

Speakers at the roundtable on measures to improve the business environment in BiH were Jelica Grujic, director of the Foreign Investment Promotion Agency of BIH (FIPA), Tarik Šahović, representative of International Finance Corporation (IFC), Dragiša Mekić, minister assistant of the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina, Slobodanka Dubravac, minister assistant of the Ministry of Economic Relations and Regional Cooperation of RS, Nedžad Dervišič, head of the Department for IT Development of Indirect Taxation Authority of BiH, Jozo Bejić, president of the Regional Network for Favourable Business Environment in SEE and the Network for Local Economic Development of BiH, Erna Sulejmanović from the Ministry of Entrepreneurship and Development of Tuzla Canton, Bojana Škrobić-Omerović, executive director of Foreign Investor Council in BiH and Dragana ilas from the Shoe Factory "BEMA" from Banja Luka.



PRESENTATION OF THE FIPA AGENCY AT THE BUSINESS CONFERENCE "NORWAY ACHIEVEMENTS IN AGRICULTURE / ANIMAL HUSBANDRY / - HOW TO APPLY THEM IN BIH"



The business conference on the topic "Norway achievements in agriculture / animal husbandry / - how to apply them in BiH", was held in Prijedor, on 28 November 2014, organized by the Breeding and Selection Centre NRF "Arifagić investment" from Trnopolje.

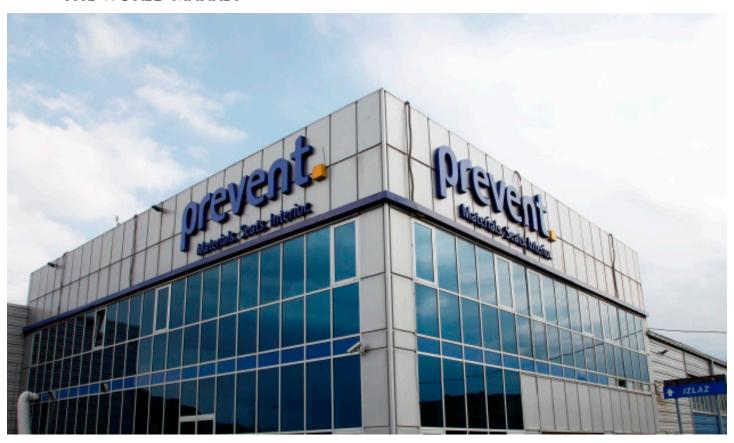
The representative of the FIPA Agency Nina Pobrić had a presentation on investment opportunities in the agro-food sector of BiH, emphasizing comparative advantages of BiH for foreign investors, free trade agreements, adequate climatic and natural conditions for agro business, tax policy, locations and projects for investment. The conference was attended by the High Representative in BiH Valentin Inzko, representatives of foreign and domestic companies in the agri-food sector and others.

Positive experiences from Norway in the field of animal husbandery were presented to the conference participants by managers of the company "Geno Global", an agricultural cooperative owned by all dairy plants in Norway, which has been existing for 80 years, followed by Norway's dairy industry "Tine Melk" and the Norwegian Veterinary Office "Matilsinet".

BUSINESS & INVESTMENT NEWS >

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PREVENT EXPORTED 1.6 MILLION UPHOLSTERY SETS AT THE WORLD MARKET



OPENING OF A FACTORY FOR THE PRODUCTION OF PELLETS IN SREBRENICA



...AND MORE NEWS...



PREVENT EXPORTED 1.6 MILLION UPHOLSTERY SETS AT THE WORLD MARKET



Prevent Group in Bosnia and Herzegovina in this year produced a record number of upholstery. Total of 1.6 million upholstery sets were exported at the world market.

The millionth set was produced in September 2014 on the program of the Audi Q3.





The factory for the production of pellets "Eko M" was officially opened on 18 December 2014 in Zeleni Jadar near Srebrenica. 25 workers were employed and 300,000 EUR were invested in the first phase.

The owner of the factory Marius de Wilt pointed out that it will invest another 1.5 million and will significantly increase production capacity including opening of ten more jobs.

Zeleni Jadar was before a wood processing centre with 1,600 employees where furniture, flooring and other wood articles were produced. This industrial zone is now empty and investors are expected to come in order to preserve capacities from decay and to start some production programs.

Being the crossroads of many civilizations, Bosnia and Herzegovina is rich with archaeological remains, from the Neolithic, Roman, Illyrian and Medieval Periods.

The most specific and well known are the hand-carved tombstones (stećak) that date back over 700 years to the Middle Ages. These unique monuments of ancient native artistic tradition, which are scattered all around Bosnia and Herzegovina, have become almost a national symbol. In addition, there are numerous remains of Medieval towns and castles from same period.



Mostar Old Bridge, in the Old Town in the Very Centre of Mostar, was built in 1566, by the Ottoman architect, Mimar Hajrudin, who erected this stone bridge in what was then just a small Turkish outpost in southern Bosnia and Herzegovina.

THE BRIDGE SPANS THE EMERALD GREEN WATERS OF THE NERETVA RIVER AND CAME TO BE KNOWN AS "STARI MOST", OR OLD BRIDGE. THE OUTPOST GREW INTO A CITY AND WAS EVENTUALLY NAMED AFTER THE BRIDGE - MOSTAR, OR "KEEPER OF THE BRIDGE." TODAY, THIS BRIDGE IS INCLUDED IN THE UNESCO WORLD HERITAGE LIST. (READ MORE ON: WWW.UNESCO.ORG)



Počitelj is a unique settlement, listed as a potential unesco heritage site. The Hadi-Alija Mosque has been reconstructed as well as the Šišman-Ibrahimpašina medresa and the Gavran Kapetanovi house, all of which are open to visitors.

THE MOST STRIKING OBJECT IN POČITELJ IS THE SAHAT-KULA, A SILO-SHAPED FORT THAT TOWERS FROM THE TOP OF THE HILL ABOVE THE TOWN. IT HOUSED WATCHMEN AND MILITARY TO GUARD AGAINST POSSIBLE INVASION FROM THE NERETVA VALLEY. BESIDES ITS STUNNING ORIENTAL ARCHITECTURE AND OTTOMAN FEEL, POITELJ HOSTS THE LONGEST OPERATING ART COLONY IN SOUTH EASTERN EUROPE.



National Park Hutovo Blato, an oasis of Peace, is situated in Southern Herzegovina and is a protected zone and important bird reserve.

THIS UNIQUE SUB-MEDITERRANEAN SWAMP OF SUPERB BEAUTY AND IMPORTANCE ACCOMMODATES BIRDWATCHERS, NATURE LOVERS AND FAMILIES WITH CHILDREN ALIKE.

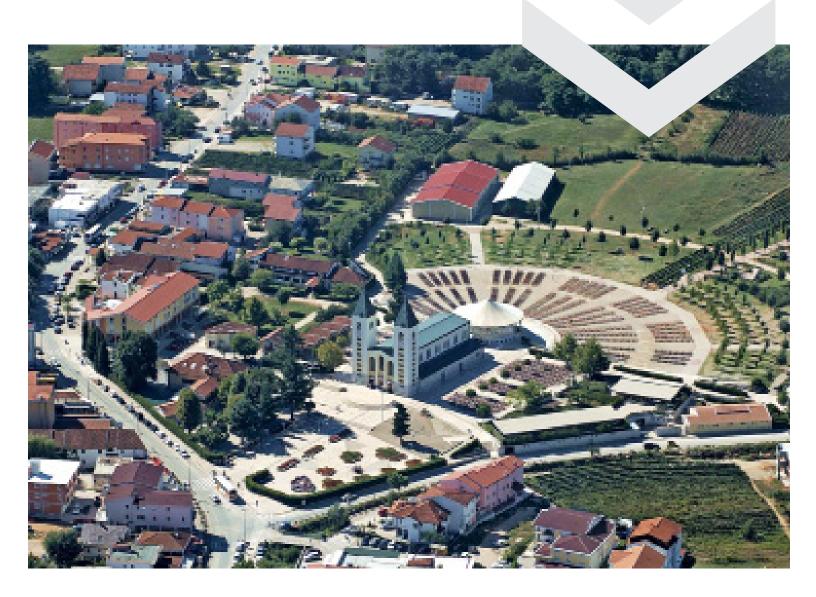
(READ MORE ON: WWW.BHTOURISM.BA)



Međugorje is located in the mountains near Mostar.

THE SMALL TOWN IS INCREDIBLY POPULAR WITH CATHOLIC PILGRIMS - MILLIONS OF PILGRIMS HAVE VISITED THE SITE SINCE 1981, WHEN A SMALL GROUP OF YOUNG PEOPLE IN THE VILLAGE BEGAN REPORTING SEEING VISIONS OF THE VIRGIN MARY ON A NEARBY HILLSIDE.

(READ MORE ON: WWW.MEDJUGORJE.HR)



Perućica in Sutjeska National Park, is one of only two remaining mediaeval forests in Europe.

It is often described as an ancient outdoor museum with a magical forest of beautiful 50-meter high spruce and beech, 200 to 300 year old, trees. The forest is a true gem in terms of wildlife and the large number of endemic plants.

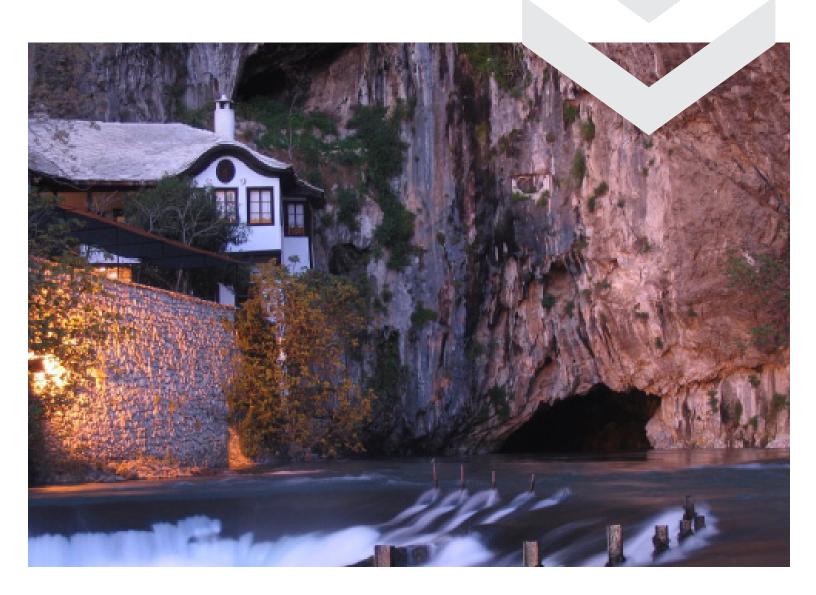
(READ MORE ON: WWW.GREENVISIONS.BA)



Blagaj Buna is one of the finest examples of an underground karst river. It flows out of a 200 m cliff wall to become the Buna River.

Unsurprisingly, the Ottoman sultan was impressed, and ordered a tekija to be built right next to it. This 16th century house/monastery was built for the Dervish cults and is still one of the most mystical places in all of Bosnia and Herzegovina.

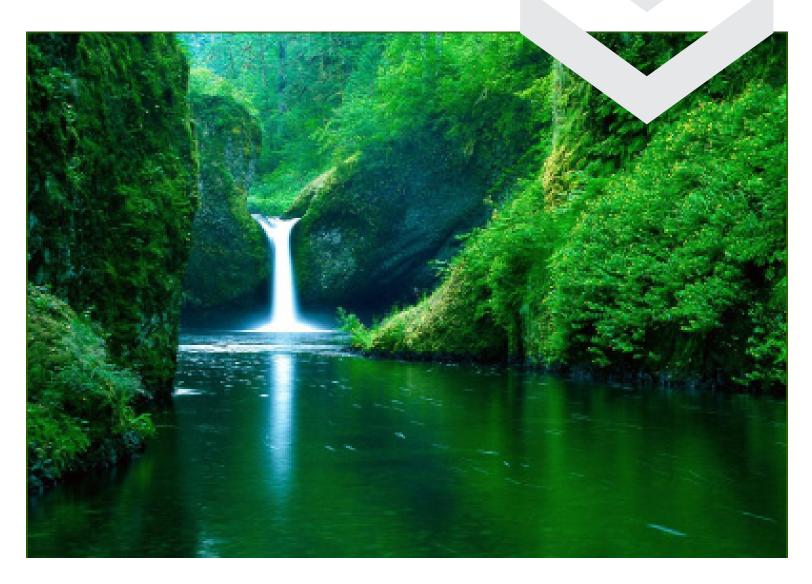
(READ MORE ON: WWW.BHTOURISM.BA)



Rakitnica River Canyon is one of the deepest and most profound gorges in Europe. It is a natural wonderland. The entire length of the canyon is lined with endemic types of flora and fauna. Bears, wolves, wild boar, pine martins, and wild goats all take refuge in this difficult to access canyon.

As many as 32 endemic plants, flowers, and trees can be found in this tiny region of the Dinaric Alps. The crystal clear water, fed by the high mountains above, is potable width=100% for the whole length of the canyon region.

(READ MORE ON: WWW.BHTOURISM.BA)



V JETRENICA CAVES, NEAR THE SMALL TOWN OF RAVNO AND THE MEDIEVAL ORTHODOX MONASTERY OF ZAVALA IS THE LARGEST CAVE SYSTEM DISCOVERED IN BOSNIA AND HERZEGOVINA. THIS EXTENSIVE CAVE SYSTEM HAS OVER 6 KILOMETRES OF CHANNELS, AND THE STUNNING MAIN CHANNEL STRETCHES OVER 2.5 KILOMETRES.

Amongst the many archeological discoveries are the ancient cave drawings of bears and leopards that are estimated to be over 10,000 years old. The many small lakes in the caves are home to endemic types of shellfish only found in deep underground aquifer systems. (Read more on: www. bhtourism.ba)



Archaeological excavations began recently near Sarajevo in the Visoko Valley at what some believe to be a newly discovered pyramid complex, the first such monumental ancient structures found in Europe.

In 2005, Semir Osmanagić put forward his theory that a 100-meter geometrically-shaped hill with evenly shaped sides and corners that point north, south, east and west is an ancient man-made structure.

(READ MORE ON: WWW.PIRAMIDASUNCA.BA)





ABOUT US:

FIPA MISSION:

FOREIGN INVESTMENT PROMOTION AGENCY (FIPA) OF BOSNIA AND HERZEGOVINA (BIH) IS A STATE AGENCY ESTABLISHED WITH THE MISSION TO:

- -ATTRACT AND MAXIMIZE THE FLOW OF FOREIGN DIRECT INVESTMENT INTO BOSNIA AND HERZEGOVINA, AND ENCOURAGE EXISTING FOREIGN INVESTORS TO FURTHER EXPAND AND DEVELOP THEIR BUSINESSES IN BIH.
- -FACILITATE THE INTERACTION BETWEEN PUBLIC AND PRIVATE SECTORS, AND HAVE AN ACTIVE ROLE IN POLICY AD-VOCACY IN ORDER TO CONTRIBUTE TO CONTINUALLY IMPROVING ENVIRONMENT FOR BUSINESS INVESTMENT AND ECONOMIC DEVELOPMENT.
- -Promote a positive image of Bosnia and Herzegovina as a country that is attractive to foreign investors.

FIPA SERVICES

The Agency offers practical assistance in dealing with government institutions, by working directly with investors and, more structurally, by assisting the government in improving the legal framework for foreign investments. FIPA also assist investors to develop contacts with the public and private sector.

THE FACT-SHEETS WITH INVESTMENT-RELATED INDICATORS, MATCHMAKING AND SECTOR STUDIES, ELABORATED BY FIPA'S EXPERTS AND INDEPENDENT CONSULTANTS, ENSURE THAT INVESTORS ARE FULLY AWARE OF THE OPPORTUNITIES THAT BIH PRESENTS. MOREOVER, FIPA WORKS ALONGSIDE THE EMBASSIES AND DIPLOMATIC MISSIONS OF BOSNIA AND HERZEGOVINA THAT CAN ALSO HELP YOU EXPLORE INVESTMENT OPPORTUNITIES IN OUR COUNTRY. FIPA PROVIDES DATA, INFORMATION, ANALYSIS AND ADVICE ON THE BUSINESS AND INVESTMENT ENVIRONMENT, INCLUDING:

- -THE LEGAL FRAMEWORK FOR FOREIGN DIRECT INVESTMENT
- -INVESTMENT INCENTIVES
- -ECONOMIC AND BUSINESS TRENDS

FIPA IDENTIFIES AND PRESENTS AVAILABLE INVESTMENT OPPORTUNITIES:

- -INVESTMENT PROJECTS IN THE DEVELOPMENT-PHASE OR READY FOR IMPLEMENTATION
- -COMPANIES IN THE PROCESS OF PRIVATISATION
- -LOCAL COMPANIES SEEKING FOREIGN PARTNERS

FIPA ASSISTS BOTH POTENTIAL INVESTORS AND THOSE THAT HAVE ALREADY INVESTED IN THE COUNTRY THROUGH:

- -EFFECTIVE NETWORKING WITH BOTH THE PUBLIC AND PRIVATE SECTOR
- -LINKING WITH GOVERNMENTAL AND NON-GOVERNMENTAL INSTITUTIONS TO FACILITATE INVESTMENT AND BUSI-NESS DEVELOPMENT
- -COOPERATION WITH LOCAL, REGIONAL AND INTERNATIONAL ORGANISATIONS TO PROMOTE AND ENHANCE THE IN-VESTMENT ENVIRONMENT

TO FIND OUT MORE ABOUT FIPA'S SERVICES, WHICH ARE ALL FREE OF CHARGE, CONTACT US DIRECTLY.

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