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Trebinje

BREEDING GROUND FOR YOUR INVESTMENTS



■ GEOGRAPHIC POSITION

The City of Trebinje is located in the southeast part of Bosnia and Herzegovina (BiH), in the entity of Republika Srpska (RS), close to the triple border between Bosnia and Herzegovina, Montenegro, and Croatia. Trebinje is the south-most city in BiH and RS, on the very border with the Republic of Croatia/European Union (EU).

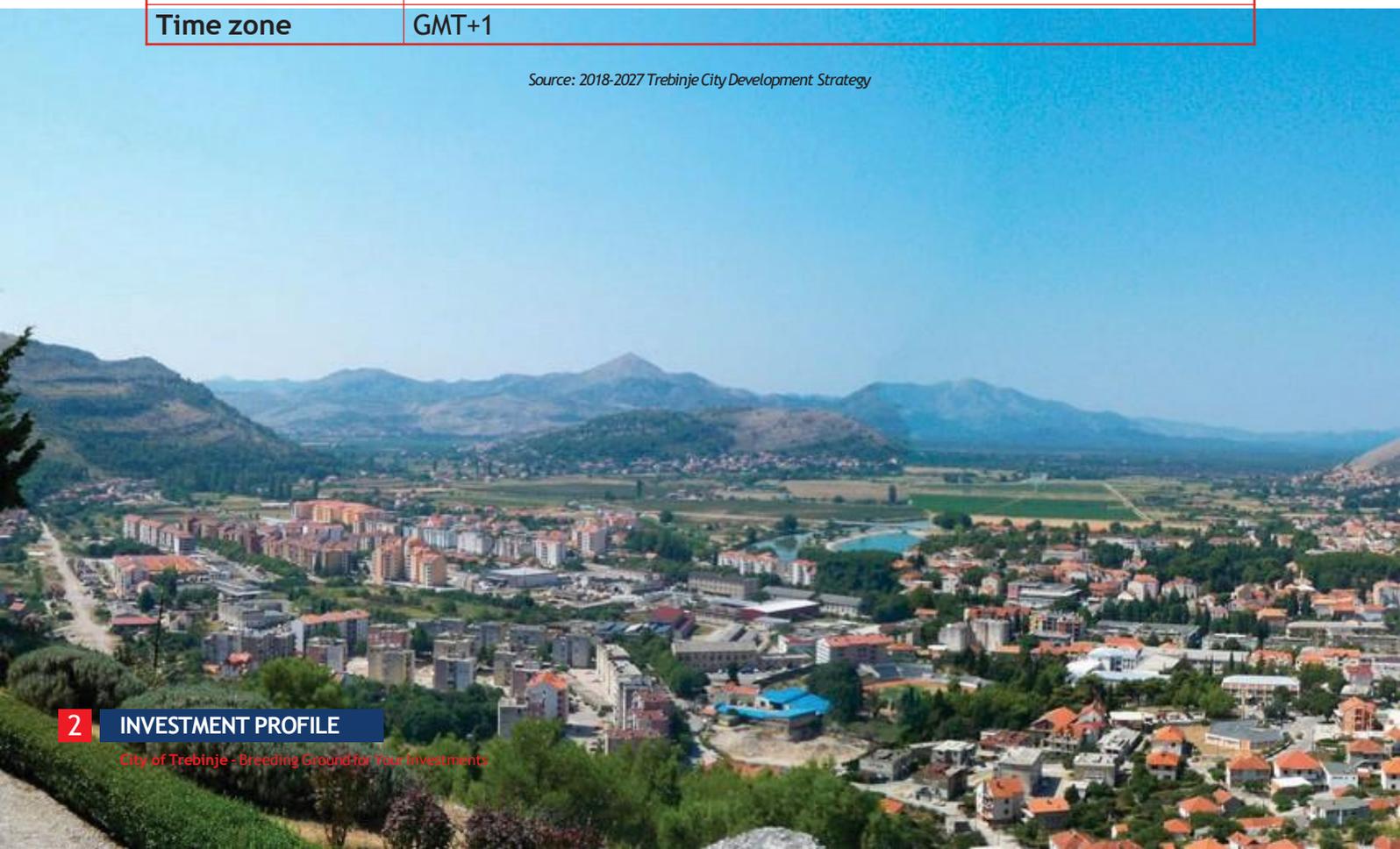
The regular annual analysis for assessing the attractiveness of European cities and regions for investment for 2023, conducted by the "Financial Times" and published in the "fDi Intelligence" magazine, once again recognized the Republic of Srpska as one of the most favourable destinations for business investment in Europe. Srpska received this flattering title thanks to the overall strategy for investment promotion. The city of Trebinje is ranked in the high eighth position in the category "micro-European cities for the future - strategy for the promotion of FDI investments" (FDI - foreign direct investments).

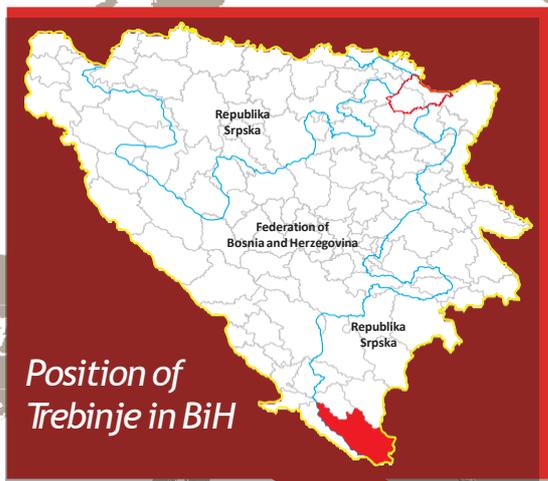
Tax policy in BiH and Republika Srpska is stimulative: VAT rates of 17% and profit tax rates of 10% are amongst the lowest in the region and in Europe.

■ CITY OF TREBINJE

Surface area	904 km ²
Population	31,433 <i>(2013 Population Census Final Results)</i>
Relief	Dinarides mountain range karst with karst water springs, crevasses, caves and other forms of karst hydrology.
Climate	2 types: Mediterranean and moderate continental climate Around 260 sunny days annually
Altitude	275 m (urban part)
Time zone	GMT+1

Source: 2018-2027 Trebinje City Development Strategy

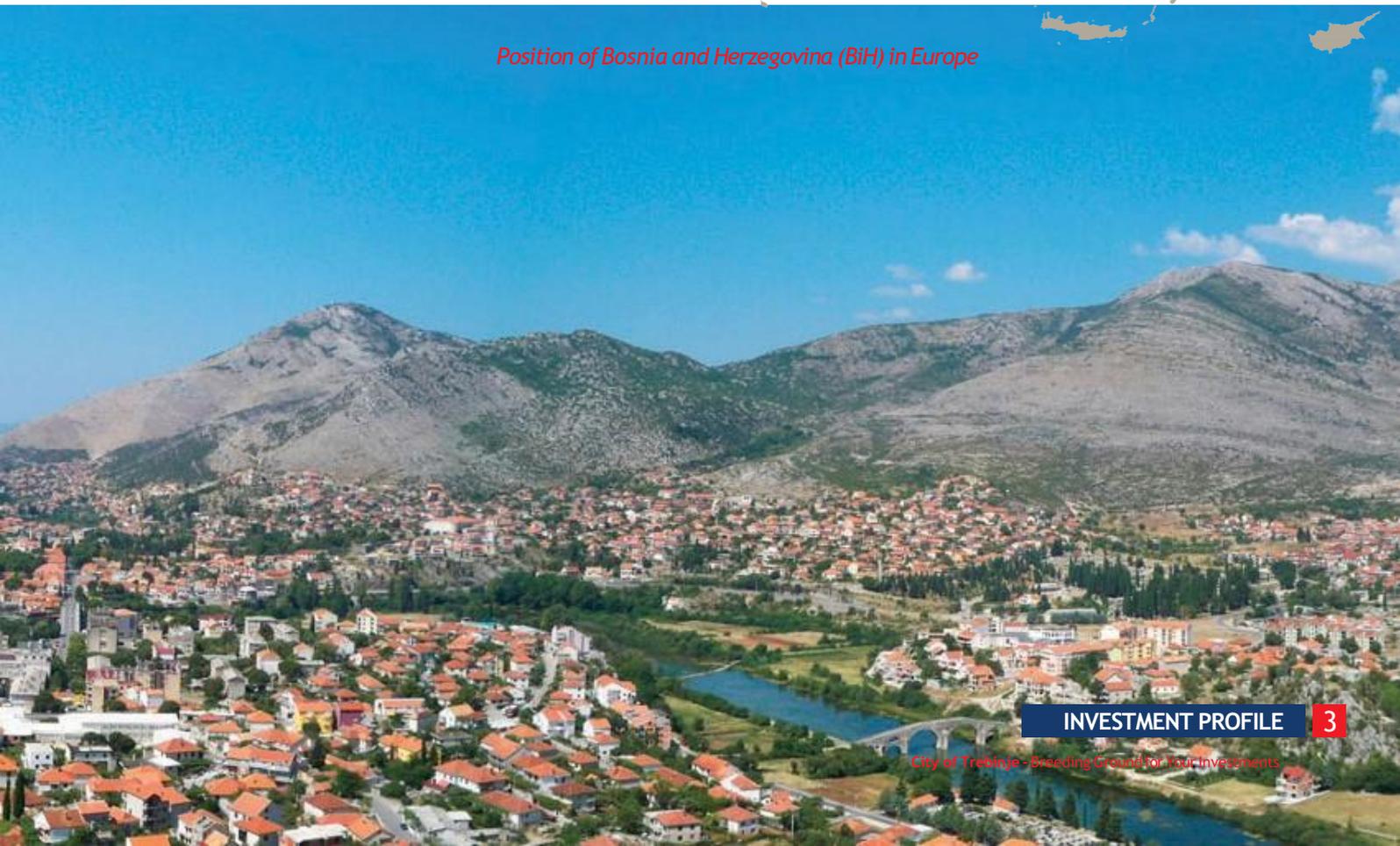




Position of Trebinje in BiH



Position of Bosnia and Herzegovina (BiH) in Europe





TREBINJE

Breeding Ground for Your Investments

Excellent location of Volujac Business zone for greenfield investments

- In the immediate vicinity of M20 primary road toward the EU market (1 km), the railway (70 km), the sea port (30 km) and the airport (45 km). Surface area of 85 hectares with parcels that can both be consolidated and divided.
- Along with incentives of the city administration for construction of manufacturing plants, availability of highly qualified and price competitive workforce and favorable operating costs, it represents an attractive investment location for investments in the processing sector and other sectors.

Trebinje has mild climate, abundance of water, arable land and 260 days of sunlight annually.

- Large wealth of natural resources of Trebinje that is insufficiently utilized offers opportunities for investing in the agricultural sector.
- Early spring Mediterranean fruit and vegetables in this area ripen 30 to 40 days earlier than in continental areas.

Tourism is a fast-growing sector in Trebinje

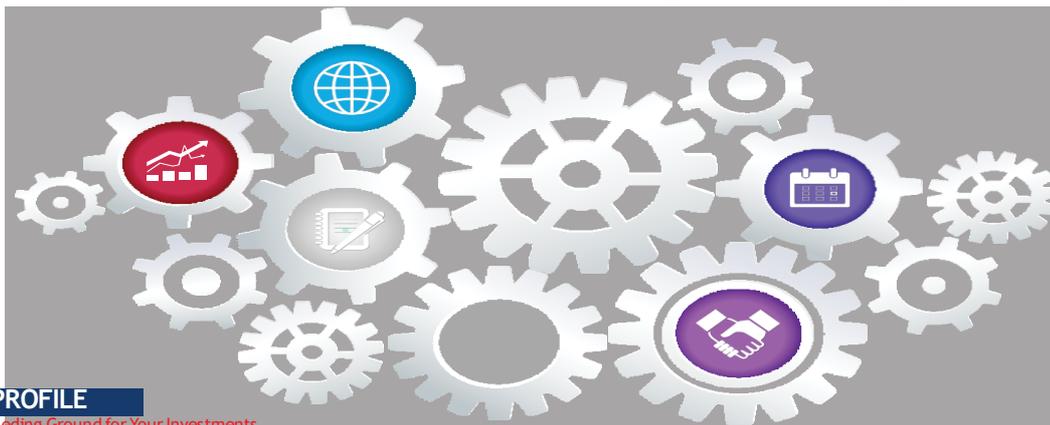
- In the period 2016-2019. in Trebinje, a continuous increase in arrivals (18.26%) and overnight stays of tourists (27.76) was recorded. In 2020, due to the new corona virus pandemic, we had fewer tourist arrivals and overnight stays compared to 2019. In 2021, there was a significant increase in arrivals by 128.92% and an increase in overnight stays by 126.96% compared to the previous year, which was especially felt from April to November.
- In 2022, there was an increase in tourist arrivals by 105.30% and an increase in tourist overnight stays by 90.17% compared to 2021.
- City in the immediate vicinity of the Adriatic Sea, on the banks of river Trebišnjica under the mountain of Leotar with all the natural beauty, cultural and historical monuments and excellent gastronomy offer, provides excellent opportunities for investing in tourism infrastructure.

Robust energy sector

- In the energy sector, under the project of “Upper Horizons of Trebišnjica River” of the Trebišnjica Hydro Power System, it is envisaged to construct three new hydro power plants within the territory of Republika Srpska, with total installed power of 257 MW.

Environment for investments and doing business is continuously improved

- City administration is focused on service provision and cooperation with potential and current investors through proactive, transparent and efficient operations. Our objective is a continuous improvement of conditions for investments and business operations of companies.



TRANSPORT INFRASTRUCTURE

Trebinje is located at a significant intersection of roads leading from North to South and from East to West.

Roads

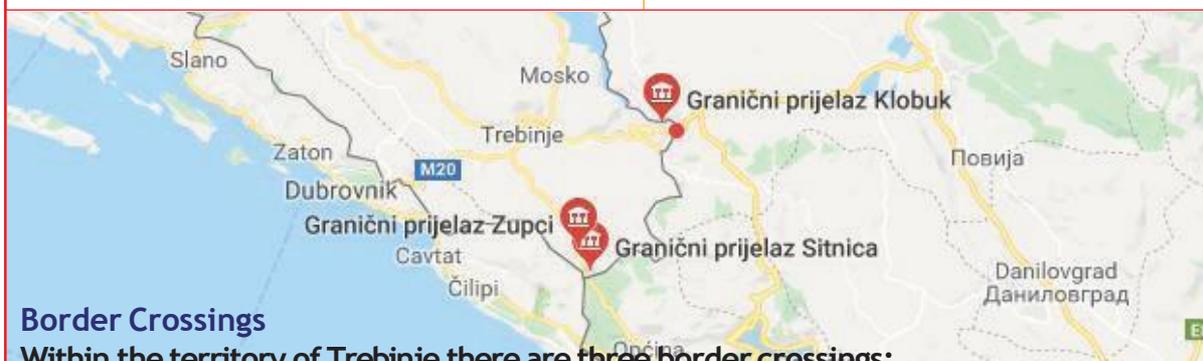
- **M20 Primary Road** stretches along the direction from North to South and connects Trebinje directly with Croatia/EU on the border crossing of Ivanica (Goražde-Foča-Gacko-Trebinje-Border Crossing Ivanica).
- **M6 Primary Road** connects Border Crossing Gorica with Croatia/EU and Border Crossing Klobuk with Montenegro (Border Crossing Gorica-Grude-Ljubuški-Čapljina-Stolac-Trebinje-Border Crossing Klobuk).

Airports

BiH: Sarajevo (cargo)-198 km, Mostar-114 km
Croatia/EU: Čilipi-Dubrovnik (cargo)-41 km
Montenegro: Podgorica (cargo)-117 km, Tivat-93 km

Ports

Sea ports:
Croatia/EU: Dubrovnik-31 km, Ploče-130 km
Montenegro: Bar-120 km
River ports:
BiH: Brčko-382 km



Border Crossings

Within the territory of Trebinje there are three border crossings:

Two border crossings with Montenegro (towards Nikšić and Herceg Novi):

- Klobuk/Ilino brdo - International border crossing of category I in road transport for persons, all types of goods and means of transport
- Zupci/Sitnica - International border crossing of category II

One border crossing with Croatia/EU (towards Dubrovnik):

- Ivanica - the south-most crossing of BiH towards the European Union
International border crossing of category I in road transport for persons, all types of goods and means of transport

Other border crossings with Croatia/EU:

- Bijača (Ljubuški)/Nova Sela - Exit to A1 highway (Zagreb-Split-Dubrovnik)
One of two border crossings in BiH for transport of fruit and vegetables that are subject to checks for conformity with market standards and tests of health safety when transported across a common state border

Border crossings with Serbia:

- Rača/Sremska Rača
- Karakaj/Mali Zvornik
- Vardište/Kotroman

All three border crossings are international border crossings of category I in road transport for persons, all types of goods and means of transport

Source:

- Decision on Determination of Border Crossings in Bosnia and Herzegovina ("Official Gazette of BiH", issue No. 39 dated May 22, 2012);
- Contract between Bosnia and Herzegovina and Republic of Croatia on Border Crossings and Agreement between Bosnia and Herzegovina and Republic of Croatia on Cross-border Traffic (June 19, 2013)

Source: <http://www.viamichelin.com/>



BUSINESS ENVIRONMENT

Economy of Trebinje is based on small enterprises and entrepreneurs, in addition to several medium and large enterprises.

Business and Economic Trends

- In 2016-2022, there was a continuous growth in the number of registered business entities. In 2022, there was an increase in the number of registered business entities by (+6%) compared to 2021 and an increase in the number of registered independent entrepreneurs by (+12%) in 2022 compared to 2021.
- At the end of 2022, the number of employed persons was 8,764
- (Source: Tax Administration of the RS, Regional centre Trebinje)
- In 2022, the coverage of import by export is 159% at the City level, and compared to 2021 is higher by 5% (Source: Tax Administration of RS, Trebinje Regional Center).

Number of registered business entities in Trebinje for 2016-2022



Source: APIF

Number of registered independent entrepreneurs in Trebinje for 2016-2022

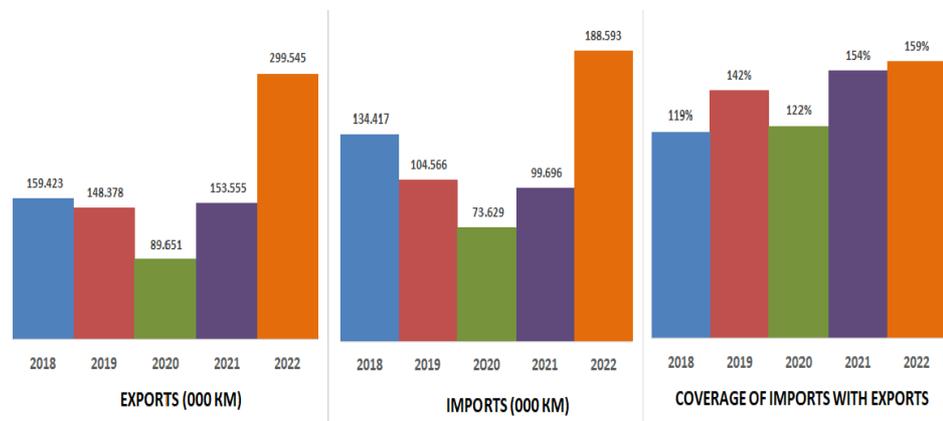


Source: Trebinje City

Foreign trade exchange of Trebinje for 2018-2022 (in BAM thousand)

- The most important products exported from Trebinje are electrical energy (export about BAM 19 million), confectionery products (export about BAM 28 million) and tools for the machine industry (export about BAM 13 million)
- Amongst other export products in 2022, the export of beverages, furniture and fruit increased.

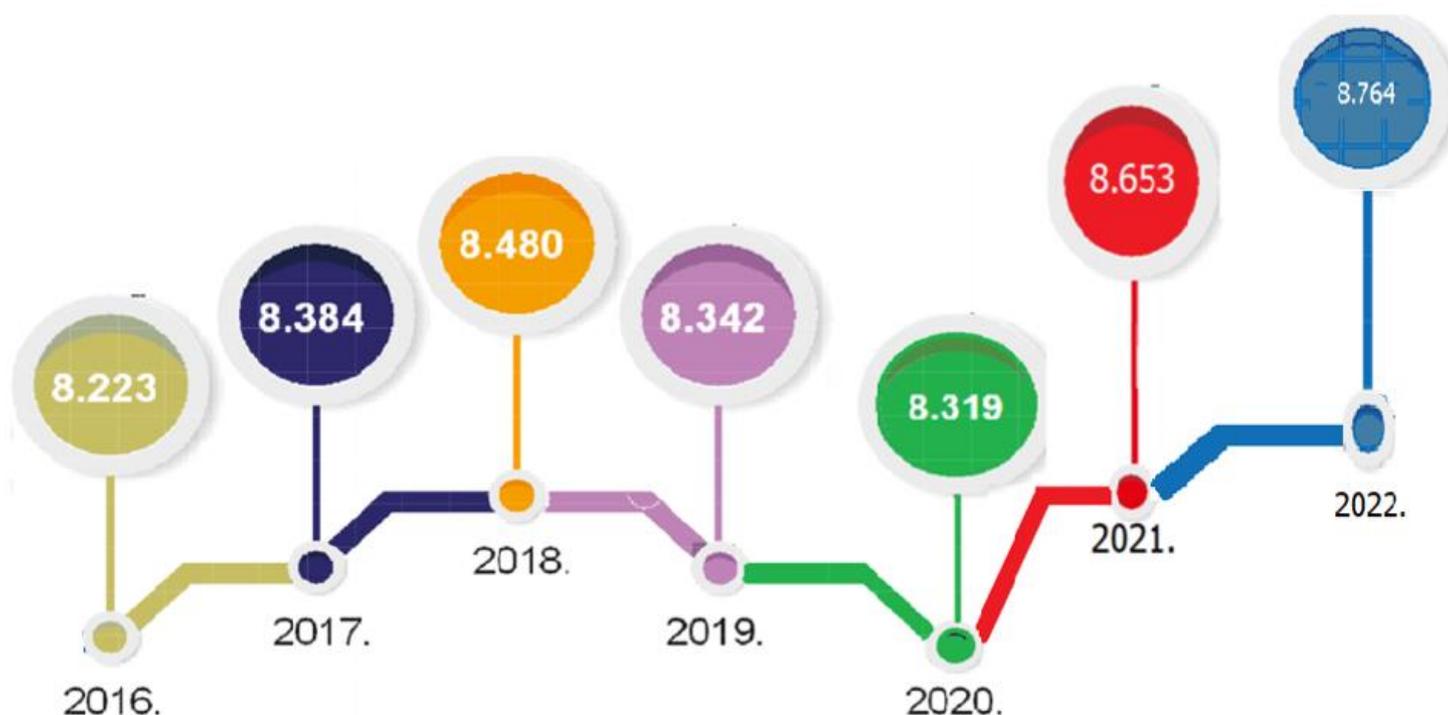
Source: Trebinje City, Data for 2022



Source: Foreign Trade Chamber of BiH, Regional Chamber of Commerce of Trebinje, IDB Portal / Economic Indicators

HUMAN RESOURCES

Employment in Trebinje in 2016-2022



Source: RS Tax Administration, Regional center Trebinje

31.12.2022.

Unemployed - persons who are actively seeking employment 2,053

Unemployed persons who are actively seeking employment represent the basis for workforce engagement. Persons with all degrees of professional qualifications are available. Re-training and additional training in line with requirements of an investor's business process are also possible.

Review of unemployed persons actively seeking employment in Trebinje by degree of professional education, 31 December 2022

TREBINJE TOTAL	NON-QUALIFIED	SEMI QUALIFIED/ PRIMARY SCHOOL	QUALIFIED	SECONDARY SCHOOL	HIGHLY QUALIFIED	COLLEGE EQUIVALENT	UNIVERSITY EQUIVALENT
2,053	187	8	609	728	9	64	448

Source: Employment Service of the Republic of Srpska, Bulletin - Statistical review – 31 December, 2022, Table 6

Average net salary on 31 December 2022 (in BAM)

	Net salary
Bosnia and Herzegovina	1190
Republika Srpska	1144
City of Trebinje	1081

Source: Republic Institute for Statistics; RS Chamber of Commerce



Educational institutions in Trebinje

Secondary Schools	<ul style="list-style-type: none">• Gymnasium “Jovan Dučić”• Technical School (electrical engineering, mechanical engineering - technician for CNC technologies, transportation and civil engineering)• Secondary School Center (Schools of Economics, Trade, Tourism, and Medicine)• Secondary Music School
University	<ul style="list-style-type: none">• University School for Manufacturing and Management is the center of knowledge and the source of staff for energy management and generation of energy for the entire region, and for processing industry.• University School for Business Engineering and Management (PiM) is a center for development of human resources for modern law practice and scientific work in economics.• College for Tourism and Hotel Industry is the regional center of knowledge and source of staff for the growing industry of relaxation and recreation.• Academy of Visual Arts contributes to the development of creative industries, which, in the new global economy (knowledge and experience economy) are exhibiting excellent potential for growth.• The Faculty of Agriculture - is a center of knowledge and a source of personnel for Agro-Mediterranean production (it focuses on the cultivation of Mediterranean crops, viticulture, olive growing, winemaking and the preservation of autochthonous species characteristic of the south of Herzegovina).

NATURAL RESOURCES

Water - Thanks to climate conditions and abundance of precipitation, the area of Trebinje is among the areas of the Balkan and Europe that are rich in water. The largest source of water is the watershed of river Trebišnjica, which was explored in detail and covers 4,457 km of surface area. Water potential is used for water supply of the population, power generation, industrial and servicing activities, and high quality irrigation of Trebinje and Popovo fields.

Land - Of the total surface area of Trebinje, 20,106 hectares represent agricultural land.

Climate - Geographic position of Trebinje provides for very favorable climatic characteristics for agricultural production and, in general, for activities and lives of people.

Construction material (stone, gravel, sand) - Significant unused wealth of Trebinje. Significant reserves of high-quality construction stone exist on 15 localities along the entire valley of river Trebišnjica - the edges of karst fields - Trebinjsko, Popovo and Zubačko field.

Medicinal and aromatic herbs - More than 2,000 medicinal plant species, with around 300 species of interest for pharmacology.



COMPETITIVE SECTORS FOR INVESTING

Trebinje offers to investors excellent opportunities for investments in sectors of agriculture, tourism, energy and processing industry.

Under Spatial Regulation Plan of Republika Srpska for the period until 2025, the city of Trebinje is envisaged as the primary regional center of the energy, agricultural and tourism region of Trebinje-Foča (with around 104,000 inhabitants).

Source: 2018-2027 Trebinje City Development Strategy

Agricultural Sector

An advantage Trebinje has for investments in the agricultural and food processing sector are the large arable land areas that have not been exploited for agricultural production for many years, and therefore represent a good resource for potential investment in this branch of the economy.

Thanks to the mild climate, wealth of sunshine and abundance of irrigation water in Trebinje, it is possible to grow various agricultural crops throughout the year. The conditions for growing Mediterranean crops in the RS are the most favourable in Trebinje area. Early vegetables, fruits and vines are grown, and it is also possible autumn or spring sowing.

In Trebinje 5.222 ha of arable land is available to investors in the agricultural sector, mostly alluvial soil. Out of this, over 1,000 ha were cultivated in 2022, and in the previous few years, 155 ha of arable land was leased to registered agricultural producers. The Ministry of Agriculture, Forestry and Water Management of the RS gave 695 ha under concession to registered agricultural producers of the City of Trebinje. The vast majority of this land under concession is located in the region of Popovo Polje and Trebinjsko Polje, and most leases are in the area of Ljubomirsko Polje.

• In 2022, the growing trend of cultivation Mediterranean fruit crops continued, and it is well known that this area has favourable agro-ecological conditions for it.

• In 2022, there were aver 6,000 olive trees, over 10,000 fig trees, over 8,000 pomegranate trees, over 3,000 tangerine trees and 2,000 trees of kiwi in the City. The Agrarian Fund certainly contributed to this activity through the allocation of certain types of these seedlings to interested agricultural producers.

Trebinje cheeses, škripavac, cheese from bellows and cheese from oil, along with wines, are an inescapable part of the gastronomic offer.

• Of the stone fruits, the most abundant is the sour cherry with over 10,000 trees, then cherry with over 7,000 trees, and we note an increase in the cultivation of plums and apricots, which are represented by over 6,000 trees each with a tendency to further increase.

• The cultivation of continental apples and pear species is stagnating, while this is not the case with quince, whose cultivation is expanding due to alcoholic products.

• Viticulture in 2022 is within the framework of previous years. The Agrarian Fund has certain activities on the planting of over 20 ha of new vineyards. Experience and tradition in the cultivation of vines exist especially in the locality of Popovo polje, Petrovo polje and Lastva. In 2022, according to the available data, there were about 20 registered wineries in the City, and a large number of private households are involved in the production of wine and other distillates, and these products are in great demand by both the local population and the population in the surrounding area.

• In 2022, in the area of the City, the cultivation of medicinal plants continues to stagnate, so many areas that were under medicinal plants were plowed and sown with field crops and fodder plants. The situation with the cultivation of medicinal plants is similar in the surrounding municipalities.

• With an area of about 34,000 ha of meadows and pastures, Trebinje has excellent conditions for investments in livestock.

• Livestock production as the main activity has recently stagnated, in terms of total agricultural production. There are several reasons for that and the main are imports, insufficient subsidies, depopulation of rural areas, elderly households and increasingly new types of livestock diseases. Given the cost of meat and dairy products as well as the demand for these products, there is a need for revitalization of this branch of agricultural production in the City of Trebinje. This is supported by the large number of arable (neglected) areas on which fodder plants could be grown for livestock breeding, i.e., large areas under pastures suitable for this type of production.

• Unpolluted land, with medicinal wild plants is favorable for beekeeping production. In the recent years, beekeeping has expanded in the area of the City of Trebinje. An increasing number of young people choose this type of production. It is estimated that there are over 25,000 bee colonies in the city. Honey and other bee products are in demand both in the region and beyond.





In 2022, in the agricultural sector, compared to 2021, there was an increase in income by 36 %, the number of employees increased by 5 %, and the average gross salary increased by 6 %.

Source: Trebinje City

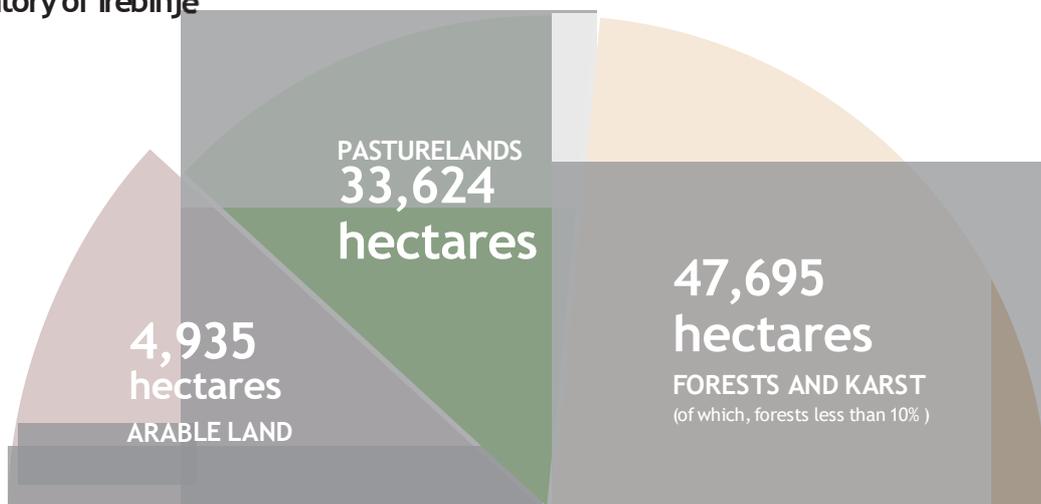
The autochthonous products of the Herzegovina area, the cheese, the honey, and the fruit species - figs, pomegranates, cherries etc.. are being bred.

On 80% of agricultural land there is an irrigation system that enables the irrigation for plants in the dry periods.

Business opportunities:

- Construction of new and expansion of existing cold storages and warehouses
- Construction of collection stations, processing capacities and drying plants for fruit and vegetables
- Production of organic food

Structure of land in the territory of Trebinje



Structure of arable land in the territory of the city of Trebinje



Source: 2018-2027 Trebinje City Development Strategy

Environmental protection

City of Trebinje recognized the importance of environment preservation, thus in the 2018-2027 Trebinje City Development Strategy the environmental protection measures were marked as exceptionally important. The local community assesses ecological potentials and promotes ways of use that ensures improvement of the local population life and, simultaneously, protection of the ecologically clean

Mediterranean environment.

To this end, the Trebinje City Assembly adopted the 2018-2027 Local Environmental Action Plan identifying priority areas with specific activities that are continuously implemented to ensure the environmental quality remains at high level.



Tourism

Trebinje is exceptionally attractive tourism destination whose offer attracts a growing number of tourists each year. This is evidenced by the fact that Trebinje is the first city to receive the status of a tourist place in the Republic of Srpska in 2018. At the world's largest tourism and travel fair "ITB Berlin", the promotional video of the Tourist Organization of Trebinje "Trebinje - a place for all generations" won first place within the competition "The Golden City Gate 2023." The city of Trebinje with the story "House of Herzegovina" was chosen as the best world story about sustainable tourism and the competition was held as part of the "Green Destinations Story Awards - TOP 100 SUSTAINABILITY STORIES" International Tourism Fair "ITB 2022" in Berlin. It is situated in the very south of the Republic of Srpska, at the crossroads between cities under the UNESCO protection: Dubrovnik (28km), Kotor (90km), and Mostar (120km).

In the period 2016-2019 Trebinje recorded continuous increase in the number of tourist arrivals (18,26 %) and overnight stays (27,76%). In 2020, due to the new coronavirus, pandemic we had fewer arrivals of tourists compared to 2019.

In 2021, there was a significant increase in arrivals by 128.92% and an increase in overnight stays by 126,96 % compared to the previous year, which was especially felt from April to November.

In 2022, there was an increase in tourist arrivals by 105.30% and an increase in tourist overnight stays by 90.17% compared to 2021.

In the sector of accommodation provision, preparation and serving food, hotel industry and catering, revenues increased by 24 %, in 2022 compared to 2021, the number of employees increased by 4% and the average gross salary increased by 26 %

Trebinje offers:

- abundant and well-preserved nature
- diverse cultural and historic monuments and cultural events
- healthy food, excellent wine and traditional Herzegovinian cuisine

According to all parameters, the year 2022 is the best and the most successful year since the tourist traffic in Trebinje has been measured.

International tourism performed better than expected in 2022, thanks to both demand and the abolition and relaxation of travel restrictions in a number of countries

In 2022, over 900 million tourists travelled abroad, twice as many as in 2021, but still 37% less than in 2019.

According to data from the UN World Tourism Organization (UNWTO) published in May 2022, international tourism recovered by 63% compared to the period before the pandemic.

Europe, as the world's largest destination, recorded 585 million arrivals in 2022, which means that it reached almost 80% of the level before the pandemic (-21% compared to 2019).

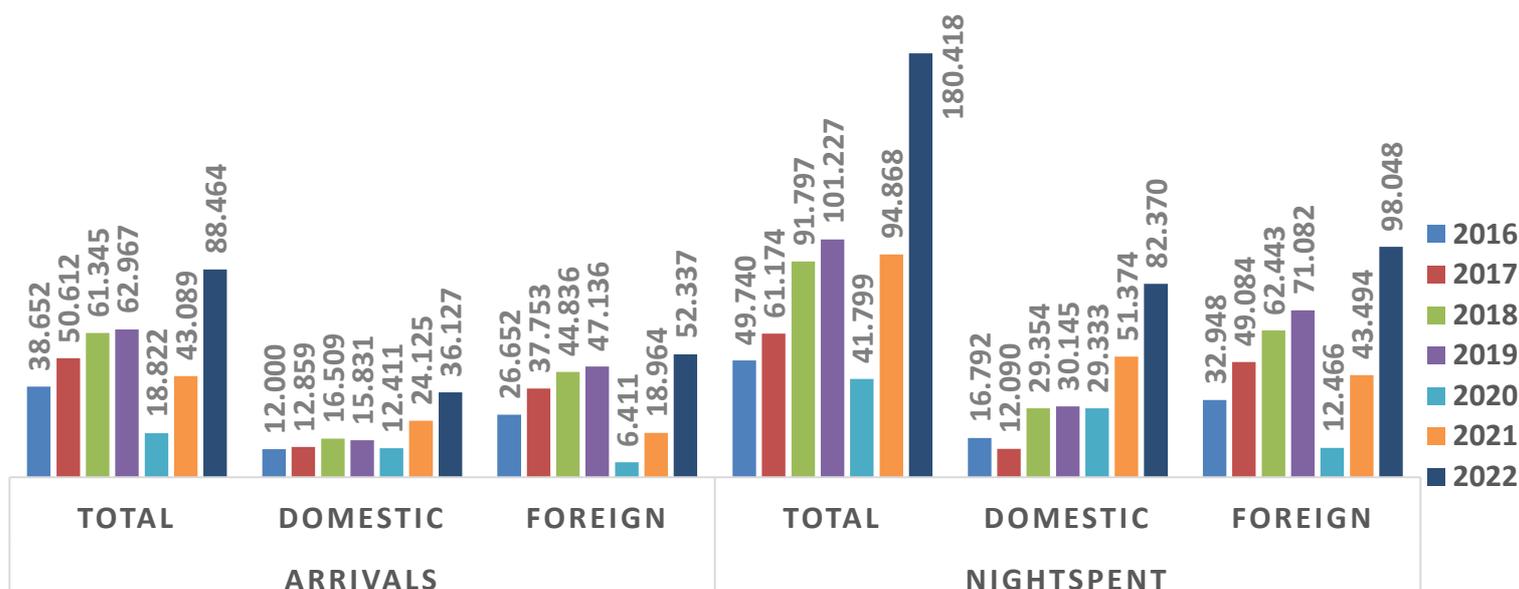
According to forecasts by the UN World Tourism Organization for 2023, international tourist arrivals could reach 80% to 95% of pre-pandemic levels. Although there are risks, especially economic and geopolitical, Europe is expected to reach that level.

Source: United Nations World Trade Organization (UNWTO), eLibrary
Publication: UNWTO World Tourism Barometer and Statistical Annex January 2023, Abstract Volume 21, Issue 1,





TOURIST ARRIVALS AND OVERNIGHT STAYS IN 2016-2022



Source Tourist organization of the city of Trebinje

Business opportunities:

- Investments in tourism infrastructure and services for various types of tourism: adventure, recreational, sports, educational, congress, cultural and historical tourism, and religious tourism

TREBINJE	CULTURAL AND HISTORICAL MONUMENTS EVENTS
<p>NATURAL ATTRACTIONS</p> <ul style="list-style-type: none"> • Trebišnjica River (98 km), at one time the longest underground river in Europe, flows, in its most beautiful part, through the very city. Because of its calm flow it is favorable for holding sports events in many disciplines, and because of the large abundance of fish it is a large attraction for fishermen. • “White human fish”, the only amphibian in Europe that lives in caves, can be found in 46 underground locations in Trebinje. Trebinje possesses the first and only observatory for observation of human fish in the world. • Vjetrenica, the most famous cave in Bosnia and Herzegovina, protected natural monument with the total of 6,700 m of underground channels discovered. • Area of the Orjen massive is recognized as the most attractive for “active relaxation” - spending time in nature, hiking and mountaineering, and for speleological activities (exploration of crevasses and caves). In 2020 it was declared a nature park. 	<ul style="list-style-type: none"> • Cultural and historical monuments - Old town of Kastel, Hercegovina Museum, Perovića (Arslanagića) bridge; gifts of the poet Jovan Dučić to the city: monument to fallen soldiers of World War I, figure of Jelena Anžujaska, Cupid’s fountain in the park, Dučić drinking fountain, lion figures, monument to Njegoš • Religious facilities - monasteries of Tvrdoš, Petropavlovski, Duži, Zavala, Temple of Holy Mother of God - Hercegovina’s Gračanica; churches of Holy Transformation, Holy Kliment and Holy Arhangel; Catholic Cathedral; Osman-pasha Mosque and Emperor’s Mosque • Plane trees are one of the most recognizable symbols of Trebinje. For many visitors of the city, the summer garden of plane trees represents an oasis in hot days where they can get refreshed in the shade of trees more than 120 years old. • Dučić evenings of poetry is the cultural event that has, traditionally, been held in Trebinje for 51 years and gathers the most prominent artists from BiH and the region. It is devoted to Jovan Dučić, Serbian and Bosnian-Herzegovinian poet and diplomat born in Trebinje. On this occasion, poetry nights are held, in addition to theatre shows, visual arts exhibitions, and “poetry for the youngest generations” gatherings. • Visual arts colonies Lastva and Kolo • Festival of Mediterranean and European film • Trebinje cultural summer • Motorcycle gathering - Motorijada • Summer school of sports • Night of the Museum, Festival of Drama Amateurs Festival, Vidovdan celebrations, International Classical Music Festival Music&More Summerfest, Trebinje Guitar Festival

Energy Sector

Hydro Power

Thanks to climate conditions and wealth of precipitation, the area of Trebinje is among the areas in the Balkans and in Europe that are rich in water.

The largest source of water is the watershed area of Trebišnjica river with total surface area of 4,457 m². The concept adopted for the construction of the Hydro Power System of Trebišnjica pointed to the possibility to construct seven hydro power plants and six reservoirs in the entire system. To this day, 4 hydro power plants have been constructed as part of the project of “Lower Horizons” (Trebinjel and II, Dubrovnik-Plat and HE Čapljina).



In Trebinje, the head-quarter of MH “Elektroprivreda” Republika Srpska” is located.

Contact for information:

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Web: <http://ers.ba/>

Business opportunities:

The Project of “Upper Horizons of Trebišnjica River”, which includes the unconstructed part of the hydropower system upstream from the “Bileća” reservoir is, in its essence, a very complex project that treats the entire area as a single water management unit. The energy part of the project involves the construction of three new hydro power plants in the territory of Republika Srpska: HPP Nevesinje (61 MW), HPP Dabar (160 MW) and HPP Bileća (36 MW). HPP Dabar is in the initial phase of construction.

Technical indicators of constructed hydro power plants in the system of Hydro Power Plants on Trebišnjica river:

Name of HPP	No. of agr.	Nominal power		Power on threshold	Average annual generation	Median annual flow	Useful volume of reservoir	Maximum gross slope
		MVA	MW					
Trebinje I	3	3×67	3×60	180	479.4	71	1 082.3	104.15
Trebinje II	1	10	8	7.6	12.5	82.9	9.3	22
Dubrovnik	2	2×120	2×108	2×105	1 391.1	82.9	9.3	295
PHE Čapljina	2		2×220	440	451	28.9	6.5	227

Source: Republika Srpska Power Company, River Basin of Trebišnjica, link: <https://ers.ba/ers/investicije-i-razvoj/hidroenergetski-potencijal/sliv-trebinjice/>

Contact for information:

Hydro Power Plants on Trebišnjica-HET

Telephone: +387 59 260 213

e-mail: het@henatrebisnjici.com

Web: <https://henatrebisnjici.com>





Solar energy

Trebinje is located in the sunniest part of Bosnia and Herzegovina. Solar insulation is at the level of 1,800 kWh of heat energy per m², which classifies Herzegovina and Trebinje amongst the most favorable locations in the region and Europe for investing in renewable sources of energy from the sun.

Business opportunities

- Investments in power generation from solar energy for own needs and delivery of energy surpluses into the system

Contact for information:

Regulatory Commission for Energy of Republika Srpska

Telephone: +387 59 272 400

E-mail: regulator@reers.ba

Web: <http://www.reers.ba>

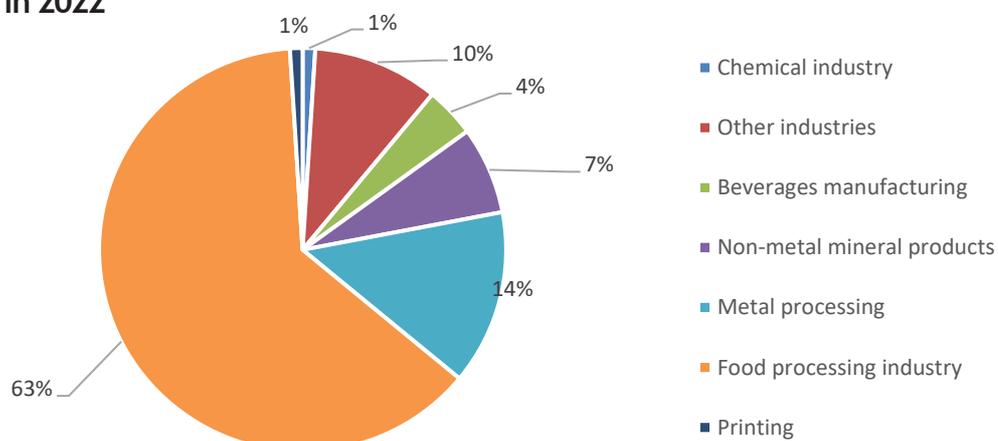
Processing sector

Processing industry has a long tradition in the economy of Trebinje and East Herzegovina and the sector changes and adjusts to modern economy and growth of demand in the market.

In recent times, the focus of processing industry in Trebinje is on the food processing sector, which is dominated by confectionery products, the metal processing and production of wine.

In the structure of total revenues by activities in 2022 in Trebinje, the processing sector participates with 8,2 %.

Structures of total revenues in processing industry in Trebinje in 2022



Source: 2018-2027 Trebinje City Development Strategy; Trebinje City

Revenue in processing industry in 2022 compared to 2021 increased by 314 %, the number of employees decreased by 3% and the average gross salary increased by 26 % .

Business opportunities:

- In the food processing sector, unused potentials exist in final fruit and vegetable processing and production of dried fruits and vegetables.
- Non-polluted environment, Mediterranean climate, construction of the irrigation system in Petrovo and Trebinje field and significant unused agricultural areas in Popovo field represent excellent opportunities for investing in production and processing on the basis of natural resources.

Other sectors

- In the trade sector, in 2022 there was a decrease in revenue by 34 %, the number of employees increased by 4%, and the average gross salary increased by 15 %, compared to 2021.
- In the construction sector in 2022, compared to 2021, revenues increased by 27 %, the number of employees decreased by 2 % and the average gross salary increased by 13 %.
- In the transport and storage sector in 2022 compared to 2021, revenues increased by 18 %, the number of employees increased by 5 %, and the average gross salary increased by 12 %.
- In the sector of information and communication in 2022, compared to 2021, revenues increased by 43 %, the number of employees increased by 34 % and the average gross salary increased by 1 %.
- In the field of health care and social work in 2022, compared to 2021, revenues increased by 25 %, the number of employees increased by 5%, and the average gross salary increased by 14 %.

COSTS OF DOING BUSINESS FOR INVESTORS

Favorable operational costs

Permits in the process of construction within competence of Trebinje City Administration

- Time and costs of issuance of location requirements, construction permit and usage permit

Applications for issuance of permits are submitted to the Department for Spatial Development of the City of Trebinje.

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Costs in 2023

No.	Type of permit	Deadline for issuance	Costs
1.	Location requirements	5 days (3 days for review whether the application is complete)	<ul style="list-style-type: none"> • City administrative fee for issuance of the location requirements amounts to BAM 20 • Fee for preparation of urban and technical requirements and issuance of the location requirements: <ul style="list-style-type: none"> - business facilities with surface area of up to 50 m²- BAM 100, - business facilities with surface area of up to 100 m²- BAM 150, - business facilities with surface area of between 100 m² and 400 m²- BAM 200, - individual residential facilities up to F+1 – BAM 50, - individual residential and commercial facilities over F+1 – BAM 100, - weekend houses - BAM 100, - billboards, advertisements - BAM 40, - summer gardens - BAM 50, - stalls - BAM 30, - kiosks - BAM 50, - petrol pumps - BAM 500, - infrastructural facilities (transport, energy, water supplies and sanitation, telecommunications and similar) - BAM 300, - reconstruction, expansion, extension and change of purpose of the facility - BAM 80, - facilities referred to in Article 125 of the Law on Spatial Development and Construction - BAM 40, - construction of temporary business facilities - BAM 80. <p>Investors pay 50% of determined amounts for changing the urban and technical conditions. Fee for the location requirements for facilities for which the urban and technical conditions, i.e. expert opinion, are prepared by legal persons authorized for development of spatial planning documentation amounts to BAM 50.</p>



No.	Type of permit	Deadline for issuance	Cost price
2.	Construction permit	5 days (3 days for review whether the application is complete)	<ul style="list-style-type: none"> • Contribution for surveying and establishment of the real estate cadaster-0.3% of an estimated value of construction works • City administrative fee for issuance of decision on the approval for construction-0.3 tens of percentage point of an estimated value of the construction and crafts works, the fee cannot amount to less than BAM 20 • Rent: average final construction price of m² of useful surface of residential and commercial space amounts to BAM 1.356,30. Zone I 6% of average final construction price - BAM 97,65/m², Zone II 5% of average final construction price - BAM 67,82/m², Zone III 4% of average final construction price - BAM 54,25/m², Zone IV 3% of average final construction price - BAM 40,69/m², Zone V 2% of average final construction price - BAM 27,13/m², Zone VI 1% of average final construction price - BAM 13,56/m². • Fee for development of city construction land: Zone I - BAM 118,18/m², Zone II - BAM 109,74/m², Zone III - BAM 101,29/m², Zone IV - BAM 84,42/m², Zone V - BAM 67,54/m², Zone VI - BAM 50,65/m². .Outside the city zone BAM 42,21/m². • Fee for staking out the facility: <ul style="list-style-type: none"> - business facilities of any purpose with surface area of up to 50 m² - BAM 100, - business facilities of any purpose with surface area of up to 100 m² - BAM 150, - business facilities of any purpose with surface area between 100 m² and 400 m² - BAM 150, - petrol pumps - BAM 250, - infrastructural facilities (transport, energy, water supplies and sanitation) - BAM 250, - expansion of facilities - BAM 40, - facilities referred to in Article 125 of the Law on Spatial Development and Construction - BAM 40, - construction of temporary business facilities - BAM 80.
3.	Usage permit	15 days for technical examination of the facility, 8 days for report of the expert commission and 5 days for issuance of the usage permit (3 days for review whether the application is complete)	<ul style="list-style-type: none"> • City administrative fee for issuance of the usage permit - 0.3 tens of percentage point of an estimated amount of construction and crafts works; the fee cannot amount to less than BAM 20 • Costs of the Technical Inspection Commission (when it is appointed by the decision of the authority): <ul style="list-style-type: none"> - business facilities, i.e.premises up to 50 m² - BAM 150 - business facilities, i.e.premises between 50 and 100 m² - BAM 200 - multistory residential spaces - BAM 2/m² - multistory residential and commercial facilities – BAM 2,50/m² - facilities referred to in Article 125 of the Law on Spatial Development and Construction - BAM 60, - petrol pumps 0.50% of the facility investment value, - infrastructural facilities (transport, energy, postal services and telephones, water supplies and sanitation) and development of the surroundings: <ul style="list-style-type: none"> • up to BAM 100,000-0.60% of investment value, • between BAM 100,000.00 and BAM 200,000.00 - 0.50% of investment value, • between BAM 200,000.00 and BAM 500,000.00 - 0.40% of investment value, • between BAM 500,000.00 and 1,000,000.00 - 0.30% of investment value, • exceeding BAM 1,000,000.00 - 0.20% of investment value, • bridge construction, tunnel construction, dams - 0.50% of investment value, • boiler rooms - BAM 600. • business facilities, i.e.premises over 100 m² - 2.00 BAM/ m² temporary business facilities - BAM 200.00 .



Time and costs of issuing an agricultural permit for changing the use of agricultural land

The competent authority is the Department of Tourism, Environmental Protection and Entrepreneurship of the City of Trebinje

Contact: Bojan Vučurević, Head of Department

Telephone: +387 59 273 485

E-mail: tpp@trebinje.rs.ba

No.	Type of permit	Deadline for issuance	Costs
1.	Agricultural approval for changing use of agricultural land	5 days (3 days for review whether the application is complete)	<ul style="list-style-type: none"> • Fee for converting agricultural into non-agricultural land: fee depends on the land class and is calculated in such a manner that the cadaster revenue is increased: <ol style="list-style-type: none"> a) 500 times for land class I, b) 400 times for land class II, c) 300 times for land class III, d) 200 times for land class IV, e) 100 times for land classes V, VI, VII, VIII. If it concerns a temporary facility, fee is reduced by 50% compared to a permanent change of land use.

Utilities

Costs of utility services

Type of service	Unit of measurement	Average price in EUR (including VAT)
Water supply including sanitation	m ³	1.59
Waste collection	m ²	0.28
Central heating	MWh	102.07
Power	kWh	Higher tariff 0.067 Lower tariff 0.047-0.123
Telephone	Connection	Subscription for land line 8.91-11.34 Land line 0.02-0.18 per minute Subscription for mobile phones 5.98-53.84 Mobile 0.08-0.14 per minute
Broadband Internet	Subscription	12.56-131.61 Mobile Internet 5.98-23.93



SUPPORT FOR INVESTORS PROVIDED BY TREBINJE CITY ADMINISTRATION

Reforms for improvement of business environment

- The city administration of Trebinje implemented a regulatory reform, resulted in simplified procedures for issuance of permits and licenses under competence of the City, faster processing, lower costs, and significant savings for investors.
- Transparency of operations of the administration was increased through the establishment of the electronic register of administrative procedures and electronic register of incentives awarded by the City to investors.
- Aftercare program for existing investors was established, through cooperation with higher government levels within the Collaborative Network.
- Work of the Economic Council was improved aiming at higher quality public and private cooperation and dialogue on all topics of importance for the private sector.
- Department for Local Economic Development, Investments and Energy Efficiency provides support to investors in the implementation of their investment projects.
- Development Agency of the City of Trebinje was established to support potential entrepreneurs and enterprises in development.
- Office for Entrepreneurship-(within the Department of Tourism, Environmental Protection and Entrepreneurship) the goal and focus of the office is to help already registered entrepreneurs as well as the new independent entrepreneurs to register and provide informative and advisory approach. The desire (but also the obligation according to the BFC standard) of the City Administration is to enable the start of entrepreneurial activity within 24 hours from the moment of submitting the request for activity registration.
- For the private sector, the city administration provides several programs of support and incentives with the objective to develop business operations and the overall local economy.
- During the period 2018 - May 2022, local agricultural producers were allocated over 151.30 ha of agricultural land for lease for a period of 10 - 20 years, which constitutes an additional potential for the development of the base of agricultural and processing capacities.
- The Agrarian Fund of the City of Trebinje was established to support local agriculture producers to accelerate the agricultural production development, and potential entrepreneurs and companies in this sector.
- Trebinje has BFC standard, which guarantees that the City is an investor friendly business environment.





PRACTICAL INFORMATION FOR INVESTORS

Business registration

- Business registration is under competence of the Commercial Court in Trebinje. Detailed information on the process of business registration is available on the following link: www.preduzetnickiportalsrpske.net/registracija/privredno-drustvo/
Intermediary in registration is the Agency for Intermediary, Information Technology and Financial Services, APIF, link: www.apif.net
- The Department of Tourism, Environmental Protection and Entrepreneurship is in charge of the registration of independent entrepreneurs. The city administration shall issue the decision on registration within the deadline of 2 days from the date of receiving a complete application.

At their disposal investors have : nine banks, six microcredit organizations, ten insurance firms, notary offices, law firms, agencies for accounting services.

- **Electronic registers** with detailed lists of permits and licenses necessary for investors in BiH, Republika Srpska and the City of Trebinje, including costs, are accessible on the following websites:

Trebinje City

<http://eregistar-trebinje.com/>

Republika Srpska Government

<http://www.regodobrenja.net/index.php?jezik=1>

BiH Ministry of Foreign Trade and Economic Relations

<http://rap.mvteo.gov.ba/egfVwOdlukaJedinice.aspx>

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

Trebinje City

<https://trebinje.rs.ba/investicioni-podsticaji-i-olaksice/>

Republika Srpska Government /Invest Srpska

<http://www.investsrpska.net/index.aspx?PageID=436&menuID=215&langid=3>

BiH Ministry of Foreign Trade and Economic Relations

http://www.mvteo.gov.ba/izvjestaji_publicacije/izvjestaji/default.aspx?id=6176&langTag=bs-BA

BiH Foreign Investment Promotion Agency (FIPA)

http://www.fipa.gov.ba/informacije/povlastice/strani_investitori/default.aspx?id=141&langTag=bs-BA

No	Type of information	Information
	Name of the zone	<u>Volujac Business Zone</u>
2	Type of investment (greenfield, brownfield)	Greenfield
3	Surface area	85 hectares
4	Ownership	Ownership over parcels for construction: city 11%, RS 41%, private entities 48%
5	Description of the zone's location in relation to transport corridors	It is around 5 km from the city center, immediately along the M20 Primary Road (Trebinje-Dubrovnik, Croatia/EU). The distance of the Business Zone from the M20 Primary Road is 1 km, from the railway 70 km, from the sea port 30 km, and from the airport 45 km. There is an adopted Regulation Plan.
6	Number and surface area of parcels that are free and available for investing	Construction parcels are planned in such a manner that their size can be tailored to needs of an investor. In the course of development of the Regulation Plan (RP), care was taken of the fact that in that moment in time it was not possible to fully analyze needs of future investors, so the RP envisages the possibility of consolidation, i.e. division of construction parcels.
7	Business opportunity	<u>Purchase of land</u>
8	Sale price of land in the zone	The price of 1 m ² of construction land in the Volujac Business Zone amounts to BAM 50. Costs of construction land development amount to BAM 67,54/m ² , rent amounts to BAM 27,13/m ² . The City facilitates a reduction in the rent and costs of development for constructing manufacturing plants in the Business Zone, specifically: 99% for the rent and 25% for the costs of development.
9	Infrastructure	35/10 kV substation, possibility of connecting to the low voltage network. Water supply infrastructure is developed (pipes with diameter of 100 mm). Road in the Business Zone is partially constructed, and in 2018 the construction of roads in the Business Zone will be continued.
10	Priority sectors for investing in the zone	Within the Business Zone construction of manufacturing plants (clean industry), trade and warehousing facilities is envisaged.
11	Existing companies in the zone	<u>In the Volujac Business Zone, 6 enterprises currently operate.</u>
12	Documentation necessary for investing in the zone and who is issuing it	There is an adopted Regulation Plan



Other available land for greenfield investments

The city of Trebinje also has plots that are intended for the construction of business/commercial facilities.



Locations for brownfield investments

Contact for inquiries for brownfield location:

Department of Tourism, Environmental Protection and Entrepreneurship of the City of Trebinje

Contact: Bojan Vučurević, Head of Department

Telephone: +387 59 273 485

E-mail: tpp@trebinje.rs.ba

The City of Trebinje offers to investors one facility for brownfield investments. It is a part of the facility of former "Novoteks" (actual facility name is Tini Business Center). Around 3,000 m² of commercial / manufacturing space is available for investors. The facility is connected to utility infrastructure and is located immediately next to the city bypass, around 2 km from the city center. It was built in the 1980s, purposefully for manufacturing and warehousing in textiles industry.

STATEMENTS OF EXISTING INVESTORS IN TREBINJE

Director of POROBIC Ltd Trebinje, Mr Zoran Porobic:

"The cooperation of the City of Trebinje and the company POROBIC Ltd Trebinje is primarily focused on joint deployment on the construction of numerous infrastructure projects, which are the result of the accelerated urban and economic development of the City in the last decade. Successful cooperation is characterized by a high degree of mutual operability with the application of modern approaches in construction, and the sharing of ideas with the creation of adequate solutions, while respecting the urban and aesthetic characteristics of the City. Through the public calls that the City of Trebinje has been announcing, as support programmes for employment, it is successfully dealt with the growing problem of a lack of human resources. The progressive economic and urban development of the City significantly contributes to the growth and development of all economic operators, including our companies. "

SIGNIFICANT BUSINESS ENTITIES IN TREBINJE

Agriculture, forestry and fishing

- **"Popovo polje", joint-stock company** - Production of fruit - apples, cherries, and grapes. The firm was founded in 1977. Upon intensive investments of the shareholders the firm was modernized, and the production was harmonized with the most up-to-date global standards, along with continuous increase in the volume of production. Under the slogan "I love fruit" the company is successful in cultivation and selling high-quality fruit both in the country and abroad. <http://www.popovopolje.com/index.php/sr/onama>
- **"Agrofin", Ltd** - Production and sale of wine grape. Black varieties offer: vranac, merlot and cabernet. White varieties offer: žilavka, chardonnay and smedevka. E-mail: agrofindoo@gmail.com

Processing sector

- **"Swisslion", Ltd Trebinje** - The Sweet house is a retail chain specializing in promotion and selling of salty and sweet products of Swisslion-Takovo. The sale networks consists of 112 retail shops in Serbia, Croatia, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia and Montenegro. <http://www.swisslion-takovo.com/o-nama/>
- **"Swisslion IAT"** - "Swisslion IAT" - Tool Industries in Trebinje is manufacturing cut tools for more than 55 years and is amongst the largest producers in Europe. Tools are produced from the highest quality steel (Molybdenum, Cobalt and other alloy fast cutting steel). <https://www.ecomex.co.rs/rezni-i-brusni-alati/iat-swisslion-iat/150-industrija-alata-trebinje.html>
- **"Monting-energetika", Ltd** - One of modern privately owned metal processing companies in Herzegovina founded in Trebinje in 2001. The company's business activities are the production and installation of process equipment, metal structures and spare parts for various industrial facilities. By quality improvement, it is increasingly becoming a recognizable company in its sector. E-mail: montinge@teol.net
- **"Vukoje Wine Cellars 1982"** - For the fourth decade already the company's business activity is a limited production of premium wines and alcoholic beverages. The winery relies on modern technologies, controlled fermentation processes and the traditional method of wine aging in oak barrique barrels in basements located eight meters below the surface of the earth. The company is a winner of over 150 gold medals at domestic and international wine competitions; it won 10 gold and silver medals in AWC Vienna 2015, the most significant and officially the biggest World Wine Contest, and was declared the best national producer in BiH. E-mail: podrumvukoje@gmail.com

Processing sector

- "Tvrdoš Monastery Wine Cellars" - Monastery has two wine cellars. In the old stone cellar from the 15th century, in centennial oak barrels, "vranac" ages, and only 10 meters away, along the Trebišnjica river, a new wine cellar has been dug, equipped with the latest technology, but perfectly integrated into the existing complex. Modern technological solutions include the gravitational transport of wine during processing, enabled by height differences between various levels of cellars. Tvrdoš Monastery winery has achieved great success at this year's wine competition in London, winning 1 gold and 2 bronze medals for its wines. Monastery Tvrdoš wine "Velika Rezerva" won gold medal in a very strong competition of more than 16,900 wines from around the world, and wines "Vranac" and "Hum" (*Cabernet Sauvignon*) won bronze medals. This award is the biggest success so far for all wines and wineries from the Republic of Srpska. The great success at the global level, at the strict and demanding Dekanter world wine awards, is just one of many confirmations of a continuous premium quality of Monastery Tvrdoš wines, and ranks the winery among the most successful and famous in the region. E-mail: tpodrumi@teol.net
- „Dineco Group“ Ltd Trebinje was established in 2006. Since its establishment, they have been engaged in the production of plate material, and later have completed their design and interior equipment, from the conceptual design, 3D visualization to the final production. Production and sales program of the company Dineco Ltd Trebinje consists of: Business unit: Production of furniture from panel material; Business unit: processing of natural marble and granite and Business unit- Retail of office chairs and furniture. E-mail: dineco.co.ba@gmail.com

Construction

- "Herc invest", Ltd - Main business activity is investment and sale and purchase of real estate. Business activities: selection and purchase of construction land, design of facilities, planning and organization of construction, and performing construction work as per turn-key system with the main goal to satisfy customers' wishes within deadlines and quality. E-mail: hercinvest.rs@gmail.com
- "Hercegovina putevi", joint-stock company - Company for roads' maintenance and protection.
- "Luč invest", Ltd - Specialized partner company for engineering and investing in construction of business and residential facilities. www.luc-invest.com
- „SEGMENT“, Ltd - Company main activity of the company is performing all kinds of wirings, electro - supplies wholesale and retail, lighting fixtures as well as the sale and installation of systems for technical security of facilities and cars. Email: nstarovic@segment.rs.ba
- "ABV SISTEM", Ltd - Main business activity is material sale and equipping the interiors with suspended ceilings and lightings. Offer also includes great and wide selection of floor-coverings, laminates and parquets, and other elements of interior design. ABV system is the authorized distributor of BOHOR company from Užice, Serbia, one of leading manufacturers of metal constructions for suspended ceilings and partition walls, metal ceilings and lighting elements. ABV system relies on BOHOR's rich long-standing experience in the installation and construction. E-mail: abvsistemis@teol.net
- „PAVIĆEVIĆ“, Ltd - The company for construction, trade and export-import. E-mail: pavicevic@teol.net
- „SIGA“, Ltd - Company main field of work is construction of buildings (architectural engineering) and construction of civil engineering facilities. E-mail: sigageo@gmail.com
- "POROBIĆ", Ltd - Company main activity is construction of buildings, other facilities or their sections and installation works. E-mail: porobicdoo@gmail.com
- "LEOPLASTIK" Ltd Trebinje was established in 1999. For many years it has been successfully engaged in the construction and sale of the apartments and business premises in the city. In addition to the above, the Industrial Bakery has been operating within the company since 2013.

Trade

- "Swisslion Takovo", Ltd - Leader in producing quality and healthy food. The application of modern technology and advanced knowledge and their continuous improvement have set high standards of business operations, life and work in Swisslion-Takovo. E-mail: sl.takovo@yahoo.com
- „APIS“, Ltd Trebinje - Main activity is wholesale of timber, construction material and sanitary ware. E-mail: apistb@teol.net
- „TRAVUNIJA“, Ltd Trebinje - Main activity is retail of food, beverages and tobacco in non-specialized shops. E-mail: travunija.direktor@gmail.com
- "BEST COMPANY", Ltd Trebinje - BEST petrol station was built according to the highest world designing and construction standards. It entails sell of cheap petroleum products of the European quality, shop of wearable auto parts, oil and auto cosmetics. E-mail: bestcompanytrebinje@gmail.com
- "ĐIM TREJD" Ltd Trebinje non-specialized wholesale trade designed as a chain of groceries. They are widely known for their well-equipped shops and the representation of all high-quality items. E-mail: djim@teol.net

Services of accommodation, preparation and food delivery; hotel industry and catering

- „MARKET 99“, Ltd Trebinje - This catering facility is known for its cozy and modern interior, excellent atmosphere and service, as well as food specialties of national and international cuisine with high quality preparation. E-mail: market99cafferestaurant@gmail.com
- Hotel "LEOTAR" - Located in the city center, on the banks of the Trebišnjica River, surrounded by greenery, built in the Herzegovinian Mediterranean style. The hotel offers luxurious accommodation-25 rooms and 10 suites, and 64 standard single and double rooms. E-mail: www.hotelleotar.com
- Hotel "PLATANI" Located on the main city square in Trebinje. The hotel has 20 rooms and 2 apartments of modern design which, with its comfort and equipment, provide guests with a comfortable and pleasant holiday. E-mail: hotel.platani@gmail.com
- Hotel "CentralPark"-located on the main street in the very centre of Trebinje. At the site of the former "Student's Home" the appearance of a modern building achieved by careful renovation while retaining "the Austro-Hungarian" architecture from the beginning of the XX century that adorns the entire main street. Email: info@hotel-centralpark.com, www.hotel-centralpark.com
- Hotel "Integra"- located in the historic center of the Old Town in Trebinje. High luxury style, and paintings with motifs of Herzegovina dominate in the hotel, while the view from the hotel extends to the hundred-year-old plane trees and the Old Town-Kastel. Email: trebinje@hotelintegra.com
- Hotel "Studenac"- located in the peaceful part of the City of Trebinje, along the banks of the river Trebišnjica, surrounded by greenery and springs. Email: hotelstudenac@gmail.com, www.spahotelstudenac.com
- Hotel "SLPanorama" -located in the City of the sun, which, in addition to the SL Industry Hotel, is part of the SL Hotels Group. Incredible architectural solutions in Trebinje are applied to this luxury hotel. Email: info.slpanorama@slhotelsgroup.com, www.slhotelsgroup.com
- Grad Sunca Trebinje (City of Sun Trebinje)-After investing in food sector, company Swisslion expanded its business in Trebinje to tourism and hospitality. In 2017 SL Industry Hotel and the Eastern Gate of City of Sun were opened. Eight hectares of Herzegovina karst were enriched by the construction of the Aqua Park Sun Springs and Dino Park with adrenaline and fun facilities. In April 2018 SL Panorama Hotel, synonym for luxury and comfort, was opened within the complex. It is planned that after the completion of all phases, the City of Sun complex will occupy an area of 80 hectares. Email: info@gradsuncaatrebinije.com

CONTACTS FOR SUPPORT TO INVESTORS

City of Trebinje

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Telephone: +387 59 273 460

Fax: +387 59 260 742

E-mail: grad@trebinje.rs.ba

web: www.trebinje.rs.ba



Mayor

Mirko Ćurić

Telephone: +387 59 274 400

E-mail: gradonacelnik@trebinje.rs.ba

Contact information for investors

Nataša Tučić, Department for Local Economic Development, Investments and Energy Efficiency

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E-mail: ler@trebinje.rs.ba

**TREBINJE IS A CITY THAT HAS RECOGNIZED, SHAPED,
AND OFFERED TO NUMEROUS BUSINESS PEOPLE NEW
OPPORTUNITIES AND EVEN BIGGER CHALLENGES.**



British Embassy
Sarajevo



The investment profile was developed as part of the Local Investment-friendly Environment (LIFE), which is being implemented by the World Bank Group in partnership with the UK Government, the Council of Ministers of Bosnia and Herzegovina, the Federation of BiH Government, and the Republika Srpska Government. The project has been funded by UK aid from the UK government; however, the views expressed do not necessarily reflect the UK government's official policies. The findings, interpretations, views and conclusions expressed herein do not reflect the views of the Executive Directors of the World Bank Group or the governments they represent.