



**MUNICIPALITY OF SRBAC
REPUBLIC OF SRPSKA
BOSNIA AND HERZEGOVINA**

PROFILE FOR INVESTORS



May 2025



WELCOME TO SRBAC



Identity card of the Municipality of Srbac

The municipality of Srbac is located in the extreme north of Republic of Srpska and Bosnia and Herzegovina, in the immediate vicinity of the confluence of Vrbas and Sava, surrounded with Motajica mountain and Lijevče field which is one of the most fertile fields for grains in the Republic of Srpska and BiH. Srbac is located at the distance of 53 km from Banja Luka which is an important administrative, economic, university and cultural center of the region.

- MUNICIPALITY AREA: 453,72 km²
- NUMBER OF CITIZENS: 16.933
- POSTAL NUMBER: 78420
- AREA CODE: +387 51
- CLIMATE: moderate continental
- LAND: agricultural arable land 12.000 ha, forests 15.250 ha

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Why invest in Srbac?

The administration of the Municipality of Srbac is working continuously on the improving of business environment, offering free locations to investor for business development and support throughout process of investing. We answer all inquiries and provide information on the possibilities and conditions for investing in the area of the municipality of Srbac, and provide support to investors in the entire investment process as well as post-investment support. Additional advantages of Srpska as an investment destination are:

1. Advantageous geographical position near EU border

Because delivery time to the main European markets can be calculated in hours/days, it can be said that Srbac has excellent geo-traffic position. With entering Croatia in EU, Srbac is on 34 km away from EU border (border crossing Gradiška). Highway Gradiška-Banja Luka and highway “9 January” are only 30 min away from Srbac. International airport Banja Luka is 35 km from Srbac and airport in Tuzla is 153 km away.

2. Industrial tradition in function of economic growth and development of new products and business processes

Traditionally developed industries in Srbac municipality are: wood industry (the largest percent of export in the municipality area), textile industry, agricultural sector, metal processing sector and mining – exploitation of ores and minerals. The largest volume of production and income comes from poultry production. The production and processing of chicken meat is a ranch of industry that makes Srbac well known not just in BiH, but in entire region.



3. Favorably business environment and conditions for investment

Understanding the role and importance of local administration in creating and maintaining affordable business environment that will secure better economic development, and which would lead to better quality of life for its citizens, Srbac municipality is working on making favorable conditions for economic progress. Today, investors in Srbac municipality have the support of a more flexible and business orientated local administration which provides support at every stage of the investment, as well as the flexible approach of local self-government according to every investor's request.

4. Qualified and competitive workforce available

A developed labor market and institutional support thanks to a good education system. Good qualification and age structure of the working population

5. Important natural resources (agricultural land, forests, water, ores, minerals etc)

Hilly and hilly forms of relief occupy about 2/3 of Srbac municipality area, while the remaining part is made up of plains. The highest altitude of 652 m is on Mount Motajica, and lowest is 89 m in Vlaknica field. The basic natural wealth and economic recourses are: land, forests, water and kaolinized granite. Of the total surface area, 17.514 ha is agricultural land, forest cover 15 thousand ha, while barren land occupies 704 ha. In the Kobaš area there are rich founding's of kaolinized granite which enable multiyear exploitation.

6. Low operating costs (communal services, taxes, fees etc.)

Lower operating costs compared to EU countries.



Where is Srbac located?

The municipality of Srbac, with its territory established in 1958, is located in the far north of Republika Srpska and Bosnia and Herzegovina. It covers an area of 453.72 km². The economic, cultural and administrative center of the municipality is Srbac, located in the immediate vicinity of the confluence of the Vrbas and Sava rivers, with about 6,000 inhabitants.



It borders the Republic of Croatia, and the distance from the border crossing in Gradiška is 34 km, while the distance from the Belgrade-Zagreb highway (the main road in Croatia) is 39 km. Srbac is also well connected with the neighboring towns of Laktaši, Prnjavor, Derventa and Gradiška. Thanks to its favorable strategic position, the municipality has good road communication with Croatia, EU countries and Southeastern European countries.

If you want to come to Srbac using air traffic, the nearest airport is "Mahovljani" airport in Banja Luka (about 35 km), and Tuzla airport (about 153 km), with regular

international flights is Pleso airport in Zagreb (about 164 km, modern highway) and Butmir airport in Sarajevo (about 230 km).



The municipality of Srbac, in economic sense is oriented towards primary agricultural production, agronomy, processing of agricultural products and food production, poultry production, fish farming, pig farming, wood processing, metal processing, production of plastic, extraction of kaolin, river gravel, exploitation of forest resources. Considering its geographical position, proximity to border with the Republic of Croatia and the EU, good connection with the rest of BiH, proximity to large urban centre – city of Banja Luka, the municipality of Srbac has lately become more and more interesting for investors who start various production activities. Business zones with equipped infrastructures are one of many factors that attract investors to the territory of the Srbac municipality.

People, our greatest asset

The age structure of the population is favorable, given the pronounced trend of population aging in the surrounding countries. Based on the results of the 2013 Census, 16.933 inhabitants were recorded in the municipality of Srbac, of which 8.638 were women and 8.295 were men. According to estimates, today in the territory of the municipality of Srbac there are around 15.500 inhabitants.

The average number of unemployed persons in the municipality of Srbac is 607 persons according to the latest data from April 2025. The largest number of active labor force refers to the qualified labor force and those with completed secondary education, although, in addition to the above, all educational structures are represented in the register of unemployed persons. The number of employees in 2024 was 2.956. The net and gross wages of the workforce, regardless of the quality of professional training and the simplicity of retraining, are among the lowest in Europe. The average net salary in the last three years in the area of the municipality is 1.168 KM.

Although there are no higher education university institutions in Srbac, the proximity of a large urban center and the second largest city in Bosnia and Herzegovina, Banja Luka (about 50 km), ensures the availability of highly educated young staff of all profiles. On the territory



of the municipality of Srbac, secondary education takes place in CSŠ "Petar Kočić" Srbac (gymnasium and vocational secondary school).

Economic activities and resources

Agriculture represents the traditional activity of the local population in the territory of the entire municipality, which is engaged in by about 75% of the total population of the municipality, on the total arable land of approximately 12.000 ha. The most represented productions are: animal husbandry (poultry, pig breeding, cattle breeding), vegetable growing (outdoors and in protected areas), crop farming with a focus on grain production (maize and small grain), fruit growing (modern plantation production of apples and some berries, but in an extensive cultivation system).

The highest volume of production (over 200 farms for fattening chickens/broilers) and income from agriculture is realized from poultry production a favourable fact is also the processing of fattened broilers in the poultry slaughterhouse in the municipality of Srbac. The largest part of agricultural production is valorised through livestock production, while vegetable production is concentrate in the flat part of the municipality i.e. Lijevče field and focused on products for fresh consumption, with a little raw material base for industrial processing.

The mentioned area has ideal conditions for intensive agriculture production (quality soil, easy accessible surface and underground water that is excellent for irrigation). There are great conditions for plantation fruit production in the hilly part of the municipality.

Traditionally developed industries in the Srbac municipality area are the cotton knitwear industry, agriculture, wood industry and mining – exploitation of ores and minerals. (kaolin mine on Motajica), river gravel and sand from Sava and Vrbas Kaolin ore is not processed at the place of exploitation, but is only exported as such and used for the production of ceramic products.



Textile industry is working with significantly reduced capacities and its mostly business for foreign partners, which are based on using trained labor.

The forest wealth is managed by JPŠ "Forests of the Republic of Srpska", and the exploitation capacities are at the level of 18.000m³/year of wood mass that can be processed, with a ratio beech: oak – 3:1. The basic type of processing is the primary processing of logs with a growing trend in the degree of finalization of wood as a raw material and the export orientation of wood processors.

The potential for tourism development is represented by the sport-tourism zone of Bardača, which is in 2007 declared as Ramsar site, with the archaeological site Donja Dolina, for recreation, ecotourism, fishing tourism, then the Motajica Mountain for hunting and recreational tourism, and the Vrbas and Sava rivers for fishing and recreational tourism.

Exceptional potential for the development of religious tourism is Monastery Osovica, which dates back to 14th century, has been in the process of renovation from 2008 and the regular life of the monastery began in 2013. Today, the Osovica Monastery is very frequently visited by believers and tourists from the surrounding area as well as from region.

Although there are significant potentials for development in the food production and processing industry, the wood industry, the process and textile industry, the exploitation of natural resources (ore, gravel), these potentials have only been partially utilized.

Although there are significant potentials for development in the food production and processing industry, the wood industry, the process and textile industry, and the exploitation of natural resources (ore, gravel), these potentials have only been partially utilized. In addition, the position and immediate proximity to the EU, as well as a large urban center such as Banja Luka, and large markets in neighboring Croatia, are some of the advantages of location packages that Srbac offers to all interested investors in business, production and processing capacities.



Macro-competitiveness

The municipality of Srbac is located in the north-western part of the Bosnia and Herzegovina (Republic of Srpska). Due to administrative position in the territory of the municipality of Srbac, all laws and regulations of Bosnia and Herzegovina and the Republic of Srpska are being conducted. Some of these laws and regulations give a certain competitive advantage to Bosnia and Herzegovina in relation to neighbouring states in certain segments.

- Taxes

| | RS | FBIH | Serbia | Croatia | Montenegro | N.Macedonia |
|---|-----|-------|-----------|---------------|--------------|-------------|
| Income tax rate | 10% | 10% | 10% | 24% i 36% | 9% i 11% | 10% |
| Non-taxable part of income (in euros) | 102 | 153 | 95 | 513 | 0 | 121 |
| Income tax rate | 10% | 10% | 15% | 12% i 18% | 9% | 10% |
| VAT rate | 17% | 17% | 20% i 10% | 25%, 13% i 5% | 19%, 7% i 0% | 18% i 5% |
| Aggregate contribution rate on gross salary | 33% | 41,5% | 37,8% | 37,2% | 34,5% | 27% |



• Laws

Bosnia and Herzegovina has well-defined laws and by-laws that concern the start-up and operation of economic entities, and direct foreign investments are treated especially. The basic legal acts that regulate the registration and operation of business entities as well as direct foreign investments are: Law of Business Companies, Law on Foreign Direct Investment Policy, Law on Employment of Foreign Citizens and Stateless Persons, Law on Foreign Investments, Law on Registration of Business Entities in the Republic of Srpska.

More on: www.investsrpska.net

Location packages for investors

In the area of the Srbac municipality there is a plan for finishing of a construction of two business zones in the locations of Sitneši and Crnaja. In addition to these business zones, activities to encourage the use and commissioning of the already built industrial infrastructure in the old Stirokart business zone are also planned. The sports and tourist zone of Bardača also represents the potential for development of tourist capacities and contents. There is spatial planning and implementation documentation for the zones of Crnaja, Sitneši and Stirokart, and infrastructure is available on all those location packages.

The average final price of one m² of useful residential and commercial space for the area of the municipality of Srbac is 709.43 KM. The established price is the basis for calculating the amount of rent per zone, which amounts to:

| Building zone | % | amount of the fee |
|---------------|---|-------------------------|
| I | 6 | 48,50 KM/m ² |
| II | 5 | 40,42 KM/m ² |
| III | 4 | 32,33 KM/m ² |
| IV | 3 | 24,25 KM/m ² |
| V | 2 | 16,17 KM/m ² |
| VI | 1 | 8,08 KM/m ² |



The compensation for the costs of development of urban construction land is determined on the basis of the Decision on the development of spatial and construction land and the Decision on the amount of compensation for the costs of development of construction land, which is adopted every year. The amount of the fee is:

| Building zone | % | amount of the fee |
|---------------|-------|-------------------------|
| I | 12,48 | 24,00 KM/m ² |
| II | 10,40 | 20,00 KM/m ² |
| III | 8,32 | 16,00 KM/m ² |
| IV | 6,24 | 12,00 KM/m ² |
| V | 4,16 | 8,00 KM/m ² |
| VI | 2,08 | 4,00 KM/m ² |

In relation to the determined amount of construction land development costs and rent by the Decision on spatial development and construction land, additional reductions of the calculated amount of construction land development fees and rent are prescribed as follows:

- for buildings in industrial zones with a gross area of more than 500 m² basically 66%
- for industrial and production buildings with a gross area of more than 500 m² outside industrial zones in
base 50%
- for craft and craft service facilities with a gross area of more than 200 m² basically 50%
- for economic facilities for primary agricultural production (farms of all kinds) gross areas larger than 100 m² basically 80%
- for economic facilities - facilities intended for agricultural production (warehouses agricultural products, dryers and the like) of gross area greater than 100 m² basically 50%
- religious buildings basically 90%



- for individual residential buildings with a usable area of up to 200 m² (whose investors are families
 - of fallen fighters, disabled persons of the first, second, third and fourth category, refugees and displaced persons who have not solved the housing issue) basically 80%
- for temporary and auxiliary facilities.

• Location package Industrial zone Sitneši

The spatial scope of the Regulatory Plan is located on state-owned land on the right side of the regional road Srbac-Prnjavor R-474, 5 km from Srbac. The total area covered by the Plan is P=47.5 ha. In the immediate vicinity of this area, a lot of business buildings of various purposes have already been built, and the plan envisages 51 new plots of land ranging from 600 m² to 27,000 m², the boundaries of which are fixed to traffic roads, while the boundaries to neighboring plots are marked as modular, as would leave the possibility of their eventual merger, depending on the interests and possibilities of the potential investor.

The intended purpose of this plan is industrial and business and the existing buildings retain their current purpose. For all plots, the same urban planning parameters that apply to all planned plots are given. The minimum built-up coefficient is 0.2, the maximum built-up coefficient is 0.7, and the maximum number of floors is P+2.

In the area covered by the Regulatory Plan, on the right side of the regional road R-474, there is a city water supply system, the primary network of the ø160mm profile, while the branches are of the ø80 and ø90mm profile, the public city sewage network has not been built, there is a subscriber TK cable and an optical cable, existing facilities in the part of the scope they are supplied with electricity from existing substations via a low-voltage overhead network. An overhead 20 kV transmission line passes through one part of the site and leads outside the scope of the Plan.



- **Location package Industrial zone of Crnaja**

The spatial scope of the Regulatory Plan is located in the location of Crnaja with a total area of P=32 ha. It's located near the main road M I-102 Nova topola – Srbac – Derventa in the place of Crnaja. It's approached by the local road Crnaja – Nožičko. The distance of industrial zone from Srbac is 5km, and distance from the zone to the highway Banja luka – Doboj is about 20km. With planned roads, the space is divided into 3 large areas, i.e. 31 planned plots of land with an area from 600m² up to 40.000m². The borders of the newly formed plots according to the roads are fixed, while the borders between adjacent plots are changeable, in order to leave the possibility of their eventual merging, depending of the potential investors interests and possibilities. Main purpose of this space is industrial – business.

In the industrial zone area, on the right side of the local road there is system for water supply with a profile of 160mm. There is no city public sewage in this industrial zone. An overhead 20 kV transmission line passes near the site. At the location there are telecommunication installations and possibility of using all the telecommunication services.

For all plots, the same urban planning parameters that apply to all planned plots are given, namely that the minimum built-up coefficient is 0.2, the maximum built-up coefficient is 0.7, and the maximum number of floors is P+2.



- **Location package Industrial zone Stirokart**

The Stirokart industrial zone is located in the immediate vicinity of large industrial and work complexes. It directly abuts the industrial plants of Stirokart on the southern side, and on the northern side it is in contact with the former construction plants. The area is directly connected to the city centre and the largest peripheral settlements by existing roads.

Water is supplied from the Srbac water supply system with 1250 mm, 300 mm and 200 mm profile pipelines. In the subject area, the sewerage network is made according to the separation separator system. The electricity supply of the existing buildings is solved through the substations "AUTOSERVIS" and "STIROKART", and it is partially supplied from other sources. There are TK and optical cable on the site. Purpose of the zone: work zone where the development of small production-business facilities and medium and even larger industrial facilities is possible.

- **Location package Bardača – sport and tourist zone**

On the site of the Bardača sports and tourist zone, there is a home for the elderly, a swimming pool, an area for sports and recreation, catering facilities, etc. In the immediate vicinity is the facility of the Faculty of Science and Mathematics of Banjaluka, where student education and scientific research is carried out.

Manifestations such as the Srbac-Bardača Gastro Fest, the international Art and Ecological Colony of Bardača are held in Bardača, and they have already become a tradition and are characterized by a large number of visitors. At this moment, modalities of economic valorization of this area are being sought in the sense of considering and proposing possible ways of investing in this valuable natural resource.



Services and incentives for investors

The municipality of Srbac, for some time now, is working actively on making and improving business ambiance, through construction of infrastructure.

- Modernising local and access road, water supply and sewerage
- Arrangement of river banks,
- Construction and reconstruction of electrical network, street lighting,
- Solving and disposal of municipal waste

The municipality provides the following services to investors:

- Building permits,
- Authorization to work,
- Environmental permits,
- Agricultural consent,
- Information in the economy,
- Certification of documents.

The municipal administration offers special benefits to support investors:

- Very short time for issuing location conditions, building and use permits (15 days),
- Offer of construction and agricultural land on favorable terms,
- Support to existing investors,
- Stimulative measures (direct incentives from the budget for various projects in the field of economic development and employment and incentives to agricultural producers).

Availability of general services

- Registration of legal entities is done at the Agency for Business, IT and Financial Services (APIF) within three days. Link www.apif.net
- 3 banks and four micro-credit organizations operate in the territory of the municipality of Srbac



Electronic registers with a detailed overview of permits and licenses that investors in the Republic of Srpska and Bosnia and Herzegovina need are available at the following links:

- Government of Republic of Srpska
<http://www.regodobrenja.net/index.php?jezik=1>
- Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina
<http://rap.mvteo.gov.ba/egfVwOdlukaJedinice.aspx>

Lists of investment fiscal and non-fiscal incentives at all levels of government in BiH 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>

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