



# Invest in **MRKONJIĆ GRAD**





Bosnia and Herzegovina in Europe



Mrkonjić Grad in Republika Srpska (RS) and Bosnia and Herzegovina (BiH)

Mrkonjić Grad Municipality is located in the northwestern part of Bosnia and Herzegovina (BiH), in Republika Srpska (RS).

## MRKONJIĆ GRAD MUNICIPALITY

<b>Administrative affiliation</b>	Republika Srpska, Bosna i Hercegovina
<b>Surface area</b>	685 km <sup>2</sup>
<b>Population</b>	18,136
<b>Population density</b>	26 inhabitants/km <sup>2</sup>
<b>Mayor</b>	Ms. Divna Aničić
<b>Address</b>	Trg kralja Petra I Karađorđevića 1, 70260 Mrkonjić Grad
<b>Telephone</b>	+387 50 220 920; +387 50 220 921
<b>Fax</b>	+387 50 220 954
<b>Email</b>	kabinet_nacelnika@mrkonjic-grad.rs.ba
<b>Web</b>	<a href="http://www.mrkonjic-grad.rs.ba">www.mrkonjic-grad.rs.ba</a>

## ECONOMIC DEVELOPMENT AGENCY

<b>Address</b>	Svetog Save br. 1, 70260 Mrkonjić Grad
<b>Telephone/Fax</b>	+387 50 214 257
<b>Email</b>	dam@teol.net
<b>Contact person</b>	Mr. Goran Todorović, General Manager







## CONTACT FOR INVESTORS

**Mrkonjić Grad Municipality**

**Department for Economy and Finance**

Telephone: +387 50 220 925

Fax: +387 50 220 954

Contact person: Tomislav Todorović, Head of Department for Economy and Finance

E-mail: [t.todorovic@mrkonjic-grad.rs.ba](mailto:t.todorovic@mrkonjic-grad.rs.ba), [kabinet\\_nacelnika@mrkonjic-grad.rs.ba](mailto:kabinet_nacelnika@mrkonjic-grad.rs.ba)

Web: [www.mrkonjic-grad.rs.ba](http://www.mrkonjic-grad.rs.ba)

## WHY INVEST IN MRKONJIĆ GRAD?

**Investors can benefit from:**

- Access to the “Podbrdo Business Zone”, with available plots for greenfield investments ranging from 3,000 m<sup>2</sup> to 6,000 m<sup>2</sup> in size and multiple facilities for brownfield investments.
- Significant natural resources and potentials for development of agriculture and food processing sectors and investment in value added wood products and other wood mass byproducts.
- Favorable geographic location, natural resources and human capital offer solid ground to potential investors in Mrkonjić Grad.

## TRANSPORT INFRASTRUCTURE

Mrkonjić Grad Municipality is 59 km away from the administrative center of City of Banja Luka, seat of the institutions of Republika Srpska, and is connected to it by the M-5 arterial road.





Mrkonjić Grad Municipality lies at the intersection of major routes and near several international airports.

Distance from Mrkonjić Grad	
<b>Belgrade - Zagreb highway to the north</b>	102 km
<b>Port of Split (Republic of Croatia/EU) to the south</b>	190 km
<b>Novi Sad (Serbia)</b>	353 km
<b>Banja Luka - Mahovljani commercial airport</b>	64 km
<b>Belgrade (Serbia) - cargo airport</b>	369 km
<b>Sarajevo (BiH) - cargo airport</b>	187 km
<b>Zagreb (Republic of Croatia/EU) - cargo airport</b>	225 km

## HUMAN RESOURCES

Favorable age structure of the labor force, with 68.6% of population of working age.

Period	Labor force	Source
31 March 2015	2,343 unemployed (active work force)	Mrkonjić Grad Employment Bureau
31 March 2015	3,545 employees	RS Tax Administration

There are two secondary schools in Mrkonjić Grad.

Secondary School	Curriculum	2014/2015 Enrollment
General-Program Secondary School	General program	242
Mechanical Engineering Secondary School	<ul style="list-style-type: none"> <li>• Mechanical engineering and metal processing</li> <li>• Business, law and commerce</li> <li>• Textile and leather processing</li> <li>• Electrical engineering, Energy</li> </ul>	159 125 78 26
<b>TOTAL</b>		<b>630</b>

The proximity of Banja Luka (59 km), a major city, second largest in Bosnia and Herzegovina , facilitates recruitment of university graduates in all professions, who get education at the Banja Luka University (<http://unibl.org/>).



## BUSINESS ENVIRONMENT

The economic development of Mrkonjić Grad Municipality is based on the development of small and medium enterprises, entrepreneurship and agriculture.

Businesses registered in the municipality

<b>Companies/Ltd.</b>	110
<b>Sole proprietorships</b>	318
<b>Commercial banks</b>	5
<b>Insurance companies</b>	8

Major sectors of the economy in 2014, by total revenue

<b>Economic sector</b>	<b>Total revenue, in KM</b>
<b>Wholesale and retail trade</b>	133,263,000
<b>Electric power generation and distribution</b>	20,217,000
<b>Construction</b>	18,866,000
<b>Processing industry</b>	18,055,000

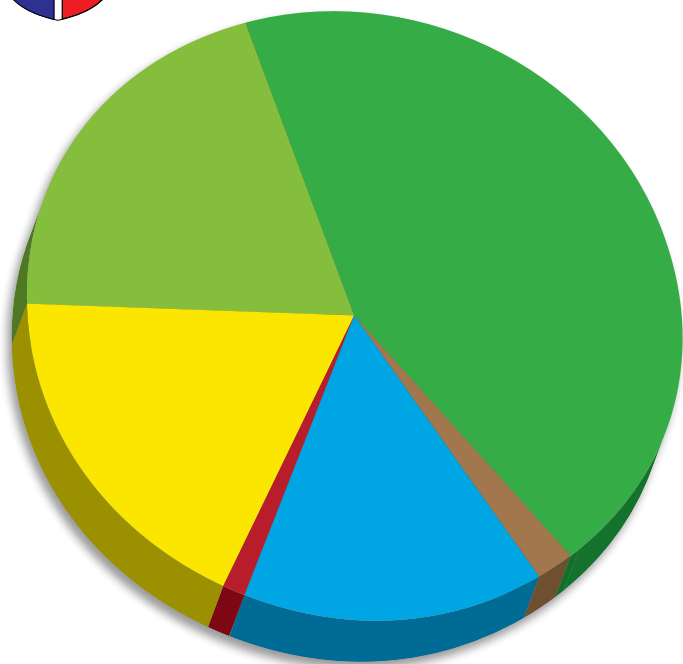
## PRIORITY SECTORS

### AGRICULTURE

Agricultural land covers 54% of the total municipal surface area, of which plough land, orchards and meadows account for 34%, and land unsuitable for cultivation (pastures) for 20%.







	<b>FORESTS</b>	<b>44%</b>
	<b>INFERTILE LAND</b>	<b>2%</b>
	<b>PLOUGH LAND</b>	<b>15%</b>
	<b>ORCHARDS</b>	<b>1%</b>
	<b>MEADOWS</b>	<b>18%</b>
	<b>PASTURES</b>	<b>20%</b>

### FORESTRY AND WOOD PROCESSING

Mrkonjić Grad and its environs are known for extensive forests. The annual output of forest wood products from the municipalities of Mrkonjić Grad, Šipovo and Ribnik is 420,000 m<sup>3</sup>, evenly split between coniferous and deciduous species.

The 'Lisina' Forest Estate manages the forests in Mrkonjić Grad Municipality, with the available annual wood quantity of 56,000 m<sup>3</sup>. Such a rich resource base, combined with well-trained and experienced work force and a favorable location, constitute a sound basis for manufacturing of final wood products. This has been recognized by investors, 19 wood-processing companies currently operating in the municipality and selling their products (furniture and joinery) on the markets of BiH, Serbia, Macedonia and beyond.

The sector offers potential for new investment in value added products of wood and other wood mass byproducts (e.g. pellets, wood chips etc.).

The natural preconditions for farming and livestock raising and available resources in the sector offer opportunities for intensive development of food processing, with an organized approach and investments.

Estimates are that around 198,000 plum trees, 11,900 apple trees and 7,700 pear trees are planted on the territory of the municipality.

In the livestock farming there are estimated 3,200 heads of cattle, of which 2,450 cows and heifers and 750 calves, while the sheep total around 6,000, of which 600 breeding rams and the rest are sheep and lambs.

Mrkonjić Grad Municipality has leased 102 hectares of agricultural land, with further 513 hectares still available for lease.

The agriculture sector offers investment opportunities in fruit and vegetable processing plants and meat processing plants.





## TOURISM

Mrkonjić Grad Municipality offers significant potential for the development of tourism. The sports tourism in particular is in expansion. The town offers exceptional climate conditions for sports and recreational tourism: relatively high altitude (600-800 m), temperate continental climate, average annual temperature of 10 °C.

Mt. Lisina, with the Balkana Lake and Zelenkovac Excursion Area at its foot, provide the greatest attraction for tourists and visitors.

**Balkana Tourism and Recreational Center** is 4 km from Mrkonjić Grad. The Balkana area is situated at the foot of Mt. Lisina and comprises two lakes: the Great and the Small lake. Available tourist infrastructure includes a hotel and cabins, suitable for both summer and winter stays.

**Mt. Lisina** is designated as a protected area for its large-area mycological preserve of Šibovi, the only one of its kind in BiH. Owing to its geological make-up, it constitutes a very rich habitat for mushrooms (some 1,300 species were identified and described). Also, there are some 360 freshwater springs in the area, which constitute important water resources on the local level.

**Zelenkovac Excursion Area** is situated in the Village of Podrašnica, 12 km from Mrkonjić Grad, along the Banja Luka - Split arterial road. Zelenkovac, with its centenary spruce trees and mountain springs, is one of the most attractive excursion sites in this part of the country. Zelenkovac has the tradition of numerous events, among others: jazz festivals, rock concerts, poetry evenings, school-in-nature activities, theater performances, athletic competitions, art colonies and workshops, and an international volunteering camp.

The headwater of the Sana River in the Village of **Pecka** at the top southwest of the municipality is another exceptionally scenic setting, it is also the location of the attractive Pecka climbing site, which traditionally hosts the 'Pecka Rock Climbing Festival' every June.





## LOCATION PACKAGES FOR INVESTORS

In Mrkonjić Grad, available to investors are:

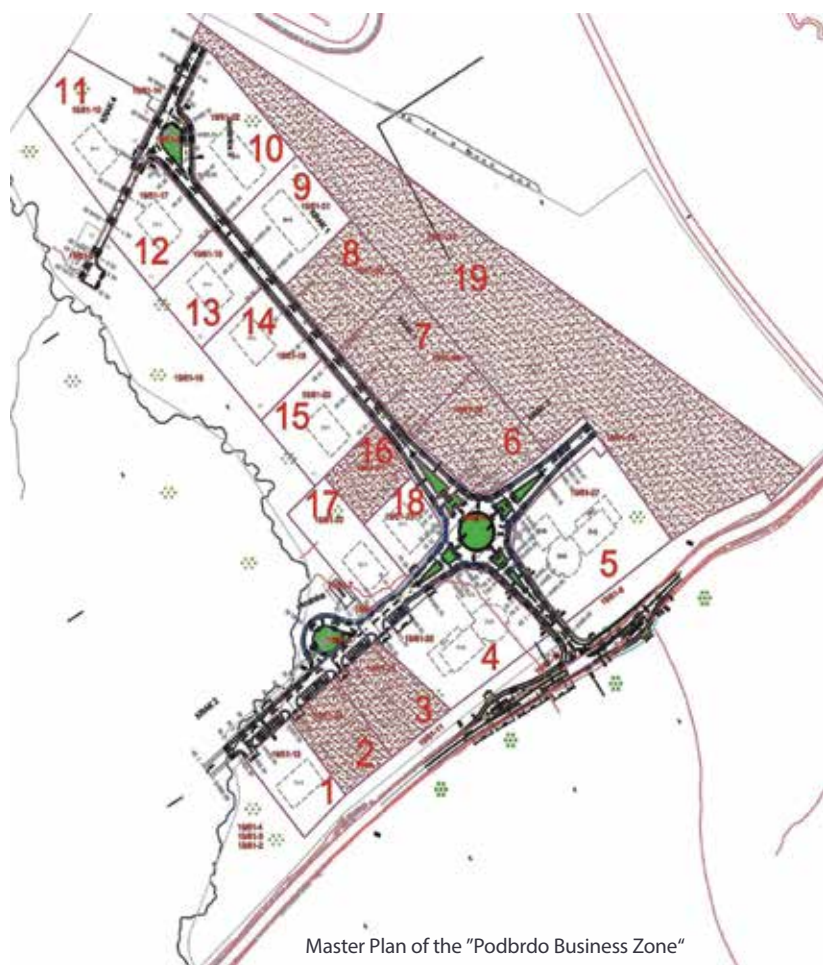
- **Two business zones for greenfield investments:**
  - "Podbrdo Business Zone" in the Podbrdo neighborhood
  - "Kula-Rudići Business Zone" in the Kula neighborhood
- **Brownfield investment capacities:**
  - DIP 'Manjača'
  - The Bolt Factory

## BUSINESS ZONES

### "PODBRDO BUSINESS ZONE (BZ)"

Ownership	Mrkonjić Grad Municipality
Surface area	18 hectares
Number of land plots	18
Land plot surface area	3,000 – 6,000 m <sup>2</sup>
Land plots sold to date*	7
Available land plots	11
Mode of sale	Auction
Price of land plots up to 5,000 m <sup>2</sup>	4 KM/m <sup>2</sup>
Price of land plots larger than 5,000 m <sup>2</sup>	3.3 KM/m <sup>2</sup>
Purpose of the zone	Predominantly manufacturing

**\*until June 30, 2015**



The Zone's main intended purpose is manufacturing, business, commercial and service activities, with the largest part earmarked for manufacturing.

The 'Podbrdo' Business Zone is situated in the Podbrdo neighborhood, 6 km from Mrkonjić Grad, on the M-5 arterial road (i.e. the Jajce - Mrkonjić Grad - Bihać - Croatia/EU road) and it is intersected by the M-15 arterial road (i.e. Mrkonjić Grad (Rogolji Village) - Glamoč - Split).

According to the spatial plan of Republika Srpska, the future highway Gradiška - Kupres shall lie next to the "Podbrdo Business Zone", making this already attractive location of even greater interest for future investors.







## **MRKONJIĆ GRAD MUNICIPALITY PROVIDES THE FOLLOWING SERVICES AND BENEFITS TO INVESTORS IN THE "PODBRDO BUSINESS ZONE":**

- Quality supply of electricity and water to the business zone
- Waste water disposal
- Telecommunications and transport infrastructure
- Solid waste disposal
- Conversion of agricultural into construction land
- 10-30% price reduction option for quoted land prices (depending on the number of jobs to be created)
- Refund of 50-80% of fee for city construction land (degree of development) and one time rent (depending on the number of jobs to be created)

## **PROCEDURE FOR LAND PURCHASE IN THE BUSINESS ZONE:**

- Public auction
- Registration and depositing of 10% advance payment
- Drafting contract with a notary public
- Contract signing
- Payment of the outstanding funds (90%)
- Contract delivery
- Registration of the land plot in the purchaser's name
- Entering into the possession of the land plot

Information about the eligibility criteria for purchasing property in the business zone may be accessed at:

<http://www.mrkonjic-grad.rs/193/poslovna-zona-podbrdo>

## **FINANCIAL PARAMETERS OF DOING BUSINESS IN THE "PODBRDO BZ"**

Type of service	Costs
Waste disposal	0.40 KM/m <sup>2</sup>
Water	1.30 KM/m <sup>3</sup>
Sewerage	0.65 KM/m <sup>3</sup>
Fee for city construction land (degree of development)	18.40 KM/m <sup>2</sup>
Rent	7.87 KM/m <sup>2</sup>
Electricity for business users higher (day-time) tariff	0.13065 KM
Electricity for business users lower (day-time) tariff	0.09165 to 0.23985 KM

Additional information about the cost of business operations may be accessed at:

<http://www.investsrpska.net/>





### "KULA-RUDIĆI BUSINESS ZONE"

Ownership	Mrkonjić Grad Municipality
Surface	2 hectares
Number of land plots	6
Surface area of land plots	3,000 – 6,000 m <sup>2</sup>
Land plots sold*	0
Available land plots	6
Intended purpose	Business, commercial and service activities
<b>*until June 30, 2015</b>	



Master plan of "Kula-Rudići Business Zone"

#### CONTACT FOR INFORMATION ON BUSINESS ZONES:

**Mr. Damir Sladojević, Head, Department for Town Development and Property Management**

Telephone: +387 50 220 538

Mobile: +387 65 773 033

e-mail: d.sladojevic@mrkonjic-grad.rs.ba

## BROWNFIELD INVESTMENT OPPORTUNITIES

**Former DIP 'Manjača' Factory**, 100% privately owned, located in the wider municipal area. The site is provided with quality electricity and water supply and connected to the sewerage network. The site offers 12,591m<sup>2</sup> of usable area of completed and adapted business premises.

#### CONTACT PERSON:

**Mr. Dragan Galić, owner**

Mobile: +387 65 513 427

**Former 'Metalac' Bolt Factory**, privately owned, with 12.000m<sup>2</sup> of useable area of facilities provided with a full infrastructure.

#### CONTACT PERSON:

**Mr. Dragan Bogojević, owner**

Mobile: +387 65 674 504





## **SUPPORT TO INVESTORS BY MRKONJIĆ GRAD MUNICIPALITY**

Mrkonjić Grad Municipality has been implementing a series of activities to enhance business environment.

- The investor incentives are available through the economic development incentive programs intended to boost the development of SMEs, entrepreneurs and farmers through provision of grants and soft-term credit lines.
- We were the second municipality in RS to introduce fast registration of sole proprietorships in just one day.
- The urban permit, with all required documentation, can be obtained in one day. Information on charges for preparing and completing the urban permit documentation available at the link: <http://www.mrkonjic-grad.rs/>
- The municipality has applied the ISO 9001:2008 international standard. Currently the municipality is in the process of adopting the Business Friendly Certificate (BFC), which verifies a favorable entrepreneurial climate aligned with the international investment standards in Southeastern Europe.

For more information, see: <http://www.mrkonjic-grad.rs/>

## **FOREIGN INVESTORS HAVE NATIONAL TREATMENT AND ENJOY SAME BENEFITS AS LOCAL INVESTORS**

Detailed information on the investment environment in RS and BiH available on:

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

## **INFORMATION OF INTEREST TO INVESTORS**

**Electronic registers** with a detailed listing of permits and licences that investors in Republika Srpska and Bosnia and Herzegovina need to obtain are available at the following links:

**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>

Lists of fiscal and non-fiscal investment incentives on all levels of government in BiH are available at the following links:

**Republika Srpska Government/Invest Srpska**

<http://www.investsrpska.net/index.aspx?PageID=436&menuID=215&langid=1>

**BiH Ministry of Foreign Trade and Economic Relations**

[http://www.mvteo.gov.ba/izvjestaji\\_publicacije/izvjestaji/default.aspx?id=6175&langTag=en-US](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](http://www.fipa.gov.ba/informacije/povlastice/strani_investitori/default.aspx?id=141&langTag=en-US)





## FOREIGN INVESTORS IN MRKONJIĆ GRAD MUNICIPALITY

### Major investment implemented in Mrkonjić Grad include:

- **'Bema' d.o.o.**, Business Unit Mrkonjić Grad - footwear factory. A major leather sector investment. The company employs around 300 workers and exports its entire output.
- **'R-S Silicon' d.o.o. Bjelajce** - manufacturing of the metal sillicium. The total investment is valued at approximately 30 million euros, the plan is to employ more than 100 workers. This investment shall be completed by September 2015, when the factory plans to begin operations.
- **'MAK Mladost' d.o.o. Mrkonjić Grad** - textile and clothes manufacture. A Macedonian investment in clothing industry employing over 100 workers. The company sells all its products on foreign markets.
- **'Silvaco' d.o.o. Barači** - pellet manufacturing. The factory opened in 2014, it employs 34 workers. Its capacity is 3.2 tons of pellets per hour, all output is exported to the markets of Slovenia and Italy.

