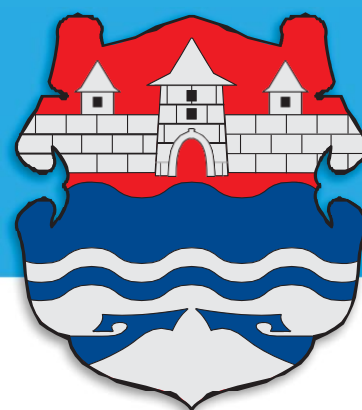




INVESTMENT PROFILE

Great opportunity and excellent
choice for your investment



CITY OF BANJALUKA
www.banjaluks.rs.ba



Position of Bosnia and Herzegovina in Europe

■ GEOGRAPHIC POSITION OF THE CITY OF BANJA LUKA

Official name	City of Banja Luka
Administrative affiliation	Republika Srpska, Bosnia and Herzegovina
Population	184 257
Address	Trg srpskih vladara 1, 78000 Banja Luka
Contact phone number	Telephone: +387 51 24 44 00
Fax	Fax: +387 51 21 25 26
E-mail	gradonacelnik@banjaluka.rs.ba
Web	www.banjaluka.rs.ba

CONTACTS FOR INVESTORS:

City of Banja Luka

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BANJALUKA

Great opportunity and excellent choice for your investment

- **The City of Banja Luka is the administrative, economic, educational, and cultural center of Republika Srpska, characterized by modern business infrastructure and a high-quality living environment.**
- The City of Banja Luka is located in the northwest of BiH, relatively close to the border with Croatia (the EU), and provides a very good opportunity for development of business operations in the immediate vicinity of the profitable European market with more than 500 million inhabitants. Banja Luka is very well connected with the EU and centers in BiH, through road and rail corridors, and one of the most significant international border crossings for passenger and freight transport between BiH and the EU is 52 kilometers away.
- The *Ramići-Banja Luka* business zone, as well as other accessible locations for investors, represent very good opportunities for investing and development of business operations. Special advantage is provided under the programme of support for investors that enter the "Ramići-Banja Luka" business zone, but there are also other very attractive incentives of the City Administration that may be realized by investors in Banja Luka.
- There are more than 73,000 persons employed in Banja Luka, while currently more than 7,367 persons are at disposal on the labor market, among whom there is a large number of young staff with excellent potentials (this number includes 25,6% of qualified workers, 33% of workers with high school education and 20,6% of workers with college education). In this number there are 45,8% of people who are 40 years old or younger and unemployed.
- The City of Banja Luka is at the service of investors! The City Administration provides support to investors in selecting locations for investing, as well as during the process of investing, and it continues to provide support during business operations, as well. We have simplified the processes of issuance of documentation, shortened the waiting periods and reduced the costs of doing business, for procedures in the process of construction and business registration, so that you will realize your investment quickly, easily and less expensively!

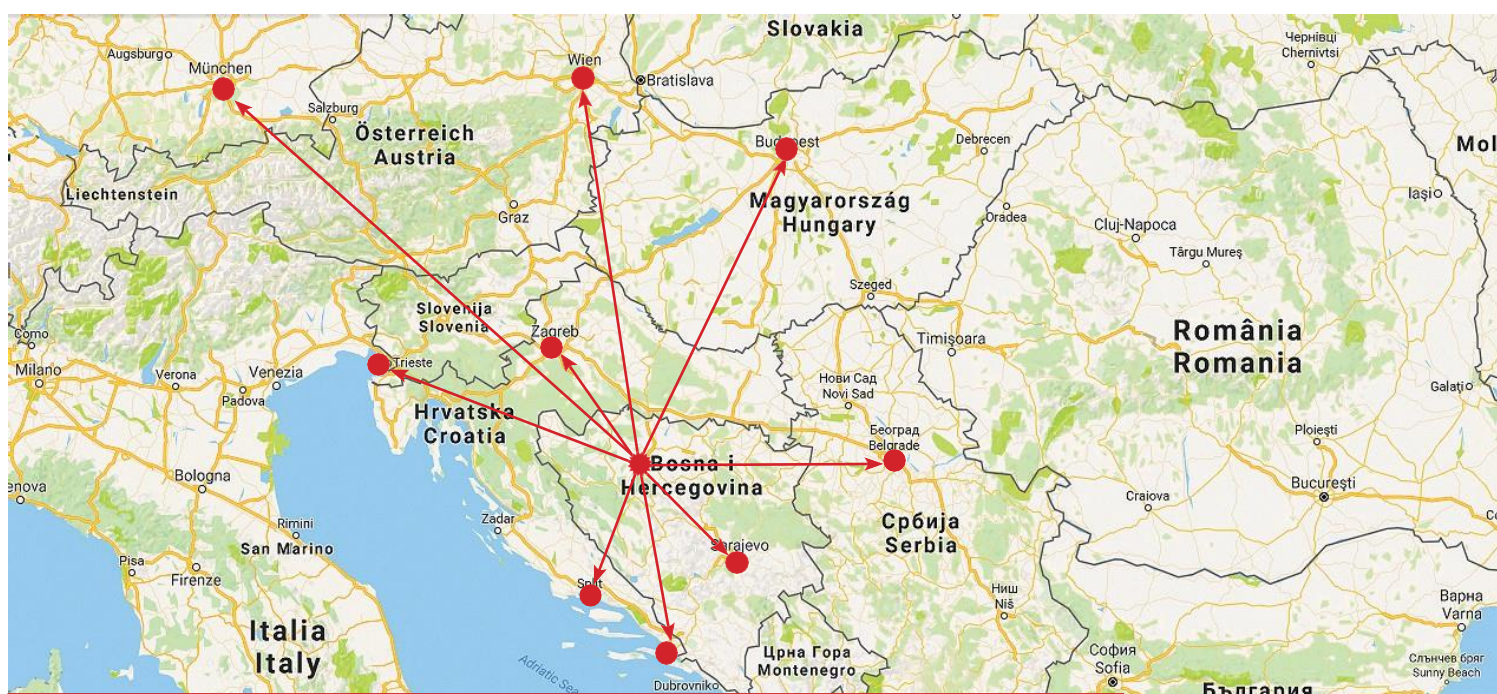


TRANSPORT INFRASTRUCTURE

Vicinity of the eu market and other countries of southeast Europe

Banja Luka is located in the northwest of Bosnia and Herzegovina, relatively close to the border with the Republic of Croatia (the EU). The vicinity of the highway, and connections with the road and rail corridors in the RoC/EU, as well as good connections with centers within the country, render Banja Luka an extremely favorable location for doing business. The Banja Luka – Okučani highway facilitates better connections of the inland part of the country with the main road routes in the EU and adequate connections with the main centers in this part of Europe.

The International Airport in the settlement of Mahovljani (Laktaši) is 23 kilometers away from the City. The Airport, with its very favorable meteorological characteristics, meets all the requirements for performance of international passenger and freight transport.



DISTANCE FROM KEY TRANSPORT ROUTES AND PORTS



DISTANCE FROM MAIN CENTERS IN THE COUNTRY AND ABROAD

Banja Luka – Doboј Highway	1 km
Zagreb – Belgrade (Croatia) Highway	61 km
Banja Luka Railway Terminal	1 km
Pan-European Railway Corridor 10 (Zagreb – Belgrade)	62 km
International Airport in Banja Luka	25 km
International Airport in Tuzla	174 km
International Airport in Sarajevo	252 km
International Airport in Belgrade (Serbia)	316 km
Port of Split (Croatia)	256 km
Port of Ploče (Croatia)	271 km

Sarajevo	252 km
Zagreb (Croatia)	187 km
Belgrade (Serbia)	330 km
Trieste (Italy)	420 km
Budapest (Hungary)	474 km
Wien (Austria)	528 km
München (Germany)	733 km

OPPORTUNITIES FOR INVESTING IN VARIOUS SECTORS

The main pillars of economic development in Banja Luka are the economic companies that perform business operations in the following sectors:

- Retail and wholesale trade
- Processing industry focused on development of food processing industry and final processing of wood
- Construction
- Information and communication
- Financial activity

In addition to the economic entities from the field of the trade sector, which are the most numerous, as Banja Luka is the administrative and economic center, while from the geo aspect it represents an excellent location for conquering the target regional markets for trade distributors, Banja Luka is dominated by economic entities that perform business operations in the fields of professional, scientific, and technical activities, as well as economic entities in the processing industry.

In view of the aforementioned, the priority directions for economic, commercial, and social development of the City of Banja Luka are the following: a) development of food processing industry and final processing of wood, b) revitalization of agriculture and rural areas, c) development of small and medium enterprises and private entrepreneurship, and d) tourism development.

Preferential sectors in accordance with the potentials of the City of Banja Luka are the following:

♦ **Processing industry:**

In 2019 in Banja Luka there were 665 legal entities and 339 independent entrepreneurs in the manufacturing industry and there was 7672 workers employed in them. Biggest exporters from the city area in the sector of production and traffic of petroleum products ("Optima grupa" d.o.o.), communication ("Telekom Srpske") and manufacturing industry (manufacturing of paper products-SHP Celex, sawn wood-Drvoprodex, Drvorez, production of furniture - Nova DI Vrbas, metal products - Elas, Maxmara, Steel foundry, pharmaceutical products - Hemofarmi Helvetia apotheke, food industry - Vitaminka, Banjalučka pivara, Ribnjak Janj and shoe company - Bema). New investors in these sectors have on their disposal:

- » Accessible locations for investing in processing activity, including greenfield locations planned in the business zone of Ramići.
- » High-quality and competent labor force, which is the result of a tradition in the processing sector and the educational system that attempts to keep up with the needs of employers.
- » Presence of incentive measures of the City Administration that are at disposal to investors in Banja Luka.
- » Vicinity of Croatia and the entire EU market.

♦ **IT- sector:**

The Information Technology sector in Banja Luka has been recording continuous growth in the number of enterprises, growth of revenues and the number of employed persons, and the key comparative advantages for continued development of this sector are the following:

- » Presence of adequate university schools contributes to creating ideal conditions for the development of this sector,
- » Many young engineers are starting their own enterprises or represent significant labor force that affects the entry of other enterprises in Banja Luka,
- » Of the total number of legal persons in Banja Luka, 4.0% are in the IT sector, and this sector employs 3,588 persons, i.e. 4.9% of the total number of employees.

♦ **Wholesale and retail trade**

Banja Luka is the commercial and administrative center and represents the central location in which significant movements are recorded of people, goods, and money, and the key comparative advantages for continued development of this sector are the following:

- » In the field of wholesale and retail trade in the area of Banja Luka, there are 2,646 legal persons operating and 1.147 independent entrepreneurs.
- » This area employs 12,803 persons, i.e. 17.4% of the total number of employed persons in Banja Luka.
- » Wholesale and retail trade participates with 39% in total revenues being realized by legal persons in Banja Luka.
- » A significant number of enterprises that are active in RS and BiH have headquarters in Banja Luka.
- » The vicinity of the EU market and good transport connections represent an excellent opportunity for the construction of sales, distribution, and warehousing centers.
- » Accessibility of locations for construction of sales, distribution, and warehousing capacities.
- » Highly qualified labor force at competitive prices.

LOCATIONS FOR INVESTING



„ Novi Jelšingrad – location 1“ – plot 1 and plot 2	
Location:	These plots are located 1 km away from Banja Luka – Gradiška highway
Type of the zone:	Greenfield
Decision on establishment of the zone:	16,198.00 m ² + 3,241.00 m ²
Surface area:	Without infrastructure
Infrastructure:	City of Banja Luka
Ownership:	Land purchase
Investment opportunities:	The initial selling price is 80,00 KM/m ² specified by appraisal of the market value by a certified court appraiser..
Price for sale or lease of land in the zone:	Amendments to the Regulation Plan are on going. In order to invest in the construction of business facilities, it is necessary to acquire the following: site plan approval, construction permit, and occupation permit. The above listed documentation is issued by the Department of Spatial Development of the City Administration of Banja Luka.
Documentation necessary for investing in the zone and who is issuing it:	Public invitation
Procedure and requirements for entry in the zone:	Manufacturing sector



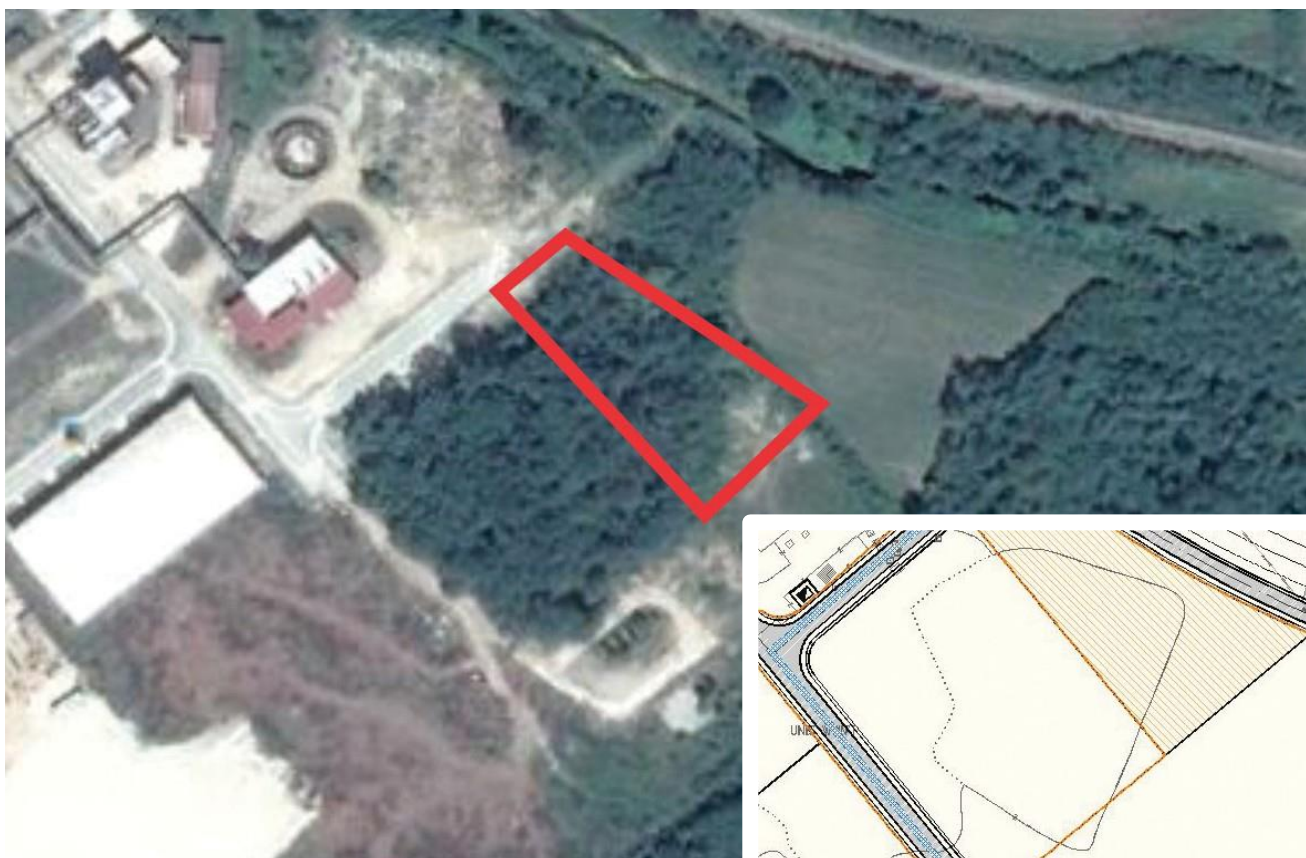
„Novi Jelšingrad – location 2.”

Location:	These plots are located 1 km away from Banja Luka – Gradiška highway
Type of the zone:	Greenfield
Decision on establishment of the zone:	28.695 m ²
Surface area:	Without infrastructure
Infrastructure:	City of Banja Luka
Ownership:	Land purchase
Investment opportunities:	3rd zone, price of construction land BAM 96.21 /m ² . (The exact initial selling price will be specified after an appraisal of the market value by a certified court appraiser.)
Price for sale or lease of land in the zone:	Amendments to the Regulation Plan are ongoing. In order to invest in the construction of business facilities, it is necessary to acquire the following: site plan approval, construction permit, and occupation permit. The above listed documentation is issued by the Department of Spatial Development of the City Administration of Banja Luka.
Documentation necessary for investing in the zone and who is issuing it:	Public invitation
Procedure and requirements for entry in the zone:	Manufacturing sector



Business zone „Ramići–Banja Luka“; Lot number 1

Location:	The plot is located inside the “Ramići–Banja Luka” Business Zone, in the vicinity of the Banja Luka – Prijedor primary road, it is around 3.5 km away from the Banja Luka – Gradiška highway, has direct access to other railroad that enters the complex.
Type of the zone:	Greenfield
Decision on establishment of the zone:	Decision on Establishment of the “Ramići – Banja Luka” Business Zone, 9/15, April 2015.
Surface area:	Plot area 8.978 m ²
Infrastructure:	Accessing road within Business zone which includes complete infrastructure
Ownership:	City of Banjaluka
Investment opportunities:	Land purchase
Price for sale or lease of land in the zone:	46,95 KM/m ² - initial selling price specified after an appraisal of the market value by a certified court appraiser.
Documentation necessary for investing in the zone and who is issuing it:	Regulation plan for the “Ramići – Banja Luka” Business Zone exists In order to invest in the construction of a planned business facility, it is necessary to acquire the following: site plan approval, construction permit, and occupation permit. The above listed documentation is issued by the Department of Spatial Development of the City Administration of Banja Luka.
Procedure and requirements for entry in the zone:	Public invitation
Location:	Manufacturing sector



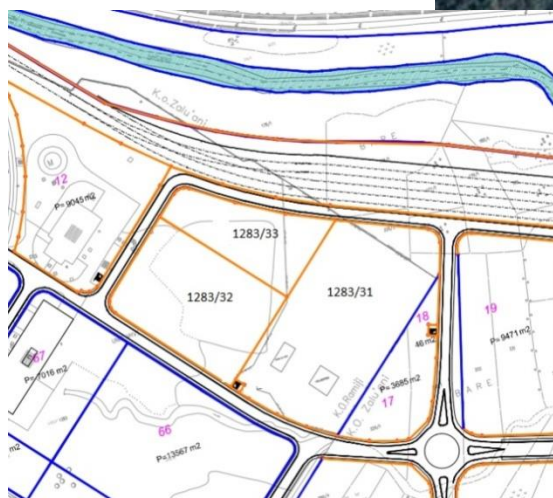
“Ramići-Banja Luka” Business Zone Plot No. 2

Location:	The plot is located inside the “Ramići – Banja Luka” Business Zone, in the vicinity of the Banja Luka – Prijedor primary road, it is around 3.5 km away from the Banja Luka – Gradiška highway, has direct access to the railroad that enters the complex. Plot will be free to invest after regulation of Ivaštanka watercourse.
Type of the zone:	Greenfield
Decision on establishment of the zone:	Decision on Establishment of the “Ramići – Banja Luka” Business Zone, 9/15, April 2015.
Surface area:	Surface area of the plot amounts to 4,366 m ²
Infrastructure:	In the Ramići Business Zone there is a traffic route constructed with comprehensive infrastructure (power supply, water supply, sanitation, lighting, telecommunications).
Ownership:	City of Banja Luka
Investment opportunities:	Land purchase
Price for sale or lease of land in the zone:	The exact initial selling price will be specified after an appraisal of the market value by a certified court appraiser.
Documentation necessary for investing in the zone and who is issuing it:	Regulation plan for the “Ramići – Banja Luka” Business Zone exists In order to invest in the construction of a planned business facility, it is necessary to acquire the following: site plan approval, construction permit, and occupation permit. The above listed documentation is issued by the Department of Spatial Development of the City Administration of Banja Luka.
Procedure and requirements for entry in the zone:	Public invitation
Suitable purpose:	Manufacturing sector



“Ramići – Banja Luka” Business Zone Plot No. 3

Location:	The plot is located inside the “Ramići – Banja Luka” Business Zone, in the vicinity of the Banja Luka – Prijedor primary road, it is around 3.5 km away from the Banja Luka – Gradiška highway, has direct access to the railroad that enters the complex. Plot will be free to invest after regulation of Ivaštanka watercourse.
Type of the zone:	Greenfield
Decision on establishment of the zone:	Decision on establishment of the “Ramići – Banja Luka” Business Zone, 9/15, April 2015.
Surface area:	Surface area of the plot amounts to 11,011 m ²
Infrastructure:	In the Ramići Business Zone there is a traffic route constructed with comprehensive infrastructure (power supply, water supply, sanitation, lighting, and telecommunications).
Ownership:	City of Banja Luka
Investment opportunities:	Land purchase
Price for sale or lease of land in the zone:	The exact initial selling price will be specified after an appraisal of the market value by a certified court appraiser.
Documentation necessary for investing in the zone and who is issuing it:	Regulation plan for the “Ramići – Banja Luka” Business Zone exists In order to invest in the construction of a planned business facility, it is necessary to acquire the following: site plan approval, construction permit, and occupation permit. The above listed documentation is issued by the Department of Spatial Development of the City Administration of Banja Luka.
Procedure and requirements for entry in the zone:	Public invitation
Suitable purpose:	Manufacturing sector



“Ramići – Banja Luka” Business Zone Plot No. 4

Location:	The plot is located inside the “Ramići – Banja Luka” Business Zone, in the vicinity of the Banja Luka – Prijedor primary road, it is around 3.5 km away from the Banja Luka – Gradiška highway, has direct access to the railroad that enters the complex. Plot will be free to invest after regulation of Ivaštanka watercourse.
Type of the zone:	Greenfield
Decision on establishment of the zone:	Decision on Establishment of the “Ramići – Banja Luka” Business Zone, 9/15, April 2015.
Surface area:	Surface area of the plot amounts to 7.000 m ²
Infrastructure:	In the Ramići Business Zone there is a traffic route constructed with comprehensive infrastructure (power supply, water supply, sanitation, lighting, telecommunications).
Ownership:	City of Banja Luka
Investment opportunities:	Land purchase
Price for sale or lease of land in the zone:	The exact initial selling price will be specified after an appraisal of the market value by a certified court appraiser.
Documentation necessary for investing in the zone and who is issuing it:	Regulation plan for the “Ramići – Banja Luka” Business Zone exists In order to invest in the construction of a planned business facility, it is necessary to acquire the following: site plan approval, construction permit, and occupation permit. The above listed documentation is issued by the Department of Spatial Development of the City Administration of Banja Luka.
Procedure and requirements for entry in the zone:	Public invitation
Suitable purpose:	Manufacturing sector



“Novakovići – Vujinovići”

Location:	The plot is located along the Banja Luka – Prijedor primary road and the Banja Luka – Gradiška highway
Type of location:	Greenfield
Surface area:	89,243 m ² (Note: Parcellation plan has not been regulated)
Infrastructure:	Infrastructure has not been constructed
Ownership:	City of Banja Luka and individuals
Investment opportunities:	Land purchase
Price for sale or lease of land in the zone:	4 th zone, Price of construction land BAM 45.77 /m ² . (Price subject to changes. For more information, please consult the Decision on Values of Coefficients for Correction of Estimated Market Value of Real Estate for 2018)
Documentation necessary for investing in the zone and who is issuing it:	It is necessary to resolve ownership related legal issues for the subject land, which is in the ownership of individuals. In order to invest in the construction of a planned business facility, it is necessary to acquire the following: site plan approval, construction permit, and occupation permit. The above listed documentation is issued by the Department of Spatial Development of the City Administration of Banja Luka.
Procedure and requirements for entry in the zone/location:	Public invitation
Suitable purpose:	Manufacturing sector



“Bosanka”

Location:	He plot is located along the Banja Luka – Prijedor primary road and the Banja Luka – Gradiška highway
Type of location:	Greenfield
Surface area:	70,000 m ² (Note: Parcellation plan has not been regulated)
Infrastructure:	Infrastructure has not been constructed
Ownership:	City of Banja Luka and individuals
Investment opportunities:	Land purchase
Price for sale or lease of land in the zone:	4 th zone, Price of construction land BAM 45.77 /m ² . (Price subject to changes. For more information, please consult the Decision on Values of Coefficients for Correction of Estimated Market Value of Real Estate for 2018)
Documentation necessary for investing in the zone and who is issuing it:	It is necessary to resolve ownership related legal issues for the subject land, which is in the ownership of individuals. In order to invest in the construction of a planned business facility, it is necessary to acquire the following: site plan approval, construction permit, and occupation permit. The above listed documentation is issued by the Department of Spatial Development of the City Administration of Banja Luka.
Procedure and requirements for entry in the zone/location:	Public invitation
Suitable purpose:	Manufacturing sector



Manufacturing Hall

Location:	Ramići Business Zone, in the vicinity of the Banja Luka – Prijedor primary road, it is around 3.5 km away from the Banja Luka – Gradiška highway, has direct access to the railroad that enters the complex.
Type of location:	Brownfield
Surface area and description of the facility:	30,510 m ² Concrete foundation, slated tin roof, structural walls of the facility are panels, façade and roof cover are made from Al tin. There are office premises with sanitary nodes, 8 bridge cranes of 30t load capacity, 20kV switchgear and transformer substations with the associated “Rade Končar” dry transformers 630 kVA, as well as two industrial tracks that enter the manufacturing hall
Infrastructure:	Paved access road, power supply. Fire protection of the facility, lightning protection installation, water supply, sanitation and wastewater collection infrastructure
Ownership:	City of Banja Luka
Investment opportunities:	Purchase or lease
Price for sale or lease of land in the zone:	Purchase - the estimated price to be determined upon prior assessment of the facility
Documentation necessary for investing in the zone and who is issuing it:	The following have been ensured: Regulation plan for the “Ramići – Banja Luka” Business Zone exists The facility is legally constructed and possesses all the necessary documentation No additional documentation is necessary for investing in the facility in case of retaining the existing condition
Suitable purpose:	Commerce, industry, administration

BUSINESS ENVIRONMENT

Economic picture of Banja Luka contains general characteristic of transitional changes. In the economy structure there is diminished industry participation and at the same time growing participation of tertiary sector, especially retail, catering services, transportation and financial services, whose dynamic growth is the result of fast and successful integration in the international systems and standards. However, stagnation of manufacturing activities has an unfavorable characteristic of structural changes, taking into account that production growth should encourage foreign trade development. Employment structure shows clear growth of unemployment in the manufacturing industry.

Business environment in Banja Luka is characterized by development of small and medium companies. Most of companies in Banja Luka does not employ more than 500 workers. In the privatization process of state capital in companies, most significant investments were made in areas such as retail business, construction, catering services, financial institutions, while investments in the sector of industry were left out.

Beside development of agricultural and food industry, wood processing, development of IT sector and tourism, manufacturing industry at city level is characterized as the generator of economic growth and has the biggest export potential, so Banja Luka has kept its regional position.

Pregled poslovnih subjekata u Banjaluci

Business entities (up to 49 employees)	8.380	8.861
Business entities (50 – 249 employees)	395	
Business entities (more than 250 employees)	86	
Entrepreneurial stores		8.159
Total		17.020

Data of the Tax Administration as of December 31, 2019

Dominant economic branches by number of economic entities in 2019.

Activity Area	Number of business entities	%
Wholesale and retail trade; repair of motor vehicles	2.646	29,9
Realestate business	1.380	15,6
Processing industry	665	7,5
Professional, scientific, and technical activities	916	10,3
Art, entertainment and recreation	600	6,8
Construction	447	5,0
Other servicing activities	391	4,4
Information and communication	355	4,0
Transportation and warehousing	251	2,8

Source: Tax Administration

Review of business entities in processing industry

Name of activity in processing industry	Number of enterprises	%
Manufacturing of finished metal products, excluding machines and equipment	39	12,62
Manufacturing of food stuffs	33	10,68
Processing of wood and products made from wood and cork, excluding furniture...	28	9,06
Repair and installation of machines and equipment	22	7,12
Manufacturing of computers, electronic and optical products	17	5,50
Printing and copying of recordings	20	6,47
Manufacturing of products made from rubber and plastic	17	5,50
Manufacturing of clothes	10	3,24
Manufacturing of machines and equipment	14	4,53
Manufacturing of other products made from non-metal minerals	11	3,56
Manufacturing of electrical equipment	8	2,59
Manufacturing of textiles	9	2,91
Processing of paper and products made from paper	10	3,24
Manufacturing of chemicals and chemical products	6	1,94
Manufacturing of furniture	13	4,21
Manufacturing of leather and products made from leather	7	2,26
Other processing industry	45	14,57
Total	309	100,00

Source: APIF

Review of main branches of economy by revenues (in BAM million)

Economic area	Executed revenues	Executed revenues in %
Wholesale and retail trade	2.897,42	39,18
Processing industry	1.265,81	17,12
Information and communication	716,26	9,69
Production and supply of electricity	434,71	5,88
Construction	427,76	5,78
Other	1.652,81	22,35

Source: The data presented were taken from the APIF's processing of annual financial statements for 2019, which had been performed on the basis of the submitted annual financial statements of 2,896 enterprises from Banja Luka.

Review of the number of employees in Banja Luka

Number of employees employed with legal persons	65.107
Number of employees employed with independent entrepreneurs	8.383
TOTAL	73.490

Data of the Tax Administration as of December 31, 2019

Share of economy of the City Banja Luka in total revenues of RS, Financial indicators according to annual statements for 2019

	Assets in BAM	Total revenues in BAM	Net result in BAM
Banja Luka	15.663.649.999	7.394.763.381	709.444.206

Note: Data taken for 2019 from the "APIF"

Number of employees by areas of economic activity

Area	Number of employees	%
Trade	12.803	17,42
Public administration, defense, and mandatory social insurance	9.031	12,29
Processing industry	7.672	10,44
Health and social work	6.711	9,13
Transport and warehousing	6.005	8,17
Education	5.367	7,30
Financial activity and insurance activity	4.166	5,67
Professional scientific, and technical activities	4.007	5,45
Information and communication	3.588	4,88
Construction	3.430	4,67
Catering and hotel industry	3.031	4,12
Other	7.679	10,46
TOTAL	73.490	100,00

Data of the Tax Administration as of December 31, 2019

External trade exchange, scope of exports and imports, and coverage of imports with exports in the City of Banja Luka for the last 6 years (in BAM thousands)

Year	Scope	Exports	Imports	Balance	Coverage of imports with exports (%)
2013	2,730,038	588,555	2,141,483	-1,552,928	27.5
2014	2,653,926	575,051	2,078,876	-1,503,825	27.7
2015	2,225,291	485,414	1,739,876	-1,254,462	27.9
2016	2,304,667	546,363	1,758,304	-1,211,941	31.1
2017	2,489,275	643,595	1,845,680	-1,202,085	34.9
2018	2.668.714	692.349	1.976.365	-1.284.016	35,0
2019	2.211.948	611.973	1.599.975	-988.002	38,2

Source: Republic Institute of Statistics

A comparative overview of the financial indicators BL in relation to the RS – APIF 2019

Business results	RS	Banja Luka	Participation BL in RS
Enterprises covered by processing annual accounts	10.159	289,6	28,5
Employees in companies with an annualized statement	21,6	7,39	34,2
Total revenue in billions of KM	20,3	6,86	33,8
Total expenditures in billions of KM	1,75	0,70	40,0
Net profit in billions of KM	601,8	253,6	42,1
Net loss in billions of KM	17,52	7,16	40,9
Total liabilities in billions of KM	6,99	3,36	48,1
Long-term liabilities in billions of KM	10,53	3,80	36,1
Short-term liabilities in billions of KM	7,9	1,79	22,6
Short-term receivables in billions of KM	10.159	289,6	28,5
Receivables from customers from abroad in millions of KM	21,6	7,39	34,2
Claims on domestic customers in billions of KM	20,3	6,86	33,8

HUMAN RESOURCES

High-quality and competitive labor force

Average monthly gross and net salaries

Period	Average salary in BAM			
	Gross		Net	
	Republika Srpska	City of Banja Luka	Republika Srpska	City of Banja Luka
I-XII 2016	1,344	1,561	836	962
I-XII 2017	1,331	1,552	831	958
I-XII 2018	1,358	1,574	857	981
I-XII 2019	1.407	1.611	906	1.024

Average monthly gross and net earnings per worker in activities under review (January – December of 2019):

Area	Gross salary in BAM	Net salary in BAM
Average salary	1.407	906
Average salary in processing industry (wood, metal)	1.080	736
Average salary in information and communication sector	2.016	1.270

Source: Institute of Statistics of the Republic of Srpska

Number of unemployed persons

DESCRIPTION	TOTAL	Women	%
Stocks in records	7.367	4.087	55.5

Qualification, gender, and age based structure of unemployed persons as of December 31, 2019

Qualification structure	TOTAL	%	Women
No schooling	0	0	0
Unqualified workers	815	11,06	381
Semi qualified workers and primary school equivalent	103	1,40	57
Qualified workers	1.889	25,64	704
Technicians secondary school equivalent	2.434	33,04	1.498
Highly qualified specialists	70	0,95	22
College equivalent	129	1,75	72
University equivalent 180 ECTS	368	1,57	244
University equivalent 240 ECTS, 4y, 5y, 6y	1.433	24,45	1.021
Master 300 ECTS	87	0,14	64
Master according to old curricula	29		20
Doctors of science	10		4
Total	7.367	100,00	4.087

Source: Republika Srpska Employment Institute, Branch Office in Banja Luka

Age based structure	TOTAL	%	Women
Age 15 - 18	0		0
Age 18 - 20	134		46
Age 20 - 24	395		189
Age 24 - 27	485	20,92	311
Age 27 - 30	527		355
Age 30 - 35	950		649
Age 35 - 40	885	24,91	501
Age 40 - 45	798		425
Age 45 - 50	817	21,92	451
Age 50 - 55	920		477
Age 55 - 60	875	24,37	420
Age 60 - 65	581	7,89	263
Total	7.367	100,00	4.087

Source: Republika Srpska Employment Institute, Branch Office in Banja Luka



Structure of unemployed persons by economic sectors

Ordinal number	INTEREST	WOMAN	TOTAL
1	Wood industry	30	81
2	Metal industry	78	564
3	Textile industry	165	182
4	Footwear industry	23	37



Number and structure of pupils in secondary schools in school year 2019/2020

Educational institution	Area /Number of pupils				Total
School of Construction	construction technician	154	architectural technician	176	457
	geodetic technician	127	mason-reinforcement installer-concrete builder degree III	0	
School of Economics	economic technician	357	business and legal technician	482	960
	banking technician	121			
“Nikola Tesla” School of Electrical Technology	electrical technology technician	198	telecommunication technician	239	899
	computer technology technician	356	electrical energy technician	106	
School of Agriculture	food processing technician	111	veterinarian technician	190	468
	agricultural technician	93	butcher degree III	29	
	baker degree III	45	florist - gardener degree III		
School of Technology	machinery technician for computer supported construction design	112	machinery technician for engines and motor vehicles	45	1.495
	technician for machine energy	22	machinery technician for CNC	137	
	technician for mechatronics	114	technician for road transport	220	
	technician for postal traffic	79	technician for logistics and shipping	210	
	air transport technician	49	driver of motor vehicles – degree III	71	
	locksmith – degree III	25	metal cutter – degree III	61	
	installer – degree III	73	car mechanic– degree III	144	
	mechanic for heating and cooling technology– degree III	77	optician	21	
	watchmaker – degree III	0	goldsmith – degree III	0	
	welder – degree III	35			
School of Technology	chemical technician	16	graphic technician (EUVET 3)	93	806
	visual technician	37	technician in graphic design	41	
	technician in interior design and industrial manufacturing	23	cosmetology technician	223	
	ecological technician	77	photographer – degree III	61	
	hair stylist – degree III	235			
School for Pupils in Real Sector	textile technician	63	forestry technician	111	416
	car electrician – degree III	74	electrician – degree III	90	
	electrician mechanic– degree III	62	Telecommunication electronic	16	
Center for Education and Child Rearing and Rehabilitation of Listening and Speech	baker degree III	6	hair stylist degree III	7	13
“Protect Me” Center	baker degree III	13	cook degree III	15	44
	florist - gardener degree III	5	hair stylist degree III	0	
	tailor degree III	0	mason-painter degree III	0	
High School Center “Ljubiša Mladenović”	medical technician	20	computer technician	28	57
High School Center “GEMIT APEIRON”	physiotherapy technician	9			
	economic and business - legal technician	19	Grammar School – computer and information technology section	55	412
	School of Medicine	338			
High School Center “GAUDEAMUS”	medical technician	50	physical therapy technician	49	147
	economic technician	3	business - legal technician	8	
	Grammar School – general section	37			
Grammar School	general section; social sciences and languages section; natural sciences and mathematical section; computer and information technology section; IB				1.188
General Grammar School KŠC	Grammar School – general section				204
School of Medicine	medical technician; pharmaceutical technician; physical therapy technician; dental and stomatology technician; obstetric-gynecological technician; laboratory and hygienic technician				989
School of Music “Vlado Milošević”	sections: piano, string instruments, solo singing, wind instruments, accordion, guitar				92
School of Hospitality Industry and Retail Trade – Tourism	tourism technician; hospitality industry technician; cooking technician; retail trade technician; waiter, cook, and pastry cook – degree III				635
TOTAL					9.271



Tertiary education is acquired at the Public University of Banja Luka, which comprises 17 university schools and 64 study programmes. Around 24,000 students are being educated in the public and private sector in the area of tertiary education.

Educational institution	Area /Number of students				Total
University School of Architecture and Civil Engineering and Geodetics	architecture	274	construction	190	614
	geodetics	150			
University School of Electrical Engineering	computer science and automation			642	889
	electrical technology and telecommunications			131	
	electrical energy and automation			116	
University School of Mechanical Civil Engineering	manufacturing mechanical civil engineering	153	energy and transport mechanical civil engineering	123	462
	protection at work	14	mechatronic	156	
	industrial engineering and management			16	
University School of Agriculture	animal production	61	plant production	260	445
	agrarian economics and rural development			124	
University School of Natural Sciences and Mathematics	physics	57	mathematics and information technology	259	911
	biology	182	chemistry	128	
	geography	65	physical space planning	85	
	ecology and environment protection	71	technical rearing and information technology	142	
University School of Technology	chemical technology	130	biotechnology and food processing	143	471
	graphic engineering	113	textile engineering	85	
University School of Mining	Mining; geological engineering				66
University School of Economics	economic and business management				1.159
Law School	law				1.048
University School of Political Sciences	journalism and communicology; social work; sociology; political science				662
University School of Physical Education and Sports	sports; general - teaching				297
University School of Philology	Serbian language and literature; English language and literature; German language and literature; Italian language and literature; French language and literature; Russian and Serbian language and literature				671
University School of Philosophy	philosophy; psychology; pedagogy; history; teaching studies; preschool child rearing				879
University School of Forestry	forestry				204
University School of Security Sciences	security and criminology				338
Academy of Arts	musical arts; visual arts; dramatic arts				347
University Medical School	medicine, pharmacy, health care, stomatology				2.026



NATURAL RESOURCES OF THE CITY OF BANJA LUKA

Regardless of the relatively small space it occupies, Banja Luka has a wealth of significant physical space resources:

Review of land purpose	Surface area in hectares
Arable agricultural land	47,344.94 ha
Non-arable agricultural land	18,050 ha
Forests	60,575.19 ha
Urban settlements (GUP)	1,832,200 ha
Rural settlements	10,556,800 ha
Road and other technical infrastructure	10,295,000 ha
Water surfaces (lakes and rivers)	827 ha
Barren forest land	1,248.63 ha
TOTAL	128,045.76 ha

Mineral wealth at the disposal of Banja Luka comprises the following: coal, bauxite, copper ore, iron ore, quartz sand, cement marl, manganese ore, barite, ceramic and brick clay, building stone, as well as thermal mineral water.

Mineral wealth	Location
Coal	Ramići, Petrićevac
Bauxite	Manjača, Čemernica
Copper ore	Area of Kozara mountain
Iron ore	Area of Bronzani Majdan
Quartz sand	Potkozarje
Cement marl	Ramići
Manganese ore	Southern part of Kozara mountain
Barite	Broader area of Bronzani Majdan
Ceramic and brick clay	Tunjice
Building stone	Ljubačevo, Vrbanja
Thermal mineral water	Srpske Toplice

Forests and forest land

The share of forests within the territory of Banja Luka amounts to 48.89% (60,575.19 ha), of which 44,903.04 ha concerns economic forests, and the remainder of 15,672.15 ha represents overgrown forest land.

Hydro energy

The unused hydro potential of the Vrbas river, from the existing Hydro Power Plant Bočac to the estuary of river Vrbas into river Sava amounts to 125 MW i.e. around 840 GWh of power, of which 85 MW i.e. around 400 GW is within the area of the City.

The total surface area, which is covered by water streams and standing water amounts to 827.0 ha i.e. 0.67% of the total surface area of the City. The total surface area of water streams within the territory of the City amounts to 812.0 ha, while the surface area of lakes and channels is 15.0 ha. Locations of hydro power plants are the following: Delibašino selo, Bočac 2, Vrbanja I, II, and III.

Agricultural land within the territory of Banja Luka provides opportunities for development of intensive and semi-intensive agricultural production, but also for the development of animal husbandry and rural ecological tourism.

Agricultural land	Surface area (ha)	Prevalence (%)
Meadows	22,941.41	48.46
Grasslands	15,071.78	31.83
Yards	2,875.83	6.08
Pasturelands	2,410.93	5.09
Orchards	853.87	1.80
Other agricultural land	3,191.11	6.74
Total	47,344.94	100.00

INVESTMENT INCENTIVES OF THE CITY OF BANJA LUKA

- Guarantees for small and medium enterprises
- Subsidizing interest on credits for which guarantees were issued from the Guarantee Fund in 2017
- Programme of support for investors that enter the "Ramići - Banja Luka" Business Zone
- Exemptions for payment of compensation for regulation of city construction land and rent
- Exemptions when constructing manufacturing plants
- Exemptions for cash payment of compensations for construction
- Co-financing of orchard production
- Co-financing of manufacturing in protected spaces
- Co-financing of systems for irrigation and anti-hail protection
- Co-financing of construction of cold storages and drying plants
- Co-financing of construction of facilities in agriculture
- Co-financing of construction of facilities for renewable energy sources and energy efficiency
- Co-financing of procurement of equipment for agriculture
- Co-financing of procurement of agricultural machinery
- Premiums for cultivation of breeding heifers, bee societies, and certification of organic production
- Support to the development of agriculture through subsidies for cultivation of land under crops for 2017
- For increasing productivity and competitiveness of business people in the function of employment (Incentives for co-financing a portion of costs of procurement of fixed assets with the objective of technological development, introduction of quality standards – certification with the objective of improvements of competitiveness and exports, as well as for co-financing the retraining of workers, with the objective of ensuring occupations in demand and ensuring adequate labor force that is necessary for the growth of competitiveness of small and medium enterprises, and to promote new employment)
- Self-employment (for self-employment of persons in manufacturing and crafts activities, trading activity, and self-employment of persons that would perform servicing activities or activities of old and arts crafts)

Detailed information on incentives are accessible on the official website of the City Administration:

<http://www.banjaluka.rs.ba/front/article/16341/>

Information on incentives at the level of Republika Srpska and Bosnia and Herzegovina are available on the following links:

- **Invest Srpska:** <http://www.investsrpska.net/index.aspx?PageID=436&menuID=215&langid=2>)
- **FIPA:** http://www.fipa.gov.ba/informacije/povlastice/strani_investitori/default.aspx?id=141&langTag=bs-BA)

SERVICES FOR INVESTORS

City administration provides high-quality and fast services for existing and potential investors

- City of Banja Luka provides to all potential and existing investors comprehensive support in the realization of planned investments through contact persons who are in charge of information servicing and organization of meetings between competent authorities and investors with the objective of simplification and fast realization of planned investments.
- City of Banja Luka provides domestic and foreign investors with aftercare support, for the purpose of faster elimination of obstacles faced by existing investors. Support is realized through the Cooperative Network for Aftercare for Investors which includes institutions at all the levels of government in BiH. This form of support to investors in Banja Luka has been in existence since 2015.
- Economic Council has been established for the purpose of improving the dialogue between private and public sector, and business environment development, as well as identification of obstacles to which the municipal administration can objectively react. The Economic Council comprises representatives of private companies, the educational sector, and the City Administration. The Council is to be credited for adoption of numerous conclusions and proposals for improvements in the business environment in Banja Luka.
- Realized project of regulatory reform and, in that manner, simplified administrative procedures, lowered costs, shortened deadlines, and faster and easier access facilities ensured to business people and citizens to municipal services, through the Electronic Register of Administrative Procedures.

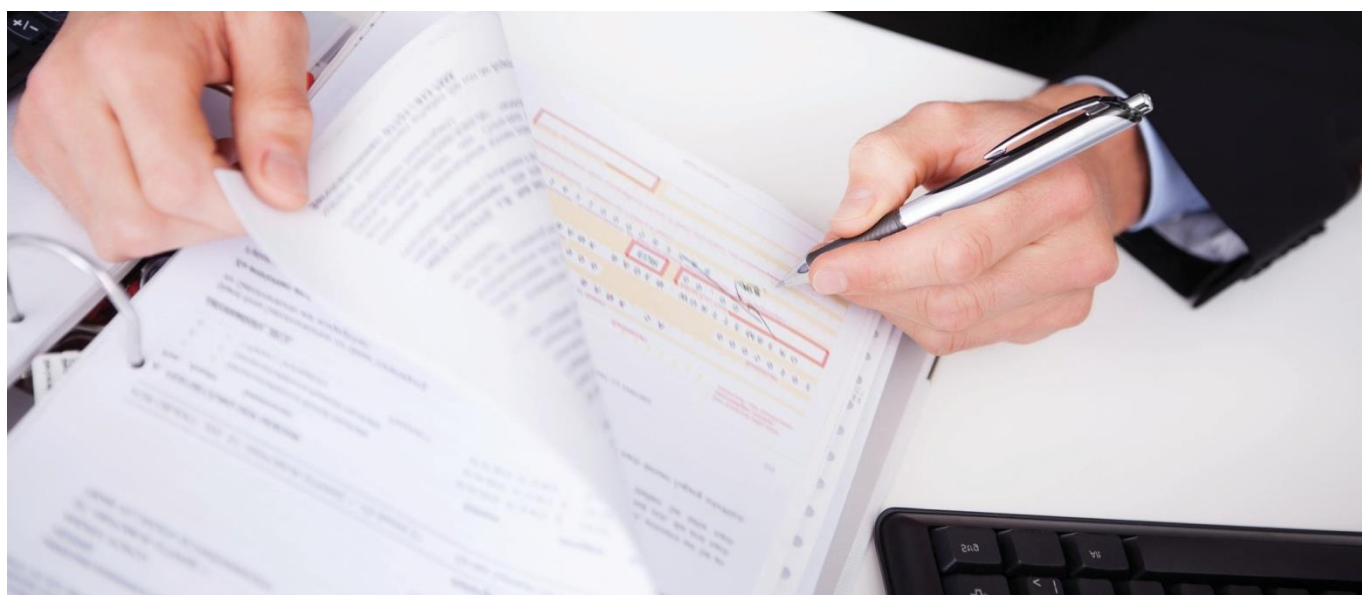
Detailed information on investment climate in RS and BiH are available on the following websites:

- **Republika Srpska Government/ Invest Srpska** <http://www.investsrpska.net/>
- **Foreign Investment Promotion Agency of BiH (FIPA)** <http://www.fipa.gov.ba/>

Electronic registers with a detailed review of permits and licenses that are necessary for investors in Republika Srpska and Bosnia and Herzegovina are accessible on the following links:

- **City of Banja Luka, e-register** <https://eregistar.banjaluka.rs.ba>
- **Republika Srpska Government** <http://www.regodobrenja.net/index.php?jezik=1>
- **BiH Ministry of Foreign Trade and Economic Relations** <http://rap.mvteo.gov.ba/egfVwOdlukaJedinice.aspx>

Documentation within the scope of competence of the City of Banja Luka necessary for the realization of investments / reinvesting, the time necessary for issuance, the costing price, and the competent department of the City Administration.



Document	Competence	Period of issuance	Costs
Issuance of excerpts from physical space planning documentation	Department for Physical Space Regulation	3 days from the date of submitting a complete application	BAM 22.00 - city administrative fee for the issuance of a certified excerpt from physical space planning documentation
Location requirements	Department for Physical Space Regulation	8 days from the date of complete comprehensive application	BAM 22.00 - city administrative fee
Water guidelines	Department for Physical Space Regulation	8 days from the date of complete comprehensive application	BAM 32.00 - city administrative fee
Agricultural consent	Department for Economy	30 days from the date of complete comprehensive application	<p>BAM 12.00 - city administrative fee</p> <p>Compensation for changing the purpose of agricultural land is determined for the entire construction parcel at the level of the cadastral revenue for that land for the entire current year, and amounts to the following:</p> <p>Meadow - class I: BAM 5.71 / m², class II: BAM 3.82 / m², class III: BAM 2.31 / m², class IV: BAM 1.29 / m², class V: BAM 0.51 / m², class VI: BAM 0.38 / m², class VII: BAM 0.18 / m², class VIII: BAM 0.12 / m²,</p> <p>Orchard - class I: BAM 6.25 / m², class II: BAM 4.02 / m², class III: BAM 2.25 / m², class IV: BAM 1.02 / m², class V: BAM 0.39 / m²,</p> <p>Vineyard - class I: BAM 9.95 / m², class II: BAM 6.49 / m², class III: BAM 3.49 / m²</p> <p>Grassland - class I: BAM 3.92 / m², class II: BAM 2.42 / m², class III: BAM 1.29 / m², class IV: BAM 0.66 / m², class V: BAM 0.27 / m², class VI: BAM 0.19 / m²,</p> <p>Pastureland - class I: BAM 0.57 / m², class II: BAM 0.32 / m², class III: BAM 0.21 / m², class IV: BAM 0.11 / m², class V: BAM 0.046 / m², class VI: BAM 0.035 / m²,</p> <p>Forest - class I: BAM 3.96 / m², class II: BAM 2.36 / m², class III: BAM 0.75 / m², class IV: BAM 0.38 / m², class V: BAM 0.11 / m², class VI: BAM 0.06 / m²</p>
Calculation of costs of regulation of construction land and lump sum rent	Department for Utility Affairs	8 days from the date of complete comprehensive application	<p>BAM 52.00 - city administrative fee</p> <p>The amount of the compensation for the costs of regulation of city construction land and the amount of the rent are determined based on the unit of useful surface area of the facility contained in the main project design, on the basis of which the construction permit is being issued, and in compliance with the Decision on Spatial Planning and Construction Land (Official Gazette of the City of Banja Luka, 15/14, 8/15, 10/16, 4/17) and the Decision on Level of Compensation for Costs of Regulation of City Construction Land (Official Gazette of the City of Banja Luka 8/15 and 40/16)</p>
Construction permit	Department for Physical Space Regulation	5 days from the date of complete comprehensive application	<p>City administrative fee in the amount of:</p> <ul style="list-style-type: none"> • BAM 52.00 for the construction of facilities whose value in the bill of quantities is up to BAM 50,000.00; • BAM 102.00 for the construction of facilities whose value in the bill of quantities is between BAM 50,000.00 and BAM 100,000.00; • 0.1% of the value in the bill of quantities for the construction of facilities whose value in the bill of quantities exceeds BAM 100,000.00, but not more than BAM 1,000.00.
Ecological permit	Department for Physical Space Regulation	45 days from the date of complete comprehensive application	BAM 52.00 - city administrative fee
Water consent	Department for Physical Space Regulation	8 days from the date of complete comprehensive application	BAM 52.00 – city administrative fee
Removal of facility	Department for Physical Space Regulation	8 days from the date of complete comprehensive application	BAM 52.00 – city administrative fee
Registration of start of construction	Department for Inspection Affairs	15 days from the date of complete comprehensive application	

PRICES OF UTILITY SERVICES WITHIN THE SCOPE OF COMPETENCE OF THE CITY ADMINISTRATION OF BANJA LUKA

Water supply and sanitation

Description	Price for real sector and private entrepreneurship
Water supply including VAT	2,22
Sanitation including VAT	0,83
Contribution to water management in RS	0,05
TOTAL	3,11 KM/m³

Monthly fee for measuring point, according to water meter profile

Water meter profile	Price in KM	Price in KM, including VAT
Ø 13	1,20	1,40
Ø 20	1,20	1,40
Ø 25	5,00	5,85
Ø 30	5,00	5,85
Ø 40	5,00	5,85
Ø 50	10,00	11,70
Ø 80	10,00	11,70
Ø 100	10,00	11,70
Ø 150	10,00	11,70

Heat energy delivery

Consumer category	Price in KM	Billing Period
Business Premises – Consumers per MWh	170,63	7 months
Business Premises – Per Unit of Installed MWh Power	170,63	12 months
Business Premises – per unit of energy delivered	170,63	when it is consumed
Business Premises – To Distribute Expenditure per Unit of Installed Power	170,63	when it is consumed

Municipal waste collection and transport

Commercial consumers	Price in KM	Price in KM, including VAT
Category of “entrepreneurs, institutions and enterprises”		
Container - tour	125,00	146,25
Manufacturing halls	0,15	0,15
Retail stores		
0-100 m ²	0,47	0,55
101-300 m ²	0,36	0,42
301-600 m ²	0,25	0,29
601 m ² i više	0,14	0,16
Catering service stores		
0-100 m ²	0,56	0,65
101-300 m ²	0,43	0,50
301-600 m ²	0,30	0,35
601 m ² i više	0,17	0,19
Hospitality industry stores		
0-100 m ²	0,23	0,26
101-300 m ²	0,20	0,23
301-600 m ²	0,18	0,21
601 m ² i više	0,14	0,16
Office premises		
0-100 m ²	0,20	0,23
101-300 m ²	0,18	0,21
301-600 m ²	0,17	0,19
601 m ² i više	0,14	0,16
Craft shops	0,36	0,42

OTHER RELEVANT INFORMATION AND LINKS

Strategic documents of the City:

- 2018-2027. City of Banja Luka Development Strategy
- 2016-2019. Energy Efficiency Action Plan
- 2016-2021. Local Ecological Action Plan
- "Rural Integrated Development in the Territory of the Vrbas Canyon and the Manjača Plateau" Study
- "Integrated Rural Development in the Territory of the North-West Part of the City of Banja Luka" Study
- 2013-2020. City of Banja Luka Tourism Development Strategy
- 2015-2020. City of Banja Luka Non-profit and Social Housing Strategy
- 2018-2028. Development strategy for culture for City of Banja Luka

Useful links:

- City of Banja Luka, www.banjaluka.rs.ba
- Republika Srpska Government (RS), www.vladars.net
- RS Government Portal, Invest in Srpska, www.investsrpska.net
- RS Chamber of Commerce, www.komorars.ba
- Republic Agency for Small and Medium Enterprises Development of RS, www.rars-msp.org/
- Banja Luka Stock Exchange, www.blberza.com
- Foreign Investment Promotion Agency of BiH; FIPA, www.fipa.gov.ba
- Indirect Taxation Authority, www.uino.gov.ba

INVESTORS' EXPERIENCES

As one of the initial participants in the realization of the "Ramići Business Zone" project, I would like to use this opportunity to express my satisfaction with the City Administration initiating such a project and with our participation in its realization. Because of the complexity of the project and the high value of investments in infrastructure, the beginning was slow, but regardless of all the obstacles that existed in the beginning, thanks to the engagement of professional staff of the City Administration and the investors directly, I must conclude that now the pace has accelerated and that the project is being realized without any major difficulties.

I would like to commend the staff of the professional services of the City Administration who are participating in the realization of the project, for their utmost commitment and accountability for all the obligations taken over by the City Administration. I hope to continue with expansion under this project and initiation of new projects in order to create the preconditions necessary for new industrial zones in the territory of the City of Banja Luka and to ensure space for new manufacturing plants and new jobs.

Branko Đudić, Manager, Tri Best Ltd. Banja Luka

On behalf of Banja Luka Brewery Co, Banja Luka, as an economic company that does business within the territory of the City of Banja Luka, I would like to commend all the activities in the work of the Administrative Services of the City of Banja Luka, and its employees, in their treatment of the business people who are operating within the territory of this town, primarily because of their efficiency, but also their kindness and effort they are investing with the objective of improvement of the entire social and economic community.

Nicholas Penny, General Manager, Banja Luka Brewery Co. Banja Luka

I would like to compliment the City Administration of the City of Banja Luka for the committed efforts they are investing with the objective of realization of investments in the territory of the City, as well as their employees, primarily because of their commitment, understanding, and kindness in working with business people.

Željko Petrović, Manager, Elas Metalexpert Ltd. Banja Luka





Ecological Statement

The 2018-2027 City of Banja Luka Development Strategy defines the strategic commitment of the City of Banja Luka through the strategic objective C3: environmentally sustainable, communally equipped, energy efficient and safe environment – *Green city*. Realization of this objective will contribute to better integrated development of the City, not only through communal services or energy efficiency, then through initiation of ecological activities which will lead to a change in attitude towards ecological environment and it will help in founding new social values and it will also bring city closer to its residents.

WORLD BANK GROUP

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The investment profile was developed as part of the Local Investment-friendly Environment (LIFE), which is being implemented by the World Bank Group in partnership with the UK Government, the Council of Ministers of Bosnia and Herzegovina, the Federation of BiH Government, and the Republika Srpska Government. The project has been funded by UK aid from the UK government; however, the views expressed do not necessarily reflect the UK government's official policies. The findings, interpretations, views and conclusions expressed herein do not reflect the views of the Executive Directors of the World Bank Group or the governments they represent.