

Invest in Visoko:
Embrace Your Competitive
Advantage



VISOKO

Embrace the Competitive Advantage in the Heart of Europe



Why Invest in Visoko?

- Efficient and timely access to the European Union and more than 600 million potential customers
- Lowest operating costs in the region
- Competitive tax environment
- Location on the Pan European road corridor VC and the Highway M17
- In close proximity (29km-19 miles) on Sarajevo International Airport, which offers non-stop access to major European destinations
- One of only 4 free zones in B&H
- Close proximity to a customs terminal for convenient exporting and importing
- Availability of suitable industrial land, retail, and office space
- A municipal administration that is pro-business and willing to assist prospective investors in all aspects of the decision-making process



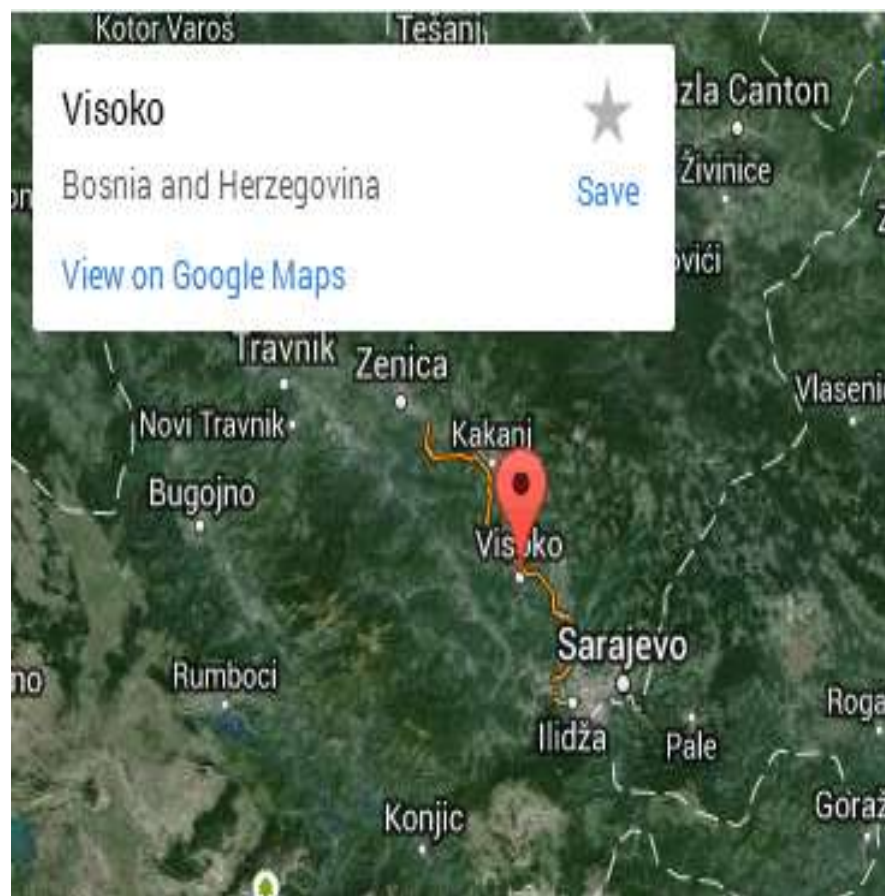
In Visoko, you have the Competitive Advantage!

Why Invest in Visoko?

- Competitive energy prices
- Experience in dealing with leather and leather products for export to the EU market (Prevent Visoko, the largest BiH exporter, is a partner of the renowned manufacturers: Volkswagen, Audi, Skoda, Seat, BMW, PSA, Renault)
- Availability of suitable industrial land, sites or office space, a significant number unused industrial, storage and other facilities
- Visoko is perfect choice for companies that deal with products and services related to the auto industry, leather and textile industries.
- Opportunity to integrate small companies for production of higher value added products
- Potential of arable agricultural land
- Municipality administration is open and committed to being supportive of further private sector development



Visoko City in the Heart of Bosnia and Herzegovina



Basic Information	
Area of Municipality in miles ²	89,11
ZIP Code	71.300
Population	41.352
Inhabitants per square mile	464,1
Currency	KM
Exchange rate (fixed to Euro)	1€=1.95583K M
Import (in millions €) 2013	244
Export (in millions €) 2013	283
Investments (in the last 10 years in millions €)	500

Competitive Advantage: At the Doorstep of the European Union

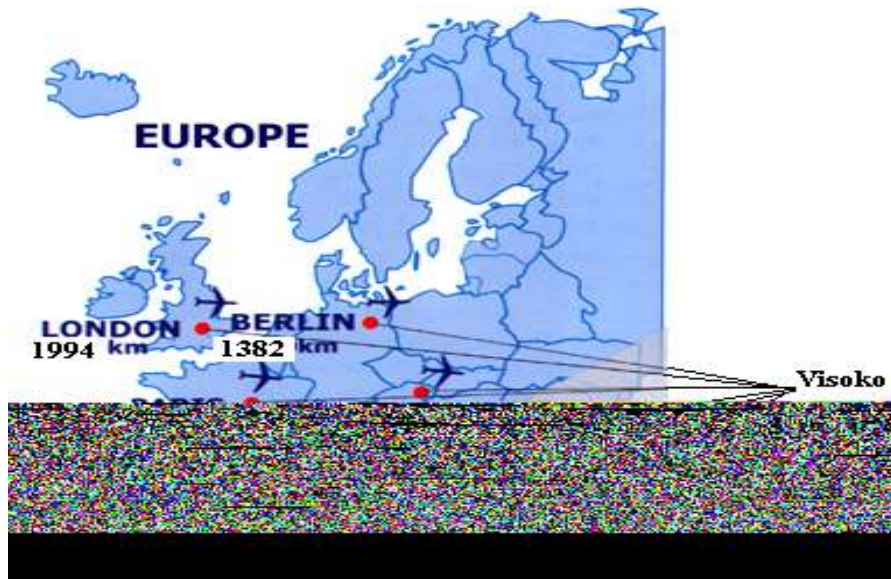
Closest Ports

Brčko (B&H)	111 miles
Ploče (Croatia)	123 miles
Beograd (Serbia)	201 miles
Rijeka (Serbia)	315 miles

Closest International Airports

Sarajevo (B&H)	20 miles
Split (Croatia)	139 miles
Zagreb (Croatia)	214 miles
Beograd (Serbia)	201 miles

Accessing European Markets is Quick and Easy!



City	Distance
London	1239 miles
Berlin	859 miles
Paris	1094 miles
Vienna	463 miles
Barcelona	1208 miles
Rome	792 miles
Athens	788 miles

Competitive Advantage: Convenient Access to Key Destinations

- Modern highway and rail access to other parts of the country and the European Union
- Close proximity to international airports in Tuzla and Sarajevo, providing non-stop access to important European destinations

City	Distance in Kilometers /Miles
Sarajevo	33 km / 20 miles
Zenica	43 km / 27 miles
Zavidovići	71 km / 44 miles
Tuzla	159 km / 99 miles
Neum	221 km / 137 miles
Bihać	408 km / 253 miles



Competitive Advantage: Strategic Location

Bosnia is a member FREE TRADE Southern European zone with more than 60 million potential customers. Free Trade Agreement in the Southern European region allows free trade between the signatories of this agreement.



Competitive Advantage: Low Energy Prices

- B&H has the lowest average price of electricity in the region.
- Price of electricity – 1 kWh 0.06 €, providing significant savings to manufacturing companies.
- Gas networks covered completely urban area and parts of sub-urban areas.
- According to the report of Statistical office of the European Union (Eurostat) about electricity prices in the 32 countries of Europe, the cost of electricity is the lowest in Bosnia and Herzegovina
- The average price of energy in the EU per 100 kWh is 20,10 €
- The average price of energy in B&H per 100 kWh is 8,30 €



Competitive Advantage: Low Water Prices

- Visoko and certain suburban areas of the municipality are covered by the city water supply system, which manages the PUC "Visoko" Visoko
- Price of cubic meter of water -0.30 €, significantly lower than in other European countries

Water price in the cities of B&H:

City	Price of cubic meter of water with VAT
Visoko	0,35 €
Banja Luka	0.54 €
Sarajevo	0,62 € 0,83 € for 5 to 10 cubic meters
Bihać	0,60 €
Mostar	0,64 €
Tuzla	0,80 €

Water price in region:

City	Price of cubic meter of water with VAT
Podgorica, Montenegro	0,44 €
Belgrade (Serbia)	0.55 €
Ljubljana (Slovenia)	0,75 €
Skopje (Macedonia)	1,04 €
Zagreb (Croatia)	1,90 €

Competitive Advantage: Ease of Export

Visoko is home to more than 337 companies that export around countries around the world, using BiH's low-cost structure and skilled workforce to maximize profits.

Number of independent entrepreneurs 1030

Main Export Markets:

Germany
Croatia
Austria
Italy
Slovenia
Serbia
Montenegro



Automotive, leather and textile industry

In addition of Prevent, holders of leather and textile industries in Visoko are "KTK"
"TREF", "NERZZ Bešlagić", Albex - Groupe



Competitive Advantage: Workforce

More than 9,000 graduates per year from technical and vocational schools within 80 kilometers/45 miles of Visoko, ensuring on-demand access to skilled workers.

Closest Universities

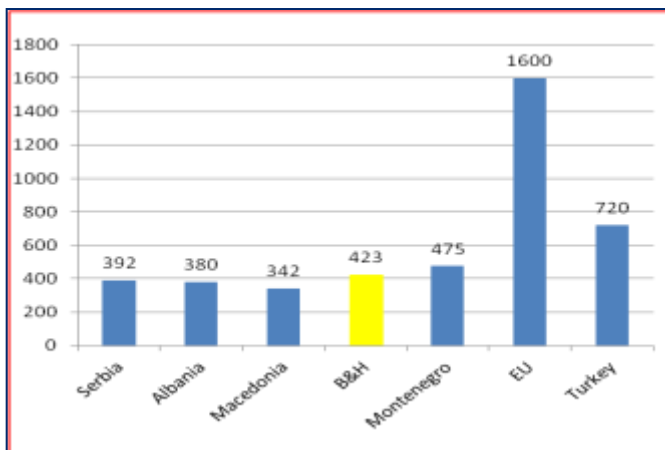
City	Distance
Kiseljak	13 km / 8 miles
Sarajevo	30 km / 20 miles
Zenica	41 km / 25 miles
Travnik	64 km / 39 miles
Tuzla	128 km / 79 miles
Mostar	130 km / 80 miles
Banja Luka	159 km / 98 miles
Bihać	257 km / 159 miles



Competitive Advantage: Low Labor Costs and High Productivity

- The automotive, leather and textile industries in Visoko enjoy access to highly skilled and reliable labor that is both productive and motivated
- Average labor costs in the Zenica-Doboj Canton (in which Visiko is located) are significantly lower than in European Union countries
- Average net wages in B&H are significantly lower than in the region

Average net wages (EUR) in Region for 2013





Competitive Advantage: Education & Training Resources

The Automotive Academy is a free program that provides students with the skills they need to excel in the workforce. More than 60 students have graduated thus far, most of whom went to work for Prevent, the country's largest exporter of automotive and leather products.



Competitive Advantage: Education & Training Resources

- Within the region there is access to a great number of educational and training institutions, research and development institutions, design and engineering companies which ensures powerful workforce development of the sector
- Zenica-Doboj Canton has over 13,000 students enrolled in vocational schools and technical and technically related schools - all ready to be profiled for work within the automotive, leather and textile sector upon their graduation
- Prevent Group, as a leading exporter B&H, constantly working on education and training of human resources, where in addition to scholarships granted organizing free schools, education and training of the workforce, which later employ in his group

Competitive Advantage: Industrial Zones and Retail/Office Space

Business Zones:

1. Business zone “Ozrakovići”,
2. Business zone “Čekrekčije”,
3. Business zone “Dobrinje”,
4. Business zone “Topuzovo polje”

Infrastructure in the zones is well developed and includes access to electricity, water, process water, gas, telecommunications, sewage.

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Business zona Ozrakovići

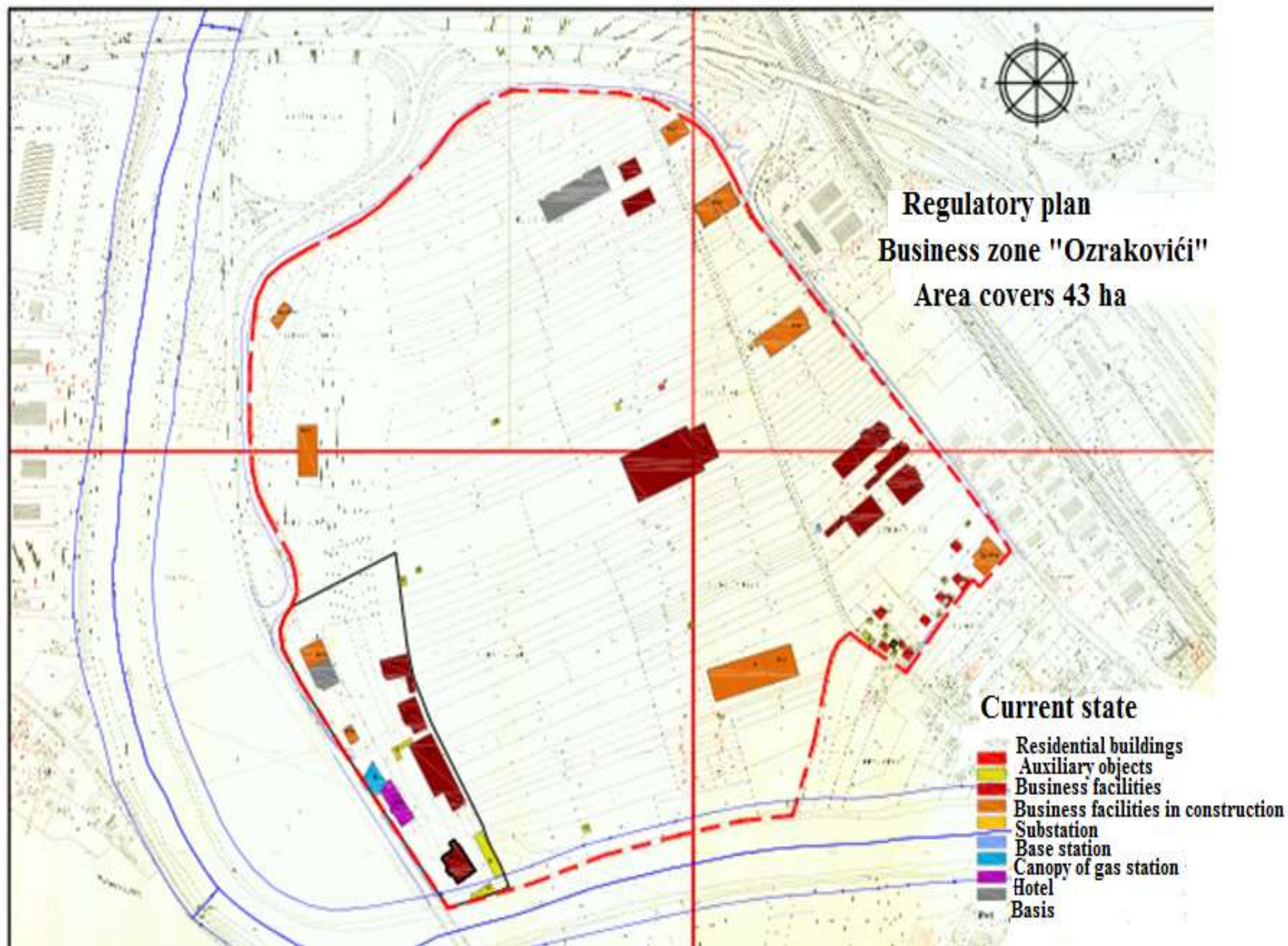


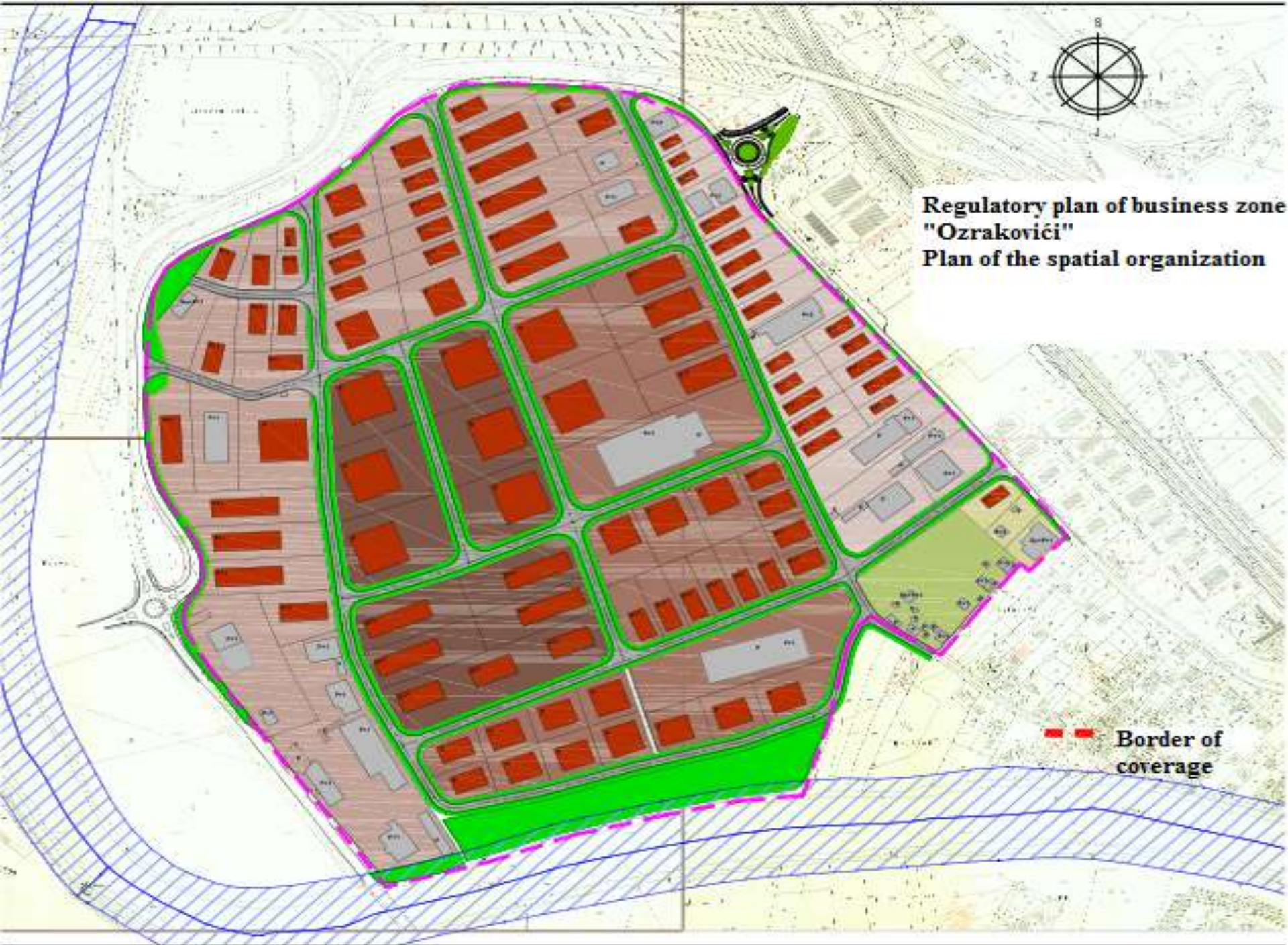


Regulatory plan
Business zone "Ozrakovići"
Area covers 43 ha

Current state

-  Residential buildings
-  Auxiliary objects
-  Business facilities
-  Business facilities in construction
-  Substation
-  Base station
-  Canopy of gas station
-  Hotel
-  Basis





**Regulatory plan of business zone
"Ozrakovići"**
Plan of the spatial organization

**Border of
coverage**

Free (customs) Zones

- Visoko has a free trade zone – one of four in BiH
- Existing free trade zones in BiH:
 1. Vogošća
 2. Visoko
 3. Mostar
 4. Bijeljina
- The oldest free zone - license has been issued in June 1995

Business Zone Topuzovo polje – Customs Free Zone



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Available Capacities in Business Zones



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Shopping Centers in Business Zones



Incentives to Promote Investment

A competitive environment and tax policy

- The lowest rate of value added tax (VAT) in the region (17%)
- Any equipment of the foreign investor being imported as part of share capital is exempt from paying customs duties.
- In FB&H, the taxpayer who in the period of five consequent years invests into production in the value of minimum 20 million BAM, is being exempted from the payment of corporate income tax for the period of five years beginning from the first investment year, in which minimum four million BAM must be invested
- A foreign investor is allowed to be a 100% owner of the metal company at the B&H territory and has the same rights as local owner.
- Stable fiscal and monetary policy and macro-economic situation

Competitive Advantage: Customized Incentives

- Visoko offers customized incentives based on the number of jobs created, the value of the jobs and the amount of the overall investment.
- While a core group of incentives is offered by municipalities throughout BiH, Visoko ensures customization, transparency, and fairness to ensure that prospective investors can focus on profit not bureaucracy.
- Visoko's biggest incentive is its pro-business environment and supportive municipal leadership, which lays the foundation for strong and lasting partnerships.



Incentives to Promote Investment

- Municipality of Visoko provides assistance to foreign investors through marketing support assistance in cooperation with various institutions, free training programs in cooperation with USAID
- Project USAID Sida GOLD (Growth-Oriented Local Development) has started cooperation with the Federal Employment Bureau, and the first step in this direction was the opening 420 new jobs in Visoko, Konjic, Vogosca, Zavidovici in textile, automotive, electrical and chemical industries.
- Training programs of workforce organize by private companies
- Municipality of Visoko can in cooperation and consultation with Mixed Secondary School "Hazim Šabanović" Visoko form classes according to the needs of investors for certain labor and skills



Incentives to Promote Investment

- Department for Local Economic Development
- Municipality of Visoko has Office / Department of LED, which manages and determines priorities related to the local economic development
- LED - a process in the local community which provides a systematic approach to creating and developing a stimulating and attractive environment for business development
- LED collaborates with USAID and implementing many projects of importance for local economic development (such as GOLD project), developing cooperation with the Regional Development Agency (SERDA – Sarajevo Economic Region Development Agency), international institutions and organizations through prospective new projects, and provides support for potential investors and donors.



What Investors Say About Visoko

“I made the decision to move our facility to Visoko, which laid the cornerstone for our success. We are now going to construct a larger center within three years.” Alabras - investor from Bahrain (construction of residential and commercial recreation center Visoko, value investment 20 million)



“We have been interested in coming to Visoko for five years. We love Visoko and it will soon be part of Europe.” Marco Neri, who moved his manufacturing operation from Milan, Italy to Visoko”

It's Time to Embrace Your Competitive Advantage...Visoko!

- On Europe's "front door", providing access to nearly 600 million potential customers;
- Low cost labor, with high productivity, therefore increasing profit potential;
- Proven track record of quality manufacturing for some of the world's largest companies;
- Modern transportation and infrastructure that reduce the time and cost of accessing European and Asian markets;
- A business-friendly environment that promotes partnerships, fairness, and profitability; and
- Industrial and commercial locations that provide low cost location options and "quick-start" opportunities to increase profitability.

Conclusions

- Automotive, leather and textile industry in Visoko as the cradle of automotive, leather and textile industry in B&H, characterized by long tradition, qualified and skilled workforce, companies that operate and work for world renowned manufacturers such as Prevent Visoko the largest exporter in B&H.
- Availability of skilled labor force at competitive prices, experience in automotive, leather and textile industry, companies in exporting to EU market, good market position and image in the EU markets with local availability of inputs for productions make Visoko Municipality very attractive location for companies looking to expand their presence in the EU market.

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