



WHY TO INVEST IN GRAČANICA

- ✓ Favorable geographic location-equal distance from the main cities of the region, located close to the main M-4 (Tuzla-Doboj) road, 17 kilometers from the future Vc corridor;
- ✓ Sočkovac Railway Station 1 km away;
- ✓ Tuzla International Airport 40 km away;
- ✓ Strong manufacturing tradition and a perfect business environment;
- ✓ Developed entrepreneurship over 740 private and public enterprises, and about 700 independent shops;
- ✓ Qualified labor force and possibility of retraining;
- ✓ Developed network of financial institutions and other support organizations (Business Service Providers) and microcredit organizations);
- ✓ Business Speed - fast and efficient administration dedicated to the needs of investors;
- ✓ A municipality with a tradition of sports and culture, developed and quality entire entrepreneurial and social infrastructure that promotes the development of MSAs.

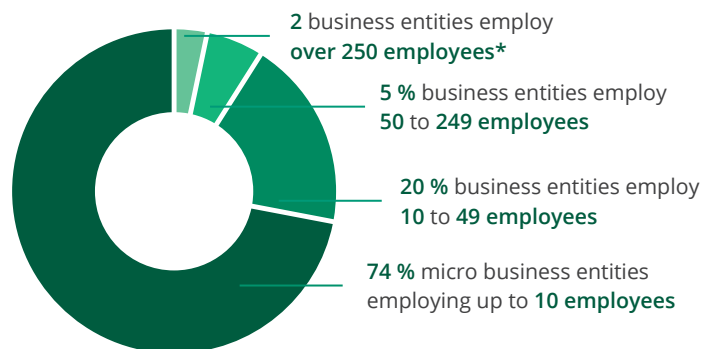
01 | GRAČANICA MUNICIPALITY GENERAL INFORMATION

General information

- Area: 219,5 km² (in Tuzla canton)
- Number of local communities: 23
- Population: 48.403 (final results of the census from 2013.)
- Climate: moderate continental
- Currency: BAM (1€ =1.95583 BAM)
- Budget (BAM): ► 13.397.935 (2018.)
- Average gross salary (BAM):
August 2018. ► bruto 953 | net 635
- Profit tax: 10%
- VAT: 17%
- Number of employed: 10.900 (2018.)
- Available workforce: 7.421 (2018.)
- 1.451 active business entities (2018.)
 - 428 legal entities
 - 320 branches
 - 703 trades
 - 30 business entities per 1.000 inhabitants

Small and medium-sized enterprises are the carriers of economic development.

Business entities according to the number of employees:



* „Jadrina“ d.o.o. (258 employees) and „Širbegović Inženjering“ d.o.o. (323 employees)

Priority industrial sectors

- Plastic and rubber;
 - Metal processing;
 - Wood processing.
- The development of small and medium sized enterprises in the field of energy efficiency and production of renewable energy sources is evident (production of eco-boilers, pellets and solar collectors).

Business services

Gračanica has an enviable network of business support services. All the support services needed for investors can be found in Gračanica:

Banks: Addiko bank, ASA bank, BBI bank, Intesa Sao Paolo, NLB bank, Raiffeisen bank, Sberbank, Unicredit bank and Vakufska bank;

18 Agencies for Accountancy Services in Gračanica are available to the private sector

9 attorney offices

2 notary offices

15 judicial experts

5 court interpreters (English, Italian, German and Turkish)

There are **37 companies registered for transport and storage** available to entrepreneurs and business entities.

Freight forwarding services are available in Gračanica through **several private companies**.

Support organizations:

- Gračanica Municipality www.opcina-gracanica.ba;
- Chambers of Commerce:
 - ▶ FBiH Chamber of Commerce www.kfbih.com;
 - ▶ Tuzla Canton Chamber of Commerce www.kpktz.ba;
 - ▶ External Chamber of Commerce of BiH www.komorabih.ba;
- BH-BHEPA Export Promotion Agency www.komorabih.ba/bhepa/;
- The Advanced Technology Center (MTTC) www.mttc.ba;
- Donor projects such as USAID, Sida, EU, EBRD, GIZ and individual government projects;
- Development Association NERDA Tuzla www.nerda.ba;
- Association "Nezavisni biro" for development of Gradačac www.nbrudruzenje.org;
- Educational institutions.

Through these services, it is possible to increase the competitiveness by connecting companies with public institutions, removing barriers, enhancing communication, opening up new jobs and accessing innovative development technologies.

Aimed sectors for investment

- Agriculture;
- Food industry, food production;
- Lightweight metal processing industry;
- Wood processing industry, wood products, furniture;
- Energy-efficient products (pellets, bio-masses ...);
- Trade;
- Transport and Logistics;
- Textile and footwear, fashion design and haberdashery;
- Construction sector and building materials sector (products, elements, installations, energy efficient materials and engineering services);
- Specialized technical services.

*"Gračanica Municipality,
entrepreneurialy led,
ecologically and socially
organized community of happy
and satisfied people"*

– a long-term vision of development

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02 | ECONOMY PROFILE

Competitive advantages

Gračanica has always been known as a city of craftsman and a merchant. The great number of micro, small and medium-sized privately owned businesses, which exist today, are a continuation of a rich tradition, older than 400 years. Intensive economic development began in the second half of the 20th century. Gračanica municipality has a population of about 48,500 inhabitants, covering 219,5 km². There are 1,451 active business entities (2018), of which 428 legal entities, 320 branches and 703 trades. The number of business entities per 1,000 inhabitants is 30.

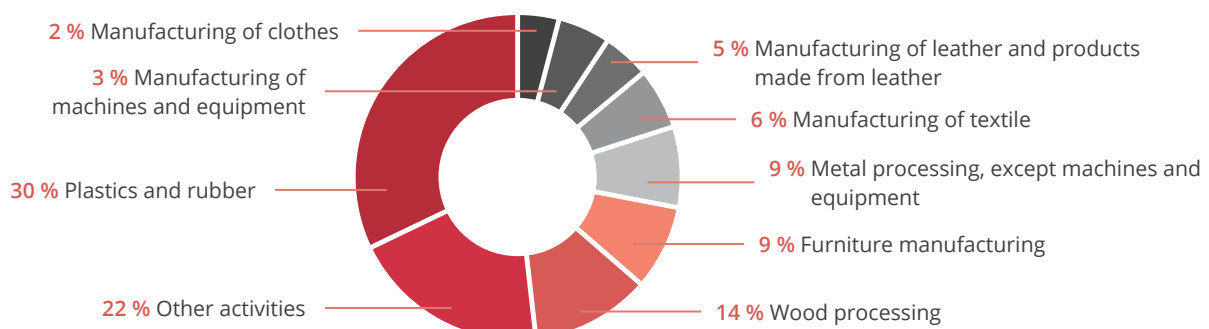
In the municipality of Gračanica, there is one dominant manufacturing industries employing 4,443 people.

Main markets and export trends

Total exports in 2017 amounted to 191.7 KM (about € 99 million) to markets in more than 50 different countries with export coverage of 91.14%.

Leading export markets for the economy of Gračanica municipality are: Croatia, Serbia, Montenegro, Macedonia, Kosovo, Slovenia, Belgium, the Netherlands, Germany, Italy, Austria, Sweden, France, Switzerland, Norway, Finland, United Kingdom, Denmark, Turkey, Luxembourg, Belgium, Russia, Czech Republic, Poland and Albania.

Exports are dominated by plastic products, metalwork, wood processing.



Plastics and rubber

Manufacture of products from rubber and plastic masses

- ▶ Number of companies **29**
- ▶ Number of employees **937**
- ▶ Total Income **56 million EUR**
- ▶ Export **27 million EUR**
- ▶ Share in total exports of the economy **30,09 %**
- ▶ Share in total income of the economy **14,91 %**

Activities / products: Manufacture of package plastic masses; Manufacture of plates, sheets, tubes and profiles of plastics masses; Manufacture of other plastic products, Manufacture of plastic mass products for construction purposes.

Leading companies in the manufacturing products from rubber and plastic masses: RPC Superfos Balkan d.o.o., Plamingo d.o.o., Variplast d.o.o. Poly d.o.o., Plastex d.o.o., Bema Ba d.o.o., Alibegović-plast d.o.o., Plastoflex d.o.o., Mirna d.o.o., Ambra d.o.o..

Wood industry

Manufacture of wood and of products of wood and cork, except furniture

- ▶ Number of companies **34**
- ▶ Number of employees **677**
- ▶ Total Income **41 million EUR**
- ▶ Export **12 million EUR**
- ▶ Share in total exports of the economy **13,71 %**
- ▶ Share in total income of the economy **8,32 %**

Leading companies in the field of wood, wooden products and cork processing, except furniture: Iso-wood d.o.o., Radial d.o.o., Obrt-Comerc d.o.o., Tursun prom d.o.o., Uno prom d.o.o., Benprom d.o.o., Džambo d.o.o., TTM d.o.o., Halidović d.o.o., Drvostil d.o.o., Husanovic&Co d.o.o., Ahmetbegović d.o.o., Dusa-comerc d.o.o., Žepić d.o.o., Kikan d.o.o., Halidex d.o.o., Muftić d.o.o., Nedžm d.o.o., Ivado"d.o.o..

Manufacture of furniture

- ▶ Number of companies **2**
- ▶ Number of employees **417**
- ▶ Total Income **11 million EUR**
- ▶ Export **7,5 million EUR**
- ▶ Share in total exports of the economy **8,50 %**
- ▶ Share in total income of the economy **2,84 %**

Activities / products: Manufacture of other furniture; Manufacture of veneer and other wood slabs; Manufacture of furniture for business and retail premises; Sawing and planing of wood (production of cut materials); impregnation of wood.

Furniture production is realized in 2 (two) leading companies: Jadrina d.o.o. and Ingrat d.o.o.

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Processing of metal

Manufacture of finished metal products, except machinery and equipment

- ▶ Number of companies **28**
- ▶ Number of employees **508**
- ▶ Total Income **41 million EUR**
- ▶ Export **8 million EUR**
- ▶ Share in total exports of the economy **9,25 %**
- ▶ Share in total income of the economy **11,00 %**

Leading companies in finished metal products manufacturing except machinery and equipment: Trgovir d.o.o., Index d.o.o., Kovan M.I. d.o.o., HST CNC Technik d.o.o., Limorad d.o.o., Adam Co d.o.o..

Manufacture of machinery and equipment

- ▶ Number of companies **11**
- ▶ Number of employees **210**
- ▶ Total Income **9,5 million EUR**
- ▶ Export **2 million EUR**
- ▶ Share in total exports of the economy **2,50 %**
- ▶ Share in total income of the economy **2,58 %**

Leading companies in the field of machine and machine manufacturing: Europrost d.o.o., Fining d.o.o., Tring d.o.o., Global lift BiH d.o.o., Prim Co company d.o.o., Fars-Inox d.o.o..

Activities / products: Manufacture of wire products, chains and springs; Metal processing with machines; Manufacture of other finished metal products; Forging, pressing, stamping and rolling of metal; powder metallurgy.



Significant investments in the last three years

By adopting the Regulatory Planes of the Work Zone I, II, III, a positive trend of investments from 2011 to 2017 will continue in 2018. In the period from 2011 to 2017, 75 manufacturing business facilities were invested in the total area of 144,244 m² (on average 20,603 m² per year).

Significant investors in the last 5 years from the area of Gracanica municipality are: RPC Superfos Balkan d.o.o., Edo-slad d.o.o., Trgovir d.o.o., Alibegović-plast d.o.o., Belamionix d.o.o., Ingrat d.o.o., Index d.o.o., HST CNC TEHNIK d.o.o., Poly d.o.o., Džambo d.o.o. Variplast d.o.o., Plamingo d.o.o., Isowood d.o.o., Suman d.o.o., Elatec d.o.o., Plastoflex d.o.o., Mirna d.o.o. and others.

Developed long-standing entrepreneurial culture and established business relationships with world-class companies from leading investors, developed business infrastructure and close proximity to the Zagreb-Belgrade highway, airports in Tuzla, Sarajevo, Zagreb and Belgrade make this area interesting for foreign investors.





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03 | INCENTIVES AND DEDUCTIONS

Incentives and deductions

- ✓ Payment of land rent in installments;
- ✓ 50% reduction of utility tax for stating the name of a company for a period of one year for newly registered business owners who are under 30 years of age;
- ✓ Shortened and simplified procedures for issuing permits (3 days);
- ✓ Sustainability, accessibility and efficiency of Municipal personnel focused on targeted development of small and medium enterprises;
- ✓ Grants from higher levels of government focused on building entrepreneurial infrastructure;
- ✓ Constant development of new economic incentives in cooperation with international organizations;
- ✓ Agricultural trades are exempt from paying communal fees for crafts, individual housing and housing-business facilities;
- ✓ Incentives for agriculture are obtained from the budget of Gračanica, Tuzla Canton and Federation of Bosnia and Herzegovina;
- ✓ The amount of incentives is over 2 million KM annually and is used for plant and animal production.

Useful information

At the link of Cantonal Chamber of Commerce Tuzla <https://bit.ly/2zNjDny> you can find:

- Steps for issuing urban planning approval;
 - Compensation fees for urban planning;
 - Steps for issuing building permits;
 - Fees for issuing building permits;
 - Steps for issuing a use permit;
 - Enlisting the built object into the land registry and cadastre of real estate;
 - Steps to change land use from agricultural to construction land;
 - Costs to change land use from agricultural to construction land;
 - Steps to change the purpose of a building from a housing to a business;
 - Costs of changing the building's use from housing to business.
- **Steps of company registration:** <https://bit.ly/2Usarh6>
- **Required documents:**



- Application for registration of legal entity (docx);
- Application for Legal Entity Registration (PDF);
- OP form (PDF);
- Form 11 Publication for Registering Enrollment from Court Registry in Official Gazette (docx).

Building permits and operating costs

Administrative fees for publication of building approvals regarding the type of building and type of intervention

Building permits

Type of expense

Amount of cost

1.

Administrative tax on demand for residential-business premises ▶ 17,5 €

Administrative tax on demand for business-manufacturing (including farms, independent crafts and service activities) ▶ 25 €

Administrative tax on demand for other business facilities ▶ 50 €

An administrative fee for petrol pumps ▶ 75 €

Administrative fee on request TS, PTT central, GSM base station, infrastructure route (power lines, PTT network, cable TV, sewerage and water supply network and other infrastructure facilities). ▶ 75 €

Administrative tax on request for approval for demolition of the facility ▶ 35 €

2.

The usefulness of the urban construction land-rent is calculated on the m2 of usable surface of the building
▶ od 25,56 €/m²
do 4,34 €/m²

It is payable only for the location of the buildings on the urban construction land. The land is divided into 6 zones, the highest fee is for the I zone, and most of the economic facilities are in the zones V and VI.

3.

Landscaping of building land, also by zones
▶ od 4,5 €/m²
do 0,75 €/m²

It is payable only for the location of the buildings on the urban construction land. The land is divided into 6 zones, the highest fee is for the I zone, and most of the economic facilities are in the zones V and VI.

4.

The communal tax depends on the type of facility and location. It is calculated per m2 of usable surface of the object
▶ Max 0,75 €/m²



Speed of doing business

No. of days for establishing an Ltd ▶ **3 days**

No. of days for obtaining a location permit ▶ **15 days**

No. of days for obtaining a construction permit ▶ **7 days**



Taxes

Profit Tax Rate ▶ **10%**

Value added tax rate VAT ▶ **PDV 17%**

Income tax rate ▶ **10%**

Expenses in numbers

Electricity ▶ 0,085 KM/kWh in average

Water ▶ 1,30 KM/m³

Sewerage ▶ 0,26 KM/m³

Waste ▶ 15 KM dumpster 1,1 m³
▶ 70 KM dumpster 5 m³

Land line ▶ Postpaid 16,40 KM ▶ Connection 29 KM

Internet ▶ Postpaid 40 KM ▶ Connection 0,83 KM

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04 INDUSTRIAL ZONES

Industrial zones

By the Regional Plan of the Gračanica Municipality there are two identified economic zones:

- ▶ For the inhabited places **Gračanica- Pribava** one economic zone - **156 ha**
- ▶ For an inhabited place **Doborovci-Vranovići** one economic zone - **a 20 ha**

Economic zones are planned, within the boundaries of urban areas and on construction land outside urban areas.

For the Gračanica-Pribava Economic Zone Gračanica Municipality has prepared detailed planning documents: **3 regulatory plans**, which relate to each other, namely:

- ▶ Regulatory plan „**Working zone I**“ površina obuhvata **61,8 ha**
- ▶ Regulatory plan „**Working zone II**“ area covers **27,9 ha**
- ▶ Regulatory plan „**Working zone III**“ area covers **63,0 ha**.

The largest number of small and medium-sized enterprises in the area of Tuzla Canton is located in Gračanica.

Working zones I, II, III

In order to enable dispersive spatial deployment of manufacturing and other business entities, the Spatial Plan established economic zones that include existing and planned areas for the development of economic activities in the area of Gračanica Municipality. The spatial plan identified two economic zones with a total area of 167.0 ha.

Economic zones outside urban areas are planned in the inhabited places Doborovci (14ha), Gračanica (7ha) and Vranovići (6ha).

Zones I, II, III

- ▶ P = **153 ha**
- ▶ Type: **greenfield**
- ▶ Ownership: **private**
- ▶ Traffic connected to M4 Doboj - Tuzla main road
- ▶ **Infrastructure:** Within the zones there are primary public roads, and secondary ones are being built. The same goes for water and sewerage. The low-voltage electrical connection is enabled.
- ▶ **Planning documentation:** Regulatory Plan for Work zones I, II and III.

Technological park

MTTC d.o.o. Gračanica (privately owned).

- ▶ Technological park surface: **200 m²**
- ▶ Number of business entities - users: **21**
- ▶ Laboratory Number: **1**

In MTCC d.o.o. has been invested half a million BAM (about 250,000 €) since its establishment (2009), and the technology park focuses on advanced technologies that increase productivity and profitability of the enterprises.

Potential for development

Areas for health spa, tourist, sport and recreational purposes:

- Terme zone (thermomineral water)
1 exploitation well (an average capacity of 80 liters per second per well);
- Agrotouristic swimming pool Donja Spreča, area Soko;
- The immediate protected area of the protected national monument of the architectural ensemble Soko;
- Area Monja;
- Area Sijed Krš,
- Area Gaj;
- Area of city parks;
- River area: Sokoluša, river Lukavica and River Razak.

Natural wealth: non-metallic minerals, raw materials, concrete, kaolin, quartz sand, tuf, ceramic and refractory clay and limestone.

Land resource: perfect for production of healthy food.

Ethnic tourism: Nature, peaceful environment, domestic food, rural lifestyle as one of the potentials for the development of Gračanica.



Incentives for zone users

- ✓ Payments in installments with the signing of the Contract with the Municipality.
- ✓ Priority in solving requests.

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05 | SECTOR GUIDE PLASTIC INDUSTRY

Competitive advantages of plastic industry

- Qualified and skilled personnel, and the possibility of scientific research and technical cooperation with the University of Tuzla and secondary schools;
- Possibility of producing "new" products;
- Developed cluster of manufacturers;
- Developed domestic and export markets;
- Successful investment;

Sector chart

Five of the most successful companies in the plastics industry account for 28.3% of total processing industry revenue.

It is estimated that 30 companies employ more than 930 people in the sector, which is 21,09% of the total number of employees in the manufacturing industry in Gračanica.

Share of the plastic industry in total Gračenica exports is 27.5% and in the export of manufacturing industry 37.13%.

Exports makes 47.2% of total plastics sector revenue.

The most significant investments and companies in the sector are

- ▶ **RPC Superfoos Balkan d.o.o.** packaging production from plastic masses;
- ▶ **Moda-Plast d.o.o.** packaging production from polyethylene, polypropylene, paper;
- ▶ **Plamingo d.o.o.** injection and chrome plating of plastic parts for auto industry, home appliance industry, sanitary ware and furniture industry;
- ▶ **Variplast d.o.o.** packaging production from plastic masses;
- ▶ **Poly d.o.o.** production and sale of plastic products for construction and PE foil and press and non-press bags, technological processes of manufacturing: injection and extrusion;
- ▶ **Plastoflex d.o.o.** packaging production from plastic masses;
- ▶ **Plastex, d.o.o.** polymer material processing and flexible packaging production;
- ▶ **SRMA d.o.o.** packaging production from plastic masses;
- ▶ **Fist plastika d.o.o.** distribution of plastic granules and plastic additives;
- ▶ **Terrasit d.o.o.** production program of thermal insulation, floor heating and packaging;
- ▶ **Bema Ba d.o.o.** packaging production from plastic masses;
- ▶ **Mirna d.o.o.** proizvodnja kompletnog pločastog asortimana namještaja;
- ▶ **Alibegović plast d.o.o.**;
- ▶ **Ambra d.o.o.**

A successful story - Plamingo d.o.o.

Plamingo d.o.o. Gračanica exports over 98% of its production to 23 countries worldwide and is a leading company in the injecting and chrome plating sector for automotive industry and the domestic appliance industry, sanitary ware and furniture industry. It is one of the most recognizable European companies in the chrome plating sector. Plamingo has its own portfolio consisted of: Tool making and plastic injection, ABS plastic plating, wholesale and retail of complete bathroom equipment. High quality and technology standards guarantee the securing of international demands placed by end-customers in the mentioned industries.

- As a small handicraft that mainly processed ABS chrome plating, the company was founded in 1972;
- Currently employs 210 workers;
- New facilities for tool making, plastic injection molding, and central warehouse together with "state of the art" galvanization has been working since 2010;
- Possess the ISO 14001: 2004 certificate;
- Quality and experience have gained the trust of world-famous brands such as Mercedes, BMW, Alfa Romeo, Hella, Volkswagen, Dacia, Geberit, Grohe, BSH, Hutchinson, Whirlpool, Fluidmaster, Playmobil, Gorenje, Honeywell, Panasonic, Missel, Benedict, Prima Sole Components S.p.A, Inrojal, MKW, HERZ, NP Germany, Vargon, Aha secaplast, Wirten grop, ADV PAX Lutec, Rosti, Weltplast.

Key products

- ▶ plastic packaging for food industry,
- ▶ tools,
- ▶ plastic injection,
- ▶ chroming plastics,
- ▶ blown plastic,
- ▶ plastic bags,
- ▶ plastic ware.

High quality labour resources

Faculty of Technology in Tuzla, Department of Chemical Engineering and Technology, educates quality staff.

Markets

Italy, Bosnia and Herzegovina, Serbia, Montenegro, Germany, Slovenia, Croatia, United Kingdom, Scandinavian countries.

Support organizations

- ▶ Gračanica Municipality;
- ▶ Chambers of Commerce: FBiH Chamber of Commerce, Tuzla Canton Chamber of Commerce, External Chamber of Commerce of BiH;
- ▶ BH-BHEPA Export Promotion Agency;
- ▶ The Advanced Technology Center (MTTC) www.mttc.ba;
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SECTOR GUIDE METAL PROCESSING

Competitive advantages of metal processing

- Qualified and skilled personnel, and the possibility of scientific research and technical cooperation with the University of Tuzla and secondary schools;
- Possibility of producing "new" products for furniture and construction industry;
- Developed supply chain value;
- Developed export market.

Sector chart

Over 40 companies in the sector employ more than 720 people, accounting for 16% of the total employed in the manufacturing industry.

The share of metal processing in Gračanica's total exports is 11%, and in the total processing industry income 27%.

Exports account for 20% of total metal processing revenue.

The total profit exceeds € 5.8 million.

The most significant investments and companies in the sector are:

- ▶ **Index d.o.o.** metal processing on CNC machines;
- ▶ **Kovan d.o.o.** manufacture of products for heating residential and commercial premises;
- ▶ **Fining d.o.o.** production of cranes, equipment for cranes, service and maintenance;
- ▶ **Europrost d.o.o.** production of lifts;
- ▶ **Adam Co d.o.o.** production of trailers for special transport;
- ▶ **Limorad d.o.o.** forging, pressing, stamping and rolling of metal; powder metallurgy;
- ▶ **Trgovir d.o.o.** wire products, bituminous hydro isolation and eco-pellets;
- ▶ **HST CNC Technic d.o.o.** manufacture of other finished metal products;
- ▶ **Suman d.o.o.** tents, curtains, umbrellas;
- ▶ **Alibegović plast d.o.o.** manufacture of PVC and aluminum windows and doors, hard fences;
- ▶ **Tring d.o.o.** producer of fiscal systems;
- ▶ **Global elevator BiH d.o.o.** Manufacture of lifting and handling equipment;
- ▶ **Prim Co company d.o.o.** manufacture of lifts, portal cranes, console cranes, monorail cranes, stationary cranes, tower cranes, cable cranes, electric motors, motor-reducers, freight platforms, freight and passenger lifts, lifts;
- ▶ **Fars Inox d.o.o.** production of other taps and valves.

A successful story - Kovan d.o.o.

Kovan M.I. is the leading industrial producer of boilers and pellet fireplaces in the region, operates in 15 EU countries and in the region, and in each there is an organized service network. The firm is Bosnian leader in the production of renewable energy products, specializing exclusively in technology for the development, production and use of pellet products. Kovan M.I. also offers services of the building of pellet production plants on the "turnkey" system, anti-corrosion protection of metals, laser cutting of metal and metal processing as well as manufacturing of metal accessories

- The products meet European standards in terms of technical characteristics as well as the world's highest standards of environmental protection;
- Established at a time when pellet heat pumps were unknown in our market, which was in 1996 with three employees and a good idea that our future is in renewable energy sources;
- Employing about 280 workers;
- It achieves average annual growth of production by 30%;
- The ISO 9001: 2008 quality assurance standard is applied in the business system;
- The firm has acquired the status of a privileged exporter for hot water boilers and fireplaces with a fully automated 2007 management system;
- A business unit in Olovo was established with a surface area of 33,847 m² where pellet production plants are located;
- Established Development Center for 2014;
- The company has achieved business cooperation and partnership with Siemens and became a representative of Flender and Simogear line of couplings, reducers engines, and gear units.

Key products

- ▶ cranes,
- ▶ lifts,
- ▶ trailers,
- ▶ equipment for heating,
- ▶ forged products,
- ▶ cnc machine metal processing.

High quality labour resources

- Employment growth in the sector is 12%;
- Gross wage in the sector € 600;
- Qualified personnel are educated at Secondary School in Gračanica for the following professions: automobile mechanic, electromechanical mechanic, electronics mechanic, machine technician-operator on CNC machines, computer design engineer, energy technician, gas weldiER;
- Retraining in PU Center for Adult Education Gračanica;
- Welding training from BIH - Welding Institute d.o.o. Tuzla.

Markets

The markets of the EU (Slovenia, Austria, Netherlands, Croatia, France, Germany, Luxembourg, Belgium, Norway), Russia market, and neighboring countries: Serbia and Montenegro.



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This publication has been produced with the assistance of the European Union within the Programme for Local Self-Government and Economic Development in BiH, EU ProLocal. The contents of this publication are the sole responsibility of Gračanica Municipality and can in no way be taken to reflect the views of the European Union and the German Government. EU ProLocal is a joint programme of the European Union and the German Government implemented by GIZ.



WHY TO INVEST IN GRAČANICA

- ✓ Favorable geographic location-equal distance from the main cities of the region, located close to the main M-4 (Tuzla-Doboj) road, 17 kilometers from the future Vc corridor;
- ✓ Sočkovac Railway Station 1 km away;
- ✓ Tuzla International Airport 40 km away;
- ✓ Strong manufacturing tradition and a perfect business environment;
- ✓ Developed entrepreneurship over 740 private and public enterprises, and about 700 independent shops;
- ✓ Qualified labor force and possibility of retraining;
- ✓ Developed network of financial institutions and other support organizations (Business Service Providers) and microcredit organizations);
- ✓ Business Speed - fast and efficient administration dedicated to the needs of investors;
- ✓ A municipality with a tradition of sports and culture, developed and quality entire entrepreneurial and social infrastructure that promotes the development of MSAs.

07

SECTOR GUIDE WOOD PROCESSING

Competitive advantages of the sector

- Available raw materials;
- Qualified and well-trained staff and the possibility of scientific research and technical cooperation with University of Tuzla and secondary schools;
- Possibility of production of „new“ products;
- Developed export market.

Sector chart

More than 37 companies in the sector employ more than 1.094 people, accounting for 24.6% of the total number of employees in the manufacturing industry.

The share of wood processing in total exports of Gračanica is 22.10%, and in the total manufacturing income 22,45%;

Exports account for 46,86% of total sector revenue. The total profit exceeds EUR 2 mil. Employment in the sector is growing at an average rate of 15% per annum for the observed period from 2013 to 2016.

The most significant investments and companies in the sector

- ▶ **Jadrina d.o.o.** furniture manufacturing;
- ▶ **Isowood d.o.o.** final wood processing;
- ▶ **Ingrat d.o.o.** manufacture of school furniture;
- ▶ **Radial d.o.o.** construction plating;
- ▶ **Obrt komerc d.o.o.** manufacture of paneling, shipboards, pellets and sawn timber;
- ▶ **Dzambo d.o.o.** sawn timber and carpenter elements;
- ▶ **Drvo Stil d.o.o.** manufacture of sawn timber and pellets;
- ▶ **Ahmedbegović d.o.o.** manufacture of decking, paneling, sawn timber;
- ▶ **Tursunprom d.o.o.** manufacture of sawn timber and joinery;
- ▶ **Husanović & Co d.o.o.** manufacture of parquet and cabinets for kitchen and massive furniture;
- ▶ **Dusa comerc d.o.o.** manufacture of wooden joinery made of hearth, larch, oak, pine and exotic wood.

Story of success - Jadrina d.o.o.

The Furniture Factory "Jadrina" in Gračanica is a modern industry of upholstered corpus and massive furniture. The rich assortment and competitive prices strengthened the position of the company in the domestic market and the markets of France, Germany, Slovenia and Croatia. In "Jadrina" they are aware that people are adjusting their living space twice in their lives. That is why they want to be missionaries of the beautiful, brave dreamers who bring the touch of contemporary and pleasant ambiance.

- The company has existed since 1964;
- Privatized in 2001;
- Employs about 300 workers.

Key products

- ▶ furniture,
- ▶ school furniture,
- ▶ decking,
- ▶ kitchen cabinets,
- ▶ parquets,
- ▶ pellets,
- ▶ exterior and interior wooden joinery.

Markets

Wood processing products are exported to Southeast European markets as well as to EU markets, most notably the Netherlands, France, Germany, Slovenia and Italy.

Support organizations:

- ▶ Gračanica Municipality;
- ▶ Chambers of Commerce: FBiH Chamber of Commerce, Tuzla Canton Chamber of Commerce, External Chamber of Commerce of BiH;
- ▶ BH-BHEPA Export Promotion Agency;
- ▶ The Advanced Technology Center (MTTC) www.mttc.ba;
- ▶ Donor projects such as USAID, Sida, EU, EBRD, GIZ and individual government projects;
- ▶ Development Association NERDA Tuzla www.nerda.ba;
- ▶ Association "Nezavisni biro" for development of Gradačac www.nbrudruzenje.org;
- ▶ Educational institutions.



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