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Invest in Laktaši The Place of Good Ideas



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➤ „Jakshe Tehnology has very positive experiences with investing in the municipality of Laktaši. The impression is that the company would be doing business in a stable and predictable environment was the most important part of the decision to chose this location for investing wich has proven to be true.“

Direktor, Miroslav Stolić , „Jakshe Technology" d.o.o. Laktaši

➤ „The municipality of Laktaši is an advantageous place for starting and development business, which is why we have planned new investments in the area of this municipality .“

Direktor, Anđelko Gunjić, „MAHLE Electric Drives Bosnia" d.o.o. Laktaši

➤ INVESTOR CONTACT

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GEOGRAPHIC POSITION AND CLIMATE

The municipality of Laktaši is located in the western part of the Republika Srpska (RS) and north-west part of Bosnia and Herzegovina (BiH), i.e. the Southeast Europe.

- Time zone: GMT+1
- Latitude: 44°46' - 44°59'
- Longitude: 17°10' - 17°29'

The climate is a moderately continental one with four differentiated seasons, with an average temperature of 11°C and an average annual rainfall of 1,010 l/m². The climate conditions are favourable, primarily for development of agricultural production.



Position of BiH in the region



Position of Laktaši municipality in BiH

TERRITORY AND POPULATION

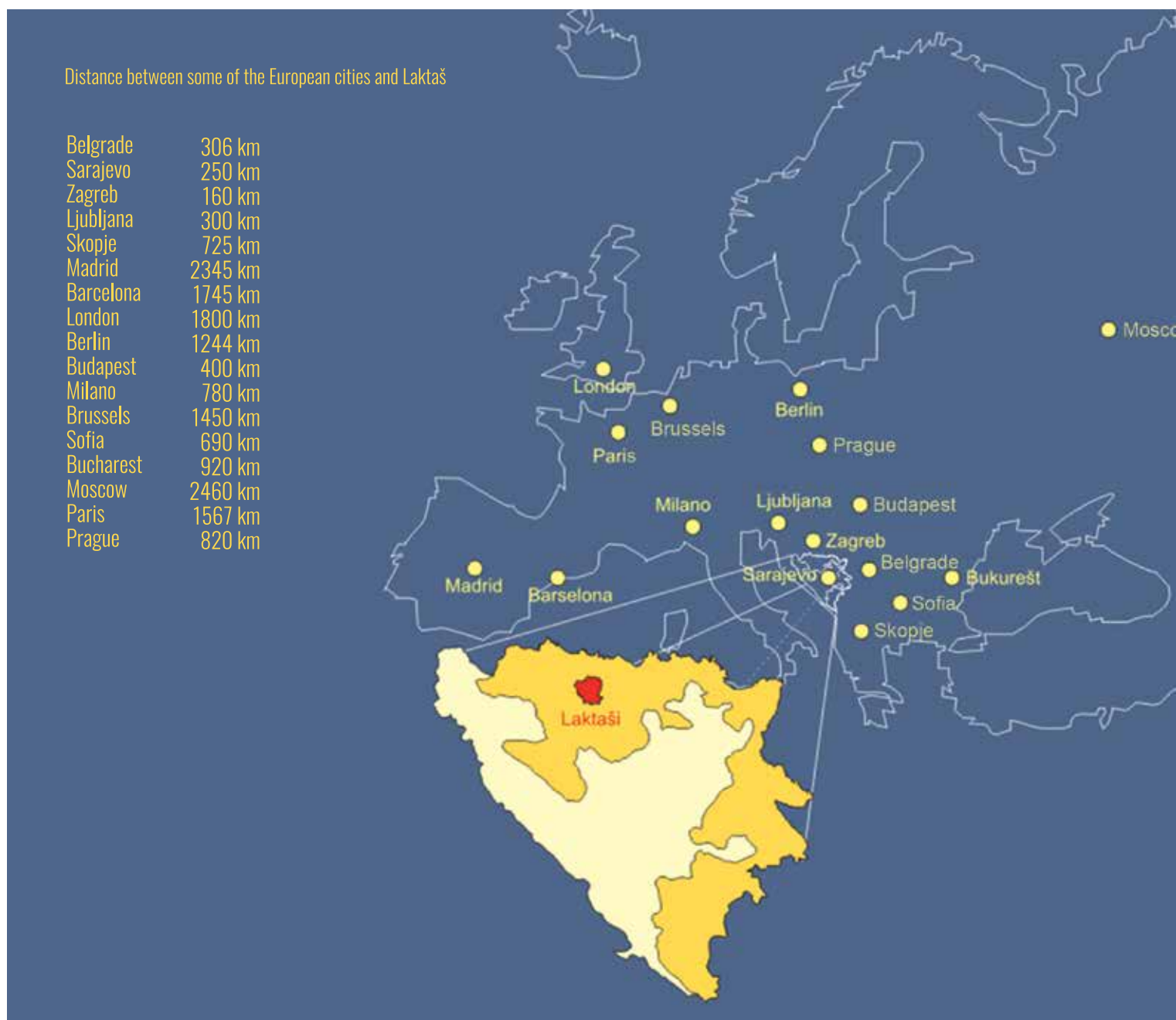
- Surface: 388 km²
- Number of population: 36,848 in 11,443 households (according to the preliminary census data)
- Population density: 94 citizen/km²

WHY INVESTING IN LAKTAŠE ?

- The municipality of Laktaši is a developed entrepreneurial centre with a large number of business companies performing different businesses, out of which some are the market leaders. In the municipality of Laktaši, the number of active companies at 1,000 population is 15.18 whereas in the Republika Srpska it is 8.67. The formal unemployment rate in Laktaši in 2017 amounted to 18.72%, while it was 31.54% at the level of the Republika Srpska and 33.90% at the level of Bosnia and Herzegovina for the same period.
- The municipality of Laktaši shall make two industrial and two business zones available to the investors, which are all at attractive locations for the performance of different production and trading activities. The new Laktaši Municipality Spatial Plan for the period 2014 – 2034 also foresees the construction of a business zone Drugovići of around 10 ha, in the close vicinity of Banja Luka – Doboј motorway. With an advantageous geostrategic position and modern transport infrastructure, the investors are provided with a fast and safe transportation of goods and services to the European Union (EU), Serbia, the countries of Central and Eastern Europe and the Near East.
- A developmental potential of the municipality lies in the sector of agriculture and its area of cattle breeding, production of milk and milk products and cultivation of fruit and vegetables. The area of Laktaši municipality consists of agricultural land of the highest land capability class and production potential and the majority of the population deals with agricultural production.
- Economy of the municipality is realised through respective participation in the total economic flows at the level of the Republika Srpska and Bosnia and Herzegovina, significantly affecting the growth of import which increased by more than three times in the period of 2005 – 2017.

LOCATION AND TRANSPORTATION NETWORK

- The municipality of Laktaši is located in a close vicinity with the border with Croatia and the EU in the north. The international border crossing of Gradiška, which is a point of inspections for all the types of goods, is 20 km from the centre of Laktaši municipality. The municipality of Laktaši is only 20 km from Banja Luka, an administrative and cultural centre of the Republika Srpska.
- The municipality of Laktaši is at the most of about 300 km from the large regional centres (Sarajevo – 250 km, Zagreb, Croatia – 160 km, Belgrade, Serbia – 306 km, Ljubljana, Slovenia – 300 km).



Distance between some of the European cities

- The main road M-16 (Banja Luka – Gradiška – Okučani, exit to the Ljubljana – Belgrade – Zagreb motorway) goes through the central part of the municipality, as a main regional road connecting the northern and southern parts of this region. The second important road direction connecting the western and eastern parts of the Republika Srpska is the main road M-16-1 of Klačnice and Derventa.
- The International Airport in Mahovljani – Banja Luka International Airport is 3 km away from the city centre and this is a link of the Laktaši municipality and its wider region with Europe and the world. The airport is now mainly used for international transport of passengers, but there is a possibility to organise cargo transport. An intention is to expand transportation of goods and mail for domestic and international traffic in the future.
- The motorway separating in Laktaši onto the roads to Gradiška and Doboj enables faster and better quality connection with the Zagreb – Belgrade motorway, meaning, with Europe, as well as a better connectivity with the inlands of Bosnia and Herzegovina. The Federation of BiH is constructing a part of the Zenica – Doboj motorway, which will enable a motorway connection of Laktaši with Sarajevo.

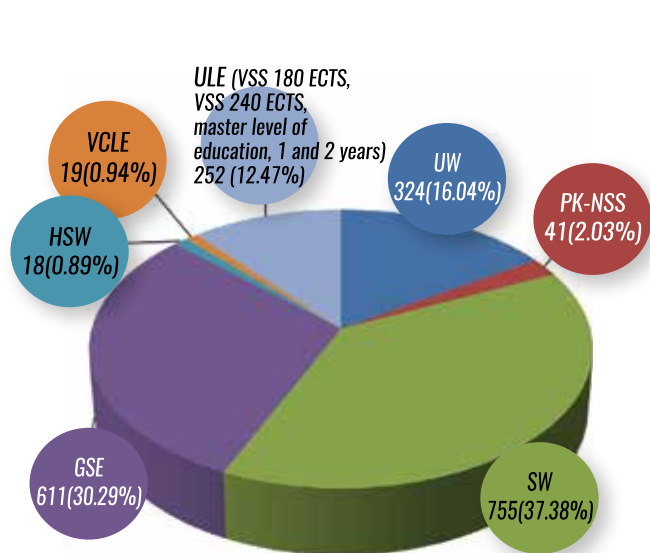
HUMAN RESOURCES

The Laktaši municipality is fifth by the number of employees and ninth by the number of population in the Republika Srpska.

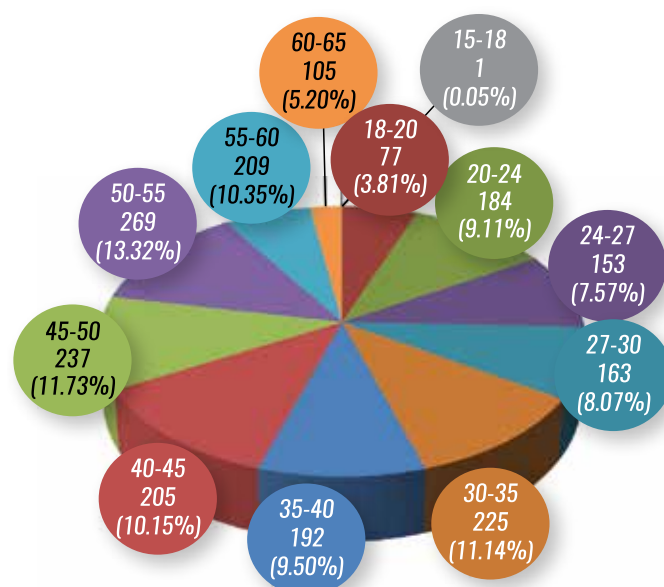
Number of population (2015 assessment)	34,210	
Population share	age group to 19	22%
	age group 20-65	63%
	age group over 65	15%
Number of employees (average)	9,520	
Number of employees in the private sector is about 85%	8,092	
Number of unemployed – active supply – 2015 average	2,192	
Unemployment rate	18.72 %	
Number of pensioners	4,000	
Average salary (BAM)	706	

Source: Republic Institute for Statistics of the Republika Srpska, data for 2017

The ratio is more than two employees on one pensioners, which is a good indicator for the creation of new values. The unemployment rate of about 18.72% is one of the lowest in the Republika Srpska, where the official unemployment rate amounts to 31.54% and the survey rate is 21.00%.



Qualification structure of the unemployed



Age structure of the unemployed

Secondary and higher education of youth is obtained in secondary schools and at faculties in Banja Luka. There a high potential of educated youth – 28,000 students and 5,000 graduates of higher education institutions make an annual contribution to the labour market in the whole area of the municipality of Laktaši, which is characterised by young and dynamic labour force.

The most represented occupations of the unemployed in the Laktaši municipality.	Unskilled workers: Completed eight years of secondary school (150)
	Skilled workers/craftsmen (three years): Salespersons (48), drivers of commercial vehicles (30), tinsmiths (14), male and female hairdressers (54), waiters (17), tailors (17), car electricians (11), chefs (22), locksmiths (14), bakers (12), mechanists (14), shoemakers (8)
	Secondary school education (four years): Economic technicians (47), mechanical engineering technicians (44), agricultural technicians (21), road traffic technicians (23), grammar school graduates (16), textile technicians (18), touristic technicians (10), veterinary technicians (9), trade technicians (12), IT technicians (11)
	Junior colleges: economists, jurists, mechanical engineers (18).
	University degree: Economists (28), jurists (22), physical and health education teachers (15), graduated political scientists (8), social workers (6), educators (5), graduated engineers for agrarian economy and rural development (6), graduated IT engineer (6), graduated engineer of architecture (4).
	Master degree holders (according to the old and new education curricula) (11).

Source: PI RS Employment Institute, Banja Luka Branch Office, Laktaši Office, data as of 30 September 2018.

BUSINESS ENVIRONMENT AND INVESTMENTS

Economy of the Laktaši municipality

In about the last twenty years, the municipality of Laktaši has gained the reputation of having a positive business climate and developed entrepreneurial infrastructure, showing understanding towards the investors and their business activities. By allocating significant funds from the budget for capital investments (over 40 million Euros in the new millennium), the municipality of Laktaši has steadily improved the living conditions of its population and development of its economy.

- According to the achieved revenue (6.07% of the total Republika Srpska revenue), profit and number of business companies, the municipality of Laktaši ranks third in the Republika Srpska.
- Products from Laktaši participate in the export of Republika Srpska by 6.02%.

Total revenue (BAM)	1,226,860,097.00
Profit (positive financial result) (BAM)	76,486,790.00
Export (BAM)	220,560,000.00
Import (BAM)	466,149,000.00
Export import coverage rate	47.31%
Share in the Republika Srpska export	6.02%
Share in the Republika Srpska import	9.29%
Number of business companies registered in the municipality	527
Number of entrepreneurs	772
Number of other legal entities	185
Number of units of banks, microcredit organisations, insurance companies	20

Source: Information on the state of economy in the area of Laktaši municipality for 2017

- A great number of small and medium-sized enterprises in all the areas of economy – over 500 legal persons registered in the municipality area – operate as profitable.

The most developed branches of economy are:

Trade - 180 companies or 34.15% of the total number of all companies	2,355 employees – 24.74%
Processing industry – 131 companies or 24.86% of the total number of all companies	2,559 employees – 26.89%
The most represented processing industry branches are:	
<ul style="list-style-type: none">• Metal, mechanical engineering and electrical engineering (42) companies• Food processing (26 companies)• Wood processing industry (24 companies)• Textile, leather and footwear industry (11 companies)	
Construction – 30 companies or 5.62% of the total number of all companies	842 employees – 8.84%

Investments in the Laktaši municipality

- Domestic and foreign investments in the period of 2005 – 2017 amount to over 500 million Euros.
- Number of companies – enterprises with foreign investment elements: over 200 (the investors from 28 countries, making 30% of the total number of investing countries in Bosnia and Herzegovina).
- The countries with the largest investments in the municipality: Austria, the Netherlands, Slovenia, Serbia, Switzerland and Croatia.
- Large international and regional companies operating in the municipality area: Coca Cola, PepsiCo Investments, British American Tobacco, “Mahle Electric Drives Bosnia” d.o.o. Laktaši, Perutnina Ptuj, Kolektor Group, Cables BH, Danube Foods Group, Jakche Technology, Agrokor, Sona

Industrial zones

The municipality of Laktaši has made available to its investors two industrial and two business zones with the possibility of greenfield and brownfield investments, advantageous locations and built business infrastructure.

The business zone of 'Aleksandrovac' - its basic purpose is production, with the possibility of developing business, trading and service activities. The current surface intended for the investors amounts to 28.9 ha with several free construction lots in the size of 5,000 – 12,000 m².

Location: Distance from the administrative centre of the municipality is 7 km. It is next to the main road M-16 Banja Luka – Gradiška and it is in the near vicinity of the Banja Luka International Airport. Its distance from Sarajevo is 210 km, while it is 25 km from Banja Luka, 25 km from the EU border in Gradiška, 300 km from Ljubljana and 306 km from Belgrade (Serbia).

Available infrastructure in the zone:

- Asphalt road through the middle of the industrial zone with lighting connecting the zone with the M-16 main road.
- Water supply network,
- Telecommunication network,
- Organised waste disposal,
- Electrical energy supply.

Ownership: the zone land is in the ownership of the municipality.

The price of the land by m²: 3.00 €/m².

The existing investors: These are the investors that have bought the zone land at auctions and built their production facilities: 'Mljekara' d.o.o. Laktaši, 'AKSCHE Plastična Tehnika' d.o.o. Laktaši, 'DUKAT' d.o.o. Banja Luka, 'Cablex BH' d.o.o. Aleksandrovac.

Documentation: Regulatory Plan has been adopted.

The feasibility study for the agri-business park of 'Aleksandrovac' is made within the project Support to Establishment and Strengthening of Business Infrastructure to Improve SME Competitiveness of the EU (EUSESBI). The study plans an expansion of the Zone to a new 80 ha on the other side of the main road of Banja Luka – Gradiška and on the road connecting this road with the motorway of Banja Luka – Gradiška.



Industrial zone of Veliko Blaško (wood, concrete and textile industries)

Location: Distance from the administrative centre of the municipality is 5 km. It is on the main road M-16-1 of Klačnice – Derventa and in addition to the main road M-16 of Banja Luka – Gradiška, with a direct access to the motorway of Banja Luka – Gradiška. The distance from the Banja Luka International Airport is 7 km. Its distance from Banja Luka is 20 km, while it is 210 km from Sarajevo, 30 km from the EU border in Gradiška and 312 km from Belgrade (Serbia).

Available infrastructure in the zone:

- Asphalt road through the middle of the industrial zone with lighting connecting the zone with the M-16 main road.
- Water supply network,
- Telecommunication network,
- Organised waste disposal,
- Electrical energy supply.

Ownership: the zone land is in the ownership of the municipality.

The price of the land by m²: 3.00 €/m².

Documentation: Regulatory Plan has been adopted.

Industrial zone of Laktaši (metal industry):

In the close vicinity of Laktaši. All the capacities have been filled.

Business zone of Trn (warehousing and trading business zone):

The land is in private ownership and all the capacities have mainly been filled.



ЦИЈЕНЕ КОМУНАЛНИХ УСЛУГА

Setting	Unit	Unit price excluding VAT in BAM (1)	Number of points (2)	Commentaries
Utility charge (1)*(2)*m ²	m ²	0.0005	130	Monthly for business entities – buildings up to 1,000 m ² of constructed usable area
Utility charge (1)*(2)*m ²	m ²	0.0004	130	Monthly for business entities – buildings over 1,000 m ² of constructed usable area
Electrical energy	KWh	0.0483		Monthly for business entities without own substation and belonging to the tariff group TG1
Electrical energy	KWh	0.0458		Monthly for business entities having own substation
Water for business entities	m ³	2.84		Payment is done on a monthly level
Waste disposal	Container 5 m ³	96		Payment is done by disposal
	t	28		Payment is done by disposal
Garbage disposal for business users	Lump sum	14.40 - 516		Monthly, depending on the type of users

SERVICES OF THE LAKTAŠI MUNICIPALITY TO INVESTORS

During several decades, the municipalities of Laktaši has continuously implemented reforms for the creation of business environment to stimulate development of private entrepreneurship. The number of active business companies, number of employees, total income and profit in the municipality has been growing since.

We provide numerous advantages to investors for investing and obtaining all the necessary permits and documents, which greatly simplifies the investing and starting of a new business.

- Financial advantages are given through decreasing the municipal charges for the construction of production and agricultural facilities and a possibility of paying obligations in instalments. The municipal decision to offer advantages to investors is for them to be in the form of benefits in the payment of fees for the physical planning of development land and construction land use charge. According to it, investors are given 50% discount to these obligations for the production facilities and a possibility of paying this amount in instalments, with 20% of the price being paid immediately and the rest in four-years' instalments, after the grace period of 12 months.
- The building permit procedure has been improved, which shortens the time necessary to obtain the location requirements and approvals for construction.
- The municipality shall award incentives to business companies through subsidising the interest rate on loans for small enterprises and entrepreneurs of 4% to the loans in the amounts ranging from BAM 10,000.00 to 100,000.00.
- The municipality has introduced a quick one-day procedure for issuing of decisions for the performance of entrepreneurial activity.
- Business and Employment Council was formed, as a form of a formalised dialogue between the Municipal Administration and private sector, achieving greater involvement of economy in the work of local administration.
- It is the first municipality in the Republika Srpska and the second in Bosnia and Herzegovina, which has met the international ISO 9001:2008 standard for the quality management of public services provided by local administration.
- The municipality has worked hard to find its place amongst municipalities with a favourable business environment, for which we were awarded Business Friendly Certificate (BFC).

Other investor services

Electronic registries of administrative procedures with a detailed overview of permits and licences necessary to the investors in the Republika Srpska and BiH. The useful link for e-registries at the level of the Republika Srpska and Bosnia and Herzegovina.

- RS Government
www.regodobrenja.net
- Ministry of Foreign Trade and Economic Relations of BiH – Registry of Administrative Procedures at
<http://rap.mvteo.gov.ba/egfVwOdlukaJedinice.aspx>

Fiscal and non-fiscal incentives at the level of the Republika Srpska and Bosnia and Herzegovina:

- RS Government
<http://www.investsrpska.net/index.aspx?PageID=436&menuID=215&langid=3>
- Ministry of Foreign Trade and Economic Relations of BiH:
http://www.mvteo.gov.ba/izvjestaji_publicacije/izvjestaji/default.aspx?id=6176&langTag=bs-BA
- Foreign Investment Promotion Agency of BiH (FIPA):
<http://www.fipa.gov.ba/>

RS Government website, primarily intended for the existing and potential foreign investors:

<http://www.investsrpska.net/>

PRIORITY SECTORS:

Agriculture

Natural agricultural resources for the development of agriculture (the climate and land), many years of experience and tradition in agricultural production, hard-working and honest people have all contributed to the area of Laktaši municipality becoming one of the most developed agricultural areas in the Republika Srpska.

The agricultural land in the municipality covers over 25 thousand hectares. Out of which 88% falls onto arable land, whereas the rest consists of orchards and meadows. An insignificant area under vineyards with about 100,000 of grape vines.

When favourable climate, tradition and the fact that two thirds of the municipal households are agricultural ones are taken into account together with the above, the development of agriculture is one of the most significant priorities for the future as well.

In the previous period, the municipality of Laktaši has reached a high level of primary agricultural production, with the share of agricultural production being about 10% of the total municipal revenue.

With the concept of a comprehensive development of the municipality of Laktaši, we would like to create conditions for new future investments in the area of food industry by way of buying products from the primary agricultural producers and processing them into the products with added value by which we would achieve a greater degree of finalisation and enable the sale for the products of the primary agricultural producers.

- The most significant companies in the agribusiness area are: 'Marbo' d.o.o. (production of 'snack' products), the meat industry 'Tulumović' (production of meat and meat products) and 'Golić' d.o.o. (trade and distribution of production material for agriculture).



METAL PROCESSING

- Metal processing sector has a significant place in the Laktaši municipality industry,
- Significant number of employees,
- Amongst the leading industrial branches by realised profit,
- Production by specifications and orders of customers,
- High quality of the delivered goods,
- There is a developed value chain in the sector,
- The number of companies in the sector is 30.



THE MOST SIGNIFICANT COMPANIES IN THE SECTOR ARE:

- 'Hidraulika flex' d.o.o. – mechanical processing of metal for auto-industry, production of hydraulic components,
- 'KIS-PRODUKT' d.o.o. – production of medical, geriatric, school, office and catering metal furniture,
- 'Vendom' d.o.o. – production of containers and metal constructions, services of laser cutting and making of programmes and drawings for cutting, folding services, probing and welding, all types of hot-rolled and cold-rolled sheet metal,
- 'Technics programme engineering' – TPE d.o.o. – mechanical processing of metal by milling and shaving, production of highly complex elements,
- 'Procesna oprema inženjering' d.o.o. – production of stainless steel (Inox) boilers for households and hydrophor vessels,
- 'Tehnoservis' d.o.o. – mechanical processing of metal by milling and shaving, production of highly complex elements.

ELECTRICAL ENGINEERING INDUSTRY

- Electrical engineering industry is one of the leading ones in the municipality,
- 12 companies in the sector (out of which, 3 are the leading ones in the RS,
- Takes a significant place in the export of the Laktaši municipality,
- Production for the leading global companies,
- High quality of produced and delivered products,
- Developed technology of production of electrical engineering elements.



THE MOST SIGNIFICANT COMPANIES IN THE SECTOR ARE:

- 'KOLEKTOR CCL' d.o.o. - production of collectors for the automobile industry,
- 'Mahle Electric Drives Bosnia' d.o.o. – production of metal and electrical parts and subassemblies for starters, alternators and electrical engines,
- 'Kaldera company' d.o.o. – production of low voltage and medium voltage plants,
- 'Cablex BH' d.o.o. – production of cable elements and sets for household appliances,
- 'Beoplast' d.o.o. production of electrical insulation programme.

TEXTILE INDUSTRY

- Tax facilities from the Republika Srpska Government,
- Labour force skills in spinning, weaving and sewing,
- The number of companies in the sector is 8,
- Export-oriented companies,
- High quality products at competitive prices.



THE MOST SIGNIFICANT COMPANIES IN THE SECTOR ARE:

- Veteks' – production of household textile (pillows, quilts, blankets, bed sheets, table cloths, cloths, towels...), services of multi-needle quilting, production of polyester cotton, silicone balls and felt,
- 'Regreg' d.o.o. – production of mattresses and mattress toppers,
- 'Carmen line' d.o.o. – production of products of male and female fashion clothing,
- 'Lobby' d.o.o. – production of knitwear clothes,
- 'Luna line' d.o.o. – production of bed sheets made of wool,
- 'Bella Seta' d.o.o. – production of women fashion clothing as ordered by designers.

INDUSTRY OF PLASTIC AND RUBBER:

- The number of companies in the sector is 11,
- Contracted sale of produced products,
- Developed technology for the production of elements.

THE MOST SIGNIFICANT COMPANIES IN THE SECTOR ARE:

- 'Jaksche technology' d.o.o. – production of hoods for the automobile industry,
- 'Peštan' d.o.o. – production of plastic water pipes.
- 'Zorex trade' d.o.o. – production of syphons and toilette tanks.



Tourism

The municipality of Laktaši owns natural resources and capacities for the development of health and recreational tourism.

- The thermal and mineral water spas of Laktaši and Slatina have several decades of touristic tradition in healing of rheumatic diseases, cardiac diseases, the eyes and blood circulation. They include hotels with swimming pools, medicinal baths and all the necessary activities for medical treatment, which provide the services of health and recreational tourism.

The spa treatment centres make a significant potential for the construction and expansion of the existing health and sport and recreational facilities.

Потенцијали у сектору туризма доприносе одрживом економском развоју општине.

- Out of many archaeological sites, which the turbulent history of this municipality has left as a part of the cultural and historical heritage, worthwhile visiting are the remains of the necropolis of tombstones, the so-called stećci at the sites of 'Osoje' and the 'Log Church' from XVIII century close to Slatina as well as the remains of the former Roman thermal baths at the site of 'Zidine' in Laktaši.
- Development and protection of the archaeological site – early Byzantine walls of 'Balkis' in the village of Gornji Bakinci, as an interesting historical site, has presented a significant tourist project.

In the area of Laktaši municipality, there are many places for resting, taking walks and for other forms of recreation. Here you can swim, ride horses, fish, trek, ride bicycles, fly or even jump out of a plane – parachuting,

The municipality of Laktaši offers a pleasant environment with a rich cultural and sports life. The municipality organises different programmes, gallery exhibitions, theatre plays, concerts and other events. In addition to numerous sports facilities, a multipurpose, modern and newly-equipped sports was recently built. More than 30 sports clubs make significant results in handball, martial arts, basketball, football, volleyball and bowling. The citizens of Laktaši have a pleasant environment for a good quality living.



THE MOST SIGNIFICANT BUSINESS COMPANIES IN THE LAKTAŠI

Business company	Business	Number of employees	Significance
„Integral Inženjering“ a.d. 	Construction of civil engineering structures	507	Realising the highest total income
„Niskogradnja“ d.o.o. 	Construction of civil engineering structures	343	Employing the largest number of labour force
„Marbo“ d.o.o. 	Precessing and preservation of potatoes	186	Significant and regionally recognisable producer of snack products
„Kolektor Bosna“ d.o.o. 	Productions of transformers, electrical engines and generators	478	The largest exporter
„Kaldera company“ d.o.o. 	Product of devices for distribution and control of electrical energy	164	Significant producer, recognisable on the electrical industry market
„Mahle Electric Drives Bosnia“ d.o.o. 	Product of electrical engines, alternators, electrical drive and mechanical systems	199	One of the largest exporters
„DUKAT“ d.o.o. 	Wholesale trade in milk, milk products, eggs, edible oils, grease	308	Significant and regionally recognisable brend
„DARKO Komerc“ d.o.o. 	Agricultural production (farming products, wheat and malze)	24	The largest producer of grains, realising significant total income
„CABLEX“ d.o.o. 	Production and sale of cable elements	324	One of the largest investors
„JAKSCHE TECHNOLOGY“ d.o.o. 	The main product - hoods for cars for the automobile industry. Production of plastic mass plates, pips and profiles.	94	One of the largest exporters





The place of good ideas – one step ahead of others in entrepreneurship, production of food and preservation of health



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