BFC
BUSINESS FRIENDLY CERTIFICATE
SOUTH EAST EUROPE

ЗВОРНИК
1410

INVEST IN ZVORNIK

General information

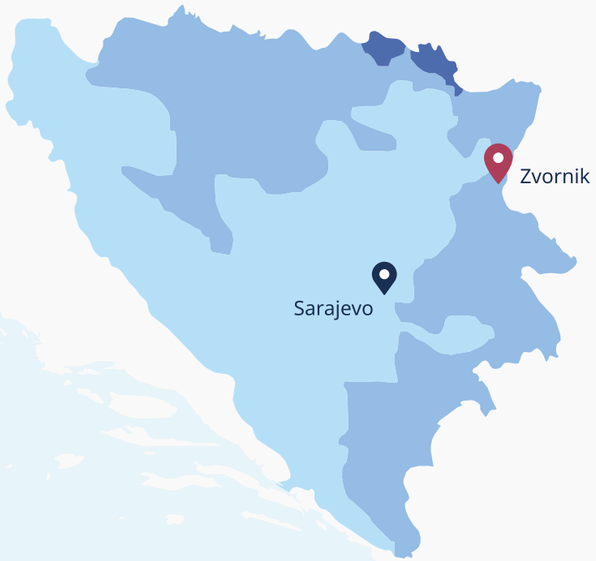
The City of Zvornik

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

Bosnia and Herzegovina

Latitude/ Longitude	Time zone	Internet domain	International dialing code
44° N 18° E	CET (GMT + 1)	.BA	+387

Climate : Mountainous, temperate-continental and Mediterranean



CAPITAL	**SARAJEVO**
SURFACE AREA	**51.209km²**
POPULATION	**3.800.000**

CURRENCY

CONVERTIBLE MARK (KM) 1€=1,955830 KM

LEGEND

- Republic of Srpska
- Federation of Bosnia and Herzegovina
- Brčko District

Republic of Srpska

ADMINIST. CENTRE	**BANJA LUKA**
SURFACE AREA	**25.053km²**
POPULATION	**1.490.993**

9.559.403,89 €
GDP

8.647,24 €
GDP PER CAPITA

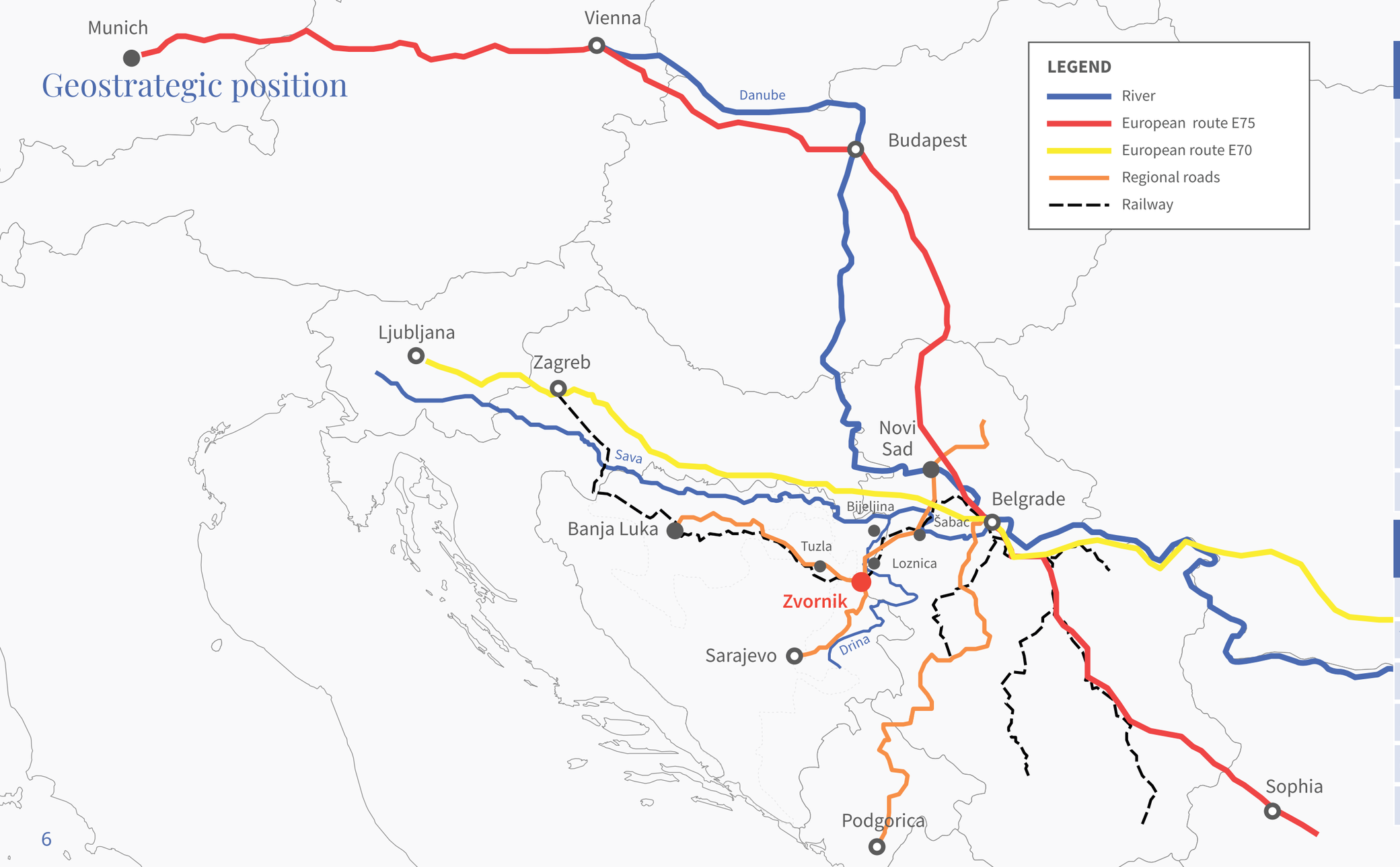
781,19 €
AVERAGE NET WAGE

536,81 €
THE LOWEST NET WAGE

* 511,25 € for unskilled workers

31%	8%	10%	17%
WAGE CONTRIBUTIONS	PERSONAL INCOME TAX	PROFIT TAX	VAT

Geostrategic position

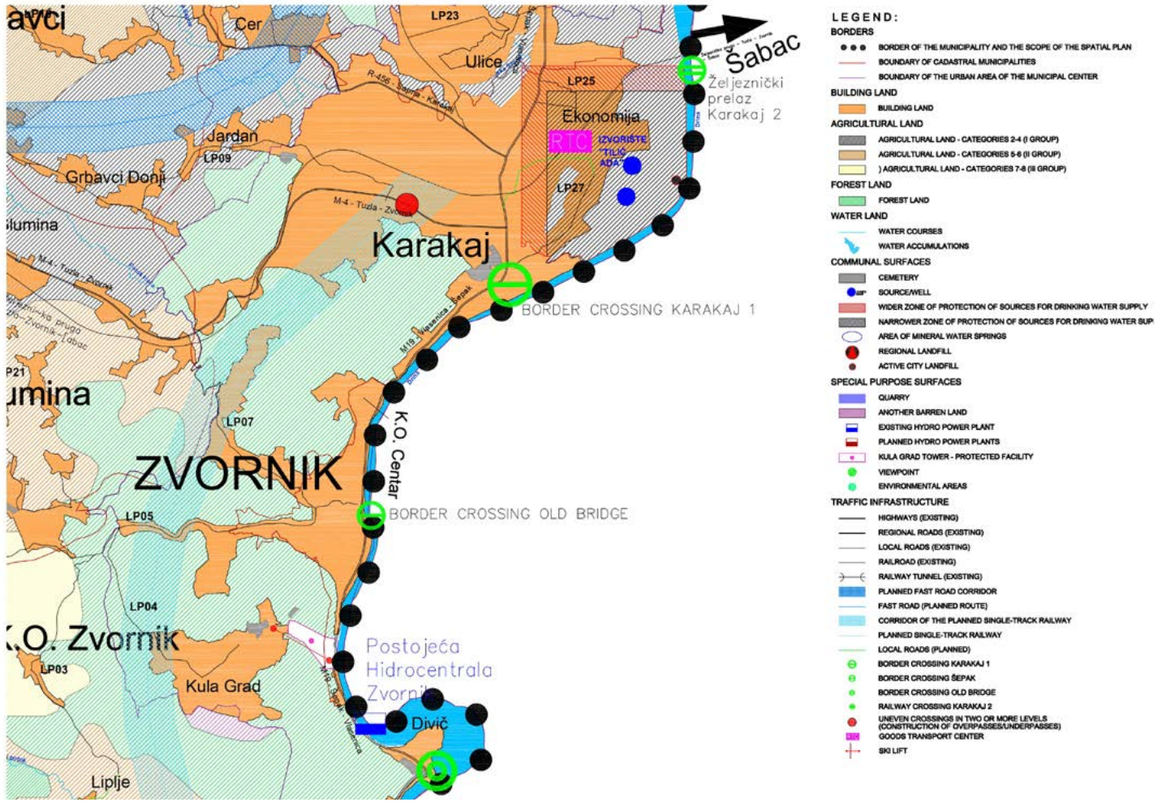


Distance from major cities in the country and the region (km)			
✈	Tuzla	BIH	47
	Bijeljina	BIH	54
✈	Banja Luka	BIH	204
✈	Sarajevo	BIH	140
✈	Beograd	SRB	170
	Novi Sad	SRB	154
	Šabac	SRB	83
	Loznica	SRB	30
✈	Zagreb	CRO	375
✈	Podgorica	MNE	343

Distance from the European cities (km)		
Ljubljana	SVN	514
Vienna	AUT	697
Budapest	HUN	483
Bucharest	ROU	761
Sophia	BGR	560
Munich	DEU	921

Zvornik is situated at the intersection of 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:

- Karakaj – 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;



Why invest in Zvornik?

Zvornik is a developed local self-government unit that strives to revive the long tradition of industrial production and encourage the undertaking of other economic activities by providing domestic and foreign investors with an exceptional location and favorable business conditions.

The City of Zvornik holds a Business Friendly Certification South East Europe (BFC SEE) as a seal of the economic environment quality and a recognized indicator of the local administration efficiency: bfc-see.org.

Investing in Zvornik has numerous advantages:

- Clearly defined strategic plans in the field of economic and social development
- Favourable geostrategic position
- Developed traffic infrastructure
- Developed economic activity
- Established Business Zone “Jadar” and investment locations “Inženjering” in the immediate vicinity of the border crossing with Republic of Serbia, which has the function of a goods and customs terminal in cargo traffic
- Simplified document issuance processes, shortened deadlines and reduced costs for starting and developing business
- Defined programs for providing non-financial and financial support to the development of the economy

Facilities and incentives for investors

City of Zvornik

The City of Zvornik continuously implements reforms aimed at improving the business environment and provides support for the development of the economy:

- Incentives for the development of agricultural production;
- Incentives for employment and self-employment;
- Support and organization of participation in fairs;
- The tax rate on real estate is 0,14%, and for buildings where production activities are directly carried out is 0,07%;
- The fee for the arrangement of urban construction land is reduced by 25% and for the construction of production facilities additionally by 30% to 70%;
- The fee for the arrangement of urban construction land is reduced by 30% if the construction refers to production facilities with a useful area of 200-500 m2, 50% if the construction refers to production facilities with a useful area of 500-1.000 m2 and 70% if the construction refers to production facilities with a useful area over 1.000 m2;
- If the communal connections are located at a distance of up to 10 m from the border of the construction plot, the fee for the arrangement of the urban construction land is reduced by 20%, if the communal connection are 10-20 m away the fee for the arrangement of the urban construction by 30%, and if the connections are more than 20 m away from the border of the construciton plot, the fee for the arrangement of the urban construction is not paid;
- Rent for the construction of production and auxiliary facilities is reduced by 1% in all zones, except in the sixth where it was reduced by 0,5%;
- Rent for the construction of production and auxiliary facilities can be paid in several installments;
- Spatial planning documentation has been prepared or is being prepared;
- The procedure for issuing approvals required for construction is reduced to three steps (Location conditions, Building permit and Use permit);
- The deadlines for issuing approvals required for construction are shorter than the average in Republic of Srpska (up to 3 days, all depending on the orderliness of the submitted documentation).

The City of Zvornik provides other services to investors:

- Support for existing and potential investors in the realization of the planned investment through the person in charge of information and communication with competent local and higher authorities;
- Post-investment support for domestic and foreign investors in order to evercome the obstacles they face in business;
- Continuous dialoge between the private and public sector through the Economic Council and Open day for entrepreneurs and businessmen.

Republic of Srpska

Investor support measures at entity level:

- Profit tax rate is 10%;
- Income tax rate is 8%;
- Divided tax is abolished;
- Special republic tax is abolished;
- Entrepreneurs are exempt from paying communal fees for 12 months from the day of registration, and small entrepreneurs completely;
- Possibility of deferred payment of tax obligations;
- Advisory support and organization of participation in international fairs;
- Incentives for improving competitiveness;
- Incentives for the development of agriculture;
- Support programs for employment and self-employment by the Employment Agency of the Republic of Srpska;
- Stimulative credit lines for starting the business by Investment and Development Bank of the Republic of Srpska;
- Allotment of tourist vouchers as a form of support for tourism.

Bosnia and Herzegovina

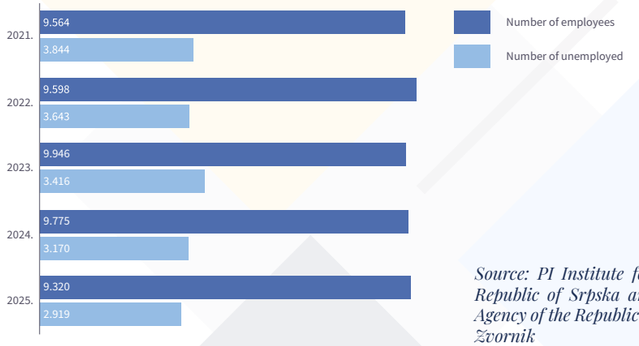
Investor support measures at the state level:

- Equipment for production that is not produced in BiH is exempted from payment of import duties, as well as equipment and means of produciton that are owned by a company that stops its activity in another country and moves to the customs area of BiH for the purpose of performing similar activities;
- Export products are exempted from payment of excise duties;
- Foreign investors have national treatment;
- Agreements on free trade (CEFTA, EFTA);
- EU Stabilization and Association Agreement.

Human resources

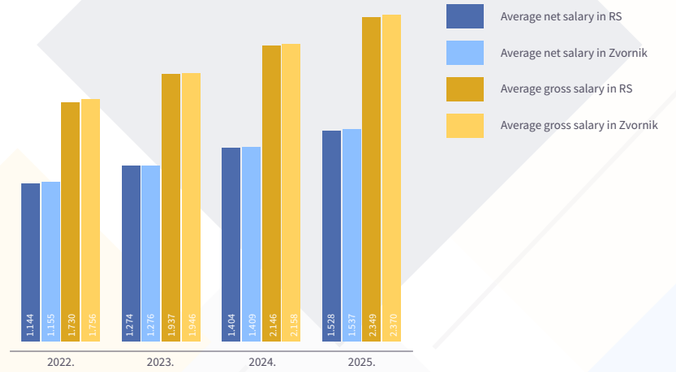
In Zvornik it is possible to hire a workforce with experience in industrial production, as well as knowledge and skills acquired in local educational institutions, in the country and region, at competitive prices.

Number of employees and unemployed in Zvornik



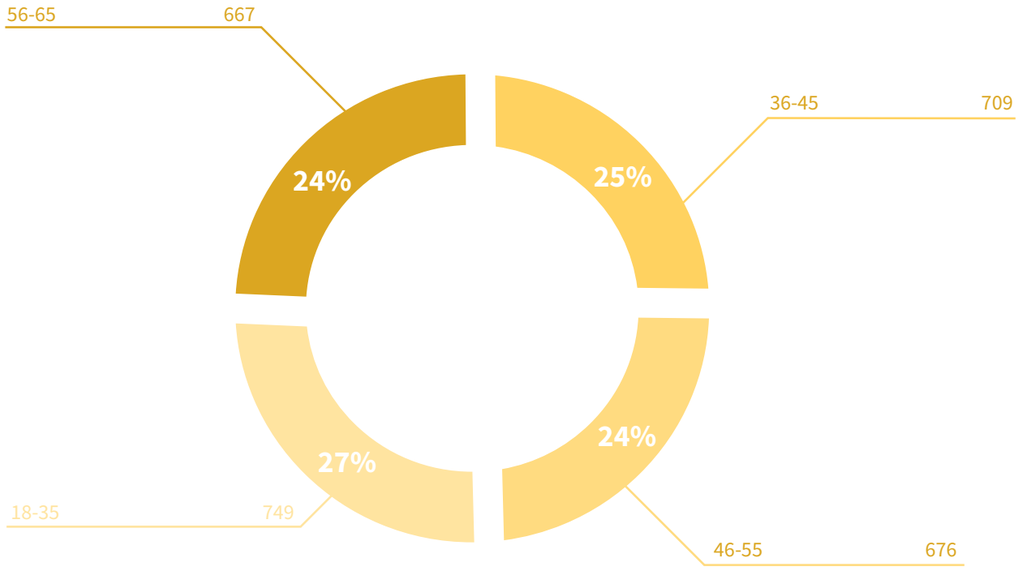
Source: PI Institute for Statistics of the Republic of Srpska and PI Employment Agency of the Republic of Srpska – Branch Zvornik

The ratio of the average monthly net and gross salaries in Zvornik and Republic of Srpska (€)



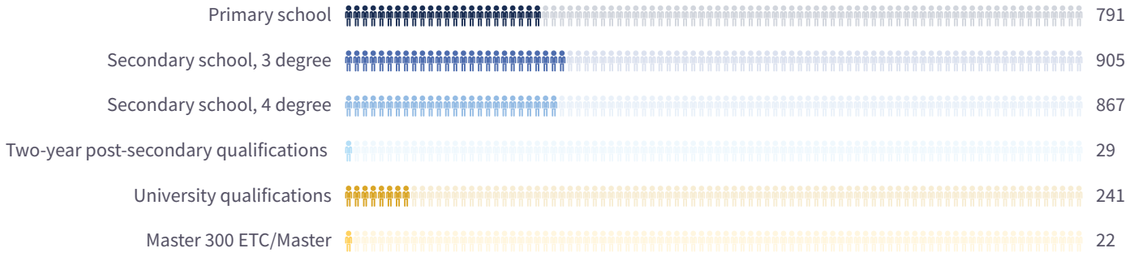
Source: PI Institute for Statistics of the Republic of Srpska

Age structure of registered unemployed persons



Source: PI Employment Agency of the Republic of Srpska - Branch Zvornik

Education structure of registered unemployed persons



Source: PI Employment Agency of the Republic of Srpska - Branch Zvornik

Vocational specialties on local educational institutions

Secondary education

HIGH SCHOOL CENTER "PETAR KOČIĆ"

www.gimissspkzv.org

- High school
- Economics, low and commerce
- Helth care
- Cetering and tourism

Secondary education

TEHNICAL SCHOOL CENTER

www.jutsczv.org

- Mechanical engineering and metal processing
- Electric engineering
- Traffic
- Chemistry, non-metals and printmaking
- Construction

High education

FACULTY OF TECHNOLOGY OF THE EAST SARAJEVO UNIVERSITY

www.tfzv.ues.rs.ba

- Chemical engineering and technology
- Biology

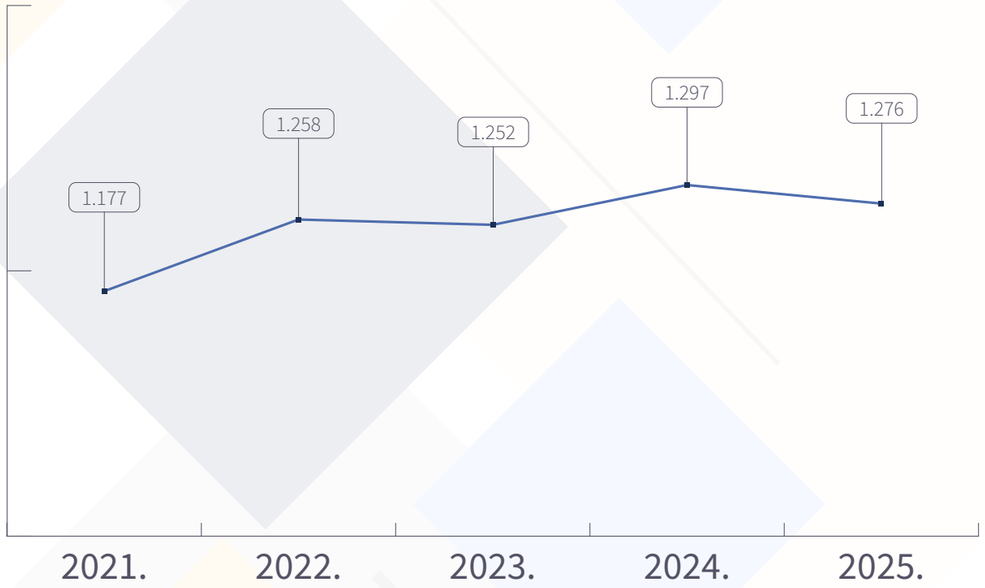
Pupils and students have practical classes in companies operating on the territory of the City of Zvornik. On this way, they acquire high-quality and practical knowledge that allows them to easily and quickly get involved in work processes after completing their education.

There are also two adult education centers in Zvornik where unemployed persons can be retrained for a number of occupations within the economic, medical, mechanical, chemical, construction, catering and electrotechnical professions.

Business environment

The City of Zvornik is trying to revive industrial production and thus regain its status from the second half of the 20th centry, when it was considered the third industrial center in Bosnia and Herzegovina. At that time, between 13.000 and 15.000 workers from Zvornik and neighboring municipalities worked in plants for wood processing, construction material production, mineral water exploitation, alumina and rubber production and metal, textile and food industry facilities concentrated in the suburban settlement of Karakaj.

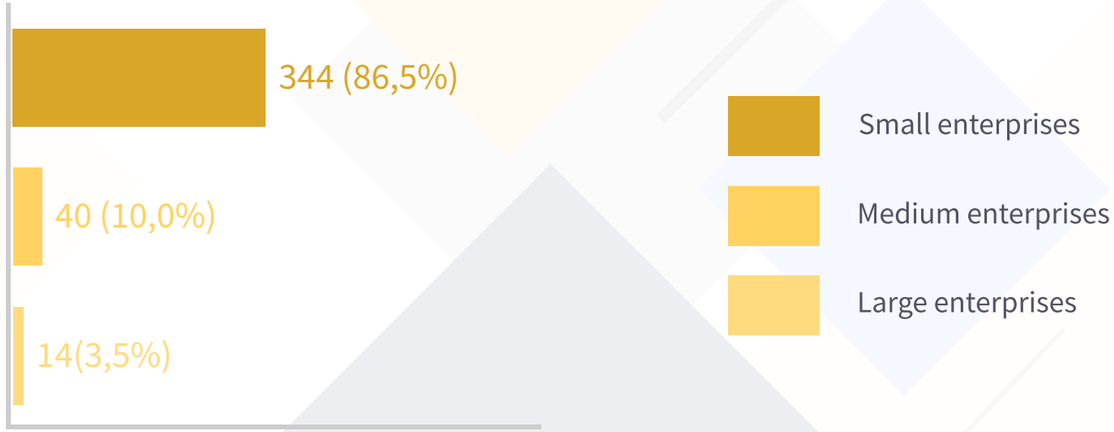
Number of registered business entities



Source: Tax Administration of the Republic of Srpska, Department for Economy and Social Activities of the City of Zvornik

Today, small and medium-sized enterprises dominate in Zvornik. Most of them are engaged in wholesale and retail trade, processing industry, construction and transport and storage. They are all reliable suppliers and service providers.

Number of enterprises per size



Source: The Agency for intermediary, IT and financial services

Number of enterprises per the standard business classification

Mark	Activity	Number of business entities
A	Agriculture, forestry and fishing	10
B	Mining and quarrying	12
C	Procesing industry	79
D	Production and supply of electricity, gas, steamand sewage	17
E	Water supply; sewerage, waste management and remediation activities	3
F	Construction	52
G	Trade, wholesale and retail	89
H	Transportation and storage	40
I	Accommodation and cetering	6
J	Information and communications	8
K	Financial and insurance activities	1
L	Real estate business	8
M	Expertise, scientific and technical activities	18
N	Administrative and support service activities	5
O	Public administration	1
P	Education	15
Q	Health protection and social work	23
R	Art, entertainment and recreational activities	3
S	Other services	8
	Total:	**398**

Source: The Agency for intermediary, IT and financial services

There is a noticeable trend of growth in the number of entrepreneurs. Currently, the largest number of them operate in the field of trade and hospitality, while there are no craft shops such as shoemakers, tailors, confectioners, car mechanics, glass cutters, watchmakers, as well as fishmongers and travel agencies. There is space for textile and packaging designers, C nad D category drivers, dental prosthetics technicians, painters, masons, carpenters, parquet workers, cermicists, chimney sweeps, machine and device repairers, electrical appliance and equipment repairers, artistic crafts (furniture wallpaper, decorator, maker of old costumes, caster of art objects, carpenters and woodcarvers).

Number of enterpreneurs per dominant business activity

Trade: **203 (23%)**

Restaurants, catering: **132 (15%)**

TOTAL ENTREPRENEURS:
878

Crafts: **303 (35%)**

Other: **240 (27%)**

Source: Department for Economy and Social Activities of the City of Zvornik

Agricultural production

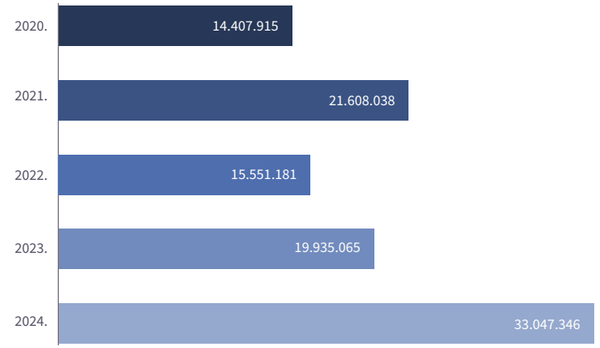
Zvornik has relatively developed agricultural production. In the previous year, 122 agricultural farms were registered. About 95% of them have the status of non-commercial farms.

Zvornik has around 20.000 ha of arable land and the main crops are corn, wheat, barley and oats. Of the vegetable crops, the production of gherkins is the most common. Plums, apples, pears and stone fruits (walnuts and hazelnuts) are the most represented in the structure of areas under fruit. There is a need to build capacities for storage and processing of agricultural products.

The farms in Zvornik mainly breed beef cattle, pigs, poultry, sheep and goats. There are market surpluses in this area, hence the need for organized buying.

The production of honey and other bee products has also been developed and thenks to their quality they have already found a place on the market. Today, there are about 5.500 bee societies in the area of Zvornik. Beekeepers continuously promote their work, independently or with the organizational and financial support of the Zvornik City Administration, at various manifestations and events.

Realized investments in permanent assets (€)



Source: PI Institute for Statistics of the Republic of Srpska

Realized investments in new permanent assets (€)

Character of construction and technical structure		2022.	2023.	2024.
Character of construction	Building of new capacities	9.075.059	9.799.571	20.850.291
	Reconstruction, modernisation, upgradeing and expansion	3.004.397	6.185.193	6.075.263
	Maintaining the level of existing capacities	654.975	1.284.385	3.493.200
Tehnical structure	Buildings and premises	3.201.248	6.246.549	22.739.544
	Machines, equipment and means of transport	9.472.339	10.561.918	7.573.372
	Other	61.356	460.681	105.839
Total		**12.734.943**	**17.269.148**	**30.372.737**

Source: PI Institute for Statistics of the Republic of Srpska

Opportunities for the development of tourism

The City of Zvornik is rich in natural beauty and cultural and historical sights. That is an excellent base for the successful development of tourism and other activities related to tourism, primarily catering, transport and trade.

The most important natural resources are the Drina River, the Lake of Zvornik, the Grkinja Mountain, mineral water sources in Vitinički Kiseljak and Kozluk.

The Drina River is cold, clean and rich in fish (trout, catfish, pike, bream, barbel, flounder and others). It is the habitat of wild ducks. Therefore, there is a possibility for the development of sport fishing, but also hunting.

The Lake of Zvornik is located on the Drina River. Kayaks, canoes and boats can be driven on it. There are holiday homes and a hotel on its coast, and camps and apartment complexes can be built.

The view of the Zvornik Lake and the surrounding area can be seen from numerous viewpoints on the hiking trails around the Grkinja and the neighboring mountains. They lead through preserved natural areas encompassing several cultural and historical sites. The main point is the mountain lodge. All this gives a chance for the development of a complete tourist product.

Vitinički Kiseljak has nine sources of mineral water with proven positive effects on various diseases, a preserved environment and good traffic connections. The unique health function of this place can be used for the purpose of developing tourism.

Among the sights of Zvornik are the Roman quarry in Dardagani, the medieval tombstones known as "stećci", the medieval fortress "Đurđev grad", the medieval town "Kušlat", the Church of the Birth of St. John the Forerunner, the Church of the Birth of the Blessed Virgin Mary, the Bridge of King Alexander I Karađorđević, and others.

The archaeological site in Dardagani is the largest and best preserved stone Roman monument of the cave type in Europe. Small-scale research was carried out and activities in the direction of protection, arrangement and putting the site into the function of a visitor center are started.

The fortress "Đurđev grad" was built at the end of the 13th or the beginning of the 14th century. It is a national monument of Bosnia and Herzegovina. It consists of the Lower, Middle and Upper Town connected by footpaths. It has an extremely large development potential that can be used through a public-private partnership.

There are currently 138 businesses operating in the hospitality sector in the City of Zvornik, all of which provide food and beverage services, while 10 also offer accommodation. The local transport sector includes 83 registered taxi operators and 76 companies providing passenger and freight transport services. In addition, two travel agencies operate in the city.

Investment location

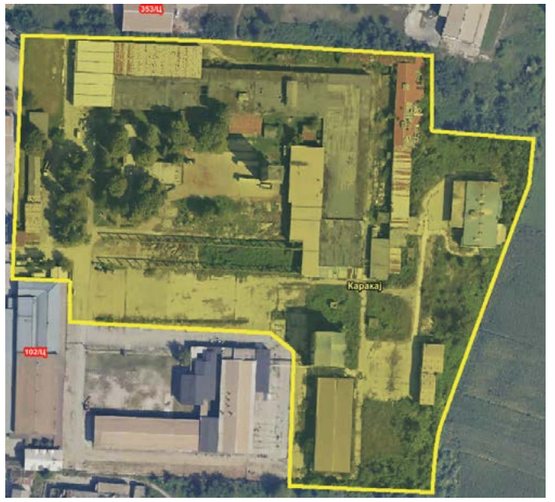
www.gis.gradzvornik.org

There is currently one infrastructure-equipped business zone in the Zvornik area. There is a plan to open new business zones.

Business zone “Jadar”

BUSINESS ZONE “JADAR”

Zone I	4.970 m2	
7307/14	3.090 m2	
7307/15	1.880 m2	
Zone II.1	11.289 m2	
7307/8	11.289 m2	
Zone II.2	3.745 m2	
7307/16	2.527 m2	
7307/3	1.218 m2	
Zone III	21.416 m2	
7307/1	8.645 m2	
7307/5	327 m2	
7307/9	1.439 m2	
7307/10	420 m2	
7307/11	1.596 m2	
7307/12	780 m2	
7307/13	3.174 m2	
7307/17	418 m2	
7307/18	878 m2	
7307/20	3.739 m2	
Zone IV	10.497 m2	
7307/2	3.310 m2	
7307/4	6.150 m2	
7307/22	1.037 m2	
Zone V	18.313 m2	
7307/6	6.674 m2	
7307/7	2.297 m2	
7307/19	432 m2	
7307/21	4.700 m2	
7310/1	3.236 m2	
7310/2	974 m2	
Road	9.729 m2	
7308/1	5.578 m2	
7308/3	2.483 m2	
7308/4	1.263 m2	
	79.958 m2	Total ZONE
	15.034 m2	Occupied
	9.729 m2	Road
	55.196 m2	Open



- Brownfield location intended for industrial production;
- It covers 8,09 ha of built-up land in the Karakaj industrial area;
- Investors currently have access to 6,69 ha of built-up land, i.e. 10 buildings;
- It is 4 km from the city center;
- It is located right next to the border crossing with the function of a goods customs terminal in freight traffic and a loading-transshipment station on the international railway Republic od Serbia-Zvornik-BiH;
- It is adjacent to the main road routes Bijeljina-Sarajevo and Karakaj-Tuzla;
- It has a common infrastructure that can be adapted to the needs of investors with small investments:

	To the zone	Within the zone	Technical characteristics
Road	✓	✓	Access and internal roads
Water supply	✓	✓	Pipeline PEHD ϕ 110 mm with two wells, a water tower and hudrants for each object
Sewage system	✓	✓	Sewage network with two manholes and a main collector
Natural gas installation	✓	✓	Natural gas substation with pressure of 3 bar
Power grid	✓	✓	Station 10/04 kW with installed power of 2 □ 630 kW
Telecommunications network	✓	✓	Three service providers

- Land and facilities in the Business Zone “Jadar” can be sold or leased;
- The sale is made at the initial price determined by the court expert and through the bidding process;
- Land and buildings can be leased for a period of 5 years, which can be extended to 10 years after the end of the first year from the start of production;
- The amount of the rent depends on the area that is the subject of the lease;
- The investor can be exempted from up to 60% of the total rent if he invests his own funds in construction and other works that serve to adapt the building to a general purpose (electricity, water, sewerage);
- The highest allowed coefficient of construction is 2,1;
- The highest allowed occupancy coefficient is 0,6;
- Preference is given to investors who carry out production activities and employ a larger number of workers.

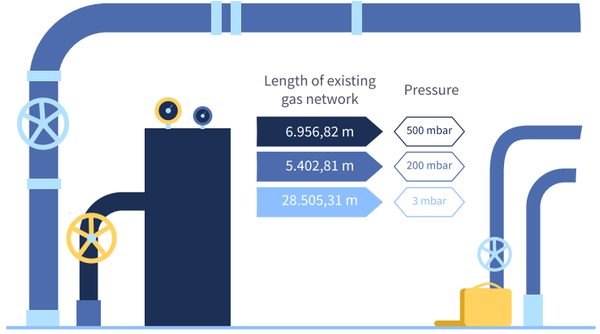
Prices of utility services

The average price of fuel is 1,99 €.

Power plants with voltage levels of 400kW, 110kW, 35kW, 10kW and 0,4kW were built in the area of the City of Zvornik. The price of electricity for business entities depends on the amount of energy consumed on a monthly basis and the activity.

The distribution and sale of natural gas, which is also used for the production of thermal energy, is carried out through the metering and reugulation station in the city center, which is connected to the gas network of the Republic of Serbia by one branch.

Length and pressure in the gas pipeline network



Source: “Gas promet“ jsc Istočno Sarajevo

Average price of natural gas gro business entities with VAT

Location	Unit	Price (€)
City	m³	0,87
Industrial zone	m³	0,82

Source: „Zvonik stan“ jsc Zvornik

Average price of heating for business entities with VAT

Business space	Unit	Price (€)
height up to 2,5 m	m³	2,02
height up to 3 m	m³	2,36
height over 3 m	m³	2,70
Payment according to consumption (calorimeter rading)	MWh	197,41

Source: „Zvornik stan“ jsc Zvornik

Water supply, sewer and municipal waste collection services are provided by “Vodovod i komunalije” a.d. Zvornik. Waste disposal is at the sanitar landfill within PU “Regionalna Deponija” ltd Zvornik.

Prices of utility services for business entities with VAT

Type of service	Unit	Price (€)
Water	m³	2,10
Sewage	m³	0,67
Waste collection	m³	0,55
	Dumpster 5 m³	67,69
	Dumpster 1,1 m³	28,18
	Bin 0,1 m³	11,00
Waste disposal	Tonne	23,32

Source: „Vodovod i komunalije “ jsc Zvornik

The biggest business entities

MANUFACTURING INDUSTRY

alumina

vitinka

ZEOCHEM®

Molaris® MLINSKI PROIZVODI

FAGUM NOVI

PASS

TRIO

DOO OBUĆA KARAKAJ br. 102c ZVORNIK

TRAFFIC

EURO SISTEM

CONSTRUCTION

ZOŽI

Jokić D.O.O. Invest

ЗВОРНИКПУТЕВИ

TRADE

MARKETI

ПРВО ГАСНО ДРУШТВО ЗВОРНИК

AGRICULTURE

SMRČAK d.o.o Smrčak Zvornik

Other relevant information

City of Zvornik: www.gradzvornik.org

Government of the Republic of Srpska: www.vladars.rs

Portal of the Government of the Republic of Srpska „Invest in Srpska": www.investsrpska.vladars.net

Chamber of Commerce and industry of the Republic of Srpska: www.komorars.ba

Development agency of the Republic of Srpska: www.rars-msp.org

Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina: www.mvteo.gov.ba

Foreign Investment Promotion Agency of BiH (FIPA): www.fipa.gov.ba

Indirect Taxation Authority: www.uino.gov.ba

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