

# MUNICIPALITY OF MODRIČA INVESTMENT SUMMARY



“ Invest in Modriča, we will be your excellent business partner and an even better host! ”

The municipality of Modriča is located in the northeast of Bosnia and Herzegovina (BiH), in the entity of Republika Srpska (RS), on the right bank of the Bosna River.

SURFACE: 363 km<sup>2</sup>

NUMBER OF POPULATIONS: 32.000

CLIMATE: Moderately continental, average temperature 12.5 °C

TIME ZONE: Central European UTC+1

MAYOR: Jovica Radulović

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ENTITY: Republika Srpska

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Position of Bosnia and Herzegovina (BiH) in Europe



Position of the Municipality of Modriča in the Republika Srpska and Bosnia and Herzegovina



## WELCOME TO MODRIČA

- The Municipality of Modriča has great potential for investment, business progress and profitability of your business. For the development of your business, you have at your disposal attractive locations in the entrepreneurial zone of the area 182,27 ha at a distance of only 2 km from Corridor 5c and 4 facilities with developed infrastructure with the possibility of greenfield i brownfield investments and joint ventures.
- The geostrategic position of our municipality in the immediate vicinity of the border with the Republic of Croatia/European Union , (distance 20 km from the Šamac border crossing), long tradition in the chemical, textile and footwear industries, entrepreneurial experience, human potential, as well as great opportunities for tourism development, set Modriča apart on the map of investment destinations.
- Almost two-thirds of the land (62% and 198 km<sup>2</sup>) in the area of the Municipality of Modriča is agricultural arable land. Arable land with favorable soil quality, tradition in agricultural production and favorable climatic conditions provide you with business opportunities for growing and processing fruits and vegetables, milk and dairy products, and meat products.
- We provide additional encouragement to investors in our municipality through the efficient and fast operation of the local administration, its services and public enterprises, as well as established cooperation with the private sector.

## TRADE LOGISTICS AND INFRASTRUCTURE

The municipality of Modriča has an extremely favorable position for the transport of goods and services. It is located directly on the route of the future Corridor Vc highway connecting Central Europe and the Adriatic Sea on the route Budapest (Hungary) - Osijek (Croatia) - Sarajevo (B&H) - Luka Ploče (Croatia).



Distance from Modriča to border crossings with Republic of Croatia / European Union	Orašje - International border crossing of category I in the road/road sector traffic (transport of people, all types of goods and means of transport) This border crossing also allows the trade of fruit and vegetables, which, in accordance with the legislation of the contracting parties the party is subject to control of compliance with market standards and determination of health fitness on occasion transportation across the common state border. Šamac - International border crossing of category I in road traffic
The main road routes that connect Modriča with BiH and the region	Main roads: M17 Šamac - Modriča - Sarajevo and M14 Modriča-Gradačac - Bijeljina, connected to the Zagreb highway (Croatia/EU)-Belgrade (Serbia) - distance 37km
Railway traffic	Belgrade (Serbia) - Banja Luka Sarajevo - Budapest (Hungary)
Distance from airport	For passenger traffic: Tuzla - 75 km; Banja Luka - 130 km; For passenger and cargo traffic: Sarajevo - 186 km; Belgrade (Serbia) - 189 km; Zagreb (Croatia) - 244 km
Distance from port	Šamac (Sava River) - 20 km, Brčko (Sava River) - 53 km Ploče (sea port of HR) - 374 km

## HUMAN RESOURCES (end of 2023)

Total employees 4,164 of which:

- Entrepreneurs employ 1,023 workers
- Legal entities employ 3,141 workers

Total business entities 639 of which:

- Entrepreneurs - 443
- Legal entities - 196

There are currently 910 people available (October 2024) who can be employed and who can be further qualified or requalified in accordance with the employer's needs.

School readiness	Chemical industry	Agriculture	Metal industry	Industry textile, leather and footwear	Wood industry
kv	8	7	48	27	9
sss	10	21	31	15	7
všs	0	1	0	1	0
vss	6	3	0	1	0

Data source: Employment Bureau Modriča, 2024.



- The secondary school center in Modriča educates high school students, several profiles of technicians (economic technician, customs technician, information technology technician, computer and programming technician, CNC technician) and 6 trade profiles (car mechanic, car electrician, electrician, typist, locksmith, trader and installer).
- Due to the needs of the economy and the labor market, a new profile has been introduced into the educational program of the Secondary School Center: agricultural technician.
- Highly educated staff of various profiles were trained in university centers in Banja Luka, Sarajevo and Belgrade. (Serbia).

Average net/gross salary for September 2024:

- In the Republic of Srpska: 1,412 KM/ 2,159 KM
- In the Municipality of Modriča: 1,232 KM/ 1,809 KM



## BUSINESS ENVIRONMENT IN THE MUNICIPALITY

### \*Sectors with investment potential

## CHEMICAL INDUSTRY

Business opportunities:

- Investment in the production of plastic packaging and the production of metal barrels for the needs of "Rafinerija ulja Modriča" a.d.
- The largest company in the chemical sector is "Rafinerija ulja Modriča" a.d., which is a leading producer of oils, lubricants, base fluids and paraffins on the BiH market, and employs around 200 workers. The company operates within the company OAO „Зарубежнефть“ based in Russia.
- In addition to the Refinery, the company "Novoprom" d.o.o. is engaged in the production of NPK fertilizers, polymerized bitumen and bitumen emulsions for asphalt construction and other chemical products.



## AGRICULTURE

Business opportunities – investment in processing capacities for:

- fruits and vegetables
- meat and meat products
- milk and dairy products
- The municipality of Modriča is a traditionally agricultural area with a favorable climate, quality agricultural land, with a long tradition in cattle breeding, farming, vegetable and fruit growing.
- Every year, funds are allocated from the municipal budget for subsidies to stimulate agricultural development (in 2024, 240,000.00 KM is planned for this year). The Municipality has developed a "Program for the Development of Agriculture and Villages in the Municipality" Modriča in the period 2022-2026. year".
- In crop production, the most represented crops are cereals (corn, wheat, barley) and fodder plants, while the smallest percentage is occupied by industrial plants (tobacco, soybeans).
- 4,000,000 l of milk, 600 t of meat, 6,000 t of commercial wheat, 50,000 t of corn grains, 4,000 t of plums and 500 tons of apples and pears.
- The existing cold storage facility with a capacity of 900 t is located in the company "Krušik" d.o.o. The Krušik company grows pears, apples and plums on 30,000 ha and produces 12 types of fruit brandies and liqueurs under the brand „Monogram“.

## TEXTILE, LEATHER AND FOOTWEAR INDUSTRY

Business opportunities:

- Establishing partnership relations between investors and companies, where domestic companies would carry out production and investors would invest in the development and marketing of products on foreign markets.
- Brownfield investments in existing facilities and launching textile production for well-known global brands.
- A sector with a long tradition and trained workforce, which has the lowest cost of labor 900 KM net/ 1344.26 KM gross. This sector employs over 100 workers.
- In the area of the Municipality of Modriča, there are two companies engaged in textile production: "Hertex" d.o.o. and "A'la Mode" d.o.o., and three companies engaged in the production of footwear: "Alfa" d.o.o., "Komo" d.o.o. and "Thema" d.o.o., which operate on a contract basis for large companies such as "Allegro Shoes" and "Relaxshoe" from Italy and „Think Schuwerk“ from Austria.



## PRODUCTION OF ALUMINUM, PVC AND WOODEN PROFILES

Business opportunities:

- Investment in pellet production capacities.
- Production of raw materials for the wood industry, such as MDF boards, natural veneer, chipboard, edge bands, paints, varnishes, hardware, sandpaper, sanding brushes, etc.
- This sector is dominated by companies that manufacture PVC joinery, "VD-sistem" d.o.o. and "Ornament" d.o.o., as well as the company "Tesla" d.o.o., which produces bathroom and kitchen furniture, as well as "El-El furniture".

## METAL INDUSTRY

Business opportunities:

- Investment in capacities for the production of parts for the automotive industry, household appliances and various types of metal parts.
  - Cooperation with domestic manufacturers who would carry out production for foreign partners.
- There are significant companies operating in the metal sector that can be partners for other manufacturing companies in this sector.
- "Fam-jm" d.o.o., overhaul of SUS engines, production of mobile tools for CNC machines, overhaul of sawmill equipment, metal machining. The company has established cooperation with partners such as "Yamazaki Mazak Corporation", "Mori Seiki", "Modriča Oil Refinery" and "Würth".
  - "R.T.S. Metal" d.o.o., production of metal products and locksmith accessories.
  - "MP-Pandurević" d.o.o., forged program, stainless steel program, aluminum program, various structures, manufacturing forged locksmith machine, CNC plasma cutting services, etc.
  - "Optima Power" d.o.o., production of spare parts for turbine plants, production of transport tools for turbines according to customer requirements, metal machining and construction, etc.



## \*GREAT POTENTIAL FOR THE DEVELOPMENT OF TOURISM

### Business opportunities:

- The cultural and historical monument of the old town of Dobor with two Dobor towers from 1388 represents a potential for investment and construction of various tourist facilities. Located right next to the Bosna River and Mount Vučijak, connected by infrastructure to the M17 Šamac-Modriča-Sarajevo main road, it has all the prerequisites to develop into an attractive tourist location.
- The Bosna River, which flows for 31 km through the Municipality of Modriča, as well as the mountainous terrains of Trebava and Vučijak, represent potential for the development of hunting and fishing.
- The municipality of Modriča has 30,000 ha of hunting area where you can hunt various types of game: roe deer, rabbit, pheasant, wild boar, wild duck, wild goose, quail, partridge and wild pigeon.
- The biggest fishing potential is represented by the river Bosna, where the most common species are: catfish, carp, perch, pike, barbel, bream, chub and bream.
- Duga Njiva, a picnic area and air spa on Mount Trebava, offers opportunities for the development of excursion tourism. It is rich in coniferous and coniferous forests, diverse flora and fauna, as well as numerous sources of drinking water.

“\*The Spatial Plan of the Republika Srpska envisages the construction of 4 hydroelectric power plants on the Bosna River in the area of the Municipality of Modriča, with a total installed capacity of 51.7 MW.”





## LOCATIONS FOR INVESTMENT

The municipality of Modriča offers investors attractive investment locations near 2 border crossings to Croatia/EU.



## ENTREPRENEURIAL ZONE



Location	It extends through the northern part of the urban area of Modriča, at the intersection main roads Doboj-Modriča-Gradačac; away from the highway Corridor 5c only 2 km
Total area	182,27 ha
Ownership	Private
Infrastructure	Main lines of the electrical network, telecommunications network, as well as water supply and sewerage systems have been installed in the area of the zone, making it easy to connect individual plots to existing networks
Purpose	Business and commercial activities, industry, services and warehouses, distribution centers, catering, sports and recreation.
Investment opportunities	Greenfield and brownfield investments in accordance with the purpose
Purchase/lease price	In agreement with the owner



## OBJECT 1 (former „PLASTMO“)



Location	Berlinska no.67, Modriča
Total area	Factory 1,400m <sup>2</sup> (factory area 24,000 m <sup>2</sup> )
Ownership	Private
Infrastructure	Complete electrical network, water supply, sewage and telecommunications network
Purpose	Production and commercial activities, industry, services and storage
Investment opportunities	Brownfield
Purchase/lease price	In agreement with the owner



## OBJECT 2 (company "HEMO-pral")



Location	Šamački put no. 18, Modriča (within the entrepreneurial zone)
Total area	Production warehouse area 540 m <sup>2</sup> , hall-workshop 80 m <sup>2</sup> , warehouse 320 m <sup>2</sup> (factory area 2,000 m <sup>2</sup> )
Ownership	Private
Infrastructure	Complete electrical network, water supply, sewage and telecommunications network
Purpose	Production and commercial activities, industry, services and storage
Investment opportunities	Brownfield or joint venture-partnership with owner
Purchase/lease price	In agreement with the owner





## OBJECT 3 (hall ZOKIS)



Location	Višnjik settlement, Modriča
Total area	Hall 503 m2, land 1,200 m2
Ownership	Private
Infrastructure	Complete electrical network, water supply, sewage and telecommunications network
Purpose	Production and commercial activities, industry, services, warehouses and tourism
Investment opportunities	Brownfield
Purchase/lease price	In agreement with the owner



## OBJECT 3 (former „REMONTRANS“)



Location	Šamački put, Modriča (within the entrepreneurial zone)
Total area	Factory 5,000 m <sup>2</sup> of which administrative building 600 m <sup>2</sup> , capacity oil tanks 50,000 and 30,000 and substation (factory area 50,600 m <sup>2</sup> )
Ownership	Private
Infrastructure	Complete electrical network, water supply, sewage and telecommunications network
Purpose	Production and commercial activities, industry, services and storage
Investment opportunities	Brownfield
Purchase/lease price	In agreement with the owner

## UTILITY COSTS

SERVICE TYPE	PRICE	
Electricity	0,60 KM/kWh average	
Water	2,00 KM/m <sup>3</sup>	
Sewerage	0,70 KM/m <sup>3</sup>	
Waste	From 18.00 to 100.00 KM depending on the activity and area	
Landline telephony	Subscription 19,19 KM	Connection 0,00 KM
Internet m:net 32GB	Subscription 67,86 KM	Connection 0,00 KM

Prices without VAT per unit of measure

## SERVICES PROVIDED TO INVESTORS BY THE MUNICIPALITY OF MODRIČA

The municipal administration is implementing activities aimed at adapting to the needs of investors:

- Founded the Info Center for Investors of the Municipality of Modriča. The Info Center offers free operational advice in one place support to potential investors and existing companies when establishing a business and all the time while performing their business activities in the area of the Municipality of Modriča.
- It has established a Personal Officer for Investors service that is available to investors who wish to invest in economy, culture or tourism and do business in the area of our municipality.
- The Municipality of Modriča has adopted the planning documentation: Regulatory Plan Modriča 1, Regulatory Plan Modriča 2, Regulatory Plan for the Entrepreneurial Zone, Regulatory Plan for the Market and Urban Development Plan "Modriča 2020", Regulatory Plan "Palas".

The Municipality of Modriča also provides other services to investors:

- Issuance of location conditions within 15 days, construction permits within 15 days and usage permits within of 15 days. IF THE INVESTOR SUBMITS A COMPLETE APPLICATION, THE PERMITS ARE ISSUED WITHIN 48 HOURS.



Overview of permit issuance costs for an investor from the manufacturing sector, using the example of a plot in the Enterprise Zone area of 5,000m<sup>2</sup> with an object of area of 1,000m<sup>2</sup>

Costs of fees, taxes and approvals until issuance location conditions for the construction of a production facility	New facility - estimated costs
Administrative fee for location conditions	20 KM
Costs of fees, taxes and approvals until the construction permit is issued	
Arrangement of construction land and rent	III zona - Proizvodni objekat (uređenje 30 KM x 1.000 m <sup>2</sup> = 30.000 KM; renta 31,06KM x 1.000m <sup>2</sup> = 32.000 KM)
Administrative fee for building permit	0,05 % from the estimated value of the object
Fee for financing survey and establishment work real estate cadastre	0,3 % from the estimated value of construction works
Fee for the preparation of urban planning documentation created by a legal entity with a license to create a document spatial planning (expert opinion and urban technical conditions)	Depending on the type and purpose of the facility, the market price of the service ranges from 300 to 3,000 KM.
Conversion of agricultural land into construction land	The amount paid for the conversion is deducted from the rent
Fire protection (PP) and other approvals	Ministry of Internal Affairs (MUP) – inspectorate for fire protection, AD Vodovod i kanalizacija Modriča ~ 150
Environmental permit	50 KM
Consent for electricity connection	Electricity distribution Doboj PJ Modriča - 50KM/kW
Costs until the use permit is issued	
Administrative fee for use permit	30 KM
Technical inspection commission	1x1.000 = 1.000 KM (1KM/m <sup>2</sup> )

- Assistance with business registration and obtaining necessary permits
- Creating business plans
- Post-investment support to investors and promotion through presentations of the municipality at investment conferences, fairs and in brochures and through connecting with appropriate partners
  - Municipal incentives for businessmen and farmers
 Registration of legal entities is carried out at the one-stop shop of the Agency for Business, IT and Financial Services. services (APIF) in Modriča, within 3 days. Link: [www.apif.net](http://www.apif.net)



## INCENTIVES FOR INVESTORS PROVIDED BY THE MUNICIPALITY

- Deferred payment in installments of rent and fees for development of construction land
- Financial incentives for agricultural and rural development
- Co-financing the introduction of ISO standards in companies
- Co-financing the employment of new workers
- Co-financing of company participation in international and domestic fairs

The following information is also available to investors:

Electronic registers with a detailed overview of permits and licenses required by investors in the Municipality of Modriča, Republic of Srpska and Bosnia and Herzegovina are available at the following links:

- Municipality of Modrica:  
<http://www.modrica.ba/zahtjevi.html>
- The Government of the Republika Srpska:  
<http://www.regodobrenja.net/index.php?jezik=1>
- Ministry of Foreign Trade and Economic Relations of BiH:  
<http://rap.mvteo.gov.ba/egfVwOdlukaJedinice.aspx>

Lists of investment fiscal and non-fiscal incentives at the level of BiH and RS are available at the following links:

- Government of the Republic of Srpska/Invest Srpska:  
<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\\_publikacije/izvjestaji/default.aspx?id=6176&langTag=bs-BA](http://www.mvteo.gov.ba/izvjestaji_publikacije/izvjestaji/default.aspx?id=6176&langTag=bs-BA)



## EXISTING FOREIGN INVESTORS AS THE BEST REFERENCE

### “ЗАРУБЕЖНЕФТЬ” ОАО

Investment in the company "OIL REFINERY" MODRIČA" a.d.

Country: Russia  
Activity: Production of lubricants and fluids for vehicles and machinery and industrial plants, base oils and paraffins  
It employs around 200 workers from the municipality.

### “FERDINAND RICHTER” GmbH

Investment in the company "ALFA" d.o.o

Country: Austria  
Activity: Footwear production  
It employs about 500 workers.

### “CASTELLINA SRPSKA” d.o.o.

Investment in the company "PETAR MRKONJIĆ" P.D.

Country: Italy  
Activity: Crop and livestock production  
The company is the largest agricultural producer in the area Municipality of Modriča. Corn is grown on an area of 480 ha, wheat, rapeseed, soybeans and triticale, with an annual yield of 40,000 t

### “R.T.S. METAL” d.o.o.

Country: Switzerland  
Activity: Production of metal products and locksmithing haberdashery  
The complete production is exported.





## Miroslav Josipović, owner and director of the company "FAM-JM" d.o.o., Modriča

The company was founded in May 1980 as a craft shop for the production and servicing of woodworking machines, both for primary and secondary processing. In the early 80s, we adopted a program to produce processing machines of wood in the NC system. In the meantime, cooperative metal processing was carried out.

Since 1995, we have been exclusively engaged in the overhaul of SUS engines, the production of moving tools for CNC machines, the overhaul sawmill equipment, as well as metal processing machine services. Years of dedicated work have led to the creation of a successful cooperation with companies: Yamazaki Mazak Japan, Berco Italia, Robbi Italia, Daimler Benz Germany, Mann Germany. We are authorized service technicians for machining engine parts: Mann, Mercedes, Daf, Volvo, Scania, Caterpillar, Komatsu, Hitachi.

In 2014, we imported a Yamazaki Mazak machining center for state-of-the-art machining of engine parts, with accuracy to the fourth decimal for engines up to 2000 PS, V20 engines. The machine has a serial number for Europe No. 4. At the beginning of 2015, we entered into Serdi Corporation's valve seat processing machine system, where we got the first protected patented machine with quadruple airbag.

In 2018 - a Sachman six-eighth CNC machining center (milling machine) of extremely large dimensions was acquired, and after that a FI 1350 x 5000 lathe.

In 2023 - a numerical Serdi machine was acquired for processing the center of the valve.

Our company certainly has the potential for further development and the establishment of new business partnerships, for which we have full support local communities. We worked together on a program to retrain workers to handle the most modern technological achievements in numerical metal processing, which was successfully completed and which enabled us to dispose with young professional workers.



“Our strategic goal is to permanently develop Modriča into a modern business and infrastructure-based environment, as well as an environmentally conscious environment that offers a high standard of living and business to its citizens, as well as investment partners. ”

Your reliable partner and an even better host...



## INVESTOR CONTACT INVESTOR INFO CENTER

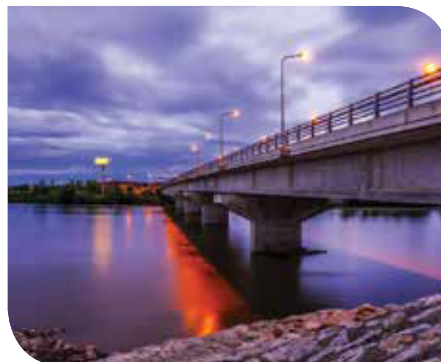
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