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Bihać is a city located in the northwest of Bosnia and Herzegovina, and is among bigger cities of this part of Bosnia and Herzegovina, both in terms of territory and population. Bihać is also the administrative headquarters of the Una-Sana Canton, which has population of about 300,000, while the City of Bihać alone has population of 61,186.

The specificity of geographical position of the City is reflected in a fact that it borders with the Republic of Croatia, and it can be said that the City of Bihać is a city on the southwestern border of the EU.
Despite being relatively far from the capital of Bosnia and Herzegovina, Sarajevo (310 km), it is still well connected by a network of expressways and motorways with the central Bosnia and its surrounding cities. Among major urban centres in its relative proximity there are Banjaluka (149 km), Prijedor (102 km), Karlovac (R of Croatia, 100 km) and Croatia’s capital, Zagreb (154 km).

Bihać in short can be described as the West Gate of Bosnia and Herzegovina on the south-eastern border of the EU. The distance to the Slovenian border measures 112 km, Austrian border 270 km, and the Hungarian border 242 km – covered mainly by modern motorways or expressways. Bihać is also connected by rail, both with the rest of Bosnia and Herzegovina and northern Croatia, and central Dalmatia and ports on the Adriatic Sea. Should you choose air transportation to arrive in Bihać, the nearest airports with established international traffic are those in Zagreb (2-hour drive), Split (2-hour drive) and Sarajevo (4-hour drive). There is also a sports aerodrome on the territory of the City of Bihać, which could be turned into a commercial airport provided there are certain investments.

The relative proximity of the Adriatic Sea ensures a free and quick access to ports in the Republic of Croatia. Large ports of Split, Rijeka, Šibenik are two to three-hour drive from Bihać and are connected with Bihać by the network of fast expressways, highways and railway.
The City of Bihać with its population of 61,186 is also the administrative centre of the Una-Sana Canton, which territory is settled by the population of about 300,000, is also in the relative proximity of major urban centres such as Banjaluka (population of about 200,000), Prijedor (population of about 97,000), Zagreb (R of Croatia, population of about 1,000,000) and Karlovac (R of Croatia, population of about 60,000) and as such is guaranteed to have access to higher-educated work-force and qualified workers. The City of Bihać itself is among the most advanced university centres in Bosnia and Herzegovina.

Figure 2. University of Bihać
Students are offered full-time and part-time studies at the following faculties: Faculty of Technical Sciences (departments of electric engineering, civil engineering, wood-processing, machine engineering, and department of textile industries), Faculty of Economics, Faculty of Law, Faculty of Biotechnical Engineering (department of agriculture, department of food technology, department of forestry), Faculty of Pedagogy (department of English language and literature, department of German language and literature, department of Mathematics and Physics, department of preschool education, and the department of physical education), Medical College (department of sanitary engineering, and department of nursing), and Islamic Faculty of Pedagogy (department of Islamic religion education, and department of social pedagogy and spiritual care). The number of currently enrolled students is about 4,000.

Within secondary education, the 3 or 4-year programmes are realized in the following professions: gymnasium education of general course, technical and secondary schools, medical education and vocational art education. It should be pointed out that, thanks to the Law on Adult Education of Una-Sana Canton, programmes of additional training and re-training are being carried out, providing the candidates with greater competence. The number of students currently enrolled in secondary schools is about 3,600.

The age structure of the population of the City of Bihać is very favourable. Unlike the age structure of the EU population and that of the neighbouring countries, the population of the City of Bihać does not have the aging tendency, while the number of population under the age of 14 is 18.2%, whereas the number of population over the age of 65 is only about 12.1%. Therefore the City of Bihać in the future will not be facing the workforce shortage caused by aging population.

According to the records of the Public Institution Office of Employment of the Una-Sana Canton, at the end of May 2015 there
were 10,142 persons in the City of Bihać registered as unemployed, among which the highest percentage is that of unqualified workforce (about 28.9%), qualified workers (28.1%), workers with secondary education (26.3%), while the percentage of workers with higher education is 11.3%, mainly economists, lawyers, graduated engineers in Agriculture, graduated engineers in food technology, and professors in various fields.

In the City of Bihać, in February 2015 there have been about 11,541 employed persons, while the average net wage was about EUR 460, and average gross wage about EUR 706. In spite being just above the Bosnia and Herzegovina average, both net and gross wages in Bihać are still much lower compared to neighbouring Croatia and the EU average. Bihać indeed has well educated, qualified and cheap workforce.
Agriculture and food processing industry
- developed on a steady resource basis

The City of Bihać has 27,243 ha of agricultural land (arable land – 12,286 ha, orchards – 484 ha, meadows – 8,796 ha, and grasslands – 5,677 ha) and an attached part of the Municipality of Drvar of 4,375 ha of agricultural land (arable land – 1,039 ha, orchards – 53 ha, meadows – 1,162 ha, and grasslands – 2,121 ha). Production of cereals and fodder crops in the Bihać area is organised on family farms, for their own needs and is in function of livestock.
production because within the existing framework of the majority of farms aren’t competitive in this type of production due to high prices of raw materials and the fragmented land properties. By leasing of state owned agricultural land in the City of Bihać area to both natural and legal entities, it is expected that the situation in this field is significantly improves. During the last two years, on the two larger areas oilseeds have been sown and the yields achieved are proof that with organised repurchase and proper application of agro-technical measures, cultures that bring higher profit to family farms can be sown in this area.

Production of vegetables takes place outdoors as well as indoors. A large number of households is engaged in this type of production; even though there are real opportunities for an intensive development in this segment, the limiting factor is the lack of processing, storage and cooling capacities. The Association of producers of vegetables and berries in protected areas “Bihać 2006” gathers 65 producers which cover in total 25,000 m² of covered area, and annual production of 465 tons of various vegetables.

The total protected production area in the City of Bihać is 40,000 m², and production of vegetables totals to 700 tons and is steadily increasing.

Livestock breeding – cattle breeding is one of the most important branches of the agricultural production in the Bihać area. The average number of milk producers from which the dairy Mljekara “Meggle” purchased milk in 2014 was 174, but there are also producers which make cheese from the milk produced, or sell the milk directly on local markets. The estimated number of cattle is 2,849 and in 2014 the total of 2,091,245 litres of milk was purchased. The City of Bihać provides significant help to the development of this
sector through implementation of the project “Revolving Fund” in cooperation with the Mljekara “Meggle” d.o.o. Bihać, which is the first significant step in the development of public-private partnership in the area of the City.

Beekeeping – the City of Bihać has favourable conditions and a long tradition in the cultivation of bees, production of honey and other bee products. The Association of Beekeepers has 186 members with a total of 7,033 beehives. The right to financial incentives in the primary agricultural production is exercised by an average of 77 beekeepers each year, and the City of Bihać has supported the Association in terms of both financial and expert help.

Fishery – an important role within the primary agricultural production in the Bihać area is played by the production of consumable fish and fish fry. This business activity is carried out by RIZ “Krajina” d.o.o. Bihać, on its total area of installed capacities – ponds: 10,898 m2, hatcheries: 440 m2, and with the production in 2014 amounting to 426 tons of consumable fish (California trout) and 21 tons of fish fry. The production is standardised (HACCP System) and product placements is carried out on both domestic and foreign markets.
Although the primary agricultural production is relatively developed, there is still much room for organised systematic entrance of major investors into these sectors, as well as natural resources and proximity to major markets which are relatively easy to access, which altogether represent key indicators for potential investors.

**Forestry and wood processing**
- **potential for final and branded production**

Forest lands in the City of Bihać occupy a total area of 59,485 ha, out of which the state owned forests and forest lands occupy 55,160.4 ha and privately owned forests and forest lands occupy 4,324.6 ha. Out of the forest land it has been allocated 119.20 ha into the special purpose forest for tourism, recreation and relaxation. In 2014, within the Bihać Forestry, the total of 68,810 m³ of wood assortments have been cut – 19,020 m³ of conifer wood, and 49,790 m³ of deciduous wood assortments.

Highly valuable forest wealth of the City of Bihać, together with its wood industry, due to its comparative advantages represents a significant opportunity for investment and the implementation of successful and profitable projects.

Despite its existence, wood industry is not fully and adequately using the resource base. Except for a few companies, such as “Laser”, “Bor”, “Sani Global” and “Freeli gradnja” who have a certain volume of finished high-quality wood products, and “Eragon” and “Amadint” who produce bioenergetic products (pellets and briquettes), the main focus is on the primary wood processing (sawmills).
There are certainly opportunities to invest in the wood processing sector – production of finished products, braded products and the like – due to existing resource wealth of the Una-Sana Canton and the north-western Bosnia, the existence of large market near Bihać, the existence of skilled workforce and other competitive advantages of Bihać.

**Natural beauty and tourism - complex tourism mega-projects as the future of development**

Bihać has great potential for tourism development. There are resources for spa, rural, religious, cultural and historical, winter, herbal, hunting, fishing and extreme tourism.

By the proclamation of the National Park “Una” on May 29, 2008 Bihać gained a new pricless value which is to be used for economic, that is tourism development as one of the most promising economy sectors. The National Park extends in almost its entirety over the territory of the City of Bihać. The Una River is
80 km long, rich in whirlpools, waterfalls and is one of the most beautiful rivers in Bosnia and Herzegovina.

In the City of Bihać there are 7 hotels, 1 motel, 301 rooms for rent (561 beds in total) and 7 other accommodation units (486 beds), resorts and similar, short break facilities, camping areas, and other types of accommodation. Although there are natural resources, the real development of tourism in the territory of the City of Bihać is to be expected once complex tourist products that rely on existing resources are defined. The potential for profitable investment in such projects is obvious. The City of Bihać is prepared to support such investors in defining complex tourism products that would rely on natural resources such as: the Una River, the National Park “Una”, SRC “Duga Luka”, TRC “Terme Gata”, chateaus (Old Towns), etc.
The City of Bihać is situated in the north-west of Bosnia and Herzegovina (the Federation of Bosnia and Herzegovina), in the Una-Sana Canton, and is the administrative centre thereof. Due to its administrative position, all laws and regulations of Bosnia and Herzegovina, the Federation of B&H and the Una-Sana Canton are applied in the territory of the City. Some of them provide to some degree competitive advantage to Bosnia and Herzegovina in comparison with the neighbouring countries in certain segments.

**Taxes – Stimulating rates**

Bosnia and Herzegovina is among the countries with the lowest VAT rate in the region (along with Montenegro) as well as the countries with a relatively low rate of income tax (for legal entities), with only Macedonia and Montenegro having lower income tax rates among the countries in the region.

VAT is paid on goods and services that the taxpayer, within the performance of his activities, carry out in the territory of Bosnia
and Herzegovina for a fee and import of goods in B&H, and the standard VAT rate on the taxable supply of goods and services, and import of goods in B&H is 17%.

Income tax is paid by both resident and non-resident who receives income from self-employment or non-self-employment activities in the territory of Federation of B&H at the rate of 10%. The revenues that within the meaning of the Law are not considered income are the revenues based on participation in the profit sharing in companies.

A taxpayer of company income tax is: a company, a bank and other financial organisation and a company for insurance and reinsurance of assets and persons, a cooperative or cooperative organisation and an institution that achieves its income by selling products and services on the market. Income tax is paid at the rate of 10% on the assessed tax base in the tax balance. Exempt from paying income tax are:

- The taxpayer who, for the year for which the income tax is assessed, generated more than 30% of the total revenue through exporting;

- The taxpayer who in five consecutive years invests in production minimum of BAM 20 mil. in the territory of Federation of B&H; minimum of BAM 4 mil. needs to be invested in the first year;

- The taxpayer who has among its employees more than 50% of disabled persons and persons with special needs for a period longer than a year, for the year in which more than 50% of such persons were employed.
The taxpayer – a business unit of a non-resident who has been established, or whose seat is, or its real management and supervision of business is outside the territory of Federation of B&amp;H, but in B&amp;H is exempt from paying income tax for the income generated in business carried out in the territory of Federation B&amp;H.

<table>
<thead>
<tr>
<th>Countries</th>
<th>Value Added Tax Rate (VAT) in %</th>
<th>Income Tax Rate (legal entities) in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bosnia and Herzegovina</td>
<td>17</td>
<td>10</td>
</tr>
<tr>
<td>Croatia</td>
<td>25</td>
<td>20</td>
</tr>
<tr>
<td>Serbia</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>Montenegro</td>
<td>19</td>
<td>9</td>
</tr>
<tr>
<td>Macedonia</td>
<td>18</td>
<td>10</td>
</tr>
<tr>
<td>Albania</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>Turkey</td>
<td>18</td>
<td>20</td>
</tr>
<tr>
<td>Slovenia</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td>Hungary</td>
<td>27</td>
<td>19</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>Romania</td>
<td>24</td>
<td>16</td>
</tr>
</tbody>
</table>

*Figure 8. Tax Rates*

The laws on foreign investments

Bosnia and Herzegovina has well-defined laws and by-laws that deal with establishing and operations of business enterprises, and direct foreign investments also get special treatment. The main legal acts that regulate the registration and operation of
business enterprises as well as direct foreign investments are as follows:

- The Direct Foreign Investment in Bosnia and Herzegovina Policy Act (“The Official Gazette of B&H”, no. 17/98 and 13/03) regulates basic policies and principles of the participation of foreign investor in the economy of Bosnia and Herzegovina.

- Foreign Investments Act (“The Official Gazette of F B&H”, no. 61/01 and 50/03) regulates the rights, obligations and privileges of foreign investors, forms of foreign investments, approval process and determines authorities responsible for approval of foreign investments in F B&H.

- The Law on Foreign Trade Policy (“The Official Gazette of B&H”, no. 7/98 and 35/04) regulates the basic elements of the system for the export and import of goods and services and sets the conditions for the performance of economic activities abroad and the performance of economic activities of natural and legal entities in B&H.

- Import and export of goods are free of any restrictions or other measures of the same effect, but does not preclude prohibitions or restrictions on international traffic justified on grounds of publicity, morality, public policy or public security. Import and export will be provided under the same conditions on the entire territory of Bosnia and Herzegovina.

- The Decree on the conditions for the establishing and operation of foreign entities’ representative offices in F B&H (“The Official Gazette of F B&H”, no. 7/95).
Incentives - support system for the development of certain sectors

Entrepreneurs who carry out or intend to carry out business activities in the territory of the City of Bihać have at their disposal several sources of funding for the development of SME (small and medium-sized enterprises) through a wide range of activities. Such funds are available through:

- City Administration Programme (economy incentives)
- Support Programmes of the Una-Sana Canton Government (agriculture, business zones, etc.)
- Programmes of the Federal Ministry of Development, Entrepreneurship and Crafts
- Programmes of the Federal Ministry of Agriculture, Water and Forestry
- Programmes of the Federal Ministry of Refugees and Displaced Persons
- Ministry of Refugees and Displaced Persons of Republic of Srpska
- Programmes of the Office of Employment
- Agency for Foreign Investment Promotion - FIPA

Furthermore, potential foreign investors who come from countries whose governments support investment and development of business activities in third countries, may achieve on that basis some financial support when investing in our country (for example, the SIMEST – programme to support Italian companies investing in B&H), etc.
The construction of two attractive business zones in the area of the City of Bihać is planned – the Zone “Ripač” covering the area of 20.7 ha, and Zone “Kamenica I” covering the area of 39.2 ha. Besides, the natural potential for tourism development and the declared National Park “Una” provide a basis for the development of a complex tourism product that can animate major investors, therefore it is to be considered a separate locational-package.

**Business Zone “Kamenica I”**

The business zone “Kamenica I” is located in the north-western part of the urban area of the City of Bihać along the existing main road M.5 Bihać – Izačić Border Crossing, creating a connection with the EU countries through the Republic of Croatia. The distance from the City centre is about 4 km, and from the Izačić Border Crossing is 8 km.

According to the Regulatory Plan Kamenica (The Official Gazette of the Municipality of Bihać, no. 03/03), the area of the business zone totalling 392,000 m² is divided into 71 plots of area ranging from 2,090 to 7,800 m², intended for small and medium
enterprises, a plot for: fairground purposes of area 35,810 m², a motel, with the area of 10,380 m², administration facilities, with the area of 9,000 m², and the Info Centre with a car park, with the area of 10,100 m². From the aspect of ownership structure, 24 plots or cca. 133,070 m² are owned by the Municipality of Bihać – 1/1 ownership, 12 plots or about 45,180 m² are owned by the Socialist Alliance, and 39 plots or about 213,750 m² are privately owned.

Spatial planning and design documentation is fully completed and currently is being invested in the construction of infrastructure.

**The current situation in the business zone:** 9 business buildings have been built in which 11 business entities are to carry out their activities. Two business buildings are under construction, while for 7 business entities there are preparations going on, in
various stages. Within the scope of the Regulatory Plan “Kamenica” there are 5 vacant building lots, owned by the City of Bihać and free for potential investors.

At this moment, the wider area is supplied with electric power, with existing plumbing installations, while the land in the business zone is currently being infrastructurally equipped.”

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Business Zone</th>
<th>Area (ha)</th>
<th>No. of business buildings in the Zone</th>
<th>Total area built (m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bihać</td>
<td>Kamenica</td>
<td>39.2</td>
<td>13 (in 10 buildings)</td>
<td>11,802</td>
</tr>
</tbody>
</table>

Prikaz 10. Poslovna zona na području Bihaća

**Business Zone “Ripač”**

The business zone “Ripač” is located in the western entrance to the City of Bihać, on the main road that connects the Sarajevo-Zenica valley with Croatia and the EU over Bihać. The regulatory plan “Business Zone Ripač” for this business zone has been developed and adopted. Spatial coverage of the business zone is 20.7 ha, divided into 15 plots; out of that, land of area of cca. 4.2 ha is owned by the City of Bihać and divided into 4 lots. One business building has been built and is used for pellet production (Ama-dint d.o.o.). There have not been significant investments into B.Z. “Ripač”. It is possible to merge the plots within the zone situated between the roads to meet the investor’s requirements. In the wider area there is electricity and water supply, telecommunication networks, and the plots themselves are therewith partially equipped.
Complex tourist products: The City of Bihać, the Una River and the Una National Park

Although Bihać has great potential for tourism development, such as natural resources for spa, rural, religious, cultural and historical, winter, herbal, hunting, fishing and extreme tourism, tourism in Bihać still does not play a role it should be playing in the overall development and promotion of the City and Canton. The need for a systematic development of this sector and
transformation of tourism and natural potential into developed and branded tourist products is clear, and the City will be supporting such activities entirely.

One of the key potentials of the City of Bihać is the Una River. By the proclamation of the National Park “Una”, Bihać gained a new priceless value that must be used for economic development, that is, tourism, as one of the most promising economy sectors. The National Park is almost entirely on the territory of the City of Bihać. Potential tourist resources in the City of Bihać are: attractive destinations on the Una River – Martinbrod, Kulen Vakuf, Orašac, Štrbački Buk, Ripač and Bihać; national monuments – the Fethija Mosque, Kloster, Sokolac, Brekovica, the Tower of the Church of St. Anthony, then hotels and catering, fishing district Klokot, Srbljani... Canoeing and kayaking can be arranged throughout the length of the Una River and its tributaries, while there are extraordinary trials for rafting.

The existing natural resources, healthy food and a clean environment are not fully utilized in the tourist offer, especially in the rural part of Bihać. Planning and implementation of a mega-tourist project that would entail large investments and credible investors is a solution for the development of tourism.
The Investor Support System of Bihać facilitates investors’ process of collecting and processing of information and the overall investment process – the City Administration monitors and coordinates requirements of each individual investor, thus speeding up the overall process.

The main point of contact with potential investors before the City of Bihać is the Office for general administration, economic and social activities of the City of Bihać, Department of management of local development. That is where potential investors of proven credibility, who may be interested in investing in the City of Bihać, can get all required information on current locational packages, as well as to find about the future plans of the City of Bihać for creating opportunities and prerequisites for investment. The activities carried out by the Office are related to presentation and promotion of the locational packages and investment opportunities, reception of investors and pointing them in the right direction, and providing direct support to investors through appointing the staff of the City Administration to serve the investor’s needs throughout the process of finding the location and realisation of the investment. The idea is that the requirements of each individual investor are fulfilled in a systematic and organised way and coordinated by the City Administration itself.

You can find more information about investment opportunities in the City of Bihać at the official website (http://bihac.org/).
Relatively low costs of starting a company:

<table>
<thead>
<tr>
<th>Name</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Founding stake</td>
<td>1000</td>
</tr>
<tr>
<td>Cost of notary services</td>
<td>500</td>
</tr>
<tr>
<td>Court fee for incorporation</td>
<td>108</td>
</tr>
<tr>
<td>Costs of publication in the Official Gazette (approx.)</td>
<td>75</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,683</strong></td>
</tr>
</tbody>
</table>

*Figure 11. The costs of starting a business*

Reasonable costs related to the preparation of the construction of industrial and manufacturing capacity

Fees and charges required to be paid by the investor until the use permit is issued for construction of business entities; as an example of the costs, listed are costs related to the two prospective Business Zones.
### Costs related to the issuance of zoning permits and preparatory actions

<table>
<thead>
<tr>
<th>Service</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>The urban planning application fee</td>
<td>33 EUR</td>
</tr>
<tr>
<td>Geodetic survey</td>
<td>external services</td>
</tr>
<tr>
<td>Development of preliminary project</td>
<td>external services</td>
</tr>
<tr>
<td>Development of a study on obtaining the necessary approvals</td>
<td>external services</td>
</tr>
<tr>
<td>The fee for landscaping of city construction land (According to the Decision on construction land, and the Decision on establishing the base price of the costs of landscaping the construction land for 2010)</td>
<td>(0.6058 \times 45.0 = 27.5) EUR/m(^2) of usable area of the building</td>
</tr>
<tr>
<td>Conversion of agricultural land into construction land</td>
<td>external services</td>
</tr>
</tbody>
</table>

### Costs related to the issuance of construction permits and preparatory actions

<table>
<thead>
<tr>
<th>Service</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction approval fee</td>
<td>5 - 75 EUR</td>
</tr>
<tr>
<td>Development of the main project</td>
<td>external services</td>
</tr>
<tr>
<td>Testing of soil</td>
<td>external services</td>
</tr>
</tbody>
</table>
| Fee resulting from natural advantages of the city construction land – the rent (According to the Law on Construction Land, and the Decision on Construction Land) | KAMENICA (VI zone): 4.5 EUR/m\(^2\) of usable area of the building  
RIPAČ: 0 EUR |
| Fee on construction of bombshelter (The fee is not paid in the event the investor is to build the bombshelter within the building) | 1% of building investment value |
| Supervision of construction works                                      | external services|
Costs related to the issuance of use permits

<table>
<thead>
<tr>
<th>Occupancy permit fee</th>
<th>5 - 75 EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs of technical acceptance</td>
<td>max 15,000 EUR</td>
</tr>
</tbody>
</table>

(According to the Price List on the calculation and payment of costs of technical inspection of the building)

max 15,000 EUR
(0.5 – 0.45 – 0.35 % of building investment value – the costs decrease as building investment value increases)

Educated and trained workforce and labour costs among the lowest in the region

The quality and training of the workforce, and the availability of both university graduates and qualified workers are our advantages. In addition, the cost of labour is much lower compared to the EU average.

Figure 13. Net and Gross Wages
Low taxes and significant incentives from all authority levels:

One of the advantages of Bosnia and Herzegovina: it is a country with one of the lowest VAT rates (17%) in region and Europe; the rate of company income tax is also very acceptable and among the lowest in region and Europe (10%).

Besides, tax benefits on direct foreign investments are in force, therefore, such companies are entirely or partially relieved from paying income tax in the first years.

The system of profit reinvestment is also in force for all businesses, which makes the profit non-taxable in such a case.

The development of particular sectors is stimulated by incentives from all state levels; the City of Bihać itself has planned in its budget the incentives for the economy development, so by the Economy Stimulus Programme for 2015 the following was planned:

- Co-financing of interest rates on Bihać City entrepreneurs’ debts;
- Reimbursement of the costs of establishing craft shops (except stores and catering/restaurant stores) and partial costs of incorporation of LLC companies in 2015;
- Implementation of the “Start Your Business in Bihać” Project;
- Co-financing a part of the costs of the rent of business premises for craft shops (except stores and catering/restaurant stores) and enterprises (LLC) which incorporated their activity and company in the City of Bihać
- Co-financing of the costs relating to resolving of property relations for businesses aimed at development projects.

- Co-financing of development project of entrepreneurship in the National Pak “Una”;

- Co-financing of training, retraining and professional development and training of personnel for employment in the manufacturing sector;

- Co-financing of employment of trainees-volunteers in the real sector;

- Co-financing of participation of the City of Bihać entrepreneurs on economic events;

- Co-financing the promotion of traditional crafts;

- Co-financing of promotional and economic events (“Golden Hands of Bihać city”, “Trahanijada”, Festival of Diaspora Folklore, and others);

- Co-financing of the Project “Tourist Train NP UNA”.

Cost-related aspect of your business will not be overloaded by high prices of raw materials, energy and utilities

<table>
<thead>
<tr>
<th>Cost of service</th>
<th>Bihać B&amp;H - F B&amp;H</th>
<th>Mrkonjić Grad B&amp;H - RS</th>
<th>Croatia (Karlovac)</th>
<th>Slovenia (Celje)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Electricity EUR/kWh (low tariff)</td>
<td>0.066-0.051</td>
<td>0.0342</td>
<td>0.0592</td>
<td>0.1969 (avg.)</td>
</tr>
<tr>
<td>Cost of Electricity EUR/kWh (high tariff)</td>
<td>0.133-0.097</td>
<td>0.0686</td>
<td>0.1156</td>
<td>0.1969 (avg.)</td>
</tr>
<tr>
<td>Cost of Water (EUR/m³)</td>
<td>0.87</td>
<td>0.74 + 10 EUR/month</td>
<td>1.81</td>
<td>0.31 + 226 EUR/month</td>
</tr>
<tr>
<td>Cost of Sewage (EUR/m³)</td>
<td>0.19</td>
<td>0.15</td>
<td>0.6966</td>
<td>0.1991 + 0.6464 + 193.13 EUR/month</td>
</tr>
<tr>
<td>Garbage Collection (EUR/m²)</td>
<td>9.65m³</td>
<td>0.49</td>
<td>0.377</td>
<td></td>
</tr>
</tbody>
</table>

*Fig. 14. Costs of electricity and utilities*

The costs of business services are among the most favourable in the region and the EU

As an indicator of very favourable prices of business services, we will show an example of external accounting service (accounting + tax consulting + semi-annual and annual business statements) whose price, depending on the type of business activity and the size of company, ranges from 100 to 500 euros per month.
Bihać has already gained trust of significant investors

The City of Bihać gives the impression of an organised milieu and a milieu in which business is carried out with ease. The City Administration achieved that through the implementation of a number of projects in cooperation with international organisations as well as relying on its own forces.

The City is actively working on increasing its competitiveness, creating through major development projects prerequisites for investment and favourable business climate. These projects include:

- Gasification of the City
- The National Park “Una” and development of entrepreneurship in the Park
- The use of renewable energy in the area of Bihać
- Tourist-sport aerodrome “Golubić”
- Tourist-recreational Ski Center “Duga Luka”
- Business Zones of the Bihać City
- Tourist-rehabilitation Centre “Terme” Gata
- Exploration and exploitation of sources of drinking and mineral water in Bihać
- City transport
The adopted regulatory plans and urban development projects that contain locations which may be most interesting to both domestic and foreign investors are:

- The regulatory plan „Business Zone Ripač“ – an opportunity to build business and economy facilities
- The regulatory plan „Business Zone Kamenica“ – an opportunity to build business and economy facilities
- The regulatory plan “Sports and recreational Centre Duga Luka” – the possibility of building sports facilities, with an emphasis on winter sports
- The regulatory plans “Repušine”, “Prekounje” and “Ceravci I”, as well as Urban Design “Luke – centre” – the possibility of building business and residential buildings with commercial facilities within the city area

The regulatory plans and urban development projects that are currently being developed but contain locations which at this moment may be most interesting to both domestic and foreign investors are:
The regulatory plan “Ribićka otoka” – the possibility to build sports and recreational facilities

Urban project “Part of the city core with a part of the Maršal Tito Square” – the possibility to build business, combined residential and business buildings, public parking garages in the City centre.

Activities on making the Plan to attract investments have been realized within the Governance Accountability Project – Phase 2 (GAP II). The GAP is financed by the USAID, Sida and the Dutch Embassy in Bosnia and Herzegovina.