

CITY OF ZVORNIK
ADMINISTRATION



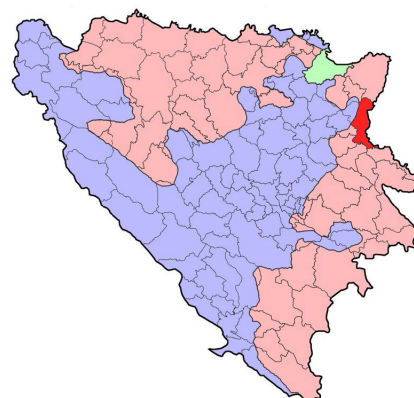
GRAD
ZVORNIK

INVEST IN ZVORNIK

GENERAL INFORMATION

The City of Zvornik is situated on the left bank of the Drina River, in the northeast part of Republika Srpska and Bosnia and Herzegovina.

Republic of Srpska	
VCurrency	Convertible mark (KM) 1€ = 1,955380 KM
GDP	10.681,64 (in millions KM) (2018)
GDP per capita	9.305 KM (2018)
Average net wage	857 KM (2018)
Wage contributions	33%
Personal Income Tax	10% (income over 500,00 KM)
Profit Tax	10%
VAT	17%
Investment opportunities	www.investsrpska.net



City of Zvornik	
Entity	Republic of Srpska
Surface area	371,95 km ²
Population	54.407
Mayor	Zoran Stevanovic
Address	Svetog Save 124, 75 400 Zvornik
Telephone	+387 56 232 200
Fax	+387 56 232 221
Web	www.gradzvornik.org
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Position of Zvornik
in Republic of Srpska
and Bosna and Herzegovina

WHY INVEST IN ZVORNIK?

Zvornik is a developed unit of local selfgovernment seeking to revive a long industrial manufacturing tradition and to encourage development of other economic activities by offering both domestic and foreign investors an exceptional location and favorable business conditions.

- Zvornik established The Jadar Business Zone and defined other investment locations close to the border crossing with the Republic of Serbia which operates as a custom terminal in cargo traffic.
- The City Administration simplified processes of issuance of documentation, shortened the waiting periods and reduced the costs for starting and doing businesses.
- The City Administration defined programs of providing (non)financial support for the economy development.

GEOSTRATEGIC POSITION







Zvornik is situated at the intersection of the roads leading to major urban centers in BiH and the region. Zvornik is connected to the road and railway networks of the neighboring the Republic of Serbia via four bridges on the Drina River:

- Kapakaj – I category international border crossing for road traffic,
- Šepak – international border crossing for passenger road traffic,
- Zvornik – international railway traffic border crossing,
- Zvornik Stari most – frontier traffic border crossing.

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Road network in the City of Zvornik (km)	
Railway transport BiH – Serbia (Doboj-Tuzla-Zvornik-Loznica-Ruma-Belgrade)	10
Road transport:	247
Arterial roads (M19 Bijeljina-Zvornik-Sarajevo and M4 Zvornik-Tuzla-Doboj)	50
Regional roads (R456 Karakaj-Šetići and R454a Bratunac-Drinjača)	22
Local roads	175

Distance from major cities in the country and the region (km)

	Tuzla	BIH	47
	Bijeljina	BIH	54
	Banja Luka	BIH	204
	Sarajevo	BIH	140
	Beograd	SRB	170
	Novi Sad	SRB	154
	Šabac	SRB	83
	Loznica	SRB	30
	Zagreb	CRO	375
	Podgorica	MNE	343

Distance from the European cities (km)

	Ljubljana	SVN	514
	Beč	AUT	697
	Budimpešta	HUN	483
	Bukurešt	ROU	761
	Sofija	BGR	560
	Minhen	DEU	921

HUMAN RESOURCES

In the City of Zvornik, workers with experience in manufacturing, as well as with knowledge and skills acquired in the local, national or regional educational institutions, may be hired at competitive salary levels.

Number of employees and unemployed	2019	2018	2017	2016
Number of employees	9.761	9.449	9.221	8.880
Number of unemployed	3.865	3.982	4.447	4.700

Source: Tax Administration of the Republic of Srpska

The ratio of the average monthly net and gross salaries in Zvornik and Republika Srpska

Year	Average net salary (KM)		Average gross salary (KM)	
	Republika Srpska	Zvornik	Republika Srpska	Zvornik
2019.	906	898	1.407	1.394
2018.	857	847	1.358	1.338
2017.	831	831	1.331	1.326

Source: The Republic's Statistics Institute

Age structure of registered unemployed persons

Age	Number of unemployed
18 - 35	1540
36 - 45	990
46 - 55	752
56 - 65	583
Over 65 years	

Source: Employment Bureau RS, Branch office in the City of Zvornik

Education structure of registered unemployed persons

Level of education	Number of unemployed
Primary school	1.043
Secondary school, III degree	1.154
Secondary school, IV degree	1.173
Two-year post-secondary qualifications	52
University qualifications 180 ETC	60
University qualifications 240 ETC	342
Master 300 ETC/Master	29
PhD	0
Total	3.865

Source: Employment Bureau RS, Branch office in the City of Zvornik

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Vocational specialties on local educational institutions

Education level	Number of educational institutions	Vocational specialties
Secondary education	High School Center „Petar Kočić“	<ul style="list-style-type: none"> • High school • Economics, low and commerce • Health care • Catering and tourism
	Technical School Center	<ul style="list-style-type: none"> • Mechanical engineering and metal processing • Electric engineering • Traffic • Chemistry, non-metals and printmaking
Higher education	Faculty of Technology of the East Sarajevo University	<ul style="list-style-type: none"> • Chemical engineering and technology • Biology

Source: Department for Economy, Agriculture and Community Activities of the City of Zvornik

BUSINESS ENVIRONMENT

- The number of registered business entities in the City of Zvornik continuously raise.

Number of registered business entities

Year	Number of registered business entities
2016.	1.097
2017.	1.114
2018.	1.119
2019.	1.148

Source: The Republic Statistic's Institute

- The City of Zvornik strives to restore its status from the second half of 20th century when it was ranked as the third-largest industrial center in BiH. At that time, between 13.000 and 15.000 workers from Zvornik and neighboring municipalities worked in the plants for wood processing, manufacturing of construction materials, exploitation of mineral waters, production of alumina and rubber, as well as in the metal, textile and food factories concentrated in the suburban settlement of Karakaj.
- Nowadays, small and medium enterprises are dominant. Most of them are engaged in trade, wholesale and retail, processing industry, construction and transportation and storage. They are all reliable suppliers and service providers for investors.

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Number of enterprises per size

Size	Number
Small	316
Medium	10
Large	4

Number of enterprises per the standard business classification

Дјелатност	Број пословних субјеката
A - Agriculture, forestry and fishing	6
B - Mining and quarrying	5
C - Processing industry	66
D - Production and supply of electricity, gas, steam and sewerage	6
E - Water supply; sewerage, waste management and remediation activities	2
F - Construction	44
G - Trade, wholesale and retail	86
H - Transportation and storage	34
I - Accommodation and catering	4
J - Information and communications	7
K - Financial and insurance activities	1
L - Real estate business	4
M - Expertise, scientific and technical activities	14
N - Administrative and support service activities	3
O - Public administration	1
P - Education	14
Q - Health protection and social work	21
R - Art, entertainment and recreational activities	3
S - Other services	9
Total	330

Source: APIF

Number of entrepreneurs per dominant business activity

Activity	Number of entrepreneurs
Crafts	153
Trade	291
Restaurants, catering	150
Other	224
Total	818

Source: Department for Economy, Agriculture and Community Activities of the City of Zvornik

Realized investments in permanent assets (KM)

	2016	2017	2018
Realized investments	24.715.000	46.217.000	47.550.000

Извор: Републички завод за статистику

Realized investments in new permanent assets (KM)

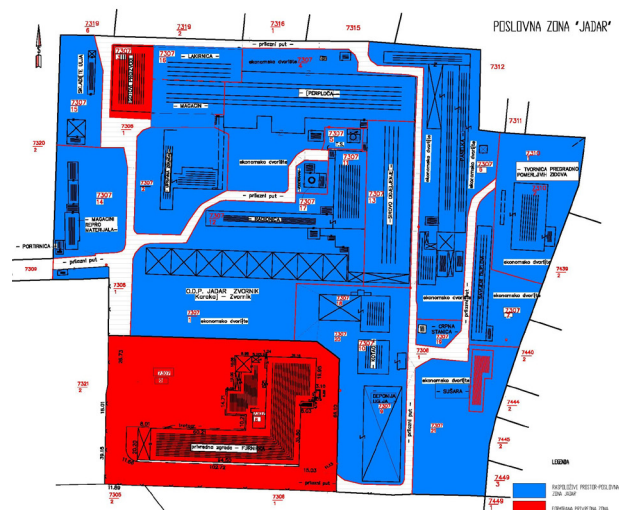
Character of construction and technical structure		2017	2018	2019
Character of construction	Building of new capacities	20.508.000	16.183.000	21.473.000
	Reconstruction, modernisation, upgradeing and expansion	14.959.000	22.984.000	5.987.000
	Maintaining the level of existing capacities	4.522.000	2.872.000	3.871.000
Technical structure	Buildings and premises	19.575.000	14.833.000	17.622.000
	Machines, equipment and means of transport	20.279.000	26.976.000	13.679.000
	Other	136.000	229.000	30.000
Total		39.989.000	42.038.000	31.331.000

Source: The Republic's Statistics Institute

LOCATIONS FOR INVESTING

JADAR BUSINESS ZONE

- **Brownfield** location.
- Covers 8.09 ha of developed land in the Karakaj industrial area.
- It is 4 km from downtown Zvornik
- Adjacent to the border crossing serving as a customs terminal in cargo traffic and to the loading station on the international railway line Republic of Serbia-Zvornik-BiH.
- Connected with M19 and M4 arterial roads.
- Built common infrastructure that can be adapted to the needs of an investor with a small investment:



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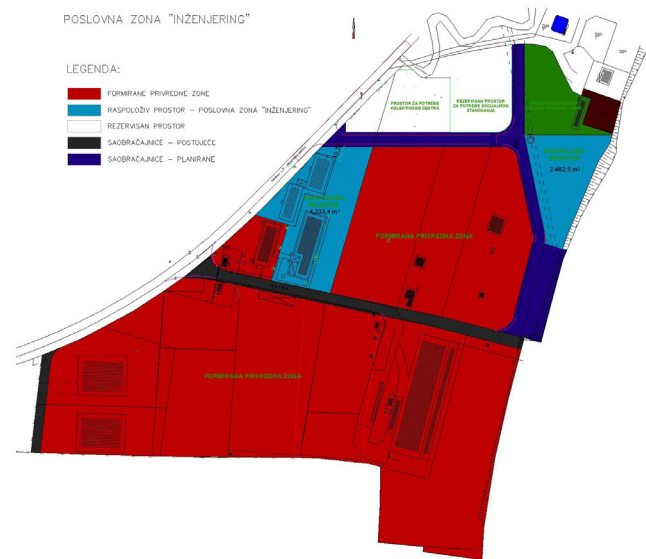
	To the zone	Within the zone	Technical characteristics
Road	√	√	Access and internal roads
Water supply	√	√	Pipeline PEHD fi110mm with two wells, a water tower and hydrants for each object
Sewage system	√	√	Sewage network with two manholes and a main collector
Natural gas installation	√	√	Natural gas substation with pressure of 3bar
Power grid	√	√	Station 10/04kV with installed power of 2x630kVA
Telecommunications network	√	√	Three service providers

The procedure and conditions for an investor entry to the Jadar Business Zone have been set by the Rulebook on the Terms and Conditions for Leasing the Land and Facilities to Investors:

- Land and facilities may be leased for a period of 5 years, which may be extended to 10 years after the end of the first year since the production started.
- The lease amount is proportional to the surface area of the leased property.
- The lease amount is lower during the pre-production period, not to exceed 6 months.
- An investor may be exempted from up to 60% of the total lease amount if he invests own funds into construction and other works for adaptation of the facility for its general purpose (electricity, water, sewer system).
- Priority is given to an investors who create more jobs (at least one employee per 1000 m² of leased space (land), i. e. At least three employees per 1000 m² of leased operational facilities and whose production is export-oriented.

INZENJERING INVESTMENT LOCATION

- Leans on the Jadar Business Zone.
- Brownfield/greenfield location.
- Covers 7,1 ha of developed land.
- Built common infrastructure that can be adapt to the needs of an investors with a small investment.



	To the location	Within the location	Technical characteristics
Road	√	√	Access and internal roads
Water supply	√	√	Pipeline PEHD fi315mm and Pipeline PEHD fi110mm
Sewage system	√	√	Sewage network with a collector
Natural gas installation	√	√	Natural gas substation with pressure of 3bar on the distance of 250 m
Power grid	√	√	Station 10/04kV with installed power of 1000kVA
Telecommunications network	√	√	Three service providers

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INVESTMENT INCENTIVES OF THE CITY OF ZVORNIK

- Spatial planning documentation has been prepared or is being prepared;
- Procedure to issue construction-related approvals were reduced to three steps (Site Location, Building Permit and Use Permit);
- Waiting times for issuance of construction-related approvals are shorter than average in the Republic of Srpska (up to 3 days, depending on completeness of submitted documentation);
- Fee for arranging of the city construction land is reduced by 25%. Additional reductions of 30% to 70% are envisaged for the construction of production facilities.
- The rent per 1 m² of useful area of production and ancillary facilities ranges from 1% (Zone 6) to 6% (Zone 1) of the average construction price per 1 m². For the construction of production facilities the rent is reduced by 1% except in the sixth zone where the rent is reduced by 0.5%;

- Real estate tax was cut to 0,14% and for real estate in which the production activity is directly performed to 0.07%;
- Utility fees and charges for the use of public areas have been reduced by up to 50% and for the placement of advertisements and billboards by up to 70%.
- Entrepreneurs are exempt from paying administrative fees for obtaining a decision on approving the performance of activities and signing up in the register of carriers of persons and things, as well as for all documents and actions in the process of harmonizing operations with new regulations.
- Documents and actions of legal persons related to labor and labor relations are exempt from the administrative fee;
- Annual program for the use of budget funds to encourage agricultural production;
- Regular employment and self-employment incentive programs.

Fiscal and non-fiscal incentives are available to investors at all levels of government in BiH. Detailed informations are available at the links www.investsrpska.net and www.fipa.gov.ba.

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SERVICES FOR INVESORS

- City of Zvornik provides to all existing and potential investors comprehensive support in the realization of planned investments through contact persons who are in charge of information servicing and organizaion of meetings between competent authorities and investors with the objecive of simplifcation and fast realization of planned investments;
- City of Zvornik provides domestic and foreign investors with aftercare support for the purposes of faster elimination of obstacles faced by existing investors. Support is realized through the Cooperative Network for Aftercare which includes institutions at all levels of government in BiH.
- Economic Council has been established for the purpose of improving the dialogue between private and public sector, as well as the development of business environment.

PRICES OF UTILITY SERVICES

- Average fuel price is 1,723KM/l.
- The territory of the City of Zvornik is served by power transmission facilities of 400kV, 110kV, 35kV, 10kV and 0,4kV voltage levels.
- The average price of electricity for business entities excluding VAT is 0,17KM/kWh.
- Distribution and sales of natural gas used for generation of heat is conducted through the measurement and regulation station in the downtown, with one branch connected to the natural gas network of the Republic of Serbia.

Length and pressure of existing gas network

Length of existing gas network (m)	Pressure
6.956,82m	500 mbar
5.402,81m	200 mbar
28.505,31m	3bar

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Average price of natural gas for business entities with VAT

Price (KM)	Unit
1,40	M ³

Average price of heating for business entities with VAT

Price (KM)	Unit
6,70	M ³

Source: „Zvornik stan“ a.d. Zvornik

Cost of utilities

Type of service	Цијена за привредне субјекте са ПДВ-ом	
	City	Industrial zone
Water supply	3,12KM/m ³	3,12KM/m ³
Sewage	1,08KM/m ³	1,08KM/m ³
Waste disposal	0,78KM/m ²	138,91KM / 5 m ³ container 39,95KM / 1,1 m ³ container 15,61KM / 0,1 m ³ bin

Source: „Vodovod i komunalije“ a.d. Zvornik

OTHER RELEVANT INFORMATION

- City of Zvornik, www.gradzvornik.org
- Republika Srpska Govrenment (RS), www.vladars.net
- RS Government Portal Invest in Srpska, www.investsrpska.net
- RS Chamber of Commerce, www.komorarars.ba
- Republic Agency for Small and Medium Enterprises Development of RS, www.rars-msp.org
- Foreign Investment Promotion Agency of BiH (FIPA), www.fipa.gov.ba
- Indirect Taxation Authority, www.uino.gov.ba

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