

CITY OF ZENICA

INVESTORS GUIDE





CITY OF ZENICA

Word of the Mayor

In the past twenty years our city did not fully exploited its available potentials such as favourable geographic position, communication advantages and high quality human resources. That is why we are forced to devote ourselves decisively to economic recovery and development.

The development of Zenica is conditioned by various factors. I would primarily point out the promotion of cooperation between private and public sector, establishment of economic environment that is favourable for development of small and medium enterprises and reduction of the fiscal and para fiscal burden of the economy. All this aims to create comparative advantages in attracting domestic and foreign investments.

On the way of economic strengthening our community in the past few months, we have taken first steps towards creating a favourable business environment. By establishing the Sector for Local and Economic Development, we will be more efficient when it comes to assets from EU funds, as well as domestic and foreign investors. Business - sales and industrial zone are projects that will be an impulse for strong economic breakthrough of our city. We are prepared to adapt other locations to the needs and requirements of the investors; thereby we are offering them a special system of subsidies tailored to individual investments.

Zenica is a city of multi - ethnicity and multiculturalism. It is a city that has its own history, culture and tradition. It is recognizable by its industrial, sports and other symbols and has all the predispositions to be the bearer of the development of this part of B&H. However, Zenica is not only about buildings and capital projects, but about people who need to be more decisive, courageous and who have to take fate into their own hands. Therefore, we particularly count on educated young people whose energy represents the future of our community.

Respectfully,

Fuad Kasumović, Mayor of Zenica





CITY OF ZENICA

Basic facts

- Administrative industrial, sports and cultural center of Central B&H, Zenica – Doboj Canton
- Long standing tradition with extensive know-how in all niches of the metal and steel industry
- Excellent infrastructure and communication network
- University Center with 6 faculties including mechanical engineering and metallurgy and materials science
- Highly skilled, motivated and affordable labor force
- Well-grounded entrepreneurial infrastructure- local authorities committed to improvement of business environment and further development of private sector





CITY OF ZENICA

Strategic focus areas

- Strategic goal 1: Improve the structure and innovativeness of the economy for creation and sustainability of jobs
- Strategic goal 2: Improve quality and availability of social infrastructure and public services
- Strategic goal 3: Reduce negative impacts on the environment while respecting the principles of sustainable development

In order to achieve strategic objectives, Zenica City is committed to continuous investment in economic, social and sustainable development, as well as to stimulate economic activity by continuously improving entrepreneurial and communal infrastructure. Zenica City will intensify cooperation between city administration and Association of Employers Zenica, in order to find optimal solutions for improving business environment and economic development of the city through mutual discussions and work of the Economic Council of the City of Zenica.



An aerial photograph of a city, likely in the Pacific Northwest, showing a river winding through the urban landscape. The city is built on a hillside, with numerous multi-story buildings and a mix of residential and commercial structures. In the foreground, there's a large, curved park area with trees and a paved path. The background features rolling hills and mountains under a cloudy sky. A large orange semi-transparent rectangle is overlaid on the top half of the image, containing white text.

Population: **126.871**

Surface area: **557,5 km²**

CITY OF ZENICA

Position

Zenica is located in the centre of Bosnia and Herzegovina and it is settled in the valley of the river Bosna, which forms the base for development of B&H along with the Neretva valley, where the population is concentrated and natural and created values are expressed.

City of Zenica occupies an area of 557,5 km² and is situated 70 km from Sarajevo, the capitol of Bosnia and Herzegovina.



CITY OF ZENICA

Location

- Zenica is located on a national road which connects Central and Eastern Europe with the Adriatic and the Mediterranean sea.
- Proximity of Sarajevo International Airport 45 minutes by the car.
- Sarajevo International Airport provides, on a daily basis, many flights including direct flights to major airports such as Vienna, Munich and Istanbul.
- Modern railway connection with Europe and the port Ploče on the Adriatic Sea.
- Construction of the city ring road will insure fast and undisturbed traffic and connect primary and secondary road network with a new corridor Vc – through M-17 motorway.
- Vc corridor highway will integrate the region in the European road network in an adequate way.

Road distances from mayor cities

Zagreb	334 km
Beograd	314 km
Budimpešta	492 km
Beč	707 km
Berlin	1334 km



CITY OF ZENICA

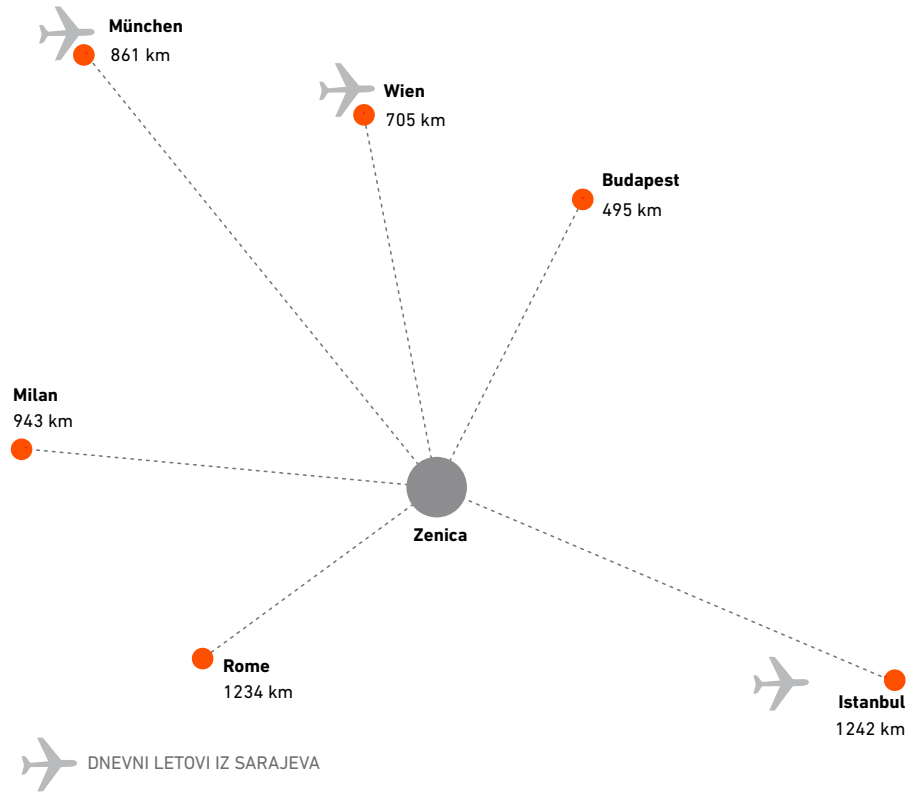
Transportation

Closest International Airports

Sarajevo (B&H)	73 km
Tuzla (B&H)	125 km
Split (Croatia)	221 km
Zagreb (Croatia)	332 km
Beograd (Serbia)	315 km

Closest Ports

Brčko (B&H)	140 km
Ploče (Croatia)	248 km
Beograd (Serbia)	314 km
Rijeka (Croatia)	494 km
Bar (Montenegro)	344 km



KEY ECONOMIC PARAMETERS

Overview



559	Area in km ²
126.871	Population (2015.)
87.779	Working age population (2015.)
47.046	Active population
491	GDP (in millions €) 2015.
3.915	GDP per capita (in €) 2015.
181	Import (in millions €) 2015.
217	Export (in millions €) 2015.
63	Investments (in millions €) 2015.
430	Average salary (in €) 2015.

ECONOMIC INDICATORS

Foreign trade

Through the development of private sector and attracting new investments in the development of small and medium enterprises, Zenica has successfully amortized huge job loss in large systems that have been the backbone of the city's economy. City's administration has decided to take proactive approach in creating favourable ambience for the development of entrepreneurship, thereby creating favourable conditions for economic development of Zenica City and arrival of new strategic investors.

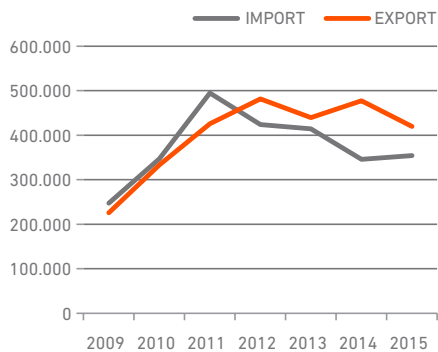
Opening new manufacturing companies in the period of 2009 – 2015, particularly in the field of metal industry has resulted in a positive trend of continuous reduction of import in the period 2011 - 2014, while in 2015 import was slightly increased. Cyclical trend of increase and decrease was recorded in the export.

118,62%

COVERAGE
OF IMPORT
BY EXPORT

65,94

BALANCE OF TRADE
(millions of KM)



Overview of foreign trade for the period of 2009 – 2015

Year	Total Foreign trade	Import (1.000 KM)	Participation in import* (%)	Export (1.000 KM)	Participation in export* (%)	Coverage of import by export (%)	Balance of trade (1.000 KM)
2009	472.997	247.240	3,13	225.757	5,96	91,31	-21.483
2010	680.390	346.880	4,03	333.510	6,85	96,15	-13.370
2011	920.641	494.761	5,07	425.880	7,65	86,08	-68.882
2012	905.560	423.944	4,25	481.616	9,18	113,60	57.671
2013	854.176	414.394	4,21	439.782	7,93	106,13	25.388
2014	822.775	345.553	3,34	477.222	8,26	138,10	131.669
2015	774.014	354.038	3,32	419.976	6,84	118,62	65.938

*participation in import and export of Federation of Bosnia and Herzegovina

EDUCATION

Scientific and academic institutions

City of Zenica is a regional educational centre with developed network of preschool, elementary, secondary, graduate, undergraduate and postgraduate education.

Zenica has the conditions for accommodating preschool children when it comes to space and staff. A total of 13 preschool care institutions, attended by 661 children, operate in the city. Public Institution for Preschool Care and Education has 6 kindergartens under its jurisdiction, while the other 7 kindergartens are a private property. Kindergartens are not evenly distributed through urban and suburban areas, and accordingly there is a commitment to organize preschool care in suburban areas and opening smaller kindergartens.

Elementary education is organized in 45 schools, 18 of them is basic and 27 district schools, which are organized due to the large distance from the main school. In the school year of 2014/2015, 10.328 pupils completed 9-year education.

Secondary education in Zenica City is performed in 11 schools (First Gymnasium, Second Gymnasium, "Saint Paul" General Secondary School, School of Economics, School of Medicine, Technical School, Secondary Mixed School, Mixed Secondary Industrial School, Mixed Secondary School, International Secondary School, Secondary School for professional education and vocational training). In the school year of 2014/2015, 4.865 pupils completed secondary education.

Zenica City as a university city has 8 faculties which were attended by approx. 4.000 students in the academic year of 2014/2015. University in Zenica offers excellent education to students through various departments in undergraduate and graduate education

2

Scientific Research Institutions

8

Faculties

11

Secondary schools

45

Elementary schools

UNIVERSITY IN ZENICA

Organizational units

The history of higher education in Zenica started 40 years ago when Higher Technical School of metallurgy profession was founded. First faculty was founded in 1961 when the Higher Technical School turned into the Faculty of Metallurgy within the University of Sarajevo.

Faculty of Mechanical Engineering was founded later in 1977. For many years, two mentioned faculties were the backbone of higher education in Zenica, and produced a large number of experts who were important for the industry.

In the post-war years in Zenica, a series of faculties were opened, as projecting departments from other universities (Sarajevo and Tuzla), which was the foundation for establishing the University of Zenica.

University in Zenica was established on the Eighteenth of October, 2000 by the Decision of the Assembly of Zenica – Doboj Canton.



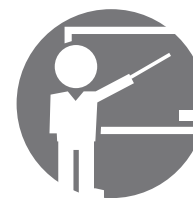
Faculty of Metallurgy
and metals



Faculty of Mechanical
Engineering



Polytechnic Faculty



Pedagogical Faculty



Faculty of Philosophy



Faculty of Economics



Faculty of Law



Faculty of Medicine



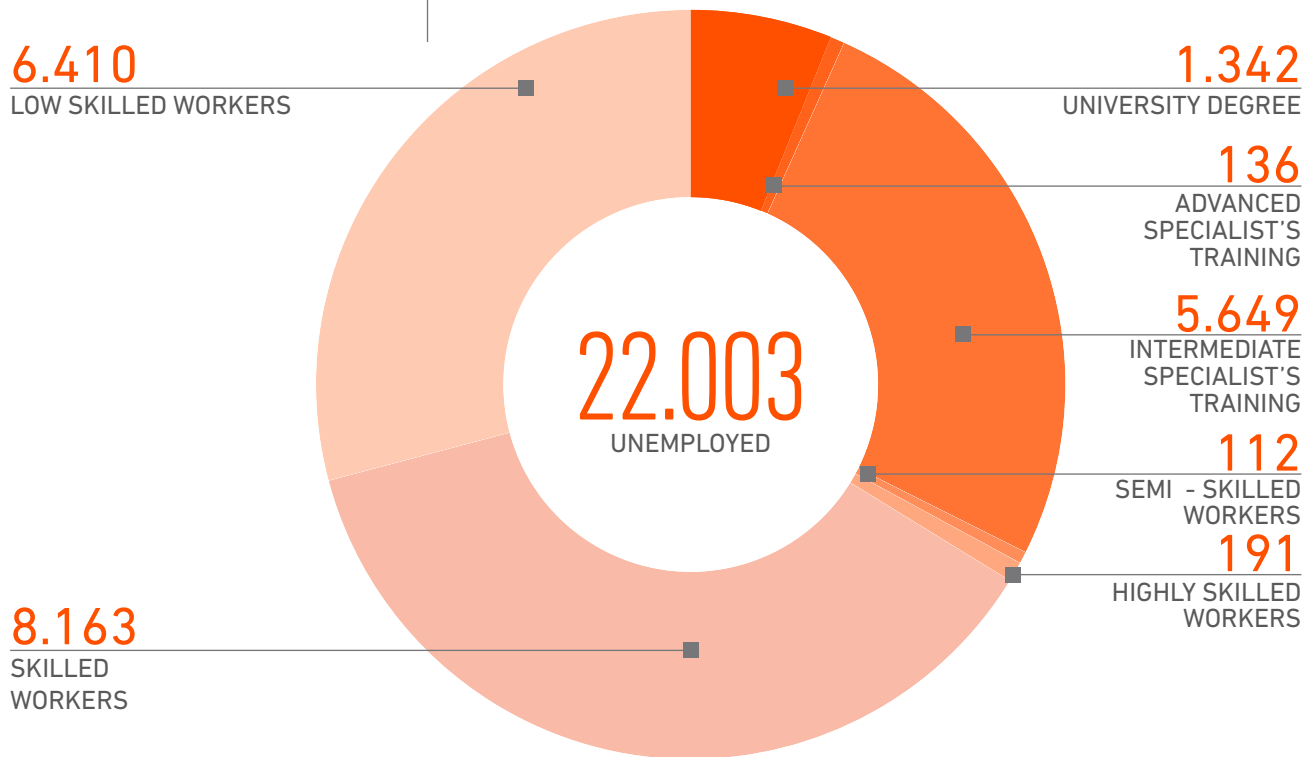


Zajednička promocija
završnika prvog i drugog
ciklusa studija
Univerziteta u Zenici

AVAILABLE LABOR FORCE

In accordance with level of education

Source: PI Employment Service of Zenica - Dobož Canton, office in Zenica registered on 31.12.2016.



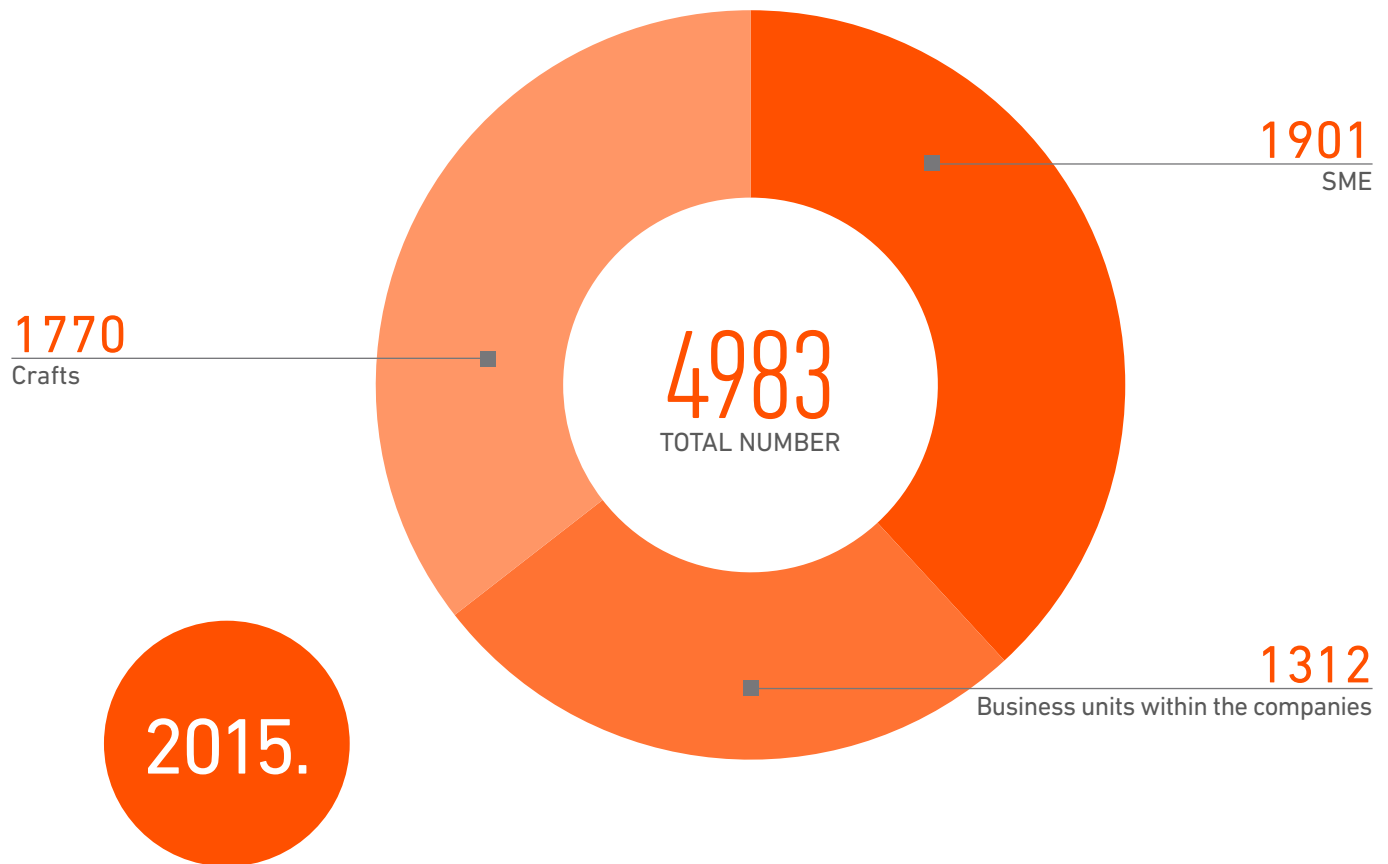
An aerial photograph of a large industrial facility, possibly a steel mill or refinery, with numerous buildings, pipes, and a tall smokestack. The image is overlaid with a semi-transparent orange rectangle. The text is positioned in the upper right area of this rectangle.

39,3 firms
per **1000** citizens

BUSINESS SUBJECTS

SOURCE: FEDERAL DEVELOPMENT PLANNING INSTITUTION -
SOCIO-ECONOMIC INDICATORS IN MUNICIPALITIES IN FB&H IN 2015,
APRIL 2016

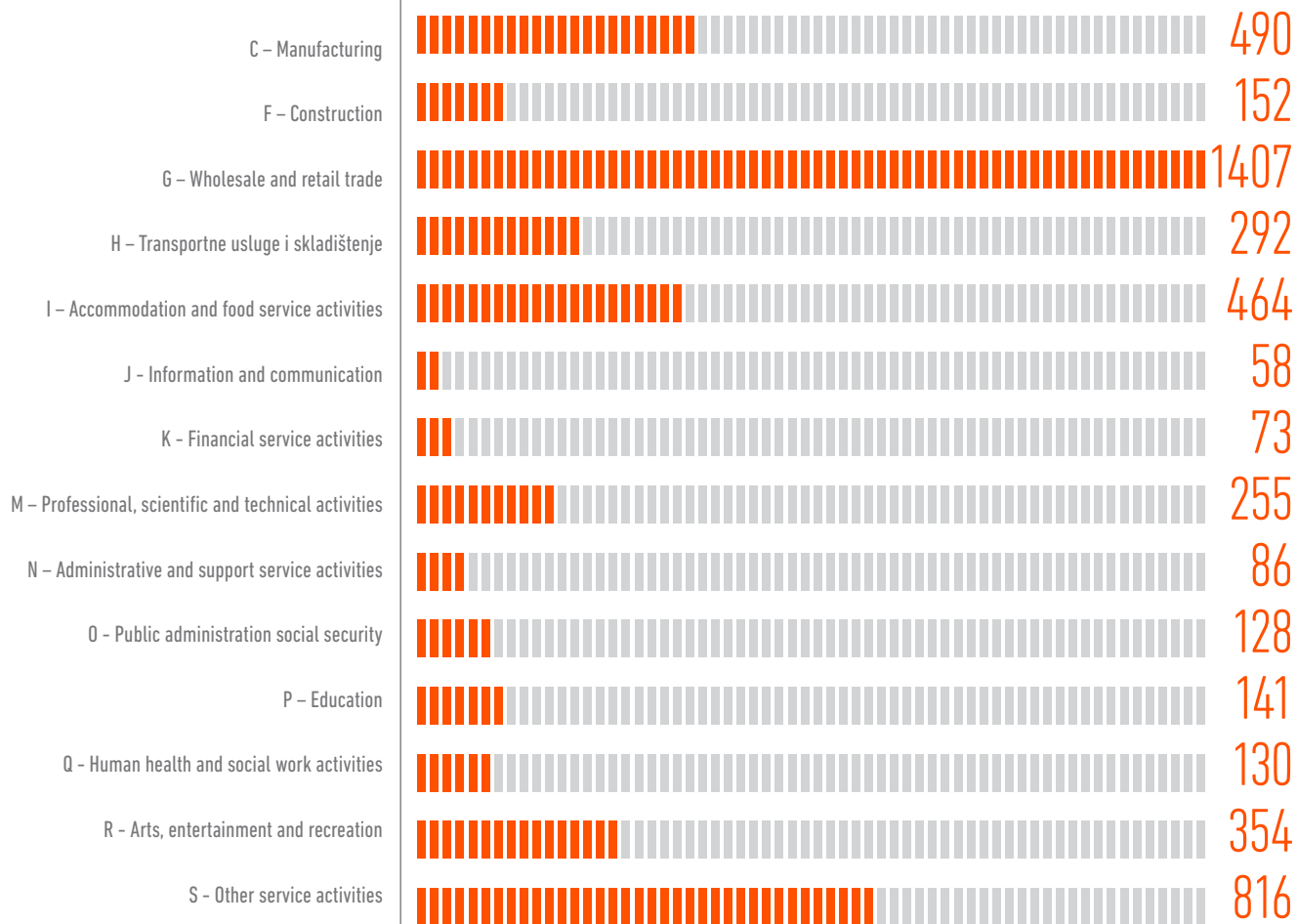
Number of registred business subjects



REGISTERED BUSINESSES

SOURCE: FEDERAL STATISTIC BUREAU - ZE-DO CANTON IN NUMBERS 2016.

According activities



INVESTMENT OPPORTUNITIES

Key sectors

The metal sector of Zenica and surrounding areas has the continuous growth while achieving the best import/export results. This is due to a long tradition in metal and steel industry, competitive cost structure, skilled labor, excellent infrastructure and business friendly environment. Arcelor-Mittal Zenica is the largest company, which hires 2.500 people.

The construction sector is among the strongest and most successful sectors in Zenica. Existing companies offer high quality of works and stay up to date with the latest construction innovations. This sector is represented with 50 small and medium companies, hiring slightly over 1.000 people.

The service sector is a very important part of the local economy. This sector alone generates just about 40% of total income of all business entities in the City of Zenica. There are over 700 registered companies providing a wide range of services such as banking and financial services, transportation and storage services, wholesale and retail service and many other professional and technical services.



METAL SECTOR



CONSTRUCTION SECTOR



SERVICE SECTOR



AGRICULTURAL AND FOOD PROCESSING SECTOR



METAL SECTOR

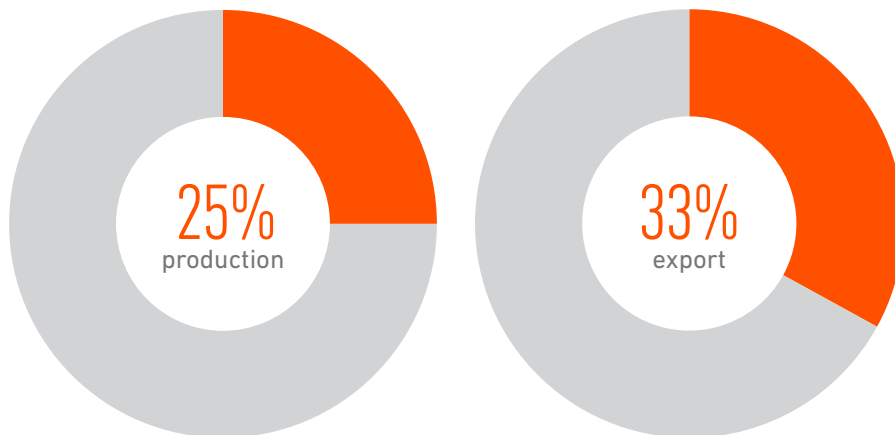
- > Tradition in metal and steel industry
- > Competitive cost structure
- > Skilled labor
- > Excellent infrastructure and business friendly environment
- > Strong interrelations between:
 - > Educational institutions
 - > SMEs
 - > Metallurgy Institute

Why to invest in Zenica?

Zenica, unlike any other place within the country, provides widespread manufacturing support from beginning to an end – from raw materials, through design, engineering and development phase to production and maintenance support.

Significant domestic sources of energy, coal and electrical power are the biggest advantages of this sector. Additionally, there is a positive trend of export orientation towards financially stronger and more stable markets, which counts for almost 25% of total exports from BiH. Leading export products of this sector are metals, specifically aluminum and steel. The second place belongs to automobile industry, with a steady growth and significant development potential. Metal products also have significant development potential, which is currently the leading export product from this group with a low added value.

Participation of metal sector in B&H economy



METAL SECTOR

Advantages of metal sector

- > ArcelorMittal Zenica
- > FEMETALL ltd. Zenica
- > CIMOS ltd. Zenica
- > RM-LH ltd. Zenica
- > BOSIO ltd. Zenica
- > ITC ltd. Zenica
- > TREASURE ltd. Zenica

- Traditionally one of the country's strongest and most successful sectors
- Accounts for ¼ of total manufacturing and more than 1/3 of exports
- Dominated by large number of SMEs, but also by a few large companies
- Provides opportunities for large companies to integrate existing primary producers for production of higher value added products at high quality and affordable cost
- Main exports countries are within EU (Germany, Italy, Netherlands, Austria)
- Zenica region participates with 79% of total export share in metal sector of Bosnia and Herzegovina in 2016



CONSTRUCTION SECTOR

Building construction & civil engineering

The main areas in which local construction companies operate are:

- > **Building construction - design and construction**
 - > Residential buildings, family houses, commercial buildings, business premises
 - > Public facilities (facilities of health, culture, administration, trade, catering, transport, etc.)
 - > Industrial facilities (industrial and agricultural objects)
- > **Civil engineering - design and construction**
 - > Roads, construction of bridges, dams, tunnels, silos, water towers etc.

The construction sector is an important part of the local economy.

According to official data of the Federal Bureau of Statistics, from 2011 until today, the construction sector in the City of Zenica has recorded continuous growth. Total value of construction works in 2015. amounted for 90.3 million KM, which is by 16% more than in 2014. Building construction counted for ≈ 35% of the total works, while remaining 65% was realized in the field of civil engineering. It is important to emphasize that Strategy of local economic development relies, among other things, on construction sector.

Construction companies in the City of Zenica execute all kinds of works. However, there is an increasing number of specialized construction companies in the field of civil engineering, which is becoming very important due to a large scale infrastructure projects in Bosnia and Herzegovina.

This sector is dominated by the large number of SMEs, with a presence of several large companies.

50

COMPANIES

1000

EMPLOYEES

- > ALMY GRADNJA ltd. Zenica
- > ITC ltd. Zenica
- > ARCON - in ltd. Zenica
- > AREL d.o.o. Zenica
- > UNIPROJEKT KOMERC-INŽINJERING ltd. Zenica
- > KOMGRAD - ZE ltd. Zenica
- > ALMY-TRANSPORT ltd. Zenica
- > GEOSONDA ltd. Zenica
- > ENGRA ltd. Zenica
- > ŽGP - ZENICA ltd. Zenica



SERVICE SECTOR

The most successful sector in Zenica

- > **Financial sector:**
 - > Unicredit Bank
 - > Intesa Sanpaolo Banka
 - > Raiffeisen Bank
 - > Bosna Bank International
- > **Sector of commerce:**
 - > Pero ltd. Zenica
 - > Almy ltd. Zenica
- > **Sector of transport:**
 - > Almy Transport ltd. Zenica
 - > ZESPED ltd. Zenica
 - > NADINEX ltd. Zenica
- > **Technical services:**
 - > AKSA ltd. Zenica
 - > Project office Bostijančić
 - > ENSTASIS ltd. Zenica

Sector of professional and business service in City of Zenica hires over 11.000 people or 45% of total employees. This sector generates 40% of total revenues of business entities in City of Zenica or 806 million of euros (data for 2016).

For several years now this sector is among the strongest and the most successful sectors in City of Zenica, as administrative center of Zenica - Dobojski canton.

Sector of Professional and business services has a very important role in the overall economic trends of the City of Zenica, not only because of its scope, but also for horizontal connections with other sectors of the economy in which it operates through technology transfer, innovation, creativity, and improvement of process efficiency. This sector consists of activities which are experiencing rapid growth at the global level and thus have a potential for further growth (IT sector, business consulting etc).

Sector is dominated by the large number of medium, small and micro firms. In total number of 4.983 business entities (ltd companies, business units, crafts), there are 4.204 companies or 84%.

Sector provides opportunities for all sized companies to meet their needs for different kinds of services, at a high quality level and very competitive prices.

This sector consolidates tertiary sector meaning transport, commerce, catering, crafting and banking as well as quaternary sector including education, science, culture, information, health and social protection.



AGRICULTURAL SECTOR

Big development potentials

- > 10 agricultural companies
- > 2.480 farms
- > 97 crafts
- > Over 130 ha planted with raspberries
- > Largest milk producer in Zenica - Dobož canton
- > Over 45.000,00 m² of greenhouse production

Structure of land

Total area	16.592 ha
Total cultivated	16.592 ha
Arable land and gardens	6.340 ha
Orchards	1.816 ha
Meadows	8.436 ha
Pastures	1.178 ha
Forest land	30.762 ha
Barren land	3.229 ha
Total area	50.583 ha

> BUYERS OF BERRY FRUITS:

- > Farming cooperative „PRONATURA“ Zenica
- > „DELTA FROST“ ltd. Zenica

> BUYERS OF MILK:

- > „Zenica's Industry Milk“ ltd. Zenica
- > Farming cooperative „Lastavica“
- > Farming cooperative „ZE-VIS“

The city is represented with a various primary agricultural productions, but due to the fragmented plots and a large percentage of meadows (51%) production of livestock is the most dominant. Milk production is also important because of the presence of milk supply chain and processing capacities (ZIM company). Quantities of purchased milk are increasing constantly. The largest purchaser of milk is “Zenica milk industry” ltd. Zenica (65% of total purchase).

In recent years, farmers have shown interest in planting new orchards of fruit, especially new plants of raspberries as well as for greenhouse production. This contributes to the fact that this area has a several buyers of fruits, which have a significant cold storage capacities and secured placement of frozen products into EU market. These companies DELTA FROST Zenica (subsidiary company Deltra Trade Ltd. Zenica) and GTL “Pronatura” Zenica. In the city there are 56 rural areas and a total of 2,480 registered farms and 97 crafts.

There is an increased tendency of registering crafts in production of livestock and greenhouse production, as wells as of raspberry producers with plantations covering areas of more than 5 dunums of land.

Incentives for investments in agricultural sector is:

- > Incentives for livestock production
- > Incentives for fruit-growing
- > Incentives in vegetable-growing





BUSINESS ZONE ZENICA 1

Investment location

Business Zone Zenica 1 is the primary area for economic development focus and home to a local Business incubator and TechnoPark Zenica – owned by City of Zenica and ran by Zenica's Development Agency ZEDA. Business Zone covers the are of 336.427 m² (84 acres) out of which 60% is already being utilized. The remaining free space can be adjusted to investor's specific needs. Business operations in the business zone are of a diverse nature with the largest being CIMOS, RM-LH, ITC, ZE-STEEL, FE-METALL and treasure all engaged in the metal sector.

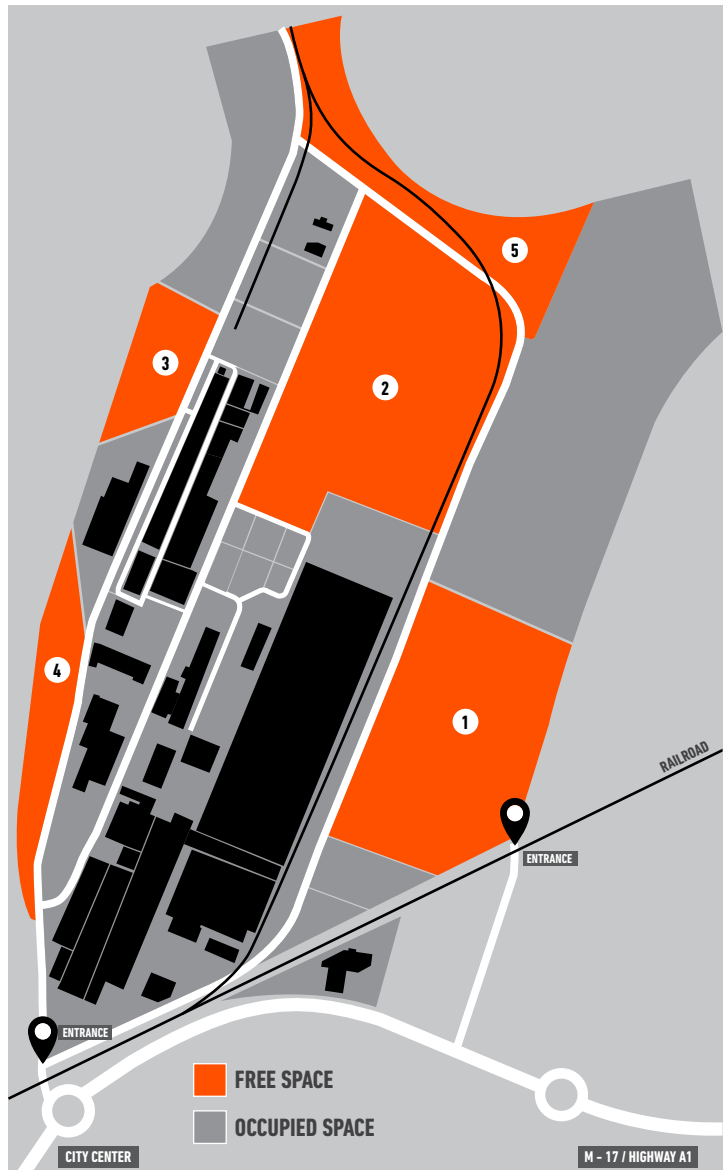
Business zone is located between the business complex of ArcelorMittal and the city- as a former part of the large complex has a great connection with the rest of sub-zone roads and rail roads which enables easy flow of goods. The new city ring road by-pass provides immediate access to the Business Zone Zenica 1 from M-17 highway and Vc corridor highway.

Business Zone Zenica 1

Total area in ha	33,64 ha
Occupancy	60 %
Fee for construction land per m ²	25 €
Land ownership - City of Zenica	100 %
Land is regulated by spatial planning documents	
Access to: electricity, water, process waters, gas, telecommunications, sewage and heating system	

Free space

Parcel 1	39.150 m ²
Parcel 2	45.000 m ²
Parcel 3	9.340 m ²
Parcel 4	11.330 m ²
Parcel 5	12.336 m ²



AGRO – ZONE NEMILA

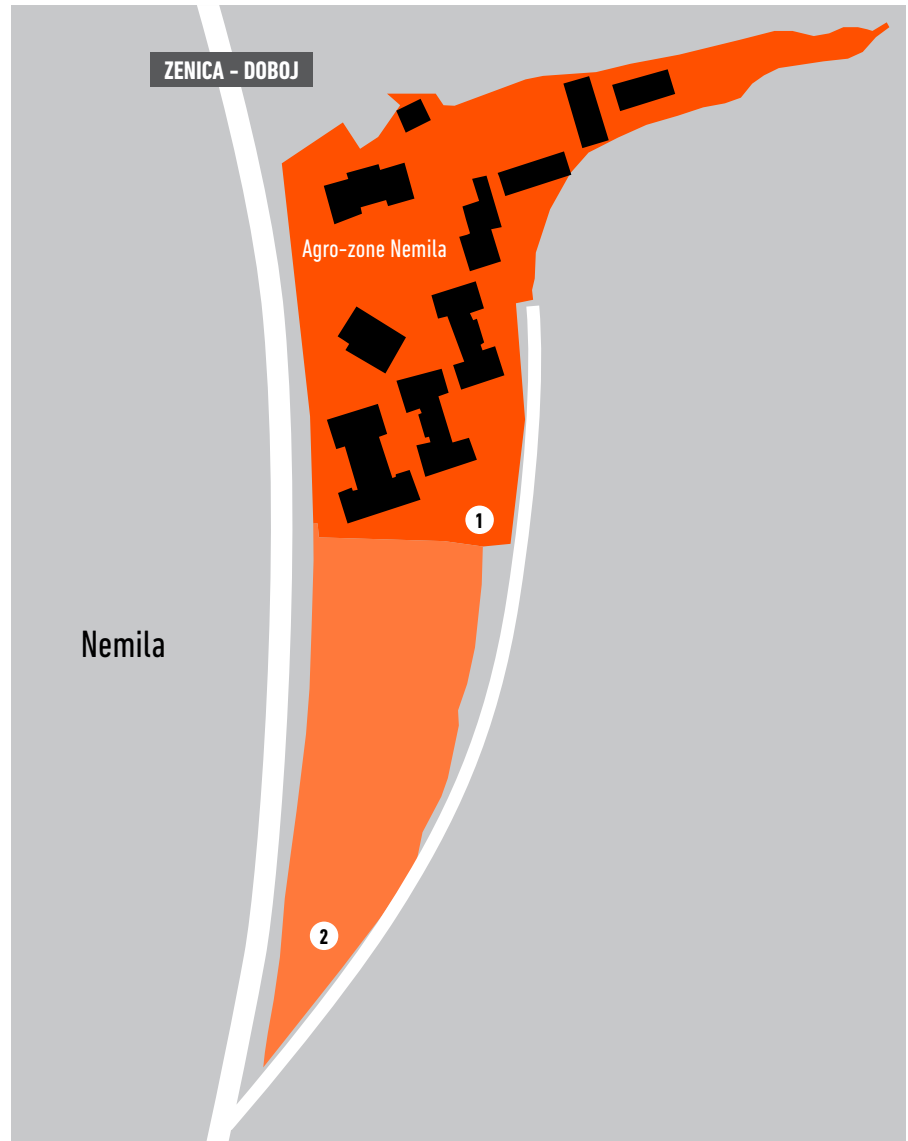
Brownfield location

Agro – zone is located in Nemila settlement, 24 km away from the city, along the main road M17 Zenica – Doboj.

The purpose of the specific plot is the construction of objects for establishing Agro – zone in Nemila such as: refrigerators for disposal of fruits and vegetables, objects for processing fruits and vegetables, greenhouses for the continuous production of the planting material, agricultural laboratory, agricultural pharmacy and other activities regarding agribusiness.

Agro - zone Nemila

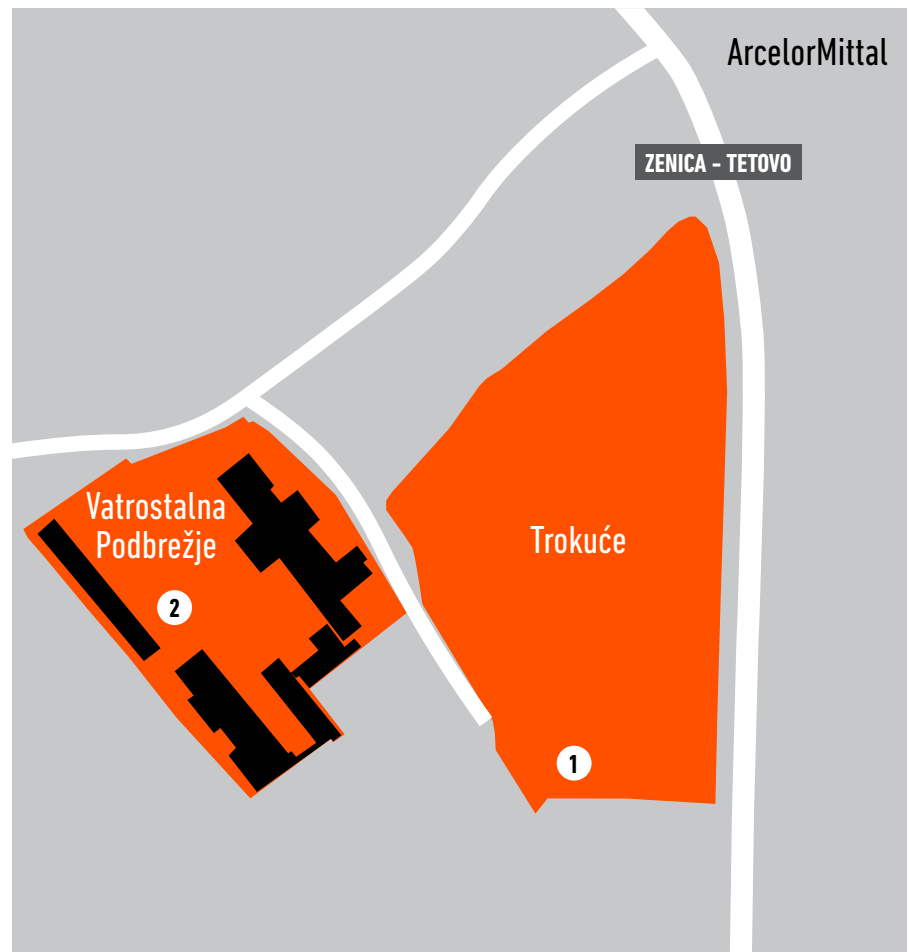
Parcel 1	22.727 m ²	City of Zenica
Parcel 2	12.115 m ²	private land



TROKUĆE

Brownfield location

This location is 2, 7 km away from the centre of the Zenica City, on the regional road towards Tetovo settlement. Land is located in immediate vicinity of Arcelor Mittal Company. Access to electricity, water and sanitation is provided on this location.



Trokuće

Total surface in ha	16.084 m ²
Parcel 1	9.994 m ²
Parcel 2	6.090 m ²
Ownership of the land:	private



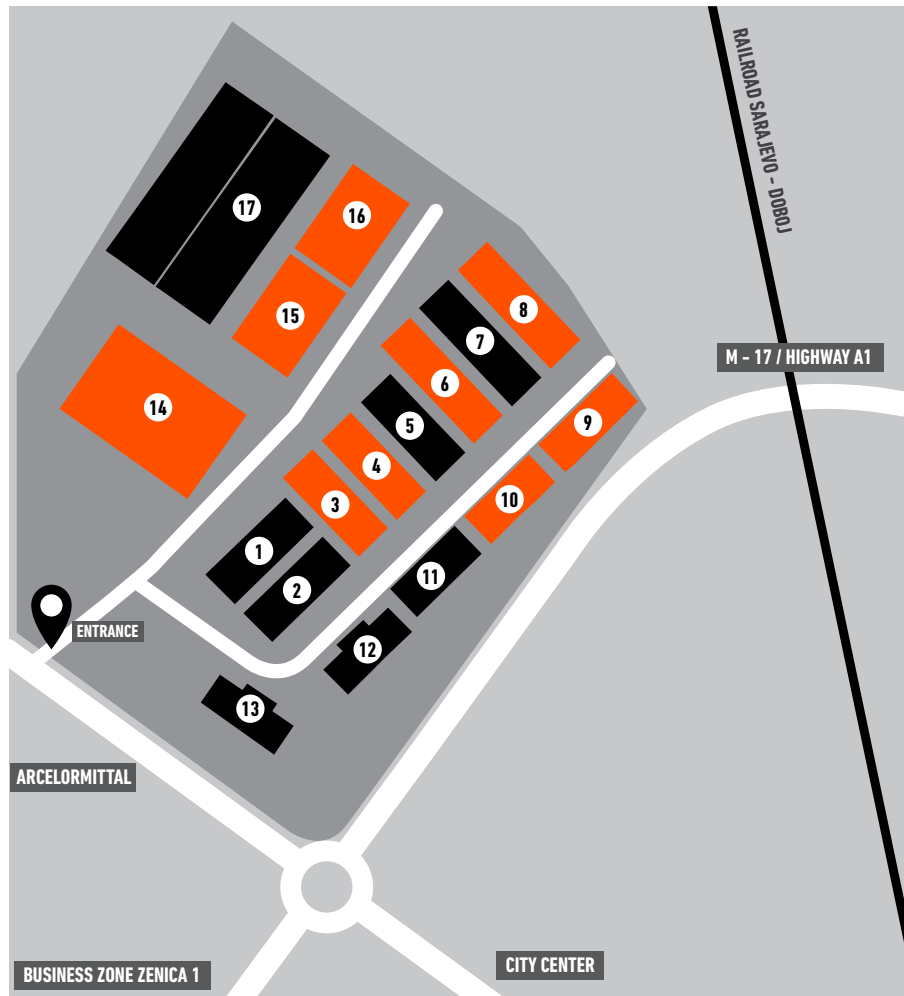
BUSINESS ZONE ŠLJIVIK

Brownfield location

Business zone Šljivik is located at the entrance to the Zenica City (Zenica North), by the entrance to the Arcelor Mittal Company.

It is a brownfield location that provides electric energy and water.

Hall No.	Surface	Status
3	896 m ²	OCCUPIED
4	896 m ²	OCCUPIED
6	1.152 m ²	OCCUPIED
8	1.152 m ²	OCCUPIED
9	771 m ²	OCCUPIED
10	687 m ²	FREE 287 m ²
14	3.220 m ²	FREE
15	1.395 m ²	FREE 1.040 m ²
16	1.392 m ²	FREE



An aerial photograph of a large industrial complex, possibly a steel mill or refinery, with numerous buildings, smokestacks, and conveyor systems. The image is partially obscured by a large, semi-transparent orange rectangular overlay that covers the top and middle sections. The background shows a mountain range under a clear sky.

35 firms
with **150** employees

BUSINESS INCUBATOR ZENICA

Generator of development of new companies

Launching the Business Incubator in Zenica was the priority project within the Strategy for development of entrepreneurship and SME's and represents one of first steps of its implementation.

Zenica City entrusted the management of Business Incubator to its development agency ZEDA. By forming the Business incubator, we have provided our citizens the optimal conditions for realizing their business idea and support for their business venture, preferably in the initial phase when they need it the most.

Business Incubator Zenica offers a combination of services which enable fast and successful business development. It is a set of infrastructural and competitive advantages that contribute to the entrepreneur. Our basic goal is to arouse entrepreneurial mind-set, develop business culture, promote self-employment and emergence of new enterprises.

- Identification of business possibilities and assessment of new business ideas (business planning),
- Constant support for entrepreneurs by business counselling and joint problem solving,
- Integration with Financial Institutions,
- Technical support for all users of the Incubator,
- Promotion of users which will be done by the Agency during the promotion of the Incubator,
- Introduction of users and their products and services on the Agency's website,
- Information about fairs on local and international level,
- Information about available funds designed to support SME sector.

LOWER COST
OF DOING
BUSINESS

LOWER RISK

BENEFITS
OF LOCATION



INCENTIVES

Benefits for investors

- > Municipal incentives
- > Cantonal incentives (Zenica-Doboj Canton)
- > Entity incentives (Federation of Bosnia and Herzegovina)
- > Incentives on the state level

MUNICIPAL INCENTIVES

Decision on construction land

Fee for utilisation of city construction land is reduced for construction of manufacturing facilities as follows:

- > 40% for manufacturing facility up to 1.000m²
- > 60% for manufacturing facility over 1.000m²
- > 30% for assisting objects

Fee for benefits (rent) for construction of manufacturing facilities is determined by flat rate determined for fifth zone in amount of 20 BAM/m².

Investors are enabled to pay fees in instalments, when constructing manufacturing facilities.

Investors constructing in other business facilities are also enabled to pay fees in instalments, in case when those fees exceed about of 50.000,00 BAM.

Decision on communal fees

Craftsmen engaged in activity regulated by Regulation on the protection of traditional and old crafts are exempt from paying communal fees, as well as craftsmen performing handicrafts in terms of Law on crafts and similar activities. Companies which employ 50% of persons with disabilities, with minimum of 10 employees, are also exempt from paying communal fees.

On the mayor's proposal City Council may decide on the exemption of tax on company for specific businesses, on the basis of professional and justified opinion of relevant department responsible for monitoring the are in which those subjects operate.

CANTONAL INCENTIVES (ZENICA-DOBOJ CANTON)

Subsidy for the part of administrative costs of investors in manufacturing activities (fee for construction land, fees for the change of designation from construction to agricultural land, utility connection fees, administrative, courts and other fees and charges to panels).

Financial support is foreseen for covering the part of administrative costs for constructing production facilities and purchase of machines and equipment. Craftsmen may obtain funds in the amount of five percent of the total investment, which may range between 10.000,00 BAM and 100.000,00 BAM.

ENTITY INCENTIVES (FEDERATION OF BOSNIA AND HERZEGOVINA)

- > The taxpayer who invests, from its own funds, in the production equipment more than 50% of the total profit in the current tax period, shall be reduced of the obligation of the calculated tax for 30% of the amount in the year of investment.
- > The taxpayer who in a period of 5 consecutive years makes investments from its own funds, in the total amount of 10 million €, starting with the first year when taxpayer has to invest at least 2 million €, shall be reduced of the obligations of the calculated tax income for 50% of the amount in the year of investment.
- > The taxpayer is entitled to a tax-deductible expense in the double amount of the gross wage paid to newly employees if meets the following conditions:
 - > Duration of the employment contract must be at least for a period of 12 months with full-time working hour
 - > When new employee was not employed with the taxpayer or a related person in the previous five years.
- > Company – business unit of a resident founded, or established, or with the actual administration and control over business outside the territory of the Federation but in Bosnia and Herzegovina shall be exempt from paying the tax on income generated by business operations in the territory of the Federation.

INCENTIVES ON THE STATE LEVEL

State-level incentives are realised on the following grounds via the Indirect Taxation Authority of Bosnia and Herzegovina:

1. VAT exemption for import of goods into business zone
2. Equipment released for free circulation which represents an investment by a foreign person, except for passenger vehicles, entertainment and slot machines, shall be granted relief of import duty.
3. Goods released for free circulation for projects of rebuilding and reconstruction of B&H shall be relieved of import duty.
4. Equipment released for free circulation intended for production activity in the free zone shall be relieved of import duty.
5. Fixed assets and other equipment belonging to companies that have definitely terminated their activity in a foreign country and transferred it to the customs territory of B&H shall be relieved of duty.
6. Relief of duty for products that farmers from B&H obtain in the land situated in a foreign country.
7. Relief of import duty on goods imported for trade and promotional purpose

SUCCESSFUL STORIES

Zenica as a favourable location for investors

ARCELORMITTAL

Company ArcelorMittal Zenica is doing business in B&H for 13 years, and has approx. 2.400 people directly employed. Total investment since 2004 is estimated to be more than 325 million KM, whereby the investments in environmental protection are in the amount of 100 million KM. Total investment in local community from 2004 is more than two million KM, with more than 280 projects.



DELTA FROST

Delta Trade Ltd. Zenica successfully operates in Zenica for 18 years. The company is a significant supplier of seeds, spices and raw materials for the confectionary industry. Recognizing the trends and interest in raspberries and other berry fruits, the company has formed a business unit of Delta Frost. Delta Trade Ltd. Zenica has imported and installed the first IQF tunnel in Bosnia and Herzegovina for the needs of its business unit Delta Frost. Installation was put into the operation in June, 2016. Valuation of investment of refrigerator and equipment is 3.5 million KM.

PRONATURA

Farming cooperative Pronatura purchases raspberries and other berry fruits. Refrigerator was installed in 2015 with a capacity of 1,000 tons, or 30 tons of deep freeze in 24 hours. The total investment was 2 million. In 2016 Pronatura has purchased 500 tons of raspberries.

They guarantee purchase of berry fruits, provide education, procurement of raw materials and monitoring production in the field for farmers.



FEMETALL

Femetall ltd. Zenica is a company that deals with manufacture and assembly of stainless steel and other metal products.

Within a short period of time, they have acquired a large number of customers and partners in Bosnia and Herzegovina and at the demanding European market.

The company provides services of processing of sheet metal, cutting, bending and welding, and as well as machining services. By exporting products to the market of the European Union, this



QUALITY OF LIFE

City of pleasant living





CONTENT

CITY OF ZENICA - Word of the Mayor /	3
CITY OF ZENICA - Basic facts /	5
CITY OF ZENICA - Strategic focus areas /	7
CITY OF ZENICA - Position /	9
CITY OF ZENICA - Location /	10
CITY OF ZENICA - Transportation /	11
KEY ECONOMIC PARAMETERS - Overview /	12
ECONOMIC INDICATORS - Foreign trade /	13
EDUCATION - Scientific and academic institutions /	14
UNIVERSITY IN ZENICA - Organizational units /	15
AVAILABLE LABOR FORCE - In accordance with level of education /	17
BUSINESS SUBJECTS - Number of registered business subjects /	19
REGISTERED BUSINESSES - According activities /	20
INVESTMENT OPPORTUNITIES - Key sectors /	21
METAL SECTOR - Why to invest in Zenica? /	23
METAL SECTOR - Advantages of metal sector /	24
CONSTRUCTION SECTOR - Building construction & civil engineering /	25
SERVICE SECTOR - The most successful sector in Zenica /	26
AGRICULTURAL SECTOR - Big development potentials /	27
BUSINESS ZONE ZENICA 1 - Investment location /	29
AGRO – ZONE NEMILA - Brownfield location /	30
TROKUĆE - Brownfield location /	31
BUSINESS ZONE ŠLJIVIK - Brownfield location /	33
BUSINESS INCUBATOR ZENICA - Generator of development of new companies /	35
INCENTIVES - Benefits for investors /	36
SUCCESSFUL STORIES - Zenica as a favourable location for investors /	38
QUALITY OF LIFE - City of pleasant living /	40

INVESTORS GUIDE

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