



*Republic of Srpska*

*Your  
business choice*

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*Ministry of Economic  
Relations and Coordination*

PUBLISHER:  
Ministry of Economic Relations and Coordination  
Vuka Karadžića 4, 78000 Banja Luka  
Phone: 051/331-430  
Fax: 051/331-436  
e-mail: meoi@meoi.vladars.net

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## PREFACE

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*Exceptionally favourable position, economic reforms, vast natural energy resources and open market are the elements that guarantee economic development and great possibilities to potential investors.*

*This brochure provides general information on current situation and possibilities for favourable investment in Republika Srpska.*

*We would like to invite you to visit and invest in Republika Srpska and to benefit from BiH's favourable trade arrangements with the European Union and other countries.*

***Ministry of Economic Relations and  
Coordination of Republika Srpska***

# 1. BOSNIA AND HERZEGOVINA

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Bosnia and Herzegovina (hereinafter: BiH) is a democratic country functioning on the principles of rule of law and free and democratic elections.

BiH comprises two entities, Republika Srpska and Federation of BiH, and Brcko District.

There is freedom of movement throughout BiH. BiH and its entities do not impede full freedom of movement of persons, goods, services, and capital throughout the territory.

Neither of the entities performs any control at the inter-entity boundary.

The capital of BiH is Sarajevo.

The official languages in BiH are: the language of Serbian people, the language of Bosniak people and the language of Croat people.

The official alphabets are Cyrillic and Latin.

Total area: 51.209 sq. km

Currency: Convertible Mark (konvertibilna marka – KM)

Rights and freedoms set forth in the European Convention for the Protection of Human Rights and Fundamental Freedoms and its Protocols are applied directly in Bosnia and Herzegovina. These acts have precedence over all other laws.

BiH institutions defined by the Constitution:

1. Presidency of BiH
2. Parliamentary Assembly of BiH
  - House of Representatives
  - House of Peoples
3. Council of Ministers of BiH
4. Constitutional Court of BiH
5. Central Bank of BiH

The Constitution of BiH is the orientation of Serbs, Bosniaks and Croats, as constituent peoples (together with other citizens of BiH)<sup>1</sup>

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<sup>1</sup> Constitution of Bosnia and Herzegovina - Annex IV of the General Framework Agreement of Dayton, 21 November 1995.

## 2. REPUBLIKA SRPSKA

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### 2.1. CONSTITUTIONAL AND POLITICAL SYSTEM

Republika Srpska is one of the two entities in BiH.

The status of state entity of Republika Srpska was verified by the Dayton Peace Accords and signing of peace in Paris on December 14, 1995.

At present, Republika Srpska is a parliamentary republic with limited international sovereignty. Therefore it fulfils some of its interests by means of joint institutions of power at the level of internationally recognised state – BiH.

Under its Constitution, Republika Srpska has its own President, Parliament (National Assembly of Republika Srpska), Government (comprising prime minister and sixteen ministers), Supreme Court and lower courts, Customs Service (under the Customs Service at the state level).

After the war Republika Srpska retained its army, but in August 2005 the Parliament decided to transfer control of the Army of Republika Srpska to a state level ministry and abolish the entity defence ministry and army by January 1, 2006. These reforms were a condition of BiH admission to the Partnership for Peace.



Republika Srpska has its own police force, but in October 2005 the National Assembly of Republika Srpska made a decision about the creation over a five-year period of a single integrated police service at the state level, with local police areas that may cross the inter-entity boundary line if required by technical considerations. This reform was a condition for opening of negotiations on BiH Stabilisation Agreement with the European Union.

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<sup>2</sup> Source: Republic Statistical Institute, Banja Luka.

The Government of Republika Srpska is made up of a prime minister and sixteen ministers. The National Assembly of Republika Srpska also selects two deputy prime ministers from among the ministers from different constituent peoples (Serbs, Croats and Bosniaks) upon recommendation of the prime minister.

The law requires that eight ministers be selected from the Serb population, five from the Bosniak and three from the Croat. The prime minister may also appoint one minister from among the “other” population.

### • **Role of the Office of the High Representative (OHR)**

Office of the High Representative was established after the war, on December 14, 1995, by the Dayton Peace Accords.

The objective of establishment of OHR was monitoring of the implementation of civilian aspects of the Dayton Agreement in behalf of the international community. One of its tasks is coordination of activities of the international civilian organisations and agencies active in the country.

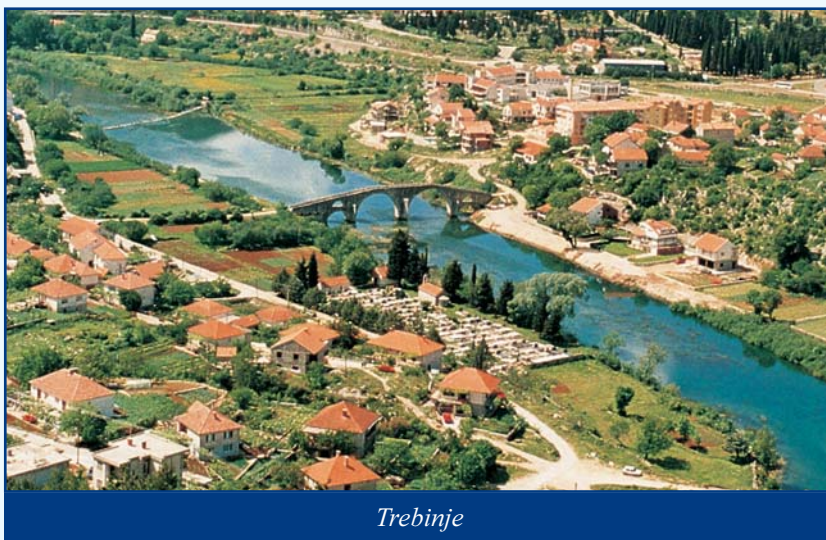
The mandate of the High Representative was first specified in Annex 10 of the Dayton Agreement. After that, the Peace Implementation Council, comprising 55 countries and international organisations that sponsor and lead the peace implementation process, elaborated his mandate.

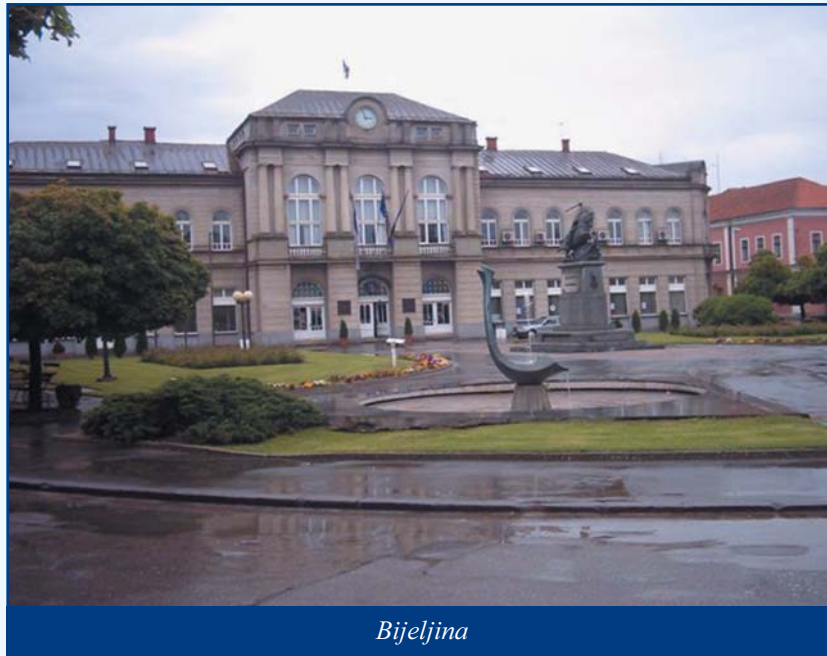
## **2.2. GEOGRAPHIC AND DEMOGRAPHIC INFORMATION**

Republika Srpska is positioned in the central part of the Balkans Peninsula. It covers the total area of 24,857 sq. km and has 1,471,529 (estimate for the year 2004) inhabitants.<sup>2</sup>

Republika Srpska is located at the contact point of two big natural, geographic and socio-economic regional units – the Panonnian and the Mediterranean.

From transport and geographic aspect, such a position bears special importance, since vital communication channels traverse it. That primarily relates to meridian direction of in-





terconnected river valleys of Bosna and Drina which cuts through the mountain complex Dinara and links the macro-regions of Central Europe and Mediterranean.

Not less important is the parallel direction linking Republika Srpska with the Central Balkans and Western Europe. In that view, it is necessary to highlight the importance of Republika Srpska's access to the River Sava that links it to the European river transport line Rhine-Main-Danube. So, the area of Republika Srpska represents the link between the Pannonian and Adriatic basins on one hand, and Western Europe and Central Balkans on the other.

Under the Constitution of Republika Srpska its capital is Sarajevo.

Banja Luka is the administrative, economic and cultural centre of Republika Srpska, the seat of the Government of Republika Srpska and National Assembly of Republika Srpska. It has about 200,000 inhabitants.

Other big cities are Bijeljina, Doboј, Gradiska, Prijedor, Trebinje and Zvornik.

Natural features of Republika Srpska are very complex due to variety of natural and geographic units it covers and their various geomorphologic evolutions.

The climate zones range from the Mediterranean in southern Herzegovina, to the moderate continental prevailing in the north.

Republika Srpska has:

- agricultural land (1,298,619 ha)
- forests (1,120,000 ha)
- hydro and climatic conditions (exceptional river potentials of Drina, Trebisnjica and Vrbas, thermal and mineral waters)
- mine and mineral resources (coal, iron, bauxite, manganese, copper, silver, zinc, aluminium)

Although not very large in its territory, Republika Srpska has rich and scattered natural resources:

Spa resorts located at thermal water sources, which are successful in helping the sick (cardiac diseases, circulation diseases, blood pressure diseases, digestive system diseases, nervous system diseases, rheumatism), but also offer the possibilities for sports and recreation programs and relaxation in nature. The spas in Republika Srpska are: Vrucica near Teslic, Vilina Vlas near Visegrad, Laktasi, Slatina, Srpske Toplice near Banja Luka, Guber in Srebrenica, Mljecanica at the foot of the Mountain Kozara and Kulasi in Prnjavor.

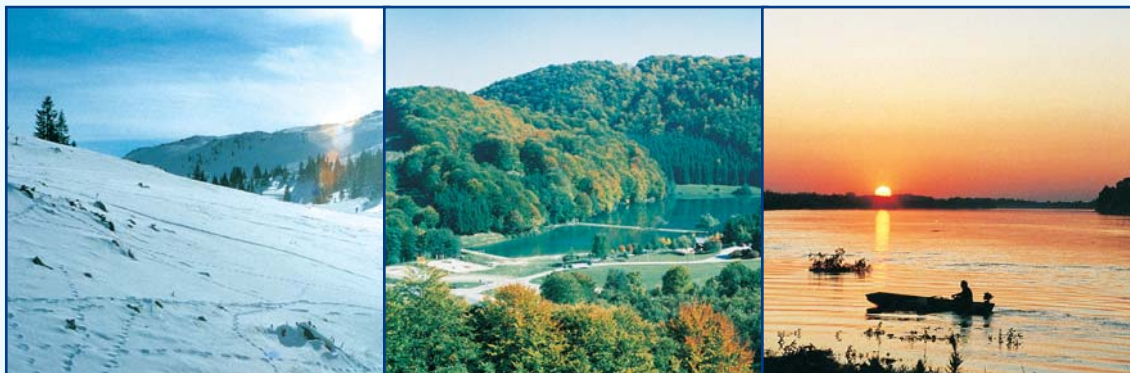
Mountains are a particular natural decoration. The most famous are Jahorina, where the 14th Winter Olympic Games were held in 1984, and Maglic with its 2,368 meters of height which make it the highest peak in Republika Srpska and Bosnia and Herzegovina. There are also the intact areas of Zelengora, Lelija, Volujak, Treskavica, Romanija, Vlasic, Grmec, Kozara, Ozren and many other mountains, whose richness in forests is attracting increasing attention of climbers, hunters, tourists and other nature lovers.

Rivers are a special natural resource with abundance of diverse fish. Those that stand out among them are fast mountain rivers Una, Sana, Vrbas, Drina, Tara and Ukrina, but also Bosna which flows slowly through the plains of Republika Srpska.

Numerous caves rich in ornaments represent a challenge for explorers and nature lovers. The cave Orlovaca not far from Pale, and Vaganska near Sipovo are among the most attractive.

National park Sutjeska is a unique natural park in our continent. Perucica, the last true virgin forest in entire Europe, is a part of it. The national park Kozara is tamer, but equally interesting.

Spiritual centres and popular holy places should also be mentioned. They also represent important cultural and historical monuments like the monasteries TvrDOS and Dobricevo in Herzegovina from the 15th century, monastery Lovnica near Sekovici from the 13th century, monasteries on the mountain Ozren, monasteries Gomionica, Mostanica and Liplje in Krajina. Other unique sights are centuries old churches-log cabins.



*Jahorina*

*Balkana*

*Fishing*

## 3. BUSINESS ENVIRONMENT

### 3.1. MACROECONOMIC INDICATORS

Macroeconomic policy of Republika Srpska is harmonized with the Development Strategy of BiH (PRSP), as well as with the policies defined by the World Bank and IMF, which we committed to by signed memorandums.

Competing with other countries of the vicinity, the intention of the Government of Republika Srpska is to make this area more attractive and safer for investment by means of determined and fast reforms.

The table below shows macroeconomic trends in Republika Srpska during the period 1999-2004.

*Table 1: Macroeconomic Trends in Republika Srpska during the period 1999 - 2004<sup>3</sup>*

INDICATOR / YEAR	1999	2000	2001	2002	2003	2004
GDP in million KM – current prices	2,462.0	2,734.0	2,992.0	3,417.0	3,717.0	3,940.0*
Number of inhabitants – in million	1.429	1.429	1.447	1.455	1.463	1.500
GDP per capita in KM	1,723.0	1,913.0	2,067.0	2,348.0	2,540.0	2,627.0
% of GDP growth, nominal	25.8	11.0	9.4	14.2	8.8	6.0
Inflation in %	14.0	16.1	2.2	2.4	1.8	1.9
% of GDP growth, real	11.8	-5.1	6.7	11.5	6.8	4.0
Average net salaries in KM	216.0	299.0	305.0	356.0	385.0	423.0
Imports in million KM	1,589.0	1,730.0	1,697.0	2,164.0	2,150.0	2,707.0
Exports in million KM	425.0	835.0	599.0	566.0	536.0	840.0
Imports-Exports ratio %	26.7	48.3	35.3	26.2	24.9	31.0
Unemployment rate %	40.0	40.2	38.5	36.5	37.0	36.3

From the above table, it is obvious that nominal and real rates of gross domestic product (GDP) growth were positive throughout concerned period.

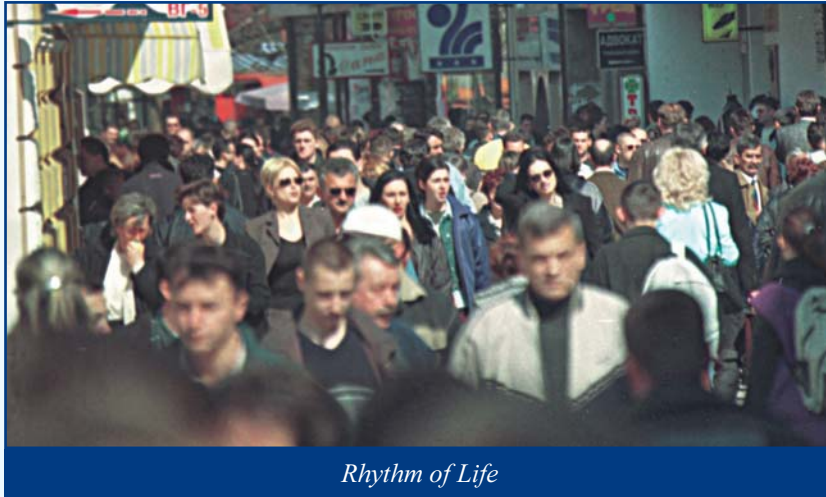
The implementation of Currency Board arrangement had decisive influence on monetary stability in BiH, therefore in Republika Srpska also. Internal and external price stability, that is the stability of prices and exchange rate of local currency, characterise the economy of Republika Srpska.

Average net salaries grew by average annual rate of 15 percent.

Foreign trade balance of Republika Srpska is unfavourable, but showing the signs of improvement.

Transitional changes are ongoing in Republika Srpska, primarily in the field of public finance by means of tax policy, maintenance of financial discipline and bringing of public expenditures within the framework of the tax capacity of economy, with a great effect on economic trends in Republika Srpska. In real sector, banks privatisation is completed and privatisation of companies is still ongoing. Also, strong budget constraints are being established.

<sup>3</sup> In overview of macroeconomic picture of Republika Srpska we used the data from the Budget Framework Document for Republika Srpska for Period 2006-2008, as well as from the Economic Policy of Republika Srpska for Year 2005.



The main priorities of the Government of Republika Srpska are:

1. Acceleration of the process of privatisation and restructuring of companies, using bankruptcy in the process of companies' revival,
2. Creation of more favourable business ambiance, using hard budget constraints in order to reduce public expenditure and continue settlement of obligations under the Law on Internal Debt Settlement;
3. Investment in infrastructure projects and implementation of Public Investment Program,
4. Decrease of current account deficit (imports-exports), and
5. Reform of two important social sectors: health, and pensions and disability allowances.

### **3.2. BiH/RS CREDIT RATING ACCORDING TO MOODY'S INVESTOR SERVICE**

After several months of economic analysis and evaluations in 2004, the Moody's Investor Service, a respectable international agency, has given BiH a B3 credit rating with a positive outlook. This was the first time that BiH got its own credit rating.

The positive outlook means that BiH is expected to upgrade the rating in the net six to eighteen months.

According to this agency, despite the complex political system, BiH is making significant progress in building a unified banking and monetary system and a single tax and customs system.

The country has a stable currency and low inflation, and it is making progress also in other fields. It is considered that BiH will preserve the stability, due to presence of international community as well as due to strategic position of BiH in enlarged European Union.

### **3.3. FINANCIAL AND BANKING SYSTEM**

#### **• Central Bank**

The Law on Central Bank, adopted by the Parliamentary Assembly of BiH, was the basis for establishment of Central Bank of BiH on June 20, 1997. The Central Bank started working on August 11, 1997.

The main purposes and tasks of the Central Bank are defined by law in accordance with the Dayton Peace Agreement. The Central Bank defines and controls the implementation of BiH monetary policy, and manages official foreign exchange reserves earned by issuing of local currency.

The Central Bank of BiH maintains monetary stability in accordance with the Currency Board arrangement (1KM : 0.51129 EURO), which means that it issues local currency with full backing in freely convertible foreign funds at fixed rate of 1KM : 0.51129 EURO.

The Central Bank assists and maintains appropriate payment and accounting systems. It also coordinates the work of Banking Agencies of Republika Srpska and FBiH. These Agencies are in charge of issuing of licenses for banks operation and supervision.

The highest body of the Central Bank of BiH is its Board of Directors, in charge of definition of monetary policy and control of its implementation, and organization and strategy of the Central Bank in line with authorizations set forth by law.

Headquarters of the Central Bank are in Sarajevo.

The Central Bank of BiH has three main units and two branch offices.

The main units are Main Unit Sarajevo, Main Bank of Republika Srpska Banja Luka and Main Unit Mostar.

The branch offices are CBBIH Brcko District and Branch Office of the RS Main Bank Pale.

#### **• Banking System**

On June 30, 2005 the banking sector in Republika Srpska comprised nine banks.

Banks with headquarters in Republika Srpska have 12 organisational units in the territory of the FBiH. The banks with headquarters in the Federation of BiH have twenty four organizational units in the territory of Republika Srpska.

Concerning ownership structure, on June 30, 2005 private capital in banks amounted to 98 percent, state capital to 1 percent and cooperative capital to 1 percent.

Under the Law on Banks (“Official Gazette of Republika Srpska”, no. 44/04) and Law Amending the Law on Banks of Republika Srpska (“Official Gazette of Republika Srpska”, no. 74/04) a bank can be founded by local or foreign, legal or natural persons. A bank must have at least two founders.

Condition for founding and operation of banks is a licence issued by the Banking Agency of Republika Srpska.

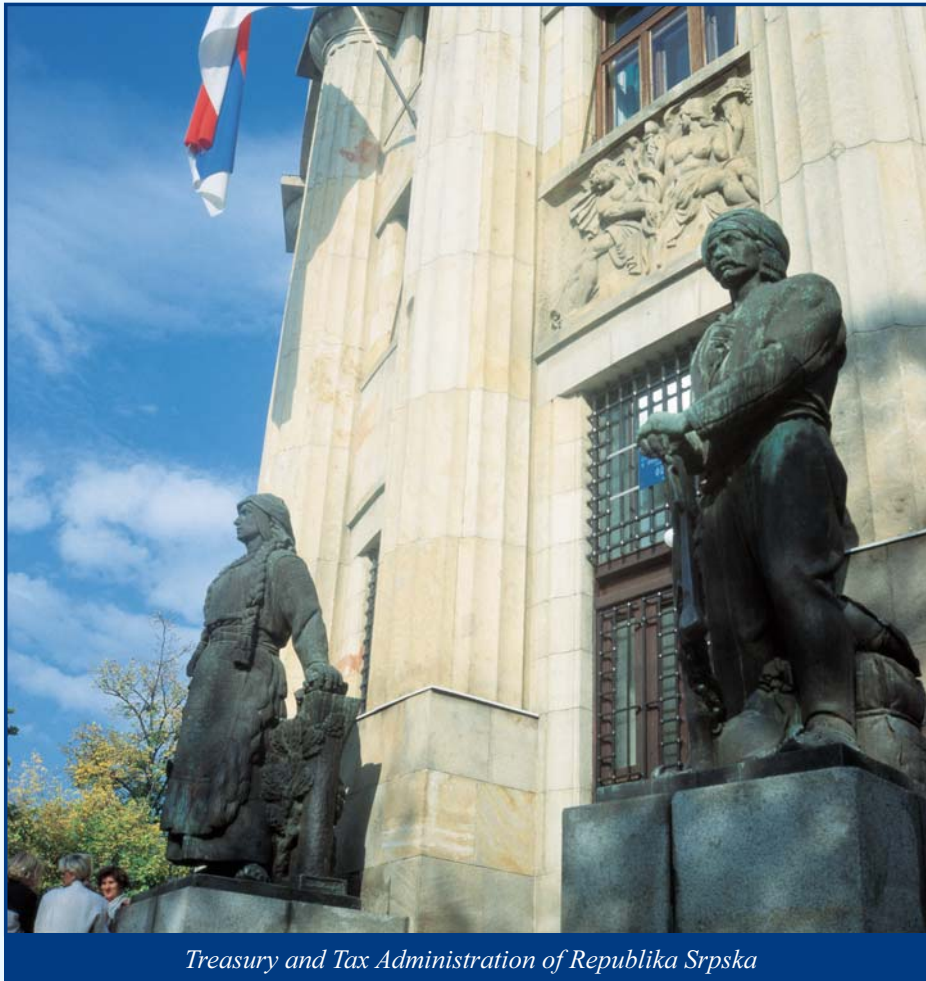
## Capital Stock

The minimum amount of paid-up financial capital stock of a bank, and the minimum amount of paid-in net capital that a bank must maintain, may not be less than 15,000,000 KM (fifteen million convertible marks).

## Branch Offices

A bank with headquarters outside Republika Srpska may receive monetary deposits in its own name and for its own account and give credits in the territory of Republika Srpska by means of its branch offices.

The branch office of a foreign bank has the status of a legal entity and it must file a request for the issue of licence with the Banking Agency of Republika Srpska.



## **Representation Offices**

Banks with headquarters outside Republika Srpska may open representation offices in Republika Srpska for the purposes of presentation, collection and providing of information.

Representation office is an organizational unit of the bank and it may not engage in banking operations.

The Banking Agency grants approvals for operation of representation offices in Republika Srpska.

## **Deposit Insurance**

Deposit insurance in member banks in BiH is done by the BiH Deposit Insurance Agency, in line with the Law on Deposit Insurance in BiH Banks (“Official Gazette of BiH” 20/02).

The maximum insured deposit, together with interests, paid by the Agency per depositor per member bank, amounts to corresponding deposit decreased by depositor’s legal or contract debt towards that member bank or to 5,000 KM, or to the lesser of the two.

## **Foreign Exchange Operations**

From June 1998, the official currency of Republika Srpska is Convertible Mark (KM).

Under the Law on Foreign Investment (“Official Gazette of Republika Srpska” no. 25/02 and 24/04) and Law on Foreign Direct Investment Policy in BiH (“Official Gazette of BiH” 17/98 and 13/03), foreign investors are entitled to open in the territory of Republika Srpska, for the purpose of investment, accounts with any commercial bank, in local or any other freely convertible currency.

Concerning payments related to their investments in Republika Srpska, foreign investors are entitled to convert local currency into any freely convertible currency.

Foreign investors are entitled to transfer abroad, freely and without delay, in a freely convertible currency, the profits arising from their investment in Republika Srpska.

The details on foreign exchange operations are defined by the Law on Foreign Exchange Operations (“Official Gazette of Republika Srpska”, no 96/03).

Cash entry in and exit from Republika Srpska is defined by the Law on Foreign Exchange Operations (“Official Gazette of Republika Srpska”, no. 96/03), Law on Prevention of Money Laundering (“Official Gazette of BiH”, no. 29/04) and Regulation on Exit and Entry of Foreign Cash, Convertible Marks, Cheques and Securities (“Official Gazette of Republika Srpska”, 16/05).

Table 2: List of banks in Republika Srpska

No.	BANK	Head-Quarters	Address	Telephone/ Fax Number	S.W.I.F.T
1.	Nova Banjalucka Banka a.d. Banja Luka <b>www.novablbanka.com</b>	Banja Luka	M. Bursac 7	051/243-200 051/212-830	BLBABA22
2.	Hypo Alpe-Adria a.d. Banja Luka <b>www.hypo-alpe-adria.rs.ba</b>	Banja Luka	I. F. Jukica 9	051/212-930 051/212-878	KBALBA22
3.	Pavlovic International Bank a.d. Bijeljina <b>www.pavlovic-banka.com</b>	Bijeljina	Slobomir	055/209-588 055/210-247	SEMBBA22
4.	Privredna Banka a.d. S. Sarajevo - provisional management	Pale	Kninska 14	057/210-173 057/226-805	PRSSBA22
5.	Nova Banka a.d. Bijeljina <b>www.novabanka.com</b>	Bijeljina	Svetog Save 46	055/209-094 055/201-410	NOBIBA22
6.	Razvojna Banka Jugoistocne Evrope a.d. Banja Luka <b>www.razvojnabanka.com</b>	Banja Luka	Kralja Petra 1, 85a	051/242-101 051/242-192	RAZBBA22
7.	Bobar Banka a.d. Bijeljina <b>www.bobarbanka.com</b>	Bijeljina	Njegoseva 1	055/201-862 055/207-739	BATOBA22
8.	LHB Banka a.d. Banja Luka <b>www.vbbanka.com</b>	Banja Luka	Milana Tepica 4	051/221-600 051/221-623	VBBABA22
9.	Zepter Komerc Banka a.d. Banja Luka <b>www.zepterkomercbanka.com</b>	Banja Luka	Jevrejska bb	051/241-100 051/215-771	ZEKBBA22
10.	Balkan Investment Bank a.d. <b>www.bib.ba</b>	Banja Luka	Bana Milosavljevica 8	051/216-285 051-211-445	BALVBA22
11.	Pro Credit Banka Branch Office Banja Luka <b>www.procreditbank.ba</b>	Banja Luka	Brace Potkonjaka 2	051/431-530 051/431-537	
12.	Raiffeissen Bank dd BiH Branch Office Banja Luka <b>www.raiffeissenbank.ba</b>	Banja Luka	Vase Pelagica 10		
13.	Volks Bank, Branch Office Banja Luka <b>www.volksbank.ba</b>	Banja Luka	Kralja Alfonsa XIII / 2	051/225-910 051/225-918	
14.	HVB Central Profit Banka Branch Office Banja Luka <b>www.hvb-cpb.ba</b>	Banja Luka	Veselina Maslese 10	051/224-850	
15.	Uni Credit Zagrebacka Banka, Branch Office Banja Luka <b>www.zaba.ba</b>	Banja Luka	Petra Kocica bb	051/300-945	

## **• Insurance Companies**

The activity of insurance in Republika Srpska can be performed by insurance companies, established in the form of stock company or mutual insurance company.

Insurance companies may only engage in insurance activities.

Insurance companies can be founded by local or foreign, natural or legal persons.

The founders of insurance companies must obtain work permit, issued by the Insurance Agency of Republika Srpska and valid throughout BiH.

The work permit gives right to insurance company to engage in insurance activities in Republika Srpska and in the Federation of BiH by right to foundation, under the Law on Insurance Companies.

Insurance company with head office outside BiH may engage in insurance in Republika Srpska in form of branch office upon obtaining of permit from the Insurance Agency of Republika Srpska, and entry into court register.

Legal regulations are the following:

- Law on Insurance Companies (“Official Gazette of Republika Srpska”, no. 17/05 from February 28, 2005)
- Law on Personal and Property Insurance (“Official Gazette of Republika Srpska”, no. 14/00 from May 27, 2000 and 20/00 from July 17, 2000), i.e. its provisions relating to compulsory insurance of passengers in public transportation against consequences of accidents, compulsory insurance of airplane owners and users against responsibility for damages suffered by third parties, and compulsory insurance of owners and users of motor-driven vessels against responsibility for damages suffered by third parties shall remain in force pending regulations regulating other compulsory insurances except insurance from auto-responsibility, in line with the procedure described in Article 6, paragraphs 1. t. (b) and (c) of the Law on Insurance Agency of BiH (“Official Gazette of BiH” no. 12/04)

## **• Capital Market**

Institutions of the capital market of Republika Srpska are the following:

### **RS Securities Commission**

RS Securities Commission was established under the Law on Securities (“Official Gazette of Republika Srpska” no. 04/02 – refined text). The Commission is a permanent and independent legal entity in charge of regulation and control of emission and trade in securities.

More information available at: [www.khov-rs.org](http://www.khov-rs.org)

### **Central Register of Securities**

Central Register of Securities was founded under the Law on Central Register of Securities (“Official Gazette of Republika Srpska” no. 24/98).

Central Register of Securities is an institution that registers securities of stock companies and other issuers with headquarters in Republika Srpska, and their owners, keeps these

data in electronic forms in databases, and engages in transfer, depositing and settlement in trade in securities.

For stocks to be quoted in stock market, i.e. to be sold in a public regulated market, they must be registered with the Central Register, otherwise the owner of stocks is not able to sell them or trade in them.

More information available at: [www.crhovrs.org](http://www.crhovrs.org)

### **Banja Luka Stock Exchange**

Banja Luka Stock Exchange is the first organized securities market in BiH.

The market at Banja Luka Stock Exchange comprises exchange price quotation and free stock exchange market.

General conditions for entry of securities into this organized market are:

- That they can be traded in, in an organized fashion
- That they are fully paid-in
- That they are transferable without limitation
- That they are issued in dematerialised form

More information available at: [www.blberza.com](http://www.blberza.com)

### **Privatisation Investment Funds**

Thirteen privatization investment funds and thirteen companies for management of privatization funds have been established in Republika Srpska. Establishment and operation of these entities is regulated by the Law on Privatisation Investment Funds and Companies for Management of Privatisation Investment Funds (“Official Gazette of Republika Srpska”, no. 24/98 and 63/02), and Law Amending the Law on Privatisation Investment Funds and Companies for Management of Privatisation Investment Funds (“Official Gazette of Republika Srpska”, no. 67/05).

### **Brokerage Divisions/Houses**

Brokerage divisions/houses, i.e. exchange brokers, are legal persons licensed for operations involving securities.

The table below gives basic information on companies involved in operations with securities.

Table 3. List of brokerage houses in Republika Srpska

No.	BROKERAGE DIVISION/HOUSE	TELEPHONE FAX	ADDRESS
1.	Nova Banka a.d. Bijeljina Branch Office for Operations with Securities "Broker Nova"	051/241 923 051/310 135	Gavrila Principa 11 76300 Bijeljina
2.	Balkan Investment Bank a.d. Balkan Investment Broker	051/216 285 051/216 288	Krajiskih Brigada 2 78000 Banja Luka
3.	LHB Banka a.d. Banja Luka Business Unit for Operations with Securities "VB Broker"	051/212 671 051/212 078	Kralja Petra Karadjordjevicica 103 78000 Banja Luka
4.	HYPO ALPE-ADRIA-BANK a.d. Banja Luka Division for Operations with Securities "HYPO Broker"	051/223 820 051/223 828	I. F. Jukica 9 78000 Banja Luka
5.	Zepter Komerc Banka a.d. Banja Luka Division for Operations with Securities	051/241 164 051/215 771	Jevrejska bb 78000 Banja Luka
6.	Eurobroker a.d. Banja Luka	051/310-347 051/310-348	Jevrejska 89 78000 Banja Luka
7.	Bobar Banka a.d. Bijeljina	055/201 862	Filipa Visnjica 211 Bijeljina
8.	Nova Banjalucka Banka a.d. Banja Luka Branch for Securities	051/243 392 051/243 299	Marije Bursac 7, Banja Luka
9.	Grand Broker a.d. Zvornik	056/211 799 056/211 798	Drinski Put bb Zvornik
10.	Razvojna Banka a.d. Banja Luka Division for Operations with Securities	051/211 751 051/211 743	Kninska 10 78000 Banja Luka

## 4. INVESTMENT OPPORTUNITIES

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### 4.1. FOREIGN INVESTMENT REQUIREMENTS

Foreign investments in Republika Srpska are regulated by:

- Law on Companies (“Official Gazette of Republika Srpska” no. 24/98, 62/02, 38/03, 97/04);
- Law on Foreign Direct Investment Policy in BiH (“Official Gazette of BiH” no. 17/98 and 13/03);
- Law on Foreign Investment (“Official Gazette of Republika Srpska” no. 25/02 and 24/04);



*Alumina Factory "Birac" Zvornik*

Foreign investors enjoy the same rights as local persons with respect to rights and obligations and legal status in a company.

Moreover, foreign investors are entitled to additional guarantees not given to local persons since the Constitution of Republika Srpska stipulates that the rights acquired by capital investment shall not be diminished by any law or other regulation, and provides for undisturbed profit expatriation and free capital expatriation upon termination of investment.

The Law on Foreign Direct Investment Policy stipulates that rights and benefits granted to foreign investors, as well as obligations under mentioned Law, may not be cancelled or revoked by entry into force of any subsequently passed laws and implementing regulations. If such subsequently passed acts are more favourable to foreign investors, they are entitled to choose the regime to govern their investment.

#### • **Ways for Foreign Persons to Invest**

The ways in which foreign persons may invest capital in Republika Srpska are the following:

- Establish a legal entity fully owned by foreign investor,
- Establish a legal entity jointly owned by local and foreign investors,
- Invest in existing company,
- Invest in bank or insurance,
- Open a shop or work as a self-employed individual (entrepreneur),
- Obtain a concession for exploitation of natural resources and goods of general use, and carrying out of the activity of general interest for Republika Srpska.

Companies having 10 or more percent of foreign capital enjoy the status of company with foreign investment.

Foreign share in the capital of a company involved in production and sales of armaments, ammunition, explosives for military use, military equipment and public information, may not exceed 49 percent of the capital of such company.

Companies with foreign investment are registered with the Ministry of Foreign Trade and Economic Relations of BiH and with the registration court competent for company's headquarters.

Under the Law on Companies in Republika Srpska it is possible to establish:

- Public company,
- Partnership,
- Limited partnership,
- Stock company,
- Limited liability company.

A stock company and a limited liability company may be established with equity in cash, kind and rights. They may be established by one or more natural and/or legal persons.

The minimum share capital required for the establishment of a stock company amounts to 50,000 KM (with simultaneous establishment), i.e. to 100,000 KM (with successive establishment), while the minimum nominal value of stock is 1 KM.

The financial equity of any shareholder may not be less than 500 KM.

The minimum equity for establishment of a limited liability company may not be less than 2,000 KM, and individual equity may not be less than 100 KM.

Foreign natural persons in Republika Srpska may operate as independent entrepreneurs, under the same conditions as local entrepreneurs.

To carry out the entrepreneurial activity, foreigners must obtain work permit and register their activity with competent municipal body in the territory of entrepreneurship's headquarters, upon fulfilment of requirements prescribed by law.

#### **• Profits Transfer Abroad**

Transfer of profits abroad is regulated by Article 11 of the Law on Direct Foreign Investment Policy in BiH, Article 8 of the Law on Foreign Investment of Republika Srpska and Law on Foreign Exchange Operations ("Official Gazette of Republika Srpska", no. 96/03).



*Cooperation with FIAS (the World Bank) on the Project of Removal of Administrative Barriers to Investment*

Foreign investors are entitled to transfer profits abroad freely and without delay, in any freely convertible currency.

### **• Foreign Proprietary Rights**

Legal entities established and registered in Republika Srpska, with invested local or foreign capital, are considered local legal entities and entitled to acquire immovable properties.

Whether the properties are used for carrying out of activity or for other purposes is of no significance. Mortgage over immovable property in favour of foreign persons is also allowed.

Foreign natural or legal persons (persons from former Yugoslavia only under the reciprocity condition) may also acquire and dispose freely of properties (movable and immovable) in Republika Srpska.

The proof of reciprocity in acquisition of immovable properties is issued by the Ministry of Foreign Affairs of BiH.

### **• Operation of Foreign Trading Companies**

Law on Foreign Trade Policy of BiH regulates in particular the performance of activities by foreign trading companies (with headquarters outside BiH) and individual traders (with that capacity recognised outside BiH) in the territory of BiH, i.e. Republika Srpska.

As a rule, foreign trading companies and individual traders are equal in operation with local persons. The only requirement for them to be able to operate in Republika Srpska is to have established a company, representation office or agency.

### **• Antitrust Regulations**

In order to ensure economic competition, and prevent and limit unfair competition, the Law on Competition of BiH (“Official Gazette of BiH” 30/01) was passed.

It sets forth the principles of competitive operation and provides for the establishment of bodies competent for protection of market competition.

The Competition Council at BiH level and Offices for Competition and Consumers’ Protection in the FBiH and Republika Srpska are the main bodies involved in protection of market competition.

The Decision on Identification of Relevant Market sets forth the ways, criteria and procedures that apply to identification of relevant market, and bases for calculation of market shares of economic entities present at the market.

### **4.2. FOREIGN REPRESENTATION OFFICES**

According to the Law on Foreign Trade Policy of BiH (“Official Gazette of BiH”, no. 7/98) and Decision on Establishment and Operation of Foreign Representation Offices in BiH (“Official Gazette of BiH”, no. 15/03), foreigners may open representation offices for the purposes of market research, propaganda and information activities, and for their representation.

Representation office may be opened by foreign person entered into respective register in the country of headquarters of that foreign person.

Foreign person may open the representation office alone or with another foreign person.

Representation office does not have the status of legal entity and therefore does not have the right to conclude contracts in behalf of the founder.

Representation office may start its operation upon entry into the Register of Representation Offices with the Ministry of Foreign Trade and Economic Relations of BiH.

Representation office represents the person responsible for operation of the office.

### **4.3. CONCESSIONS**

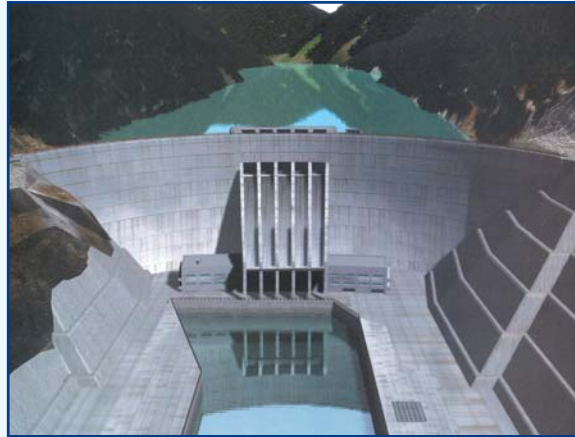
Concession represents the right to perform economic activity using natural resources and goods in general use, and to perform the activity of general interest.

The right to use natural resources for economic purposes in Republika Srpska is regulated by the Law on Concessions (“Official Gazette of Republika Srpska”, no. 25/02).

Under this Law, a concession may be granted for:

1. Usage, or construction and usage of:
    - roads and associated infrastructure facilities,
    - railways, navigable channels and ports, and
    - airports;
  2. Exploitation of watercourses and other waters;
  3. Construction of power plants;
-

4. Construction or exploitation of water accumulations, except electricity transmission;
5. Exploration or exploitation of energy and other mineral raw materials;
6. Exploration or exploitation of crude oil and natural gas;
7. Usage of construction land;
8. Exploitation of forests and land under forests;
9. Hunting and fishing;
10. Construction, exploitation and management of pipeline transport of oil and gas, and storage in pipelines and terminals;
11. Games of chance;
12. Postal and telecommunication services except joint and international communications mentioned in Article III, item 1 (x) of the Constitution of BiH;
13. Passenger and freight transportation by railway;
14. Public bus transportation of passengers;
15. Usage of healing, thermal and mineral waters;
16. Exploration or exploitation of non-metallic mineral raw materials, including all secondary mineral raw materials defined by a separate law;
17. Hydro-melioration systems and systems for extracting materials from watercourses and areas under water;
18. Regulation or usage of riverbeds and banks and lakes;
19. Utilization of agricultural land;
20. Areas and buildings of natural and built heritage;
21. Other goods within the scope of Article 2 identified in the Document on Concessions Granting Policy referred to in Article 14 of this Law.



*Hydro Power Plant Buk Bijela (computer simulation)*



*Highway Banja Luka - Laktasi*

The decision to grant a concession is made by the Government of Republika Srpska. Based on that Decision the Government, i.e. line Ministry, or local administration body, or public company managing the subject of concession, acting upon Government authorisation, concludes the concession contract.

Upon recommendation from the Concession Commission of Republika Srpska, the Government grants the concession to the most favourable bidder who fulfils and meets all the criteria given in public invitation and who is of high rank compared to other bidders.

A bidder may file with the line Ministry an unsolicited bid for concession, for which there was no open public invitation, and in that case the Ministry considers whether that concession is in the public interest.

Concession Contract is concluded for a definite period that may not exceed 30 years. Under exceptional circumstances that require longer-term investment, contract duration may be extended, but even then it may not exceed 50 years.

Concession Contract may be renewed for a period that may not exceed one half of the original term.

Priorities for granting of concessions:

- Activation of the existing and opening of new mines,
- Granting of concessions for research,
- Exploitation of underground waters,
- Construction of hydro power plants (HPP Buk Bijela, Brod na Drini, Krupa na Vrbasu, Banja Luka Niska, HPP on the Neretva, HPP Novoselija, HPP Mrsovo, HPP Paunci)
- Construction of roads and associated infrastructure facilities,
- Construction and usage of railways,
- Regulation or usage of riverbeds, banks and lakes,
- Agricultural land in order to increase the percentage of area under crops,
- Usage of watercourses and other waters,
- Hunting and fishing,
- Usage of forests and land under forests,
- All types of tourism (spas, mountains, waters, transit) and national parks.



*Railways RS - Dobo*



*Energy Potentials*

#### **4.4. PRIVATISATION**

The privatisation process is ongoing in Republika Srpska, i.e. the state capital in companies is being sold or transferred to local and foreign natural and legal persons.

The basic principles of privatisation in Republika Srpska are public participation under equal terms for all participants, local and foreign persons, as well as participants' right to choose the companies in which to invest vouchers, coupons and money.

The state capital is sold in behalf of the Government of Republika Srpska by the Privatisation Directorate. The Privatisation Directorate is an independent administrative organisation of the Republic, established under the Law on Privatisation of State Capital in Companies and Law on Ministries.

Privatisation methods set forth by the Law are the following:

1. Voucher privatisation
2. Tender with fixed or variable requirements
3. Tender and special tender
4. Direct sales
5. Sales of state capital in stock exchange and other regulated public markets
6. Combination of these methods

Republika Srpska adopted a privatisation model based on public offer of shares, where great part was intended to be swapped for vouchers owned by the population. This privatisation method was completed in 2001 and it may not be applied any more. Other privatisation methods are applied as defined by law.

The companies whose book value does not exceed 300,000 KM are privatised exclusively by commercial methods, tenders or, as need be, special tenders, i.e. direct sales.

Another group of companies, whose state capital value exceeds 300,000 KM but who do not fall within the category of strategic companies, are privatised in the way that the maximum of 55 percent of their capital was offered as vouchers, 10 percent to the Pensioners' and Disabled Insurance Fund, 5 percent to the Restitution Fund, while the remaining 30 percent of state capital went to commercial offer.

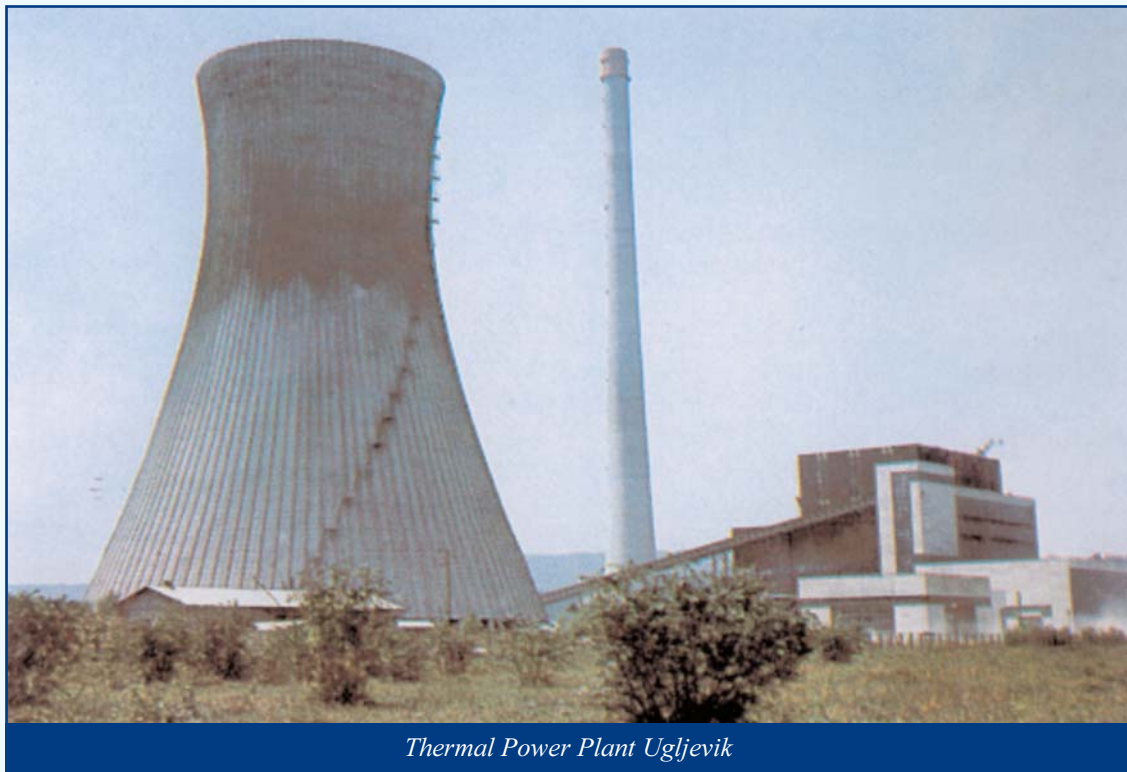
Strategic companies in Republika Srpska are privatised by a special privatisation program approved by the Government of Republika Srpska: the maximum of 20 percent is offered in vouchers, up to 10 percent to the Pensioners' and Disabled Insurance Fund, and up to 5 percent to the Restitution Fund, while the remainder is intended for sales to a strategic partner.

#### **Legal Framework**

The law regulating the requirements and procedure for sales and transfer of state capital in companies in Republika Srpska to local and foreign natural and legal persons is:

- Law on Privatisation of State Capital in Companies – refined text (“Official Gazette of Republika Srpska”, no. 54/05)

More detailed information on laws relevant to privatisation, completed privatisations and plan for further activities are available at web pages of the Privatisation Directorate at [www.rsprivatizacija.com](http://www.rsprivatizacija.com).



*Thermal Power Plant Ugljevik*

## 5. LABOUR RELATIONS

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Labour relations are regulated by laws, collective agreements, individual contracts, and rulebooks employers are obliged to make.

The Labour Act (“Official Gazette of Republika Srpska”, no. 38/00, 40/00, 47/02, 38/03 and 66/03) harmonized the system of labour relations with the Western European standards.

The provisions of this Act fully observe international standards set forth in the conventions of International Labour Organization.

### • Foreign Employment

Foreign employment is regulated by the Law on Employment of Foreign and Stateless Persons (“Official Gazette of Republika Srpska”, no. 97/04).

The Law stipulates that foreigners employed with local legal and natural persons shall have the same rights, obligations and responsibilities concerning work as local persons, in accordance with regulations on work and employment, collective agreements and employers’ bylaws.

### • Work and Residence Permit

In addition to fulfilment of general requirements set forth by law, requirements set by collective agreement and employer’s bylaws, foreign person must have a residence permit for the territory of Republika Srpska, i.e. Bosnia and Herzegovina, and a work permit.

The work permit required for conclusion of work contract with a foreign person is issued upon employer’s request by the branch office of Employment Bureau of Republika Srpska, competent for the headquarters of employer.

Requirements for obtaining of work and residence permits are defined by the Law on Movement and Residence of Foreigners and Asylum (“Official Gazette of BiH”, no. 29/03).



*Human Resources*



*Labor relations*

## 6. TAXES

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Taxation of foreign investors and direct foreign investments is done in accordance with:

Tax legislation of the Entity:

- Law on Profit Tax (“Official Gazette of Republika Srpska” no. 51/01)
- Law on Personal Income Tax (“Official Gazette of Republika Srpska”, no. 51/01, 65/03 and 68/03)

Profit tax rate in Republika Srpska is one of the most stimulating in the region and it amounts to 10 percent.

Tax legislation of the state:

- Law on Sales Tax on Products and Services and Law on Excises in BiH (“Official Gazette of BiH”, no. 62/04)
- Law on Value Added Tax (“Official Gazette of BiH”, no. 09/05) – to enter into force on January 01, 2006.

The standard VAT rate on taxable sales of goods and services and imports of goods in BiH amounts to 17 percent, and its application will start on January 1, 2006.

*Table 4. Tax rates*

<b>Tax</b>	<b>Rate</b>
<b>TAX RATES</b>	
Corporate Profit Tax	10% of earned profit
Sales Tax on Products	20% or 10% depending on type of product
<i>VAT</i>	<i>17% single rate from January 1, 2006</i>
Customs	0% 5% 10% or 15% depending on type of goods
Customs duties	1%
<b>TAXES AND CONTRIBUTIONS ON WAGES</b> (paid from the gross wage of employee)	52%

## 7. FOREIGN TRADE POLICY

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The foreign trade policy in Republika Srpska is regulated by the following:

- Law on Foreign Trade Policy of BiH (“Official Gazette of BiH”, no. 7/98)
- Law on Customs Policy of BiH (“Official Gazette of BiH”, no. 57/04)
- Law on Foreign Trade Operations (“Official Gazette of Republika Srpska”, no. 5/93)

### **• Import and Export Restrictions**

Exports and imports of goods and services are free, but that does not exclude prohibitions or restrictions in justified cases defined by law, such as protection of life or health.

In sales of goods and services, foreign legal and natural persons are equal with local residents.

Goods that are being imported must comply with standards, attestations, and technical and quality norms, and undergo sanitary, veterinary, phytopathological and ecological control prescribed for certain types of goods.

All goods from BiH that meet the EU technological standards and requirements may be imported in countries of the European Union without quantity limitation or duties (except beef, wine and fish).

### **• Customs Policy and Duties**

Law on Customs Policy of BiH is equally applied in BiH customs zone, including territorial waters, inland watercourses and air space of BiH.

The Indirect Tax Administration of BiH is in charge of enforcement of this Law.

Customs duty is defined as a type of indirect tax by Law on Indirect Taxation System in BiH (“Official Gazette of BiH”, no. 44/03), and its payment as well as payment of other indirect taxes is regulated by the Law on Payments into Single Account and Income Distribution (“Official Gazette of BiH”, no. 55/04).

Duties payable under law upon occurrence of customs debt are based on the Customs Tariffs of BiH.

Whenever possible, other measures provided for by the regulations of BiH that regulate special fields in relation to trade in goods are applied in accordance with tariff classification of those goods.

Duties are paid at rates provided for by the Law on Customs Tariff of BiH. In its form, contents and application rules, the BiH Customs Tariff is fully harmonised with the Customs Tariff of European Union and Harmonised System Nomenclature.

Tariff rates are expressed as percentage and apply to the value of imported goods (ad valorem duty). Tariff rates range from 0 to 15 percent.

New customs tariff, new work methodology and information system of customs service represent full business ambiance for successful foreign trade.

Foreign investments are exempted from payment of customs duties on equipment representing foreign input, excluding customs registration.

Exemption from payment of customs duties on the grounds of foreign input is done in accordance with:

- Law on Customs Policy of BiH (“Official Gazette of BiH”, no. 57/04)
- Decision on Procedure to Exercise the Rights to Exemption from Payment of Import Duties on Equipment in Free Circulation Representing Foreign Input (“Official Gazette of BiH”, no. 19/05 and 52/05)
- Decision on Procedure to Exercise the Rights to Exemption from Payment of Import Duties and Taxes on the Grounds of International Contracts and Projects of Rehabilitation and Reconstruction (“Official Gazette of Republika Srpska”, no. 71/05)

### **Trade Agreements and Investment Promotion and Protection Agreements**

In order to stimulate trade and foreign investment, BiH has signed numerous free trade agreements, trade agreements and investment promotion and protection agreements.

*Table 5: Trade Agreements, Free Trade Agreements and Investment Promotion and Protection Agreements*

<b>TRADE AGREEMENTS <sup>4</sup></b>		<b>INVESTMENT PROMOTION AND PROTECTION AGREEMENTS <sup>4</sup></b>	
Egypt	Pakistan	Austria	Malaysia
India	Rumania	Czech Republic	Moldavia
Indonesia	Switzerland	Denmark	Germany
Qatar	Ukraine	Egypt	Pakistan
China	Turkey	France	Portugal
		Finland	Rumania
		Greece	Slovenia
		Croatia	Spain
		Italia	Sweden
		Qatar	Switzerland
		China	Turkey
		Kuwait	United Kingdom
		Hungary	Ukraine
		Macedonia	Netherlands

<b>FREE TRADE AGREEMENTS <sup>4</sup></b>	
Albania	Macedonia
Bulgaria	Rumania
Croatia	Serbia and Montenegro
Moldavia	Turkey

Details on these agreements are available at: [www.mvteo.gov.ba](http://www.mvteo.gov.ba)

### **Free Zones**

Free zones are regulated by the Law on Free Zones (“Official Gazette of Republika Srpska”, no. 65/03)

Free zones may be established on the territories of airports or river ports open to international transport, or next to a main road or main railway.

A zone may be established by local or foreign, legal or natural persons.

Capital investment, profits transfer and investment restitution are free in the zone area.

<sup>4</sup> Source: Ministry of Foreign Trade and Economic Relations of BiH

Exports of goods and services from the zone, as well as imports of goods and services into the zone are free and in line with foreign trade and customs regulations.

Within the zone it is possible to establish banks and other financial organisations, organisations involved in insurance and re-insurance, as well as branch offices of foreign banks and foreign organisations involved in insurance and re-insurance.

Stocking of goods within the zone is free and if they are not intended for sales in the local market, no duties or taxes are paid and no other measures of economic policy are applied.



## 8. PUBLIC INVESTMENT PROGRAM

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Public Investment Program represents an overview of sectoral policies for forthcoming period, measures necessary for their implementation, and an overview of concrete programs/projects which should contribute to implementation of set goals and for which financing is or should be provided.

The purpose of this Program is to give the complete picture of current public investments as well as the overview of priorities in all sectors, with these priorities agreed between sectors and approved by the Government of Republika Srpska.

Public Investment Program includes various types of priority projects such as:

- Projects concerning spatial infrastructure such as roads, bridges, HPPs, telecommunications, etc.
- Agricultural projects that would increase the production capacity of small farmers by means of expansion of services and improvement of input material
- Social projects (health, education)
- Projects of institutional support (technical assistance, training, etc.)
- Projects for improvement of conditions for crediting of small- and medium-sized enterprises, etc.

In the end of 2004, the Government of Republika Srpska adopted the Public Investment Program for Period 2005-2007 and separated the projects of high priority. The Government is ready to partially finance their implementation, depending on its budgetary possibilities.

Detailed information on priority projects from the Public Investment Program of Republika Srpska is available at the official Internet site of the Government of Republika Srpska [www.vladars.net](http://www.vladars.net) and from the Ministry of Economic Relations and Coordination of the Government of Republika Srpska.

*Table 6: Overview of new projects in Public Investment Program of Republika Srpska*

No.	PROJECT TITLE	Total Costs in KM
1	Development of small- and medium- sized enterprises in Republika Srpska	50,000,000.00
2	Introduction of treasury in all municipalities and Funds in RS	2,376,750.00
3	Strengthening of institutional capacities of the RS Government ministries in the field of development	500,000.00
4	Establishment of navigation on the River Sava	3,500,000.00
5	Academic and research network of Republika Srpska – SARNET	3,030,000.00
6	Family Medicine	30,000,000.00
7	Construction of Hydro Power Plant Buk Bijela	553,181,480.66
8	Reconstruction and equipping of Clinical Centre in Banja Luka – Paprikovac	50,000,000.00
9	Studies and research for completion and implementation of physical plan – strategy	3,400,000.00

No.	PROJECT TITLE	Total Costs in KM
10	Reconversion and development of forests in Republika Srpska	50,000,000.00
11	Collection, processing and disposal of wastewaters in Banja Luka	80,000,000.00
12	Equipping of primary schools	960,000.00
13	Mine clearance in Kuznjaca, ID 50712	130,000.00
14	Mine clearance in Donja Podkozara, Gorazde (RS), ID 50709	17,500.00
15	Mine clearance in Pelagicevo, Kladusa, ID 50410	45,603.00
16	Establishment of institution for re-socialisation of minors with behaviour disorders	1,500,000.00
17	Establishment of Environmental Protection Agency	8,000,000.00
18	Mine clearance in Meraje, ID 50606	56,142.00
19	Development of ecological agriculture	1,200,000.00
20	Making of information and documentation basis on space	2,000,000.00
21	Separation of special purpose forests and protection forests	3,000,000.00
22	Database on citizens – registry services of municipalities	1,971,476.64
23	Protection from floods of external and internal waters	2,800,000.00
24	Sewage system in Bijeljina	20,000,000.00
25	Development of integral horticultural production	3,700,000.00
26	Water supply – Kozarska Dubica	2,738,162.00
27	Development of information system for environmental protection in Republika Srpska	7,300,000.00
28	Renewal of machines in primary agriculture	50,000,000.00
29	Information system standardization, organization systematisation	391,166.00
30	Development of production of seeds of forage crops for the needs of BiH	4,000,000.00
31	Modernisation and regulation of insurance sector in BiH – establishment of RS Insurance Monitoring Agency	200,000.00
32	Mine clearance in Gornje Krecane 3 TAP ID 51003	102,300.00
33	Mine clearance in Boskovici Vrela TAP ID 51003	66,220.00
34	Works on rehabilitation of water supply system Prijedor	7,000,000.00
35	Establishment of new and extension of present protected areas under forests	2,000,000.00
36	Hydro-energy system on the river Vrbas	345,600,000.00
37	Information system e-municipalities	977,915.00
38	Program for creation and input of Budget	25,000.00
39	Computer linking and automation of magistrate courts in RS	280,000.00
40	Reconstruction of national parks in Srpska	10,000,000.00
41	Program of plant disease control in fruit-growing	1,100,000.00
42	Database on citizens – reform of local administration	391,166.00
43	Equipping of several reference regional laboratories and one central laboratory	2,000,000.00
44	Development of diagnostic methods in control of fruit viroses	321,500.00
45	Construction of the Physical Rehabilitation Institute «Dr Miroslav Zotovic»	52,364,940.00
46	Collection of plant genetic material for creation of new sorts of plants	5,000,000.00
47	BiH and RS non-metals – development of new productions and technologies	433,000.00
	<b>TOTAL</b>	<b>1,363,660,321.30</b>

## 9. OTHER USEFUL INFORMATION

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### **• Communications**

#### **Airports**

List of closest airports:

##### **International**

Belgrade – [www.airport-belgrade.co.yu](http://www.airport-belgrade.co.yu)

Zagreb – [www.zagreb-airport.hr](http://www.zagreb-airport.hr)

Sarajevo – [www.sarajevo-airport.ba](http://www.sarajevo-airport.ba)

##### **Regional**

Banja Luka – [www.banjaluka-airport.com](http://www.banjaluka-airport.com)

Dubrovnik – [www.airport-dubrovnik.hr](http://www.airport-dubrovnik.hr)

Mostar – [www.mostar-airport.ba](http://www.mostar-airport.ba)

Tivat – [www.ap.tivat.com](http://www.ap.tivat.com)

#### **Road Network**

Republika Srpska has a very favourable geo-strategic position and it is well linked by roads with Western, Central and Eastern Europe. That can be illustrated by distances of some big centres from Banja Luka.

Banja Luka – Sarajevo	221km
Banja Luka – Belgrade	316 km
Banja Luka – Zagreb	184 km
Banja Luka – Dubrovnik	370 km
Banja Luka – Vienna	500 km

#### **Internet Communication**

In Republika Srpska there are several Internet providers, teol.net, blic.net, inecco.net, teleklik.net, spinter.net

### **• Working Hours**

Government and public institutions are open Monday through Friday from 08.00 A.M. to 04.00 P.M. Public companies mainly work from 06.00 A.M. to 02.00 P.M. Lunch break is usually between 09.00 A.M. and 12.00. Banks and other service institutions have adapted their working hours in order to allow international communication.

### **• Holidays**

The Law on Holidays from 1992 is still in force. Under that Law the following days are holidays:

NEW YEAR	1 JANUARY
CHRISTMAS	6, 7 and 8 JANUARY
DAY OF THE REPUBLIC	9 JANUARY
NEW YEAR	14 and 15 JANUARY
EPIPHANY	19 JANUARY
SAINT SAVA	27 JANUARY
FIRST SERBIAN UPRISING	14 FEBRUARY
EASTER	
PENTECOST	
LABOUR DAY	1 MAY
VIDOVDAN	28 JUNE

The drafting of new law regulating this field is ongoing.

**• Visas**

Citizens of many countries do not need visas to enter BiH.

Those that need them should know that entry visas for BiH are issued in diplomatic and consular representation offices of BiH abroad.

More information on the need for entry visa for BiH and requirements for its issuing are available at: [www.mvp.gov.ba](http://www.mvp.gov.ba)

**• Exchange of Convertible Mark KM (BAM) outside BiH**

Convertible Marks can be exchanged in banks in Austria, Czech Republic, Croatia, Hungary, Germany, Slovenia, Slovakia, Serbia and Montenegro and Switzerland.



# Fairs in Republika Srpska

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A fair is a place of business encounters, exchange of experiences and signing of sales contracts.

## **INTERNATIONAL FAIR OF CIVIL ENGINEERING “GRAMES”**

Civil engineering, industry of construction materials, equipment, engineering and design

Location: Banja Luka

Organisation: “Banjalucki velesajam” ltd. Banja Luka

## **INTERNATIONAL FAIR OF FLOWERS, FASHION, COSMETICS, SPORTS, TOURISM AND CATERING**

Location: Banja Luka

Organisation: “Banjalucki velesajam” ltd. Banja Luka

## **FAIR OF FOOD AND DRINKS “HIP BANJA LUKA “**

Location: Banja Luka

Organisation: Stock-Company “Glas Srpski” Banja Luka

## **INTERNATIONAL FAIR OF ACHIEVEMENTS IN ELECTRO-MECHANIC INDUSTRY AND INNOVATIONS “DEMI”**

Location: Banja Luka

Organisation: “Banjalucki velesajam” ltd. Banja Luka

## **INTERNATIONAL SALON OF TOURISM BANJA LUKA**

Location: Banja Luka

Organisation: Stock-Company “Glas Srpski” Banja Luka

## **MEDIA FAIR “PROMEDIA”**

Location: Banja Luka

Organisation: Stock-Company “Glas Srpski” Banja Luka

## **INTERNATIONAL FAIR OF FURNITURE “SAN”**

Location: Banja Luka

Organisation: “Banjalucki velesajam” ltd. Banja Luka

## **INTERNATIONAL AGRICULTURAL FAIR “AGROS”**

Location: Banja Luka

Organisation: “Banjalucki velesajam” ltd. Banja Luka

## **BOOK FAIR**

Location: Banja Luka

Organisation: Stock-Company “Glas Srpski” Banja Luka

## **FAIR OF MEDICINE AND COSMETICS “MEDICO”**

Location: Banja Luka

Organisation: Stock-Company “Glas Srpski” Banja Luka

## **INTERNATIONAL FAIR OF AUTOMOBILES “SAM” AND COMMUNAL EQUIPMENT –**

Location: Banja Luka

Organisation: “Banjalucki velesajam” ltd. Banja Luka

## **INTERNATIONAL FAIR OF HUNTING, FISHING, SPORTS, HOTEL INDUSTRY**

Location: Banja Luka

Organisation: “Banjalucki velesajam” ltd. Banja Luka

## **FAIR OF GRAPHICS, OFFICE EQUIPMENT, SCHOOL AND OFFICE SUPPLIES**

Location: Banja Luka

Organisation: Stock-Company “Glas Srpski” Banja Luka

## **MALI INOST**

International fair of innovations, research and new technologies

Location: Banja Luka

Organisation: Association of Innovators of the City of Banja Luka

## **FAIR OF SPORTS, RECREATION AND HEALTH**

Location: Banja Luka

Organisation: Nezavisne novine Banja Luka

## **FAIR OF ELECTRONICS, INFORMATICS AND TELECOMMUNICATIONS “BL & COM”**

Location: Banja Luka

Organisation: Nezavisne novine Banja Luka

## **NEW YEAR’S FAIR OF CONSUMER GOODS**

Location: Banja Luka

Organisation: “Banjalucki velesajam” ltd. Banja Luka

## **INTERNATIONAL FAIR OF SMALL BUSINESS DOBOJ EXPO**

Location: Dobož

Organisation: Dobož Region Chamber of Commerce and Dobož Region Chamber of Crafts and Entrepreneurship

**INTERNATIONAL FAIR OF BOOKS,  
TEACHING AIDS AND GRAPHIC INDUSTRY**

Location: Bijeljina

Organisation: OJDP “Grad Bijeljina”

**INTERNATIONAL AGRICULTURAL FAIR  
“INTERAGRO”**

Location: Bijeljina

Organisation: OJDP “Grad Bijeljina”

**INTERNATIONAL FAIR OF TOURISM AND  
CATERING “JAHORINA 2005” –**

Location: Jahorina/Srpsko Sarajevo

Organisation: Olympic Centre Jahorina

## Useful Addresses

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### **Government of Republika Srpska**

Office of the Prime Minister  
Vuka Karadzica 4, 78000 Banja Luka  
Tel: +387 (0)51 331-322  
Fax: +387 (0)51 331-332  
kabinet@vladars.net  
www.vladars.net

### **Ministry of Economic Relations and Coordination**

Vuka Karadzica 4, 78000 Banja Luka  
Tel: +387 (0)51 331-430  
Fax: +387 (0)51 331-436  
meoi@meoi.vladars.net

### **Chamber of Commerce of Republika Srpska**

Djure Danicica 1/II, 78000 Banja Luka  
Tel: +387 (0)51 301-908  
Fax: +387 (0)51 303-273  
ww.pkrs.inecco.net

### **Chamber of Commerce of Banja Luka Region**

Djure Danicica 1, 78000 Banja Luka  
Tel: +387 (0)51 230-907  
Fax: +387 (0)51 303-560

### **RS Privatisation Directorate**

Mladena Stojanovica 4, 78000 Banja Luka  
Tel: +387 (0)51 308-311  
Fax: +387 (0)51 311-245  
www.rsprivatizacija.com

### **RS Banking Agency**

Marije Bursac 4, 78000 Banja Luka  
Tel: +387 (0)51 218-111  
Fax: +387 (0)51 216-675

### **RS Deposit Insurance Agency**

Marije Bursac 4, 78000 Banja Luka  
Tel: +387 (0)51 218-111  
Fax: +387 (0)51 216-675

### **Stock Exchange**

Marije Bursac 7, 78000 Banja Luka  
Tel: +387 (0)51 220-070  
Fax: +387 (0)51 220-073

### **Foreign Investment Promotion Agency in BiH (FIPA BiH)**

Office in Republika Srpska  
Srpska 2/I, 78000 Banja Luka

Tel: +387 (0)51 331-446, 212-328  
Fax: +387 (0)51 331-446

### **Association of Private Employers of Republika Srpska**

Srpska 2, 78000 Banja Luka  
Tel: +387 (0)51 217-483, 217-680  
Fax: +387 (0)51 212-295

### **University in Banja Luka**

Tel: +387 (0)51 300-764, 211-515  
Fax: +387 (0)51 303-560, 211-515

### **Embassy of the Republic of Austria**

Office in Banja Luka  
Brace Mazara 58, 78000 Banja Luka  
Tel: +387 (0)51 051 218-805

### **Embassy of the Republic of France**

Office in Banja Luka  
Kralja Petra I Karadjordjevica 103  
78000 Banja Luka  
Tel: +387 (0)51 212-395

### **Embassy of FR Germany**

Office in Banja Luka  
Mladena Stojanovica 1, 78000 Banja Luka  
Tel: +387 (0)51 303-925  
Fax: +387 (0)51 304-073

### **Embassy of Great Britain**

Office in Banja Luka  
Simeuna Djaka 38, 78000 Banja Luka  
Tel/Fax: +387 (0)51 212-395

### **Consulate of the Republic of Croatia**

Milana Kranovica 1, 78000 Banja Luka  
Tel: +387 (0)51 305-100  
Fax: +387 (0)51 304-100

### **Office of European Commission**

Marije Bursac 8, 78000 Banja Luka  
Tel: +387 (0)51 318-702  
Fax: +387 (0)51 310-029

### **Office of the High Representative (OHR)**

Ive Andrica 41, 78000 Banja Luka  
Tel: +387 (0)51 330-200  
Fax: +387 (0)51 330-213

**GTZ – Office in Banja Luka**

Simeuna Djaka 8, 78000 Banja Luka  
Tel/Fax: +387 (0)51 220-220

**USAID – Office in Banja Luka**

Jovana Ducica 5, 78000 Banja Luka  
Tel: +387 (0)51 211-500  
Fax: +387 (0)51 211-775

**UNDP – Office in Banja Luka**

Gunduliceva 24  
Tel/Fax: +387 (0)51 303-318  
www.undp.ba

**OSCE – Office in Banja Luka**

Kneza Milosa bb, 78000 Banja Luka  
Tel: +387 (0)51 310-274  
Fax: +387 (0)51 318-478  
www.oscebih.org

**BiH Indirect Tax Administration**

Bana Lazarevica bb  
78 000 Banja Luka  
Tel: 051/335-100  
Fax: 051/335-101  
www.uino.gov.ba

**Public Company Putevi Republike Srpske**

Vase Pelagica 10  
78000 Banja Luka  
Tel: 051/309-128  
Fax: 051/308-316  
www.putevirs.com

**RS Automobile Association**

Brace Podgornika 8  
78000 Banja Luka  
Operator: 051/301-464  
Assistance on the road: 1285 i 051/322-820  
Information about situation on the roads: 051/322-810 i  
051/322-812  
www.amsrs.com

# BOSNA I HERCEGOVINA

