



ORGANIZER:
City of Trebinje

02

ECONOMY AND AGRICULTURE

26TH AND 27TH MAY 2017, INVESTMENT CONFERENCE
"INVEST IN TREBINJE" / TREBINJE – REPUBLIKA SRPSKA, BIH
www.investintrebinje.com





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AGRICULTURE

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2.1. ECONOMY

2.1.1. *Basic indicators of Trebinje economic trade*

Introduction

The aim of the presentation is to show the economic condition of Trebinje city, with basic indicators of companies' business activities in year 2016, as well as to present comparable indicators with previous years.

2.1.1.1. The so far development and economic state

During long period of time Trebinje economy relied on two main development pillars: energetic (electricity production) and processing industry (metal-processing and textile). Companies of these branches were main carries of economic development of Trebinje city, as well as the whole east Herzegovina. However, new industries such as fruit and wine growing along with development of wineries, as well as confectionery industry appeared in the last years.

2.1.1.2. General data and availability of work force

The city of Trebinje, as the most southern city of Republika Srpska and Bosnia and Herzegovina, is located at three - border area and on the important crossroad which has an extraordinary economic significance, because it connects coastal area with midland of the Balkans. Thanks to its position at the very southeast, Trebinje has the possibility to get even better connections with neighboring Montenegro and Croatia, as well as with the most important urban centers in BiH, and therefore it also represents one of the most favorable business locations in the region.

Source of data for year 2016 is RS Tax Administration, Regional center Trebinje

- » The area of Trebinje City spreads out at **904 km²**
- » According to 2013 census results, around **32.000 inhabitants** live in the area of Trebinje, and more than 80% of population lives in urban part of the city.
- » In the area of Trebinje city, total number of employed persons, in the end of 2016 was 8.223 persons. Out of total number of employed persons, **44% are females**.

2.1.1.3. Basic indicators of companies' financial dealing results in 2016

Data on basic indicators of companies' financial dealing results of Trebinje economy for 2016 are processed according to the information from balance sheets submitted to Republika Srpska Intermediary Agency for IT and financial services (APIF).

As compared to the previous year, the number of micro companies employing up to 10 workers, increased.

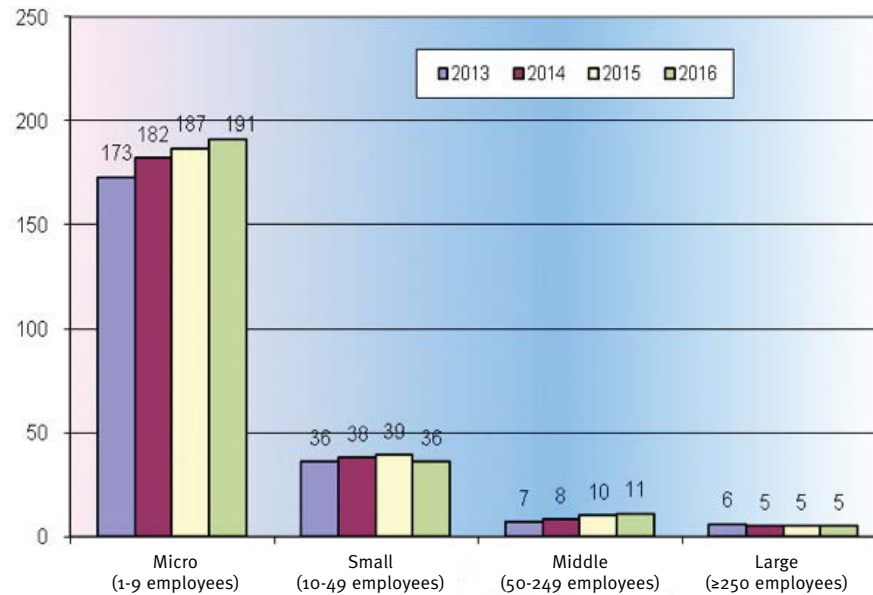


Chart: Number of companies according to size (number of employees)

Source of data
APIF – Intermediary
Agency for IT and
financial services

Number of companies classified as per their business increased in civil engineering sector and in sectors of professional, scientific and technological activities, as compared to the previous year.

Organization wise, in the area of Trebinje City, beside mentioned economic companies, 517 independent enterprises are performing their business, and the following chart indicates changes in number of their registrations:

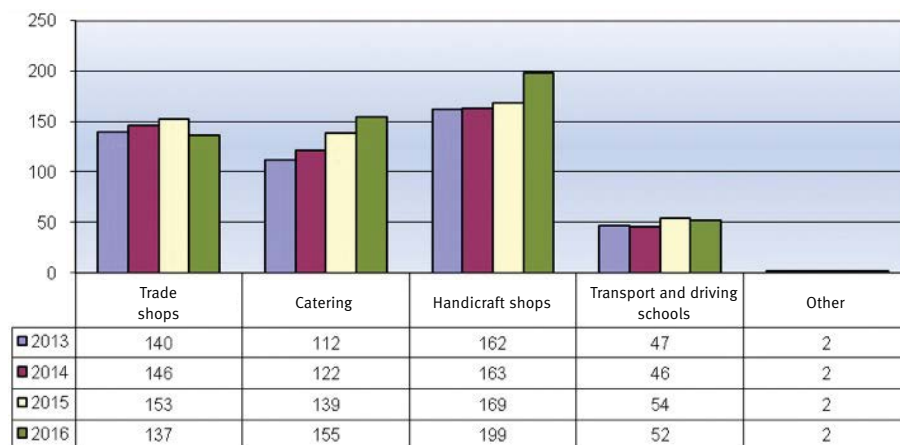


Chart: Number of registered enterprises (independent companies)

Source of data:
Department for
economy and RS
Tax administration,
Regional center
Trebinje

Comparing to the previous year, the total number of enterprises increased for 28 companies. Number of catering facilities increased for 12%, and handicraft shops for 18%.

The following charts present basic indicators of financial business for 243 companies and they are compared with the previous year.

Summary data on financial business results of Trebinje City economy, after balance sheet for 2016, are shown in the following chart:

Construction	2015. година	2016. година	Индекс
Revenue total	784.446.422	803.861.632	102
Expenses total	757.388.195	784.745.724	104
Profit	32.643.428	25.280.781	77
Loss	5.585.201	6.164.873	110
Obligations	477.510.170	472.786.085	99
Claims	376.644.038	351.965.835	93
Average number of employees`	4.503	4.662	104
Average net monthly salary per employee	1.350	1.326	98

Source of data
APIF – Intermediary
agency for IT and
financial services

- » Economy revenue total in 2016 is **higher for 2%**.
- » Average number of employees in economy is **higher for 4%**.
- » Total obligations are **reduced for 1%**, and claims for 7% as compared with the previous year.

The following graph shows the percentage of certain sectors participation in total revenue of companies which are processed by Intermediary Agency for IT and financial services for city of Trebinje.

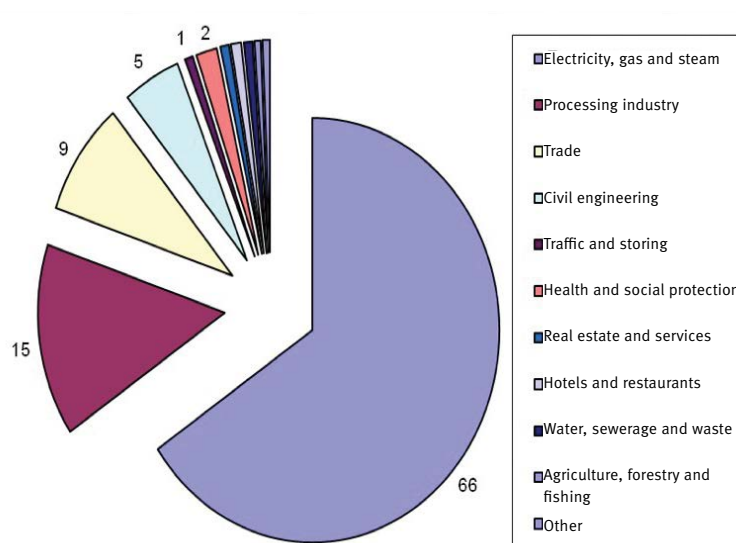


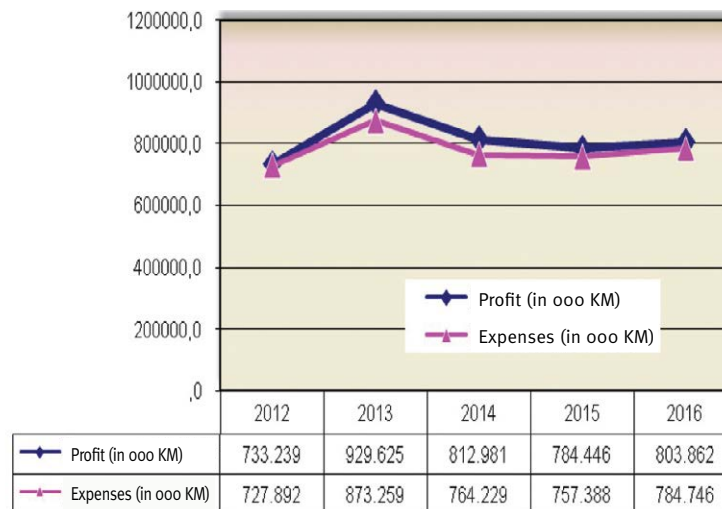
Chart: Percentage structure of total revenue as per activities in 2016.

Source of data
APIF – Intermediary
Agency for IT and
financial services

Total economic revenue of Trebinje City increased for 2% comparing to the previous year, most of which influenced the increase in revenue in energy sector and partly in civil engineering sector.

Production of electricity still remains the leading sector for development of Trebinje city, as well as in the whole east Herzegovina. Revenue in energy sector has been increased for 5% and number of employees increased for 2% as compared to the previous year.

Total financial result of Trebinje city economy is positive, which is visible from the following charts:



Charts: Profit, expenses and financial results per years

Source of data APIF
– Mediatory Agency
for IT and financial
services

Analyzing financial reports of economic companies we found out that 20 companies, which made the largest profit in year 2016 (more than 230.000 KM), participate in total of gained profit of all companies with 77%, in total incomes with 83% and in total number of employees in economy they participate with 47%.

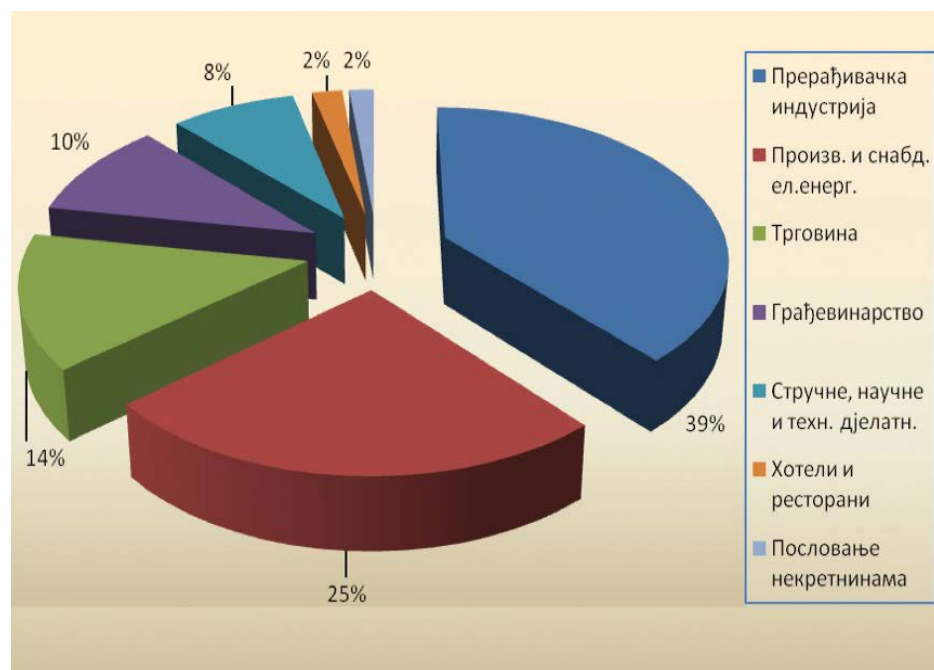


Chart: Structure of 20 companies which achieved largest profit according to their business, 2016

Source of data
APIF – Intermediary
Agency for IT and
financial services

Average monthly net salary for the city of Trebinje in 2016 for economic and non-economic business (8.223 employees) at the City level was 891 KM, according to the report of RS Republic Institute of Statistics.

The following chart shows the amount of average net salary for the Republic of Srpska and BiH as compared to the city of Trebinje:



Chart: Average net salary

Source of data:
Republic Institute
of Statistics RS
and Agency for
Statistics BiH

2.1.1.4. Foreign trade of goods

Total value of Trebinje city trade of goods with abroad in 2016 was 211,2 million KM. At the City level the export achieved was in the value of 102,8 million KM, while import was 108,3 million KM.

Coverage of import by export, at Trebinje City level, for 2016 is 95%.

Coverage of import by export, at level of Republika Srpska is 65%, and at BiH level 60,1%.

Movement of foreign trade of Trebinje City in the past several years is given in the following chart.

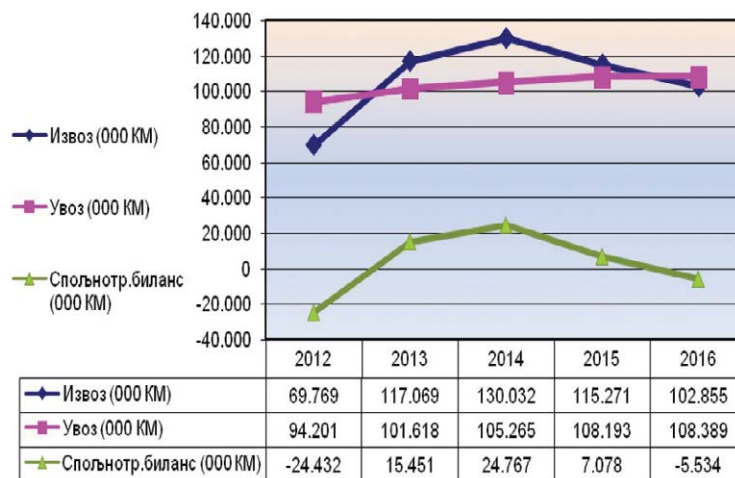


Chart: Movement of Foreign trade

Source of data: BiH Foreign Chamber of commerce, Regional economic chamber Trebinje, portal IRB/Economic indicators

The most important products which are exported from City of Trebinje are electric energy, tools for machine industry and confectionery. The following chart shows export movement of these products:

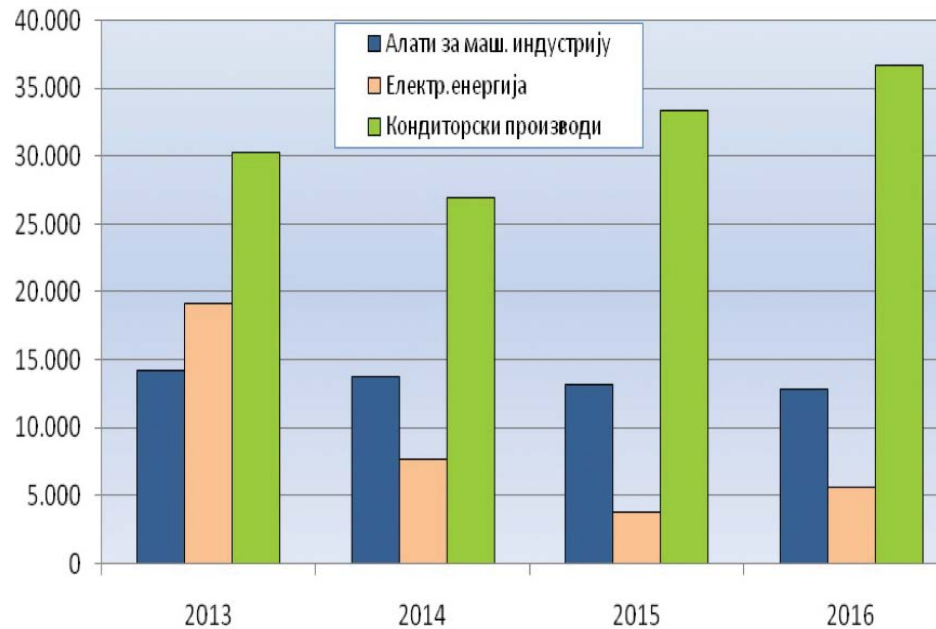


Chart: Export of three most important products from city of Trebinje (in 000KM)

Note: Since this is about the export of products from area of Trebinje City, we applied % of HET participation in total export of ERS, so the export of electric energy relate only to HET. The cause of small value of electric energy export in past years is the fact that there are more direct buyers of electric energy that are registered in BiH, so such sale is not treated as export.

Source of data: BiH Foreign Chamber of commerce, Regional economic chamber Trebinje, MH "ERS"

It is evident that the value of tools for machine industry export is approximately at the same level as in previous years. It is important to point out that in the last two years tools factory transacts positively and gains profit.

In 2016, the export of electric energy increased for 49% as compared to the year before, so this year finished with profit. During 2016, thanks to good operative readiness of aggregates in HET system and good hydrology, the planned production was exceeded for 20%.

Export of confectionery keeps increasing, and with regard to the previous year, the export of these products is 10% larger. Food industry “Swisslion Trebinje” continues with new investments and introduces new products, thus trying to remain in the top of confectionery in BiH.

We should point out that in 2016 the export of essential oils, herbs, consuming fish and Herzegovina quality wines increased and all these products all from the area of Trebinje. Also we are working on branding autochthonic products of Herzegovina such as cheese and honey, and also different kinds of fruit such as figs, pomegranates, cherries and so on.

It is to expect that in years to come these products will have growing trend in export and increase of production scope, because the richness of natural resources, in which this area abounds, and which are necessary for these products, are not used enough.

2.1.2. Economic potential of Trebinje city

Introduction

We have already pointed out that basic potentials of Trebinje economy are connected to:

- » Energetics,
- » Metal-processing industry and
- » Textile industry.

In the following presentations, we will individually introduce you to three mentioned economic potentials of Trebinje city.

2.1.2.1. Energetic

The seat of Elektroprivreda of Republika Srpska (EPS) is located in Trebinje. Within EPS, the following activities are performed:

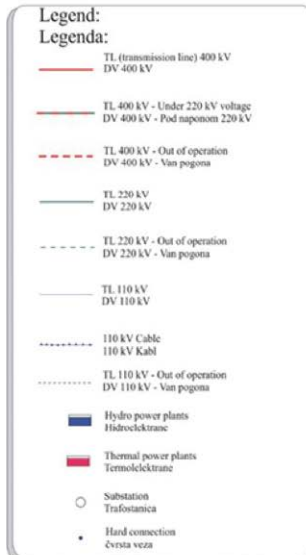
- » Electric energy production and coal exploitation,

- » Distribution and supply of electric energy,
- » Foreign trade and electric energy trade in BiH,
- » Provision of technical-technological unity of the system and optimization of production (dispatching),
- » Managing projects and projects implementation in energetic sector in Republika Srpska.

The above mentioned tells enough on importance of EPS seat for City of Trebinje, for all spheres of economic business, as well as for the entire business surroundings.

Production of electric energy, which is realized by company “Hidroelektrane na Trebisnjici” (Hydroelectric power plants on the river Trebisnjica) (HET) further remains the leading development sector of Trebinje economy as well as in the whole East Herzegovina.

In that context, what is important for Trebinje city is the whole catchment area of the river Trebisnjica, that is, production facilities which are built or which are planned to be built.



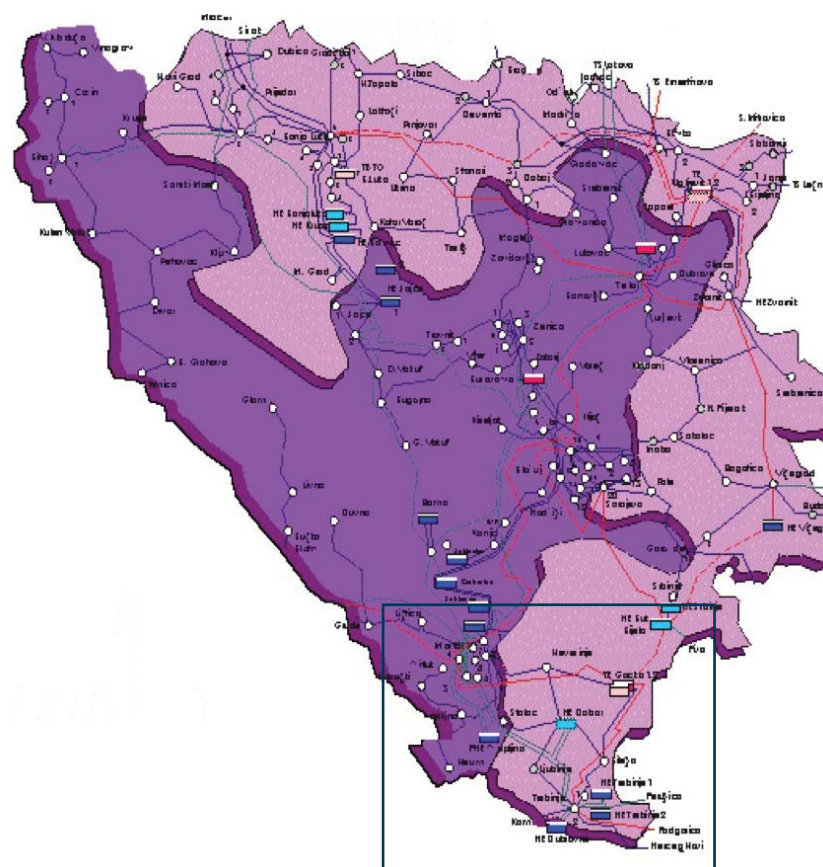
KARTA ELEKTROENERGETSKOG SISTEMA RS

ELECTRIC POWER FACILITIES RS

Hydro energy production in the catchment of the river Trebisnjica

The catchment of the river Trebisnjica is typical Dinaride area with all its phenomena. The catchment of the river Trebisnjica encompasses around 650 km² and it is analyzed as a unique water management unit. This area is one of the richest with precipitation in Europe, where average precipitation level is 1.800 mm. Until now, four hydroelectric power plants are built within Trebisnjica hydro system:

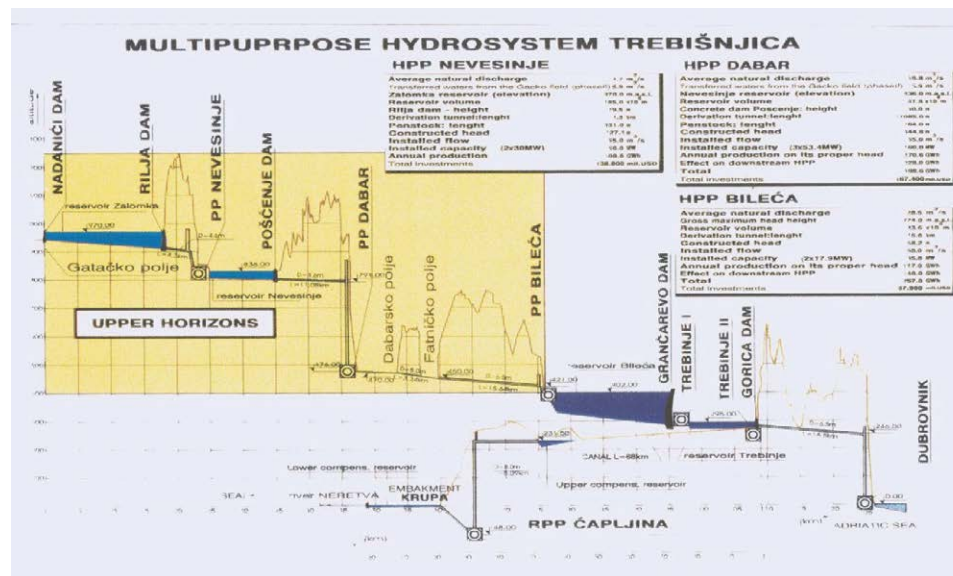
- » HPP Dubrovnik I,
- » HPP Trebinje I,
- » HPP Trebinje II,
- » PSPP Capljina.



Production of hydro energy at the river Trebisnjica catchment

Within phase I of hydro system Trebisnjica construction, hydroelectric power plant “Dubrovnik I” (1965) and hydroelectric power plant “Trebinje I” (1968) were set in motion.

HPP “Trebinje II” was set in motion in 1981 and pumped storage power plant “Čapljina” which operates within Elektroprivreda of Croatian community Herceg – Bosna, started operating in 1979, within phase II of the river Trebisnjica hydro system construction.

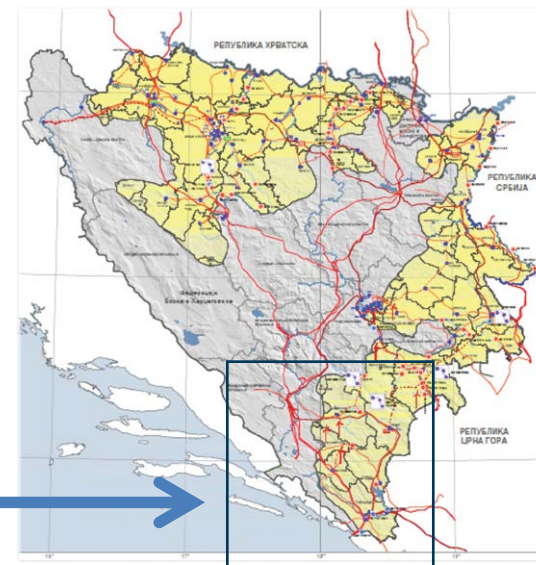


Basic technical characteristics of constructed HPPs on the river Trebisnjica are presented in the following chart:

HPP name	No of aggregates	Installed power	Max. net head	Average annual flow	Useful reservoir volume	Average annual production
		MW	m	m ³ /s	mil. m ³	GWh
Trebinje I	3	3x60	104,15	71	1.082,3	479,4
Trebinje II	1	8	22	82,9	9,3	12,5
Dubrovnik I	2	2x108	295	82,9	9,3	1.391,1
PPHP Capljina	2	2x220	227	28,9	6,5	451

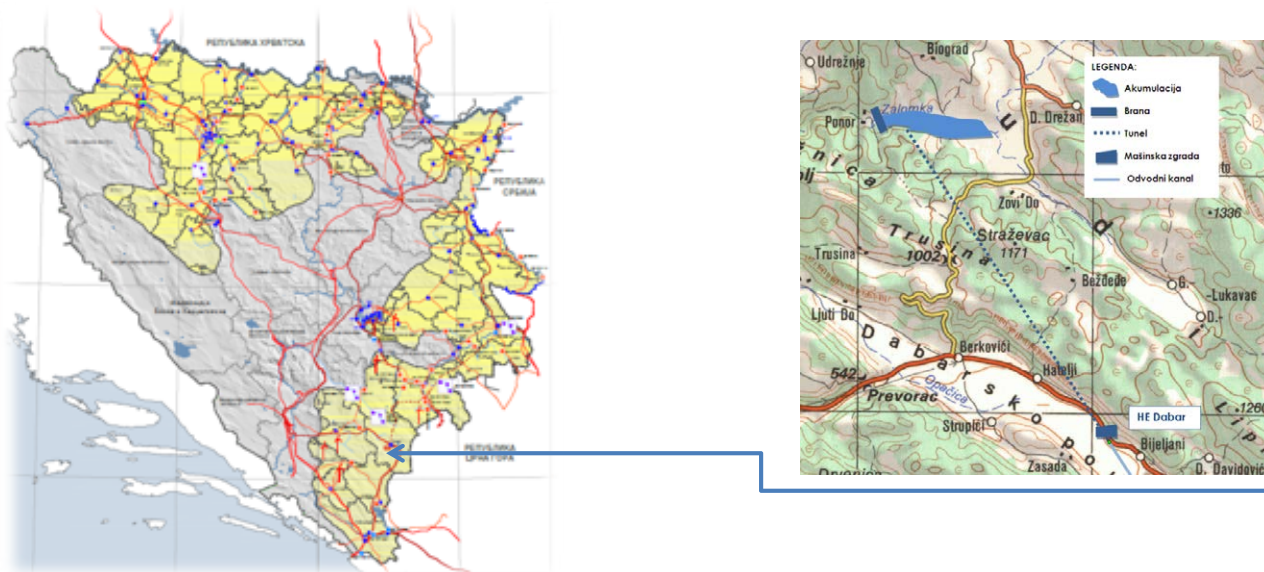
Beside mentioned constructed ones, at the catchment of the river Trebisnjica, HPP Dabar is in the construction phase and also construction of the following production facilities is planned:

- » HPP Bileća,
- » HPP Nevesinje,
- » HPP Dubrovnik II.



Hydropower Plant Dabar

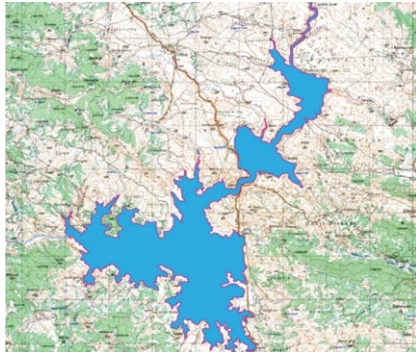
HE Dabar is a diversion Hydro Power Plant (HPP) which is under construction on the river Zalomka.



Estimated capacity of **160 MW** and annual production on its own decline of **251.8 GWh**. On the downstream, an additional production of 265 GWh of electricity, has been expected.

The estimated value of this investment is about **177.5** million.

Technical data HPP Dabar



Reservoir of HPP Dabar



Reservoir of HPP Dabar

Subject		HPP Dabar reservoir
Акмулација	River	Zalomka
	Country	RS/BiH
	Basin area (km ²)	
	Average flow (m ³ /s)	11,02
	Total volume (mil. m ³)	61,8
	Useful volume (mil. m ³)	52,77
	Peak load (m n.m.)	842,0
	Maximum water surface (m n.m.)	
	Normal water surface (m n.m.)	836
	Minimum operating level (m n.m.)	823
HPP	Plant Type	Accumulation-diversion
	Gross head (m)	363,76
	Projected head (m)	330,7
	Minimal head (m)	320,25
	Installed flow (m ³ /s)	55
	Installed capacity (MW)	159,15
	Average annual production (GWh)	251 + 265 downstream HPP
	Turbine type	Fransis
	Number of units	3
It will be managed	by MH ERS	
Documentation status		Docum.status: Conceptual design- Energoprojekt hidroinžinjerig Bg. 2011
Investments	Civil works (Mil. EUR)	90,632
	Equipment (Mil. EUR)	48,177
	Other investments (Mil. EUR)	38,749
	Total Investment (Mil. EUR)	177,558

HPP NEVESINJE

HPP Nevesinje has been planned on the river Zalomka.



Diversion Hydropower Plant has been planned on the river Zalomka with capacity **60mw** and annual production of **100.6 gwh**.

Estimated value is about **97,4 mil euro**.

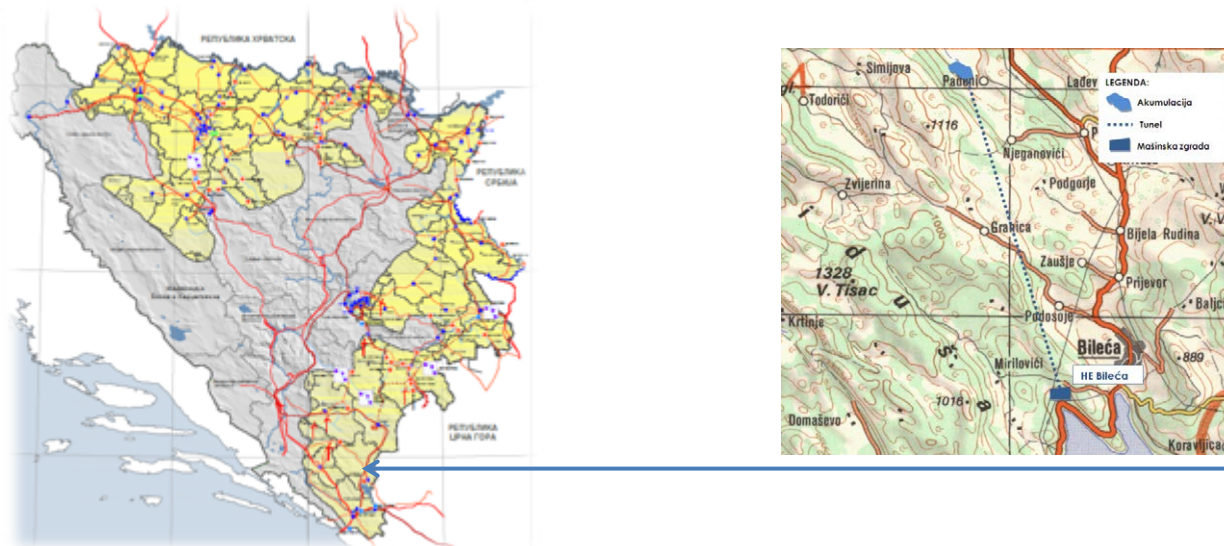
Technical data HPP Nevesinje



Subject		HPP Nevesinje
Accumulation	River	Zalomka
	Country	RS/BiH
	Basin area (km ²)	
	Average flow (m ³ /s)	4,7
	Total volume (mil. m ³)	185,75
	Useful volume (mil. m ³)	
	Peak load (m n.m.)	973
	Maximum water surface (m n.m.)	
	Normal water surface (m n.m.)	970
	Minimum operating level (m n.m.)	
HPP	Plant Type	Accumulation-diversion
	Gross head (m)	
	Projected head (m)	127,1
	Minimal head (m)	
	Installed flow (m ³ /s)	55
	Installed capacity (MW)	60
	Average annual production (GWh)	100,6
	Turbine type	Fransis
	Number of units	2
	It will be managed	by MH ERS
Documentation status		Docum.status: Conceptual design- Energoprojekt hidroinžinjeri Bg. 2011
Investments	Civil works (Mil. EUR)	61,45
	Equipment (Mil. EUR)	35,95
	Other investments (Mil. EUR)	
	Total Investment (Mil. EUR)	97,4

HPP Bileća

Diversion HPP Bileca has been planned in hydro system Gornji Horizonti (Upper Horizons).



Predicted installed capacity of **33 MW** and annual production of **116.4 GWh** has been expected. The estimated value of this investment is approximately **48.3** million.

Technical data HPP Bileća

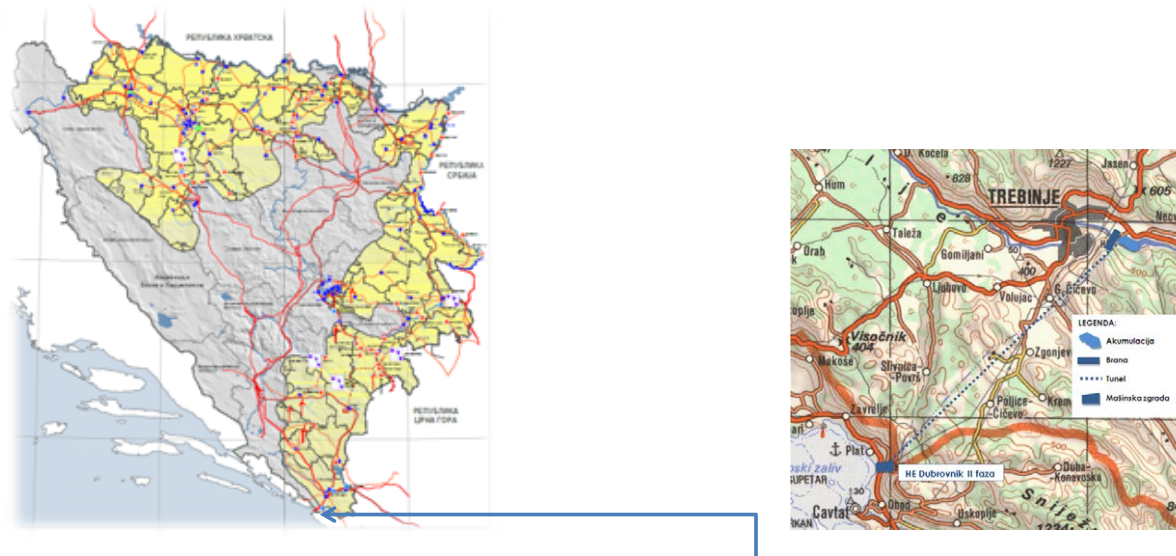


Entrance building- HPP
Bileća

Subject		HPP Bileća
Accumulation	River	
	Country	RS/BiH
	Basin area (km ²)	
	Average flow (m ³ /s)	46,67
	Total volume (mil. m ³)	
	Useful volume (mil. m ³)	
	Peak load (m n.m.)	
	Maximum water surface (m n.m.)	470
	Normal water surface (m n.m.)	465,66
	Minimum operating level (m n.m.)	
HPP	Plant Type	Derivative
	Gross head (m)	
	Projected head (m)	63,1
	Minimal head (m)	
	Installed flow (m ³ /s)	60
	Installed capacity (MW)	33
	Average annual production (GWh)	116,4
	Turbine type	Fransis
	Number of units	2
	It will be managed	by MH ERS
Documentation status		Conceptual design- Inst Jaroslav Černi Bg
Investments	Civil works (Mil. EUR)	34,947
	Equipment (Mil. EUR)	12,513
	Other investments (Mil. EUR)	0,8
	Total Investment (Mil. EUR)	48,260

HPP Dubrovnik - phase II

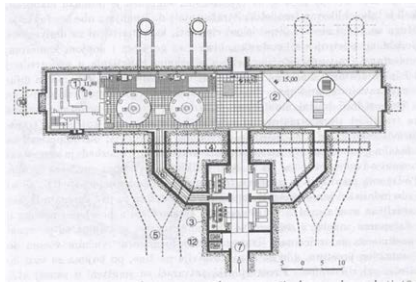
HPP Dubrovnik phase II has been planned as joint ventures between the Republic of Srpska and Croatia.



Predicted installed capacity of **304 MW** and annual production of **318.4 GWh**.

The estimated value of this investment is approximately **168.6** million EUR.

Technical data HPP Dubrovnik - phase II



Subject		HPP Dubrovnik 2
Accumulation	River	Trebišnjica
	Country	RS/BIH/RH
	Basin area (km ²)	
	Average flow (m ³ /s)	82,9
	Total volume (mil. m ³)	15,7
	Useful volume (mil. m ³)	9,3
	Peak load (m n.m.)	
	Maximum water surface (m n.m.)	
	Normal water surface (m n.m.)	
	Minimum operating level (m n.m.)	
HPP	Plant Type	Accumulation-diversion
	Gross head (m)	
	Projected head (m)	274
	Minimal head (m)	
	Installed flow (m ³ /s)	120
	Installed capacity (MW)	304
	Average annual production (GWh)	318,4
	Turbine type	Fransis
	Number of units	2
It will be managed	by MH ERS/HEP	
Documentation status		Feasibility study Elektroprojekt Zg.2006
Investments	Civil works (Mil. EUR)	108,15
	Equipment (Mil. EUR)	47,54
	Other investments (Mil. EUR)	12,965
	Total Investment (Mil. EUR)	168,655

2.1.2.2. Metal-processing industry

Trebinje is located at an important crossroad. The most important routes are Belgrade-Dubrovnik and Mostar- Podgorica. 26 km away from the southern coast of the Adriatic and Dubrovnik.

The city is located in the valley of Trebisnjica river in the ambience of a Mediterranean-Oriental culture.

It has mild climate and the altitude of the city's urban area is 247m.

- » 1951 The Company is established
- » 1951-1955 The period of the factory's construction
 - Selection and installation of the equipment
- » 1955 Trial production begins
- » 1956 The first union is elected
 - Development of market activity
 - Personnel training and process stabilization
 - The first "BULLETIN" is published
- » 1957-1961 Regular production begins
 - Competitive and new marketing options of higher quality are developed
 - There is enhancement in the assortment of products

- » 1961-1965 The first mid-term development program is adopted
 - The first long-term development program is adopted
 - Изражајан је интензитет у освајању нових производа
 - The intensity of developing new products is evident Efficiency increases
 - More intensive studying of foreign market
- » 1965-1968 Major orientation on export
 - The transition to new business conditions
 - The introduction of rolling technology in the production process
 - The period of stagnation
- » 1968-1971 The internal consolidation of the collective is executed
 - Modernization and automation of production
 - The introduction of the latest technologies and processes in the production of tools is finished
- » 1974 Twist drill factory (FAB) becomes operative
- » 1976 Drill chuck factory becomes operative in Nevesinje
Metal cutting circular saws factory becomes operative in Posusje
- » 1977 Thread cutting tools factory becomes operative in Hum



- » 1979 The modern metallurgical and chemical laboratory for research and development of product's quality becomes operative
The Factory for standard blades with hard metal becomes operative in Ravno
- » 1980 Established ADP (Center for Automatic Data Processing)

- » 1981 The factories of special and hard tools became operative at the site of Gorica of Gorica
Built and fully equipped occupational medicine center
- » 1986 Built and fully equipped occupational medicine center
- » 1989 The Factory of hard drill bit starts with work in Grahovo (MNE)
- » 2006 The transitional period - change in ownership structure
- » 2007 Established Central Mechanical Workshop (CMR)
- » 2008 Officially privatized 64% of the capital - now “Swisslion Tool Industry Trebinje”
Twist drill bits
Thread tools
Special tool
Tools with hard meta

QUALITY POLICY

Providing and maintaining the quality is the base on which «Swisslion Industrija alata» ad. Trebinje builds its business success and further development.

The company has rich tradition and on its target market applies knowledge and experience to build its position. Ensures the quality of life of its employees, meets the needs of the market in order to sustain development.

Our business objectives are based on:

- » Constantly improving the quality of products and services and the implementation of process approach
- » Establishing and maintaining partnerships with our trusted suppliers and partners;
- » Expanding markets and maintaining the first place in tools production
- » Establishment of quality objectives in accordance with the strategic directions and organization;
- » Making decisions based on objective data, taking into account all the potential risks;
- » Execution plan production, reducing costs and increasing productivity, constant education and training in order to improve the competence and raising awareness of the importance of the quality.

With high professionalism and responsibility all the employees contribute to the achievement of the set goals. The Company has ISO 9001: 2015.



2.1.2.3. Textile industry

Textile industry in Trebinje has a very long and successful tradition. In August 1973, „Novotex“ was founded, a company which employed around 1500 workers, most of whom were women working in two shifts on 12 production lines. At the time, around 200 000 pairs of trousers were dispatched to customers every month.

The textile company „Novotex“ basically produced light ready-made garments of high quality for both men and women. What made the company recognizable in Europe and worldwide were trousers, blouses and skirts. Novotex mostly worked for famous German brands including Zerres, Brah, Az-models, Tony Dress, Heidmann. The factory consists of the sewing room, laundry room, ironing room, boiler room and compressor department, repository, plotter room, workshop, kitchen and offices.

The ironing room, boiler room and compressor department used to be fully equipped with the most modern equipment which fulfilled any Novotex customer's requirements and needs.

The laundry department was equipped with five big Tonello washing machines, three drying machines, one small professional washing machine and a small sample drying machine. These machines were the pride of Novotex and even today Novotex remains the only factory in Bosnia and Herzegovina which boasts such reliable and modern machines.

Until the war in 1992, the production in Novotex was organized on 10 lines. The war events, however, retarded the development of textile industry in Trebinje and Novotex suffered a serious damage. The production was restarted in 2000 and, with short interruptions, still goes on.

Novotex has three repositories (fabrics repository, auxiliary materials repository and ready-made garments repository).

The spreading and cutting room is fully equipped with cutting tables, fusing presses, a bandsaw and accompanying equipment necessary for fabric cutting.

The plotter room has two plotters which facilitate work in the cutting and spreading department.



Within Novotex, there is also a canteen with a kitchenette which provide workers with a good quality diet and accordingly contribute to better productivity.

In 2013, a questionnaire was carried out in Trebinje aimed at examining the interest of residents for working in textile industry. Approximately 1200 questionnaires were fulfilled with women comprising 90% of the work force.

The City of Trebinje and the Centre of Secondary Schools announced opening of a class of textile technicians.



Nowdays, with minor investments in the building and repair of some machines, it is easy to give Novotex its former glory. At the moment, there are around 300 female workers in Trebinje trained for work in textile industry. Naturally, the work force can be trained or retrained as needed.

It is currently possible to produce **40 000 pairs of trousers** per month.



2.2. AGRICULTURE

2.2.1. Available agricultural land

In Trebinje there used to be two big agricultural combines – “Agrokop“ and “Popovo polje“ – with large fruit and grapevine plantations.

Today, agriculture in Trebinje still occupies a high position in the vision of the City’s economic development.

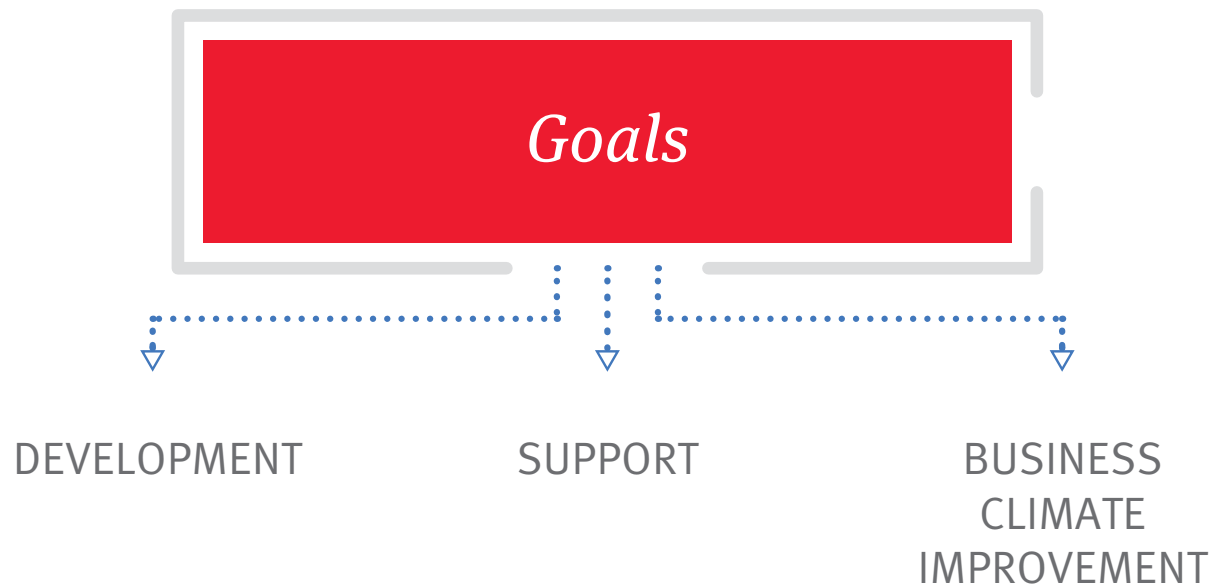
- » **401** - total number of agricultural holdings
- » **22** - business entities
- » **61** - commercial
- » **318** - non-commercial

Favourable geographic position, vicinity of famous travel destinations and the ongoing construction of a modern border crossing towards Dubrovnik will facilitate distribution of products to customers in these or any other places.

Having recognized agriculture as a strategically important area of development, in 2017, the City of Trebinje founded: Agrarian Fund of the City of Trebinje



АГРАРНИ ФОНД
ГРАДА ТРЕБИЊА



The goals of Agrarian Fund include creating an environment suitable for agricultural development; encouraging people to engage in agricultural production more intensively by providing them with consultations, assistance, incentives and training; establishing new agricultural standards and linking manufacturers on both local and regional level.



The vision of Agrarian Fund is to be the initiator of development and agricultural production improvement in the local community and in whole Eastern Herzegovina, either through direct involvement or through cooperation and coordination with agricultural manufacturers, on one part, and local government, Chamber of Commerce and Industry, media, donors, associations of entrepreneurs, Employment Office, financial organizations and scientific-educational institutions, on the other part.

Concessions and leases

TOTAL SURFACE OF ARABLE LAND IN TREBINJE IS AROUND 6,000 ha, OUT OF WHICH 4,000 ha ARE SUITABLE FOR INTENSIVE PRODUCTION.

- » The Republic of Srpska grants land **CONCESSIONS**
 - » At the moment, cca 1000 ha are under concession
 - » The annual concession fee is defined by a concession contract, in accordance with the Rulebook on establishing criteria for determining concession fee (the average fee in Trebinje is 100 KM/ha).

- » The City of Trebinje gives land **ON LEASE**
 - » The surface of land available to be leased is 450 ha.
 - » The annual leasing price ranges from 30 KM/ha to 120 KM/ha

The City of Trebinje and the Agrarian Fund have formed a team for recognition, reparcelling and settling property-legal relations at the area of 2500 ha.

Available arable lease land:

Location	ha
Ljubomirsko polje	106 ha
Trebinjsko polje and Gomiljani	70 ha
Petrovo polje (Čičevo)	34 ha
Lastva	48 ha
Popovo polje	202 ha

Arable land in the nearby municipalities (cca):

- » Ljubinje – 1.100 ha
- » Berkovići – 2.600 ha
- » Bileća – 3.100 ha
- » Gacko – 5.600 ha
- » Nevesinje – 11.400 ha



Извор:
Истраживање
USAID 2014



2.2.2. *Irrigation in the territory of Trebinje*

THE CITY OF TREBINJE BOASTS THE LONGEST IRRIGATING TRADITION IN BIH. IT IS MORE THAN **500 YEARS OLD**

Without irrigation, there is no stable agricultural production.

Approximately **75%** of total agricultural production worldwide comes from **15%** of arable land which is regularly irrigated.

There are a few irrigation systems developed within the territory of Trebinje:

- » “Drop by drop” irrigation systems
- » Canal irrigation systems
- » Irrigation systems with pressurized and distribution pipelines starting at a reservoir

There are 14 irrigation systems installed in this manner in the territory of Trebinje (through water users association): VELIČANI, TULJE, ZGONJEVO, LJUBOMIR, DUBOČANI, NECVIJEČE, LASTVA, VUČJA, ZUBCI, MOSKO, ZAVOE, POPOVO POLJE, ORAŠJE, TREBINJE.

Irrigation of around 5,100 ha (or 68%) out of total 7,500 ha of arable land makes Trebinje the most successful area in that respect in the region.

The most significant arable land surfaces along the river Trebišnjica:

- » Popovo polje and Trebinjska šuma – 3.500 ha
- » Trebinjsko polje – 1.100 ha
- » Lastva - 300 ha

These areas are located at 240-320 m above sea level.

Preview of ongoing investments and already constructed systems

In cooperation with the World Bank, the Government of the Republic of Srpska, namely the Ministry of Agriculture, has currently been realizing a capital project aimed at constructing an irrigation system for Trebinjsko and Popovo polje, total surface of which is 1,100 ha. The investment value is 5,300,000 KM. The City of Trebinje participates with 15% of total value (cca 800,000 KM).

The irrigation system for Trebinjsko and Petrovo polje represents the missing part of the irrigation system for “Zubački plateau” (water intake – reservoir, pump plant, pressurized pipeline from the elevation of 256 m.a.s.l. to the built reservoir at 742,5 m.a.s.l.).

Until now, around 12 km long pressurized and distribution pipeline has been installed within the water supply system of “Zubački plateau”, along with the “Priporac” reservoir of 500 m³ volume.

Description of the new Trebinjsko polje and Petrovo polje irrigation system

Total surface irrigated

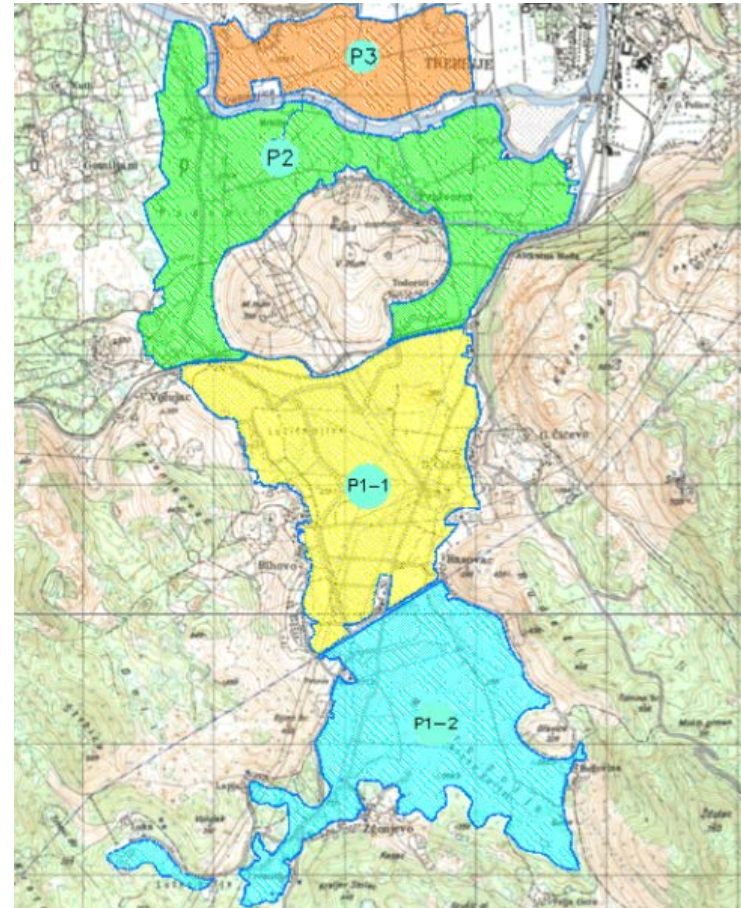
1.071 ha

Total irrigation requirements

1.045 l/s.

Total pipeline length

26.912 m



This project will provide technical water for all arable land surfaces, all rural areas located along the rim of poljes (fields) as well as water for the planned industrial zones and tourist resorts.

Along with the 14 irrigation systems already built, the ongoing construction of Trebinjsko and Petrovo polje irrigation system and „Zubački plateau“, there are another 2 irrigation systems in construction, namely Jasen – Budoši and Vrpolje – Mosko.

Each system is designed to work independently and automatically.

Water price ranges from 0.30 KM/m³ to 0.60 KM/m³.

The City's Management provides financial and professional assistance in maintaining the irrigation systems.

COMPLETION OF THESE WORKS WILL CREATE BASIC PRECONDITIONS FOR STABLE INDUSTRIALIZATION OF AGRICULTURAL PRODUCTION AND DEVELOPMENT OF GLASSHOUSE PRODUCTION IN THE AREA OF TREBINJSKO POLJE.

2.2.3. Support and benefits

SUBSIDIES FROM THE REPUBLIC OF SRPSKA

- » Rulebook on subsidies for agriculture and rural development (Official Gazette of RS, no. 31/17).
- » The RS budget allocated for subsidies in 2017 amounts to **60,000 KM**.

Important subsidies:

- » Direct support for livestock breeding and plant production. (bonuses)
- » Subsidies based on investments in production, processing and storage of agricultural products at a holding.
- » Subsidies for measures of protection of plants and animals.
- » Subsidies for laboratory equipment

The City of Trebinje has recognized the importance and potential of agriculture, particularly as an area compatible with other aspirations like tourism.

Likewise, the City has recognized the importance of processing industry and accordingly intends on establishing a new model of cooperative movement. Furthermore, the plan is to

create preconditions for significant production increase and to form a raw material basis for starting the processing industry.

That is the main reason for developing important support mechanisms at the City level, most of which are being conducted by the Agrarian Fund.

SUBSIDIES FROM THE CITY OF TREBINJE

The support in 2017 includes:

- » Construction of missing infrastructure (1,000,000 KM)
- » Construction of cold storage plants and collection points (100,000 KM)
- » Free use of agricultural mechanization
- » Free-interest loan granting for agriculture investments (300,000 KM)
- » Funds supporting return to rural areas and restoration of rural holdings (500,000 KM)
- » Subsidies for production of autochthonous Herzegovian products (200,000 KM)

Allocations planned in 2017 are given in brackets.

The City of Trebinje plans to construct 5 block systems – cold storage plant-collective point. Cold storage plant volume is 50-80 m³.

Cold storage plants are fully equipped for efficient functioning.

The locations projected for construction are easily accessible, nearby main roads. It is essential to establish a direct link with stores which should market the goods. Thanks to its favourable position near the Adriatic Sea, Trebinje has a significant market for its products.

Trebinje is attractive for the inland markets, particularly for the cities of Banja Luka and Sarajevo, because of its unique offer made by the Sun, rock and water.



Fruit growing

- » At the moment, there are around 300 ha of orchards growing various fruits (apple, cherry, sour cherry, fig, pomegranate, olive, peach)
- » „Popovo polje“ j.s.c. boasts the largest surface of orchards.



Wine growing and wine production

- » Over 600 ha of vineyards.
- » 16 registered wineries produce around 1,000,000 litres of wine.



Growing and processing medicinal herbs

- » Number of distilleries: 4
- » 3 new distilleries in preparation
- » Surface under plantations:
- » 20-25 ha (cca300 litres of etheric oils)



Honey production

- » Around 500 beekeepers
- » 15,000 beehives
- » 220 tonnes of honey per year

Source:
association
Žalfija



Cheese production

- » Cheese production should be based on Trebinje's autochthonous cheese types – škripavac, dried cheese, sack cheese, cheese in oil.
- » These cheeses and Trebinje's wines represent an inevitable part of its gastronomic offer.
- » Total capacity of cheese production is 300 tonnes.



Truck farming and glass house production

Due to its mild Mediterranean climate, fertile soil and abundance of water, the area of Trebinje is attractive for the production of early vegetables and other glass house cultures.

www.investintrebinje.com

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