

CITY OF ZVORNIK
ADMINISTRATION



GRAD
ZVORNIK

INVEST IN ZVORNIK

GENERAL INFORMATION

The City of Zvornik is situated on the left bank of the Drina River, in the northeast part of Republika Srpska and Bosnia and Herzegovina.

Republic of Srpska	
VCurrency	Convertible mark (KM) 1€ = 1,955380 KM
GDP	10.681,64 (in millions KM) (2018)
GDP per capita	9.305 KM (2018)
Average net wage	857 KM (2018)
Wage contributions	33%
Personal Income Tax	10% (income over 500,00 KM)
Profit Tax	10%
VAT	17%
Investment opportunities	www.investsrpska.net

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City of Zvornik	
Entity	Republic of Srpska
Surface area	371,95 km ²
Population	54.407
Mayor	Zoran Stevanovic
Address	Svetog Save 124, 75 400 Zvornik
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WHY INVEST IN ZVORNIK?

Zvornik is a city seeking to revive a long industrial manufacturing tradition and promote development of other entrepreneurial activities by offering both domestic and foreign investors an exceptional location and favorable conditions for a wide range of activities:

- Established The „Jadar“ Business Zone close to the border crossing to the Republic of Serbia, which operates as a customs terminal.
- Simplified procedures, reduced waiting times and cut costs for starting and operating businesses.
- Strategically expressed its commitment to sustainable exploitation of natural resources and use of cultural and historical heritage in development purposes.

GEOSTRATEGIC POSITION







Zvornik is situated at the intersection of the roads leading to major urban centers in BiH and the region. Zvornik is connected to the road and railway networks of the neighboring Republic of Serbia via four bridges on the Drina River, which constitute border crossings:

- Karakaj – I category international border crossing for road traffic,
- Šepak – international border crossing for passenger road traffic,
- Zvornik – international railway traffic border crossing,
- Zvornik Stari most – frontier traffic border crossing.

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Road network in the city of Zvornik	km
Railway transport BiH – Serbia (Tuzla-Zvornik-Loznica-Ruma-Belgrade railway)	10
Road transport:	247
Arterial roads (M19 Bijeljina-Zvornik-Sarajevo and M4 Zvornik-Tuzla-Doboj)	50
Regional roads (R456 Karakaj-Šetići and R454a Bratunac-Drinjača)	22
Local roads	175

Distance to major cities in the country and the region (km)

	Tuzla	BIH	47
	Bijeljina	BIH	54
	Banja Luka	BIH	204
	Sarajevo	BIH	140
	Beograd	SRB	170
	Novi Sad	SRB	154
	Šabac	SRB	83
	Loznica	SRB	30
	Zagreb	CRO	375
	Podgorica	MNE	343

Distance to European cities (km)

	Ljubljana	SLO	514
	Beč	AUS	697
	Budimpešta	HUN	483
	Bukurešt	ROU	761
	Sofija	BGR	560
	Minhen	DEU	921

HUMAN RESOURCES

In the city of Zvornik, workers with experience in manufacturing, as well as with knowledge and skills acquired in the local, national or regional educational institutions, may be hired at competitive wage levels.

Number of employees and unemployed	2019	2018	2017	2016
Number of employees	9.761	9.449	9.221	8.880
Number of unemployed	3.963	3.982	4.447	4.700

Source: Tax Administration of the Republic of Srpska

The ratio of the average wage in Zvornik and Republika Srpska

Year	Average wage in Republic of Srpska	Average wage in Zvornik
2018.	857KM	847 KM
2017.	831 KM	831 KM
2016.	836KM	827 KM

Source: The Republic's Statistics Institute

Age structure of registered unemployed

Years	Number of unemployed
18 - 35	1540
36 - 45	990
46 - 55	752
56 - 65	583
Over 65 years	

Source: Employment Bureau RS, Branch office in the City of Zvornik

Education structure of registered unemployed

Level of education	Number of unemployed
Unskilled	0
Semi-skilled	1.043
Skilled	1.154
Highly skilled	1.173
Secondary school qualifications	52
Two-year post-secondary qualifications	12
University qualifications 180 ETC	180 E TC 60
University qualifications 240 ETC	240 E TC 342
Master 300 ETC/Master	29
PhD	0
Total	3.865

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Source: Employment Bureau RS, Branch office in the City of Zvornik

Vocational specialties on local educational institutions

Education level	Number of educational institutions	Vocational specialties
Secondary education	High and Vocational Secondary School „Petar Kočić“	<ul style="list-style-type: none"> • High school • Economics, low and commerce • Health care • Catering and tourism
	Technical School Center	<ul style="list-style-type: none"> • Mechanical engineering and metal working • Traffic • Electric engineering technician • Chemistry, non-metals and printmaking
Higher education	Faculty of Technology of the East Sarajevo University	<ul style="list-style-type: none"> • Chemical engineering and technology • Biology

BUSINESS ENVIRONMENT

- Small and medium enterprises are predominant in the economy of the city of Zvornik.
- The city of Zvornik strives to revive manufacturing and thereby restore its status from the second half of 20th century, when the town ranked as the third-largest industrial center in BiH: at that time, between 13.000 and 15.000 workers from Zvornik and neighboring municipalities worked in the plants for wood processing, manufacturing of construction materials, exploitation of mineral waters, production of alumina and rubber, as well as in the metal, textile and food factories concentrated in the suburban settlement of Karakaj.
- The number of registered businesses in city of Zvornik has been raising as of 2008.

Number of registered business entities

Year	Number of registered business entities in the city of Zvornik
2016.	1097
2017.	1.114
2018.	1.119
2019.	1.148

Source: The Republic Statistic's Institute

Number of entrepreneurs

Activity	Regular businesses
Crafts	153
Trade	291
Restaurants, catering	150
Other	224
Total	818

Source: Department for Economy, Agriculture and Community Activities of the City of Zvornik

Number of businesses per the standard business clasification

Activity	No.
A - Agriculture, forestry and fishing	6
B - Mining and quarrying	5
C - Processing industry	66
D - Production and supply of electricity, gas, steam and sewerage	6
E - Water supply; sewerage, waste management and remediation activities	2
F - Construction	44
G - Trade, wholesale and retail	86
H - Transportation and storage	34
I - Accommodation and catering	4
J - Information and communications	7
K - Financial and insurance activities	1
L - Real estate business	4
M - Expertise, scientific and technical activities	14
N - Administrative and support service activities	3
O - Public administration	1
P - Education	14
Q - Health protection and social work	21
R - Art, entertainment and recreational activities	3
S - Other services	9
Total	330

JADAR BUSINESS ZONE

- Business zone is owned by the city administration of the city of Zvornik,
- Covers 8.09 ha of developed land in the Karakaj industrial area,
- 4 km from downtown Zvornik, Adjacent to the border crossing serving as a customs terminal,
- Connected with M19 and M4 arterial roads and the loading station on the international railway line Republic of Serbia-Zvornik-Tuzla,

Available common infrastructure:

	To the zone	Within the zone	Technical characteristics
Road	√	√	Access and internal roads
Water supply	√	√	Pipeline with two wells, a water tower and hydrants for each structure
Sewage system	√	√	Two manholes and a main collector
Natural gas installation	√	√	Natural gas station
Power grid	√	√	Substation 10/04kV with power 2x630kVA
Telecommunications network	√	√	Pre-existing connection with 10 outlets

The procedure and conditions for investors to access the services of the „Jadar“ Business Zone have been set by the Rulo Book on the Terms and Conditions for Leasing the Land and Facilities to Investors:

- Land and facilities may be leased for a period of 5 years, which may be extended to 10 years after the end of the first year since the production started.
- The lease amount is proportional to the surface area of the leased property.
- The lease amount is lower during the pre-production period, not to exceed 6 months.
- An investor may be exempted from up to 60% of the total lease amount if he invests own funds into construction and other works for adaptation of the facility for its general purpose (electricity, water, sewer system).
- Priority is given to investors who create more jobs (at least one employee per 1000 m² of leased space (land), i. e. At least three employees per 1000m² of leased operational facilities and whose production is export-oriented).

Companies operating within the „Jadar“ Business Zone

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Company	Country of origin	Sector/activity	Permanent jobs	Exports as share of total output
Good food	BiH	Manufacturing industry	3	-
Obuća doo	BiH	Manufacturing industry	379	90%

Source: APIF

The business zone offers investors the following benefits:

- Faster and simpler issuance of construction permits issued by the municipal administration,
- Lower starting and operating costs,

- Opportunities for linkages with other companies in the business zone,
- Access to incentives and other support instruments,
- Free promotion of the company as part of the promotional activities of the business zone.

The Physical Plan of the city of Zvornik envisages construction of a commodity logistics center adjacent to the „Jadar“ Business Zone.

INVESTOR SUPPORT AND INCENTIVES

The city of Zvornik continuously implements reforms to create favorable business environment:

- Spatial planning documentation of the city has been completed or its completion is under way.
- The City administration simplified procedures, reduced waiting times and cut costs for starting and operating businesses:
 - - working hours of the Service Hall of the City Administration has been extended to help businesses access its services in a more efficient manner
 - the documents and actions of legal persons related to labor and labor relations are exempt from the administrative fee;
 - Procedure to issue construction-related approvals (location requirements, construction permit and inspection certificate) were reduced to three steps;
 - Waiting times for issuance of construction-related approvals are shorter than average in Republika Srpska (up to 5 days for location requirements, up to 3 days for the construction permit and up to 10 days for the inspection certificate, depending on completeness of submitted documentation);
 - Real estate tax was cut to 0,14% and for real estate in which the production activity is directly performed, 0.07%;
 - The rent per 1 m² of useful area of production and ancillary facilities ranges from 1% (Zone 6) to 6% (Zone 1) of the average construction price per 1 m². For the construction of production facilities the rent is reduced by 1% except in the sixth zone where the rent is reduced by 0.5%;
- The city of Zvornik offers investors other services as well:
 - - It provides information about the procedures and costs of starting a business in Republika

Srpska, i.e. assists new investors in acquiring necessary approvals and permits within jurisdiction of higher levels of government;

- Provides information and logistical services to businesses when applying for incentive funds allocated by responsible institutions of Republika Srpska and BiH;
- Provides aftercare services to businesses through the Collaborative Network jointly with the Republika Srpska Ministry of Economic Relations and Regional Cooperation.

Registration of legal entities is conducted in the one-stop-shop of the branch office of the Business Information and Finance Services Agency in Zvornik, Svetog Save (no house number), within three days, link www.apif.net

Fiscal and non-fiscal investment incentives are available to investors at all government levels in BiH. The lists of fiscal and non-fiscal investment incentives at the level of Republika Srpska and BiH are available at the following links:

www.investsrpska.net

www.mvteo.gov.ba

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- Average fuel price is 1,723KM/l.
- The territory of the city of Zvornik is served by power transmission facilities of 400kV, 110kV, 35kV, 10kV and 0,4kV voltage levels. The average price of electricity for business entities excluding VAT is 0,17KM/kWh.
- Distribution and sales of natural gas used for generation of heat is conducted through the measurement and regulation station in the center of the town, with one branch connected to the natural gas network of the Republic of Serbia.

Average price of natural gas for business entities with VAT

Price (KM)	Unit
1,40 KM	M3

Source: „Zvornik stan“ a.d. Zvornik

Length of existing gas network (m)	Pressure
6.956,82m	500 mbar
5.402,81m	200 mbar
28.505,31m	3bar

Source: „Zvornik stan“ a.d. Zvornik

Average price of heating for business entities with VAT / Price (KM)	Unit
6,70 KM	m ²

Source: „Zvornik stan“ a.d. Zvornik

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When it comes to telecommunications services, operators offer several different tariff models for business customers, so they have the opportunity to choose a model that will be economically acceptable to them and that will allow them to perform uninterrupted business communication.

Telecommunication services	Monthly subscription (KM)	Connection price (KM)
Fixed telephony		
Mobile telephony - Postpaid		
Internet - ADSL Flat (8192/512 Kb / s)		

Цијене комуналних услуга

Type of service	Price (KM) excl. of VAT per unit	
	Town	Industrial zone
Water	3,12KM/m ³	3,12KM/m ³
Sewage system	1,08KM/m ³	1,08KM/m ³
Waste disposal	0,78KM/m ²	138,91KM/container 5 m ³ 39,95KM/container 1,1 m ³ 15,61KM/bin 0,1 m ³

Source: „Vodovod i komunalije“ a.d. Zvornik

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MOST PROMINENT COMPANIES IN THE CITY OF ZVORNIK

PROCESSING INDUSTRY

Alumina

The alumina producing plant exporting 100% of its output (methalurgic alumina of the SANDY type, zeolite, hydrate and water glass/sodium silicate) to the EU market. It employs over 1000 workers and is linked with many small firms in Zvornik and neighboring municipalities.

Zeochem

Zeolite and chromatographic gel processing plant that is part of the CPH Chemie Papier & Holding group from Switzerland.

FOOD PRODUCTION AND PROCESSING

Smrčak

“Smrčak” Company for Harvesting, Processing and Trade in Mushrooms, Medicinal Herbs, Forest Fruits, Fruit and Vegetables exports 98% of its products..

Studen-prom

The “Studen-prom” is a company for processing of snails and production of snail meat, as well as for processing of assorted berries, which possesses necessary certificates and meets the conditions for exports to the EU market.

Vitinka

The „Vitinka“ Company encompasses two plants for bottling of mineral and spring waters, and for production of non-alcoholic beverages and concentrates with installed capacities and product qualities that place it among the best in BiH.

TEXTILE AND FOOTWEAR INDUSTRY

Obuća

“Obuća” doo for manufacturing of footwear employs 360 workers and exports 90% of its products (LOHN jobs).

Tisa mod

The basic activity of the “Tisa Mod” Company, which employs 80 workers, is garment manufacturing for export markets (100%).

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WOOD INDUSTRY

Global enterijeri

The “Global enterijeri” is a company that employs 20 and manufactures and sells furniture on its 3,800 m² of display area.

Mega sistem

The Wood Center “Mega sistem” for production, trade and services has considerable turnover and 32 employees.

CONSTRUCTION

Zvornik putevi ad

AD “Zvornik putevi” is a leading company in road and road facilities construction and maintenance in BiH.

Enikon-mont

“Enikon-mont” Company designs, produces and installs equipment for industrial, chemical and power plants and employs 45.

Duo Lujić

Company for design and construction of buildings in civil engineering and building construction.

TRANSPORT

Euro Petrol Oil

„Euro Petrol Oil“ is the most successful public road transport company in Republika Srpska, with 219 employees.

TRADE

Zvorničanka

“Zvorničanka” – retail company with retail stores in Zvornik, Bratunac, Vlasenica and Srebrenica, Pale, Bijeljina with over 250 employees.

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