

INVEST IN ŽIVINICE



WELCOME TO THE CITY OF ŽIVINICE

- The City of Živnice is located in the Northeast of Bosnia and Herzegovina in Tuzla Canton, in the Federation of BiH.



Geographic position of Bosnia and Herzegovina (BiH) in Europe



Geographic position of the City of Živnice in BiH

INVEST IN ŽIVINICE!

- Tuzla Airport is located in the territory of the City of Živnice which opens up options for shortening time and lowering costs of transport.
- With 38 parcels of land and distance of only 1 kilometer from the Tuzla Airport, the Ciljuge 2 Business Zone provides future investors business opportunities for greenfield investments.
- Municipal authorities closely cooperate with the private sector in the realization of the common objective for growth, utilization of potentials and realization of opportunities in the City of Živnice.
- In cooperation with the International Finance Corporation (IFC), a member of the World Bank Group, the City of Živnice has implemented the project of regulatory reform, through which it simplified administrative procedures, lowered the costs and facilitated faster and easier access for citizens and business people to city services, through the on-line Electronic Registry of Administrative Procedures: <http://92.36.224.64:2102/eregistar/egfVwOdlukaJedinice.aspx>

CONTACT

City of Živnice
28 Alija Izetbegović Street
75270 Živnice
Bosnia and Herzegovina
www.gradzivnice.ba
e-mail: info@gradzivnice.ba

MAYOR

dr.sc. Samir Kamenjaković, Mayor
Info Desk: + 387 35 743 300
Mayor's Office: + 387 35 743 303
Fax: + 387 35 772 125

INVESTMENT DEPARTMENT

Indira Džeko, MSc in Economy,
Advisor to the Mayor for local economic development, finance and treasury
indira@gradzivnice.ba
Tel: +387 35 743 344

Admir Aljić, BSc in Economy,
Expert advisor for economy and development projects
admir@gradzivnice.ba
Tel: +387 35 743 304



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MAIN DATA ON THE CITY OF ŽIVINICE

Location	NW 440° 19' – 440° 30' ; EL 180° 30' – 180° 50'
Time zone	Middle European (UTC + 01:00)
Area size	298 km ²
Altitude	213 m
Climate	moderately continental
Average temperature	January 0.8°C; July 19.5°C
Average precipitation	95 mm/ m ²
Population	57.917
Population active in the labor force	41.193

Source: Federal Statistical Institute, Economic indicators related to 2021

GEO-STRATEGIC POSITION AND LOGISTICAL INFRASTRUCTURE

Border crossings	<p>With Croatia/EU:</p> <ul style="list-style-type: none"> • Orašje - International border crossing of category I in road transport (transport of persons, all types of goods and transport means) – distance 79 km <i>This border crossing facilitates the transport of fruit and vegetables that, under the legislation of contractual parties, are subject to inspection of compliance with market standards and determination of adequate health status in the course of transport over the shared state border.</i> • Brčko and Šamac - International border crossings of category I in road transport – distance 59 km and 86 km • Brod - International border crossing of category II in road transport – distance 125 km <p>With Serbia</p> <ul style="list-style-type: none"> • Karakaj – International border crossing of category I in road transport – distance 48 km
Road and Railroad transport	<ul style="list-style-type: none"> • Northwards, the City of Živinice is connected to the road leading to Županja and further towards the A3 Belgrade-Zagreb highway, and by rail with the large middle European knot in Vinkovci/CRO • Southwards, the City of Živinice is connected to the road M17 Sarajevo-Mostar-Adriatic Sea Primary Road, and by rail with Split/CRO (Doboj-Banja Luka) and the Ploče Port/CRO (Doboj-Zenica-Sarajevo-Mostar)
Ports	<ul style="list-style-type: none"> • Brčko (river port on River Sava) – 76 km • Ploče/CRO (sea port on Adriatic Sea) – 288 km
Airports	<ul style="list-style-type: none"> • Airport Dubrave with prospects for becoming a cargo airport located on the territory of the Municipality of Živinice – 1 km • Sarajevo - cargo airport – 108 km • Beograd (SRB) – cargo airport – 211 km • Zagreb (CRO/EU) - cargo airport – 320 km
Distance from larger cities in the region	<ul style="list-style-type: none"> • Tuzla – 13 km • Orašje (border with Croatia/EU) – 82 km • Sarajevo – 108 km • Banja Luka – 156 km • Mostar – 224 km • Zagreb (CRO) – 320 km • Beograd (SRB) – 211 km



HUMAN RESOURCES

Structure of unemployed persons

Employed:
10.929 persons

Unemployed:
10.031 persons

University equivalent	630
2 years college equivalent	32
High school equivalent	2.968
Highly qualified	23
Some high school education	3
Qualified	2.971
Semi-qualified	91
Unqualified	3.313

Source: Federal Statistical Institute, Indicators relate to 2021

- In the territory of the City of Živinice there are 20 school (including high schools and elementary schools). In the school year 2020/2021, classes had been attended by the total of 5.057 students in 232 classes.
- The University in Tuzla, within the framework of 47 study programmes in the first cycle of studies, and 50 study programmes in the second cycle of studies, organizes and performs teaching and scientific process in 13 schools within the University. Link: www.untz.ba
- The teaching process at the American University in Bosnia and Herzegovina, located in Tuzla, is based on American liberal education with graduate, post-graduate and doctoral studies, all in compliance with the Bologna principles. Link: www.aubih.edu.ba



BUSINESS ENVIRONMENT

Economic Indicators

GDP/pc	BAM 3,971
Imports	BAM 416.674.673
Exports	BAM 279.419.148
Number of legal entities	2.911
Number of companies	1.027
Number of branch offices of companies	717
Number of independent entrepreneurs	1.167
Average monthly net wage in the Municipality of Živinice	BAM 811

Source: Federal Statistical Institute, Economic indicators relate to 2021

- In the territory of the City of Živinice there are 1.027 active companies, of which 98% is in private ownership, and 1.167 entrepreneurs.
- Companies from the City of Živinice participate in business results of companies in the Federation of BiH with approx. 1%, and in the business results of companies in Tuzla Canton with approx. 9%.
- The real sector of the City of Živinice participates in total imports in FBiH with 1.80%, and in exports with 1.52%, while the total external trade exchange per capita on annual level amounts to BAM 5.773.

Natural Resources

Ore resources and mineral raw materials represent an important component of the economy in the City of Živinice. The base of resources are deposits of dark coal and lignite, nickel and cobalt, and limestone and quartz sand.

Agricultural Land - Opportunities

The city has 29,092 hectares of land, of which agricultural land covers 28.34%, forested areas cover 36.8%, and the remaining 34.91% are other types of land (construction, water areas, etc).

In the territory of the City of Živinice, in the area of Sprečko polje, the agricultural land in state ownership with total area size of around 1,300 hectares is available for lease.

Areas of agricultural land intended for lease are given under lease for the period of:

- 25 years for planting orchards, vineyards, plantations of germination material
- 10 years for other crops, i.e. other agricultural uses

Degraded Land – Opportunities

In the City of Živinice around 1,200 hectares of degraded land resulting from coal exploitation is available. The land is suitable for agriculture and planting orchards, vineyards, grasses, clover mixtures, but also for installation of solar powered energy plants. Those areas may be given under lease, as follows:

- 25 years for planting orchards, vineyards, etc.
- for installation of solar power plants, as per an agreement





MAIN ECONOMIC SECTORS FOR INVESTMENTS

- A dominant economy sector in Živinice is trade, followed by production activities: mining, agricultural production, metal processing, wood processing, and food processing industries.

Main economy sectors with investment opportunities	1. Agricultural and food processing 2. Manufacturing and crafts 3. Energy 4. Tourism
Agricultural and food processing <ul style="list-style-type: none"> Improvement of cultivation of vegetables and fruit in the open field Improvement of production in green houses Improvement of milk production Support to establishment of associations and networking of agricultural producers Development of food processing industry 	<p>The geographic position of the City of Živinice offers excellent conditions for the cultivation of fruit, vegetables and livestock, and the development of food processing industry. The vegetation period lasts from mid March to end September. The landform in the Municipality is plane landform on the North, and hilly and mountain landform on the South and South West, with moderate continental climate.</p> <p>Cattle, sheep, goats, and poultry are being raised. Current stock: Cattle – 7,200; cows and heifers – 5,300; sheep – 8,000; goats – 3,000; poultry – 574,000; bees – 9,500 bee houses</p> <p>In fruit production, the leading plantations are growths of strawberries, blueberries, aronia (chokeberry), and raspberries, as well as plums, apples, and pears. Currently, in the territory of the City of Živinice there are more than 150 hectares under fruit plantations.</p> <p>In the cultivation of vegetables, the leading crops are garden crops, primarily cornichon – more than 23 hectares are under cornichons plantations.</p> <p>In the City there are 14 enterprises active in agriculture and food processing, 6 successful associations of agricultural producers, and an agricultural high school.</p> <p>Investment opportunities:</p> <p>The City of Živinice offers a set of opportunities for investing in increasing cultivation capacities (entire livestock, strawberries and other berry fruits, cornichons), and in the construction of processing capacities (fruit and vegetable processing, milk and dairy processing). We also offer locations for:</p> <ul style="list-style-type: none"> construction of cold storages establishment of cargo center in the immediate vicinity of Tuzla Airport (with prospects for becoming a cargo airport).
Manufacturing and crafts <ul style="list-style-type: none"> Development of production that substitutes imports Increase of capacities of existing wood processing and metal processing industry 	<p>The City of Živinice is characterized with many years of industrial tradition, availability of natural resources, well educated labor force, and administration that is fully at the disposal of the business people. Favorable business climate has led to an expansion of entrepreneurship, which is witnessed by more than 2,000 registered economic operators, employing more than 8.000 people.</p> <p>The City of Živinice is an area that is rich in forested land and forest land. Forest land covers 10,693 hectares, of which high forests with natural renewal cover as many as 7,003 hectares. The wealth of forests was advantageous for the development of wood processing industry. 8 enterprises are active in primary wood processing, and 12 in furniture production.</p> <p>Investment opportunities:</p> <p>Opportunities available to investors include greenfield and brownfield investments and the cooperation with existing companies (joint venture).</p>

<ul style="list-style-type: none"> • Energy – Development of energy sector based on renewable energy sources • Solar energy • Biomass 	<p>The territory of the City of Živinice has a potential for the development of the energy sector based on renewable energy sources.</p> <p>In the territory of the City of Živinice, the annual thermal regime is compliant with Cfb climate (moderately warm climate with hot summers). The largest number of sunny days is in the month of August, with the average of 271 hours per month, and the smallest in the month of November, with the average of 64.7 hours per month. August is also the clearest month (least cloudy month) with average cloudiness of 3.5, while November is the cloudiest month with 7.4.</p> <p>Investment opportunities: There are significant investment opportunities for generation of electrical power from solar energy:</p> <ul style="list-style-type: none"> • directly, by using photo effects (positioning of solar collectors and photo voltaic cells) or • by constructing solar power plants, for which there is a significant potential <p>Investment opportunities for utilization of biomass are primarily based on producing energy from wood based biomass, specifically:</p> <ul style="list-style-type: none"> • forestry biomass (residues and waste created in the course of regular management of forests, physical space and firewood) and • biomass originating from wood processing industry (residue and waste resulting from sawing, grinding, polishing raw material for products) which is less expensive and better quality fuel than forestry based biomass
<p>Tourism</p> <ul style="list-style-type: none"> • Recreational and hunting tourism 	<p>The City of Živinice has significant capacities for recreational and hunting tourism.</p> <ul style="list-style-type: none"> • The area of Rajsko jezero of Bašigovci, spring, spring of Toplice, eco-zone of Suška rijeka, mountain lodge and other contents on Drenik mountain, and a set of hospitality industry facilities represent true tourism potentials • A set of arranged mountain paths, hiking routes, bicycle paths, several tourism facilities in ethnic style, the horse farm and paths for riding and equestrian sports, and a whole network of clean meadows, brooks, and small rivers, are a true challenge for any traveler <p>Hunting grounds for various types of wild game, 10 hunting lodges, a hunting home being developed, own pheasant farms, shelter for fallow deer, are attractive locations for those who love hunting.</p> <p>Existing tourism offer opens up opportunities for the development of tourism potentials in the area of hunting and fishing tourism, recreational tourism, historical heritage, and religious tourism.</p>

INVESTMENT OPPORTUNITIES - LOCATIONS

Business Zones

The City of Živinice offers to potential investors an already established network of business zones, with developed infrastructure, and opportunities for greenfield and brownfield investments into different sectors. Local authorities are at the disposal to potential investors at all times, to be contacted and to provide assistance in the establishment of business operations at the available investment locations.

Name	Type/Status	Area size (in hectares)	Number of existing business operators
Maline Business Zone	existing	5.5	26
Ciljuge 2 Business Zone	existing	9.4	8
Ljubače Army Barracks Business Zone	existing	18.85	4
Novi grad Business Zone	existing	5.6	22
Airport Ciljuge Business Zone	existing	6.04	2



“CILJUGE 2” BUSINESS ZONE

With 38 parcels and distance of only 1 kilometer from Dubrave Airport, “Ciljuge 2” Business Zone provides a set of opportunities and advantages to future investors.

Type of investment	Greenfield
Land	<p>In 100% ownership of the City of Živinice the land within the Business Zone of Ciljuge with area size of 9.4 hectares is available.</p> <p>The terrain is flat, there is no hazard of flooding or landslides. Ciljuge 2 Business Zone is a mixed zone (industrial, entrepreneurial and crafts). The distance from the airport in Tuzla is 1 kilometer, from the railroad 2 kilometers, from the primary road 1 kilometer, and from the center of the Municipality 5 kilometers.</p> <p>The land is intended for sale.</p>
Price of land in the zone BAM/m²	BAM 16 / m ²
Calculation of costs for tax, fees and permits for construction of a business facility with the net area size of 1,000 m²	
Urban planning permit	<p>Administrative fee: BAM 10</p> <p>Costs for the land conversion: BAM 2/m²</p>
Construction permit	<p>Administrative fee: BAM 30</p> <p>Rent: BAM 5.000</p> <p>Costs of procedure: BAM 1,800</p> <p>Fee for construction of the shelter:</p>
Usage permit	<p>1% of total investments costs</p> <p>Administrative fee: BAM 30</p>
Infrastructure	The following are in the phase of construction in the zone: transport infrastructure, electrical power, water (potable/technical), telephone, sewage system, options for solid waste disposal. Expected completion of construction: 2020.

Oil Derivatives Warehouse “Pasci”

The oil derivatives warehouse “Pasci” with capacity of 6 million liters, is a former military complex for storing engine fuel for the “Dubrave” airport. It could be used for warehousing all types of liquids, especially of fuel and lubricant. The warehouse comprises 6 underground reservoirs with capacities of 1 million liters each, and they can be emptied based on the principle of free fall with a complete supporting infrastructure, an area for unloading cisterns, and an area for unloading cistern trailers, and supporting facilities.

Utility Costs for Industrial Consumers

Connection fee for water supply and sewage network	BAM 2,000 – 3,000 /one time/
Potable water	BAM 1.8/m ³
Waste water	BAM 0.6/m ³
Fixed monthly fee	BAM 10
Waste disposal flat rate	BAM 15/month

Source: Public Company “ViK” Ltd. Živinice



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SERVICES PROVIDED TO INVESTORS BY THE CITY OF ŽIVINICE

With the objective of improving services for the business community and its citizens, the City of Živinice implemented the regulatory reform and improved the business environment, aligning with up-to-date developments in the e-administration.

- Advantages for investors include, among others:
 - Shortened deadlines for implementation of administrative procedures
 - Reduced costs of implementation of administrative procedures
 - Business Center - support for Investors with all administrative procedures
 - Electronic registry of administrative procedures in the City of Živinice
<http://92.36.224.64:2102/eregistar/egfVwOdlukaJedinice.aspx>

The total direct savings for the real sector and for the citizens of the City of Živinice on annual level amount to BAM 377,987. The savings are reached based on a reduction of the time period necessary for resolution of cases. The response time of the administration to 1 application of an individual / company is 1 day.

- The City of Živinice provides support to existing investors within the Investor servicing program (aftercare program) in cooperation with other levels of government in BiH, through the collaborative network.

Other Services

- In the City of Živinice there are 10 banks, 5 insurance companies, 3 notary offices, and 15 bookkeeping firms. •

Electronic registries with detailed review of permits and licenses that are necessary for investors in BiH, Federation of BiH, Tuzla Canton and the City of Živinice are accessible on the following Internet web pages:

- **BiH Ministry of Foreign Trade and Economic Relations (MOFTER)**
<http://rap.mvteo.gov.ba/egfVwOdlukaJedinice.aspx>
- **Federation of BiH**
<http://fbihvlada.gov.ba/bosanski/ereg/index.php>
- **Tuzla Canton**
<http://195.222.57.146/egfVwOdlukaJedinice.aspx>
- **City of Živinice**
<http://92.36.224.64:2102/eregistar/egfVwOdlukaJedinice.aspx>
- Inventory of fiscal and non-fiscal investment incentives at the level of BiH is accessible on these Internet web pages:
 - **BiH Ministry of Foreign Trade and Economic Relations (MOFTER)**
http://www.mvteo.gov.ba/izvjestaji_publicacije/izvjestaji/default.aspx?id=6175&langTag=en-US
 - **BiH Foreign Investment Promotion Agency (FIPA)**
http://www.fipa.gov.ba/informacije/povlastice/strani_investitori/default.aspx?id=141&langTag=en-US



SUCCESSFUL INVESTORS IN THE CITY OF ŽIVINICE



www.alfemi.com

„**ALFE-MI Ltd.** is a reputable company - a manufacturer of products in metal processing industry with many years of tradition in manufacturing of this type. Founded in 1973, from the year 2000 the company had been in 100% private ownership. We employ more than 270 employees, and we sell 99% of our products on foreign markets. Significant role in realization of our successful business results belongs to the favorable business environment in the City of Živinice, and to high quality cooperation with city administration.“

Željko Mandić, C.E.O. of Alfe- Mi Živinice



www.atikereurope.com/ba

„**Atiker Metal Corporation** was founded by Mehmet Ali Atiker in 1970, with the objective of manufacturing steel pipes for drill holes in deep water. As a result of technological development and demand in the market, the Atiker Metal Corporation expended its interest from the manufacturing of steel pipes to the manufacturing of LPG containers for cars, and then also to the manufacturing of LPG and CNG gas systems for cars. The Company has branch offices throughout the world and has more than 1,000 workers. Thanks to the favorable business environment in the City of Živinice, in 2013 we located our branch office for Southeast Europe in the Maline Business Zone. A set of advantages, including good cooperation with the local community, encourages our plans for continued expansion of our business, opening of new jobs, and increasing the scope of exports.“

Refik Nišić, C.E.O. of Atiker Ltd. – for Southeast Europe

“Welcome to Živinice, a city whose concept of development is based on principles of competitiveness of local communities. We are relying on local capacities and qualified labor force. We are developing communications, infrastructure, and institutions for supporting entrepreneurship. Local administration is aware of its active role in the processes of management over local economic development and is fully at the disposal of investors for realization of their investments.”



