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Republika

Srpska —

BRFF

Feasibility

Study

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The On-lending Management Unit (OMU) of the Bosnian Reconstruction Finance Facility BRFF is a lending entity established by a Grant Agreement dated May 7, 1966 between USAID and the Government of Bosnia and Herzegovina to lend money to qualifying Bosnian businesses.



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EXECUTIVE SUMMARY

This assessment of the banks, enterprises, and government entities in the Republika Srpska, in order to determine how to implement the Bosnia Reconstruction Finance Facility (BRFF)/On-Lending Management Unit (OMU) lending program in the Republika Srpska, was conducted in Bosnia and Herzegovina, from March 1-25, 1997. The assessment also encompassed a political message: that the BRFF/OMU program was not available currently in the Republika Srpska due to non-compliance with certain aspects of the Dayton Peace Accords.

Throughout the course of the assignment, we conducted a series of individual interviews with government entities and officials, non-governmental entities and institutions, banks, and private and state-owned enterprises in the Republika Srpska (RS). We also conducted interviews with government entities and donor organizations in Washington, D.C. and the Federation of Bosnia Herzegovina (the Federation).

Summary of Key Findings

Currently, the economic environment in the RS is depressed and fragile, manifested by high unemployment, low levels of production, inaccessible markets, inefficient equipment and machinery, and a lack of liquidity and capital for investment in working capital and fixed assets. The banks in the RS are undercapitalized, plagued by high levels of non-performing assets. They lack liquidity and deposits, and are in need of significant reform. There is great demand for bank training and lending programs of the BRFF/OMU and the technical assistance programs of the Bosnian Business Assistance Center (BBAC) for RS enterprises.

As a result of the experience gained in the implementation of the BRFF/OMU program since its June 1996 inception in the Federation, procedures have been established that can be applied in large part in the RS. Minimal changes are required due to the similarities between RS and the Federation relating to the condition of the banks and the overall regulatory environment. Key areas of difference center around the issues of a potentially greater chance of lending and providing training to enterprises and individuals with ties to indicted war criminals. A secondary issue involves the lack of dependable communication links to and from the Federation and RS.

Summary of Recommendations

The two most important recommendations are: 1) the initiation of training as soon as possible in the RS; and 2) the establishment of an initial BRFF/OMU office in Banja Luka, and a second office in Bijeljina, once the political issues have been resolved to the satisfaction of the U.S. Government, and as business growth warrants.

Suggestions for Immediate Action

Commence Training Immediately

The implementation of training for bankers, local consultants, and selected companies should be initiated as soon as possible by BRFF/OMU training staff or appointed trainers whether or not the political issues have been fully resolved. The reasoning for this position follows:

- Beginning training immediately will save valuable time. The experience of implementing the BRFF/OMU program in the Federation has shown that the simultaneous implementation of bank training, and lending, can lead to delays and misunderstandings by both banks and companies regarding meeting the requirements of the program. Therefore, the banks that have been trained early-on will have a head start in understanding how the program works and will be better able to help their customers through the application process.
- Training for companies and local consultants on how to write business plans can be implemented through BBAC to complement the BRFF/OMU training. Therefore, when the policy decision to move into the RS is given, little time will be lost in moving capital, i.e. loans, into the system. Given the difficulties that some companies are experiencing and the stagnation of the economy, the goal should be to minimize the time required to initiate lending activity.
- If the political issues are not resolved in the future, the banks and companies in the RS will have received training with no financial support forthcoming. Clearly training has a value, but the key to BRFF/OMU is the capital, i.e. loans, that are made available to the enterprises that can deliver a bankable business plan. Through providing training immediately, the U.S. can signal its intention to work with private enterprises in the RS and give an indication of the kind of aid that is available if the leadership complies with Dayton. The training can be a tool to induce the banks and companies to influence the leadership to move towards compliance.
- The implementation of training will be effective in helping to build a viable

constituency for political change among local individuals to train in a variety of banking and finance subjects.

Training Site

BRFF/OMU training should be conducted at the Economic Faculty of the University of Banja Luka in the RS. This organization has offered its facilities and has indicated that it is equipped to provide space for training. The university will also make an ideal meeting place for bankers, local consultants, companies, and BRFF/OMU and BBAC training personnel. An additional advantage of training from this site is the access it affords to Masters and Doctorate level individuals who could participate in the training as future trainers. The interaction at the University will be beneficial to a RS-wide policy-formulating intellectual group. The core group at the university is also likely to become the initial source of local consultants who can help entrepreneurs or business managers write business plans that the BRFF/OMU would be comfortable financing.

BRFF/OMU and BBAC Coordination

BRFF/OMU and BBAC should continue to forge a close working relationship in order to assist banks and companies. BRFF/OMU's training of bankers will be important in providing the banks with the skills to evaluate credit risk and structure loans to minimize risk. BBAC can help the enterprises understand the business planning process including market analysis, operations management, budgeting, and the financial implications of these processes on the projections and financial statements.

General Recommendations

For the recommendations in the balance of this section of the report, we made the assumption that the policy issues that have held up the implementation of the BRFF/OMU in the RS have been settled acceptably by all parties, and an effective "green light" has been given to lend in the RS.

RS Head Office Site Recommendations – Banja Luka

A BRFF/OMU lending office and training site should be established in the city of Banja Luka in the RS along the lines of the Tuzla office in the Federation with credit approval, back office, communications, systems, and administrative linkages back to Sarajevo. Although Banja Luka is not located within the US SFOR sector, a requirement for the BRFF/OMU, a precedent has already been established with Sarajevo, which is not located in the US SFOR sector but is still part of the BRFF/OMU lending profile. A similar exception should be made regarding Banja

Luka.

The reasons for choosing Banja Luka as an office site are compelling. It is the largest commercial city in the RS and the second largest commercial city in Bosnia Herzegovina with over 70 percent of RS's commercial enterprises located within a half day's drive from the city center. Five banks have their headquarters in the city including the two largest state banks and the largest private bank. There is a "shadow government" seat (the official site being Pale) located in Banja Luka and the National Bank of the RS is located in the city. The University of Banja Luka, the major university in the RS, is located in the city as are other key government organizations associated with commerce. Residents of Banja Luka are also considered more politically "liberal" than people in other parts of the RS.

Branch Office - Bijeljina

If BRFF/OMU activities in the RS are widespread, as expected, then a second office may be needed in order to maximize coverage east of Brcko and south towards Pale in the US SFOR sector. Bijeljina should be considered as a site for the second office. It is the seat of the privatization agency for the RS, and the area is developing an entrepreneurial base.

Brcko - Not Recommended

Brcko is not recommended as an office site due to the controversial nature of the area and the city (ethnic cleansing, high likelihood of war crime-related companies and individuals). If there is a political decision to lend to the RS on a "Brcko only" basis, then this lending should be handled out of the Tuzla office. If a general green light is given for lending in the RS, the Brcko area could also be handled from an office in Bijeljina.

Industry Sector Lending Concentration

Lending activities should be in industry sectors similar to the Federation: agriculture and food processing, forestry and related products, metal processing and machinery, textiles, and leather and shoe making, with an emphasis on exports to the former Yugoslav Republics and the West. Lending in the RS should focus on medium and small-sized private companies that are less likely to have exposure to potential indicted war criminals than the larger state-owned or privatizing companies.

Loan Activities- Smaller on Average

The implication of lending to smaller privately-owned companies is that the borrowings will range from DM 150,000 to DM 2.5 million, with an average loan

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of about DM 500,000- 750,000. The average loan size will influence the number of lenders required to staff the BRFF/OMU office.

Banking and Agent Banks

The structure and mode of operating the BRFF/OMU should not deviate from how it has operated in the Federation. This implies that agent banks in the program will need to be licensed and supervised by the central bank or some agency approved by the central bank for this purpose. The agent banks will require the ability to receive funds from an account in Germany, which is where the BRFF/OMU funds originate. The participant companies will also need accounts with the agent banks. Some of the banks in the RS that do not have overseas correspondent bank accounts may have to use Banjaluka Bank as their correspondent bank; while this is manageable, it may add an additional step to the process.

During the field visit, we contacted eight banks and visited seven. All of the banks are currently supervised by the National Bank of the RS and could be recommended as potential agent banks once the central bank issue is resolved. We visited the following private banks: Agroprom Bank, West Bank, and Export Bank (Bijeljina). We also visited the following state owned banks: Banjaluka Bank, Jugobanka, Privredna Bank (Doboj), and Semberska Bank (Bijeljina). The banks which do not have corresponding bank relationships and cannot receive or transmit funds to an overseas account will have to be reviewed separately to determine their eligibility for agent bank status. This status should be reviewed by the National Bank of the RS, the Central Bank (when established), and USAID in order to provide assurance that the funds transferred into and out of the account can move freely.

Utilize U.S. Army Civil Affairs personnel

The Civil Affairs units of the U.S. Army are currently interacting with various civilian enterprises in the Federation and the RS. Since they frequently have information on enterprises and individuals associated with enterprises, they can screen for possible war criminal activity. The civil affairs units can also be good sources of intelligence regarding potential lending opportunities that might have been overlooked, and they are often able to provide industry-specific information (i.e. dairy or farming issues). The BRFF/OMU should establish both formal and informal ties with the U.S. Army Civil Affairs Unit in the RS.

Documentation and Legal Review

A legal review of the BRFF/OMU loan documentation should be completed prior to commencing the program in the RS. This review will help to ensure that the

Federation's documentation can be used effectively and legally in the RS. There are several reforms underway in Bosnia Herzegovina (which are also starting to occur in the RS) in the banking sector and the commercial sector. Changes in the laws regarding property rights, contract law, enterprise law, collateral law, central bank law, and banking laws should be closely monitored. Monitoring these laws is important for the success of BRFF/OMU loans in the Federation, as well as the RS.

Staffing

Initial staffing for an office in Banja Luka should consist of three lenders, corresponding counterparts, and other staff (see Action Plan for details). If a green light is given to lending in the RS, it should be commenced with a staff large enough to meet lending targets incorporating a higher volume and smaller average loan portfolio size. We anticipate that the staffing of expatriate lenders may be difficult due to the location and the political atmosphere in the RS. Therefore, candidates should be identified as soon as possible.

Communications

Communications will be an important link with any offices in the RS. Prior to opening any RS facility, we recommend obtaining a commitment from the RS government, Ministry of Finance, and National Bank of the RS to provide clear and open telephone lines for calls to and from Sarajevo and RS, in addition to fax, e-mail, and telephonic communication. Since Sarajevo will be the administrative and credit approval center for the BRFF/OMU, it will be crucial to have clear and open communications. While satellite communication could also be used in lieu of telephone lines, it is an expensive alternative.

U.S. trade information wanted

There is a considerable demand for U.S. technology and equipment in the RS. We suggest that someone contact the U.S. Department of Commerce representative in Bosnia Herzegovina regarding the RS interest in accessing and purchasing U.S. technology and equipment.

Immediate Action Plan

1. The initiation of training for bankers and enterprises in the RS using BRFF/OMU and BBAC staff should occur as soon as possible. However, a proviso should be issued to the leadership, i.e. Deputy Prime Minister of Industry and Finance, Governor of the National Banks of Bosnia Herzegovina and the Republika Srpska, the Ministry of Finance of the RS, and other related RS parties stating that actual funding is still dependent upon RS compliance with the relevant Dayton Policies.

2. A legal review of BRFF/OMU lending documentation should take place (with a local RS lawyer) in order to determine if these documents, which comply with current laws in the Federation, will also serve and comply with the laws and practices in the RS.
3. It will be necessary to cultivate a relationship with the National Bank of the RS to help determine which banks should be selected as agent banks for the BRFF/OMU program. Ideally, a good relationship with the National Bank could provide the BRFF/OMU with a significant advantage in the implementation of the project in general, in addition to their assistance in working with the agent banks.
4. Once the green light is given for initiating a BRFF/OMU program in the RS, a task force implementation team should be identified to manage the opening of the RS office.

I. INTRODUCTION

A. Background and Current Situation in the Republika Srpska

Background

The international community has invested in a major military peace-keeping effort in Bosnia Herzegovina (BiH) so that the economic and political fabric of the territory of BiH can be healed and recreated in the multiethnic image laid down in the Dayton Peace Accords (see Appendix 1 for Dayton Peace Accords and The Constitution of BiH). According to the Dayton Accords, BiH is to consist of two entities, the Federation of Bosnia-Herzegovina (the Federation) and the Republika Srpska (RS). According to the constitution, the constituent people of BiH are Bosniacs (Muslims) and Croats (Roman Catholics) living principally in the Federation, and Serbs (Eastern Orthodox) living in the RS.

The economic model for the rebuilding effort is a market based economy. This model is based on enabling the creation of private enterprises to act as the principal engines of economic growth. However, despite the move to build private sector enterprises, the finance component is missing.

The principal U.S. funded project designed to provide this finance component is the BRFF/OMU. The purpose of the BRFF/OMU is to lend to private and privatizing state-owned businesses in its market area, currently the US SFOR region and Sarajevo. The lending is done on a commercial, ethnically blind basis, through agent banks licensed and supervised by the National Bank of Bosnia-Herzegovina. Over the course of the program, technical assistance will also be provided to aid in the transition of the credit risk assessment from BRFF/OMU to the local Bosnian banks. This will occur after a period of extensive bank training in credit analysis, credit policy, risk evaluation, loan structuring, and procedural skills.

The RS encompasses a large portion of the US SFOR area and has significant industrial, and other, resources. The RS has not been able to participate in the BRFF/OMU due to the absence of a U.S. policy decision to proceed with lending in the area. This policy is a partial consequence of a lack of compliance by RS authorities with certain aspects of the Dayton Agreement.

Current Situation

The BRFF/OMU has about \$250 million allocated for the BRFF/OMU lending program in BiH with no predetermined or set allocations to either the Federation or the RS. From July 1996 (when the program effectively commenced) until the present, the BRFF/OMU has made 64 loans to companies from the Federation of approximately \$40 million (DM 58 million), and has about 26 banks that have signed agency agreements and are approved

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by the National Bank of Bosnia-Herzegovina.

Once a policy decision is reached, the U.S. would like to be able to move quickly to implement the BRFF/OMU lending program in the RS. It is believed that this study will send an important message to the RS — that the U.S. is serious in its desire to assist in the economic recovery of the area, once adequate compliance with Dayton has been achieved.

B. Current Overview of BRFF/OMU

In June of 1996, a group of U.S. bankers from Development Alternatives, Inc. (DAI) and MAS International, Inc. (MAS), arrived in Sarajevo to implement the USAID-funded Bosnia Reconstruction Finance Facility (BRFF) by establishing an On-Lending Management Unit (OMU) at the National Bank of Bosnia-Herzegovina and by setting up a training unit to strengthen the skills of the local bankers. The training unit is located at the Management and Information Technology Center (MITC). The team is based in Sarajevo with a branch in Tuzla. The mission of the OMU is set out in the *Grant Agreement Between Bosnia and Herzegovina and the United States of America for a Reconstruction Finance Facility, Program A*.

The objective of the BRFF/OMU is to provide reasonably priced medium term financing to eligible Bosnian enterprises in the US SFOR sector, through an OMU staffed by U.S. bankers and accountants as well as Bosnian. The OMU is responsible for:

- (1) recommending commercial loans to USAID for approval and, once approved, disbursing, monitoring, and administering the loans;
- (2) establishing specific credit policies, operating procedures, and controls within the guidelines of the program; and
- (3) determining and implementing any related delegation of authority to Bosnian banks.

Initially, the OMU is responsible for reviewing and recommending all loan applications for approval to USAID. This role will eventually be assumed by the Bosnian banks. Currently, the Bosnian banks act as agents to the OMU, but the ultimate decision to lend is made by the OMU, with close coordination with local Bosnian banks. No credit risk will be placed on the Bosnian banks' books in the first phase of the program. Over the course of the program, technical assistance will also be provided to aid in the transferring of credit risk assessment from the OMU to Bosnian banks. The bank training will include extensive training in credit analysis and policy, including risk evaluation, loan structuring, and procedural skills.

In order for banks to participate in the program, the banks must be supervised by the

National Bank of Bosnia-Herzegovina and receive fees for their services as follows: receive fees for origination of successful applications (1%), for monitoring of the customer operations and loans and submitting a report (1/4 of 1% per quarter) and collection fee for the timely collection of principal and interest (2 of 1%).

The OMU charges borrowers an interest rate of DM LIBOR plus 400 basis points and will approve loans of up to 3 years with a grace period of up to 6 months (some consideration has been given to five year loans and longer grace periods). The maximum loan to any single borrower is DM 1 million (flexibility has been exhibited in this maximum). Since a key purpose of this financing program is to promote employment, an employment ratio of 100 jobs for each DM 1 million in loans is encouraged. Loans can be used for working capital, fixed assets, project finance, and related necessary imports required by the enterprises. The loans are subject to a favorable review by an environmental specialist. The program is not available to those indicted for war crimes.

Other considerations and objectives of the BRFF/OMU program follow:

- create substantial and sustainable employment;
- contribute to enterprise rehabilitation and expansion;
- provide enterprises with access to financing at attractive terms;
- inject liquidity into the system;
- strengthen the technical credit skills of the bankers and institutional development of the banks;
- improve bank supervision to monitor the banking system and enforce established rules; and
- offer incentives to BiH to enact good banking legislation, establish an independent banking supervision agency, and adopt regulations based on OECD norms.

Currently the program has made 64 loans totalling approximately DM 58 million and has trained approximately 800 bankers in different training programs.

C. Objectives and Methodology

Objectives

During six days in the RS, including visits to five cities, we collected information to help us meet our objectives.

First, we assessed the steps required to implement the BRFF/OMU office in the RS along the same lines as the BRFF/OMU in Sarajevo and Tuzla.

Second, we made a preliminary assessment of the banks and companies in the RS, paying

particular attention to private and privatizing state-owned enterprises.

Third, we provided information on how the BRFF/OMU operates in the Federation to individuals in the RS government, the National Bank of the RS, non-governmental institutions and various supporting agencies, banks, and companies. We also updated them on the success of the program to date.

Fourth, we sent a political message to the RS government, the National Bank of the RS, non-governmental institutions and various supporting agencies, banks, and companies, that the BRFF/OMU program was not available to the RS due to non-compliance with the Dayton Accords — particularly in the areas involving the formation of a single central bank for BiH and the formation of a single currency.

Methodology

We employed the following methodology:

1) Preliminary Groundwork (Washington D.C.)

During the preliminary groundwork phase, we met with officials from USAID, the World Bank (WB), The Department of State, and The International Monetary Fund (IMF) in Washington, D.C. in order to get an assessment of the current situation in RS. We inquired about any sensitive issues that might need to be considered while in BiH, and the RS in particular, and to obtain recommended contacts in Sarajevo and the RS.

We also met with Development Alternatives, Inc. (DAI) and MAS International, Inc. (MAS) to gain insights into the structure, issues, concerns, and constraints of BRFF/OMU.

Finally, we studied several documents including the Dayton Peace Accords, which provided us with a global framework for understanding the structure of the armistice and the constitution of BiH. We also reviewed several articles and books in order to better understand the political, economic, historical, and cultural issues which might influence the RS study.

2) Briefings and Meetings in Sarajevo

In Sarajevo, we met with BRFF/OMU staff and individuals from several organizations in order to get an on-the-ground assessment and understanding of the situation in both Sarajevo and the RS. We participated in meetings with members of the following organizations: USAID, BRFF/OMU-OMU, Bosnian Business Assistance Center (BBAC), Office of Transition Initiatives (OTI), The World Bank, International Monetary Fund (IMF), Narodna Bank of the BiH-Sarajevo (National Bank-Federation), European Bank

for Reconstruction and Development (EBRD), Federation Banking Agency-Barents Group, Payment Transactions Institution (ZPP), the Office of the High Representative, International Finance Corporation (IFC), Bank for Reconstruction and Development of BiH, and Industry Task Force Coordinator (see Contact List in Annex 1 for individual contact names).

3) Field Visit to Tuzla and Ft. McGovern

In order to get more acquainted with the BRFF/OMU operations and offices in the Federation, we visited the BRFF/OMU office in Tuzla (accompanied by USAID officials) and viewed a comparative model for a possible future BRFF/OMU office in the RS. We also heard a presentation given by BBAC to the U.S. Army Civil Affairs unit at Ft. McGovern. During the field visits, we coordinated with the USAID Tuzla office in Tuzla and Brcko.

4) Field Visit to Brcko with USAID and U.S. Army Civil Affairs Unit

Accompanied by USAID and the U.S. Army Civil Affairs unit, we met with representatives of several companies as well as the local municipality dealing with economic affairs in Brcko.

We observed and participated in a presentation to the group, which enabled us to inform companies of BRFF/OMU and to deliver a political message to the RS participants -- with USAID's guidance and perspective.

5) Field Trip to the RS (Banja Luka, Laktasi, Maslovari, Doboje, Bijeljina, and Pale)

We participated in meetings with government officials, the National Bank of the RS, private and state-owned banks and companies, and several non-governmental agencies, including the Faculty of Economics, Privatization Agency, Small Business Associations, and Chambers of Commerce. We also attended presentations hosted by the Small Business Association of Banja Luka. Company visits included field visits to observe facilities and operations. During the trip, we coordinated closely with USAID Banja Luka.

D. Key Findings

The following key findings are based upon our meetings and interviews with government entities (Deputy Prime Minister of Industry and Finance, Ministry of Finance, and Advisor to the Prime Minister), the National Bank of the RS, non-governmental institutions (Chambers of Economy, University of Banja Luka, Small Business Association, etc.), banks, and private and state-owned enterprises.

RS Economy

The RS is economically depressed due to low production and output; high inflation, interest rates, and unemployment; the lingering effects of embargoes; inaccessible import and export markets; inefficient and outmoded equipment; war damage; and lack of capital. The RS is greatly in need of a program such as BRFF/OMU in order to jump-start its enterprises. To date, the RS has received only 2% of the donor assistance earmarked for BiH.

BRFF/OMU Program

Once the policy issues have been resolved, the BRFF/OMU lending program can be implemented in the RS in three or four weeks, excluding the hiring of expatriate lenders.

Key areas of concern center on communication links to Sarajevo, the legal review of documentation currently used by BRFF/OMU in the Federation (in order to bring it into compliance in the RS), the handling of sensitive issues like war criminals and government intervention, and the staffing of expatriate lenders.

Company Needs

All of the companies that were met and interviewed had great needs for capital and thus an interest in the BRFF/OMU financing package. The financing needs ranged from working capital in order to purchase raw materials, to medium term financing to replace old and outmoded machinery and equipment, or equipment that had been destroyed during the war. Financing needs for small and medium sized private companies average DM 500,000 - DM 750,000.

The majority of the companies, in particular the privatizing state-owned companies, will require extensive training in business planning, marketing, accounting, systems development, finance, and budgeting in order to manage themselves successfully in a market based economy.

Banking Needs

The banking system in the RS is similar to the banking system in the Federation in that both are characterized by lack of profitability, poor liquidity, lack of deposits, weak asset quality, and capital structures. The private banks are small and unable to meet fully the needs of their customers. The banking system is expected to undergo significant reforms and changes in banking laws and regulations. These reforms should lead to consolidation, recapitalization, and privatization.

There are 12 commercial banks in the RS of which eight are state-owned and four are private. Banks in the Federation are required to be licensed and supervised by the

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Federation Banking Agency, an authorized agency of the National Bank of BiH. In order to participate in the BRFF/OMU, the banks in the RS will also need to be licensed by the Central Bank or an authorized agency of the Central Bank. In addition, the RS banks will need to be able to receive and transfer funds to and from an overseas account in Germany (BRFF/OMU account for BiH) via correspondent banks.

The banks interviewed in the RS expressed great interest in the agent bank structure and conceptually feel comfortable signing an agency agreement, while understanding the requisite requirements and responsibilities.

Training Requirements

Training is needed urgently, and is of interest to the banks for all levels of personnel. Banks initially need credit training to help them evaluate the application package that they will receive from the companies. Timing of the training is critical given the fragile condition of the companies and banks and the BRFF/OMU need for commercially viable companies and loan packages.

The non-governmental agencies and support institutes, i.e. the University, Chambers of Commerce, are interested in offering support to the BRFF/OMU including training space, professional and competent specialists, and access to companies and projects. Training may be necessary for these entities.

Industrial Sectors

Before the war, the RS was oriented towards trade with the other countries of the former Yugoslavia as well as Europe (same as the Federation). Some of the industrial sectors for BRFF/OMU consideration are agriculture and food processing, forestry and wood based industries, pulp and paper, metal working and machine building, leather shoe making, textiles, building and construction materials, computer assembly, and plastics processing.

The companies expressed a desire to access U.S. technology and equipment, but felt unable to access practical information on the companies in the U.S. that might be able to provide the service or equipment they require.

Brcko

The situation in Brcko is fluid and unresolved, and the area is still subject to arbitration and controversy. This controversy is the result of alleged war crimes and ethnic cleansing committed in the area and a dispute over which entity will ultimately have responsibility for Brcko. A judge is responsible for making a decision regarding the final responsibility of Brcko. There are about 36 companies in the area (see annex C). BRFF/OMU must exercise great caution in lending to companies in the Brcko area because of the high probability that the enterprise or the management might have ties to individuals with war

unsavory backgrounds.

War Criminals

The potential of lending to indicted war criminals appears to be a greater risk in the RS due to the relatively large number of indicted and undetained war criminals. Additional due diligence will be necessary in order to avoid lending to an entity that has a tie-in to individuals of ill-repute. We believe that the large, privatizing state-owned entities are more likely to attract individuals who have questionable backgrounds. Therefore, lending in the RS should focus on smaller, privately owned companies to reduce exposure to questionable individuals.

At all levels in the RS, from Government Ministers, bankers, and university professors to company directors, people expressed feelings of discrimination and isolation by the U.S. and the donor community in general. Most could not understand why the BRFF/OMU program was not available to the RS since they felt that the Federation was also not complying with Dayton.

II. RECOMMENDATIONS FOR FOLLOW-UP AND ACTION

Once a policy decision is reached, the U.S. wants to move forward quickly with a BRFF/OMU lending program in the RS. This study was intended to send the important message to the RS that the U.S. plans to assist in the economic recovery of the area once compliance with Dayton is achieved. In addition, we were to provide a number of recommendations for future action on the BRFF/OMU project in the RS. Our recommendations include the identification and analyses of the challenges and opportunities in the RS, suitable Agent Banks, market sectors which will likely provide the best lending activity, the delivery of appropriate staff, and linkages or points of coordination within the RS government. We were also required to provide a step-by-step action plan for expeditious initiation of BRFF/OMU lending in the RS. Our formal Scope of Work is attached to this feasibility study.

A. Establishing BRFF/OMU in the Republika Srpska

1. Opportunities

Need

The RS is suffering from a weak economy as a result of declining output, high inflation, high unemployment, reduced access to markets for both the import and export of goods, the lingering effects of the war, sanctions and embargoes, and a lack of capital available for working capital and equipment (refer to the IMF document *Bosnia and Herzegovina-Recent Economic Developments* for a thorough discussion of the economy in BiH).

Only 2% of the donor aid earmarked for Bosnia and Herzegovina has gone to the RS. There is an acute need for a financing program like the BRFF/OMU. Discussions with the Dean of Economic Faculty of the University of Banjaluka, Institute Za Ekonomike, Economic Chamber of Banja Luka, and several other similar groups corroborated the need for working capital financing and/or medium term financing for the replacement of equipment and machinery either destroyed in the war, or outmoded and inefficient.

Agent banks and loan prospects

In order to conduct this study, we met and interviewed banks, ascertained their interest in participating in a program like the BRFF/OMU, and determined the demand and type of customer who might utilize the BRFF/OMU program. The bankers' response was clearly in favor of participating in the BRFF/OMU program. All the banks expressed a great interest in training and many indicated that they had client lists and projects that they thought would fit into the program. For example, Privredna Banka-Doboj, upon hearing of the team's interest in learning about the needs of companies in the Doboj area, invited over 60 companies to hear how the BRFF/OMU program is structured and to learn the terms and conditions for lending. One small private bank, Export Banka in Bijeljina, has a list of 29 projects that might fit the BRFF/OMU profile. While some projects may not fit the profile, banks and economic associations have nonetheless been preparing projects and plans from their customers in anticipation of financing which to date has not been forthcoming. The Chamber of Economy for Banja Luka recently completed a study that indicated that the projected needs for restoration and reconstruction are about DM 4.4 billion in the RS. The quality of these projects and the real financeability of these projects are unknown and beyond the scope of this study, but according to the Chamber of Economy's study, about DM 755 million of the DM 4.4 billion of the reconstruction needs are for private enterprises (approximately 1200 projects) and all will need some form of financing.

Banking Sector

The banking institutions in the RS have many similarities to the banks in the Federation. The banks can be described as undercapitalized, inefficient, possessing high levels of non-performing assets, and in need of major reforms (to banking laws and regulations) to survive and compete in the next century. A thorough review of the financial conditions of the banks was beyond the scope of this study, but the World Bank's analysis of the banks in the RS discusses thoroughly the banking system's issues and challenges in the RS.

According to the World Bank study, there are 11 commercial banks in the RS of which eight are state-owned and three are private (during the field trip portion of this study a fourth private bank was encountered, having been started late in 1996). The state-owned banks are the largest banks on an asset basis but are largely unprofitable, with frozen hard currency deposits, little ability to attract new deposits (due to a lack of confidence in the banks), and assets that are non-performing. The state-owned banks, formerly socially

owned, were founded and controlled by large industrial enterprises which used the banks as not-for-profit providers of funds. This resulted in high levels of non-performing assets, and the banks were held responsible for state-owned enterprises that were unable to repay the loans. The situation was exacerbated by the banks' inability to develop the proper methodology for risk assessment and lending practices.

The private banks were all established either just before the war or soon thereafter. These banks have small asset bases which severely limits their ability to lend. However, the private banks appear to have more of a bottom line orientation than the state-owned banks.

The banks will be undergoing significant reforms, and we anticipate that the reforms will result in consolidation, recapitalization, and privatization of banks.

Company Profiles

We encountered primarily privately-owned enterprises during the field trip. These companies could be characterized as relatively new enterprises (10 years old or less), small to medium size on a turnover basis (turnover ranges from US\$1.5 million to 9.0 million with an estimated median of US\$ 2.5 million), with young (less than 50 years old), aggressive, and entrepreneurial management.

The companies are trying to find creative ways of surviving until financing becomes available to them. One group of entrepreneurs lends excess cash to another group on a short term basis. The financing requirements for the private businesses ranged from DM 150,000 to over DM 4,500,000. Based on the small sample of companies that we interviewed, the average loan requirement averaged about DM 500,000 to DM 750,000. We encountered two specific pockets of RS entrepreneurs during the field visit, in Laktasi (suburb of Banja Luka) and Bijeljina. These two locales are reputed to have a budding entrepreneurial sector and appear to be areas where small and privately owned companies are developing. Therefore, we believe that Laktasi and Bijeljina are potentially strong areas for BRFF/OMU lending.

There are several advantages to lending to the small privately owned companies in the RS. First, several of these companies appear to have an interest in operating their businesses in a manner conducive to maximizing profits. These companies may not have all of the technical business tools for running their businesses, but they have already adopted a Western economic philosophy, which is still a major hurdle that some of the state-owned enterprises must overcome.

Second, there is a reduced possibility of lending unwittingly to individuals with unsavory backgrounds. This is based on the assumption that potential indicted war criminals are more likely to focus on the larger state-owned entities or privatizing enterprises for ownership because they can more easily hide their involvement, and the money to be

exploited is greater.

As the economy moves towards a market based, private company orientation, there will be greater pressure to reform contract law, security laws, and commercial codes (*The World Bank Report on Private Sector Development in Post-War Bosnia and Herzegovina* provides good insights into the issues that the RS will encounter as it moves to a more market based economy).

BRFF/OMU and BBAC Coordination

There is a need for close coordination between the BRFF/OMU and BBAC in the RS. The overall weakness of the economy in the RS will require that financing flow to the enterprises with as few delays as possible. BBAC's role of helping to prepare the enterprises to write sound business and marketing plans can minimize the possible downtime associated with plans and applications that do not meet the requirements of the BRFF/OMU or other financing organizations. In addition, the BBAC's follow-up support to enterprises will be invaluable. The BBAC and the BRFF/OMU are now familiar with each other's function based on experiences in the Federation. This coordination and learning will be important to the successful and swift implementation of the BRFF/OMU in the RS.

Privatization

The RS passed a privatization law in 1996 and is in the process of valuing about 450 state-owned enterprises, principally with the hope of finding foreign investors. This has been done independent of the Federation and before all the laws and regulations are in place to fully support the process. A brief review of the process was not undertaken as part of this study, but one must question the ultimate success of attracting foreign capital, or if the privatization policies that are still being defined by the Federation will lead to conflict and confusion. We recommend that the privatization processes in the RS and the Federation be reviewed thoroughly to eliminate potential problems to the BRFF/OMU.

Training

RS banks and commercial enterprises have urgent training requirements. Most of the banks cited training needs for credit analysis, credit policy, risk analysis, systems, and general management as important skills for the development of the senior management and staff.

Companies will need to develop business planning skills that will enable the banks and BRFF/OMU to assess the creditworthiness of the companies and the projects that will be presented. The BBAC and BRFF/OMU should work in close coordination to assure that the plans submitted by the companies can be received with minimal revisions, and maximum understanding of the enterprises' financing needs and ability to pay back the

proposed loans in a timely manner. We recommend that bankers and company managers be trained together to allow both groups to understand each other's needs and vulnerabilities. Including university professionals with economics training in the training classes can serve as a powerful tool for aiding the propagation of the business planning process.

BRFF/OMU Office Location

If a decision is made to commence lending in the RS, an RS office presence is essential. From a practical perspective, the existing offices in Sarajevo and Tuzla do not have enough lenders to handle the potential volume of loans. In addition, the physical distances that are involved in plant site visits and management meetings, and the need to monitor the loans and perform proper due diligence, verify the need for additional sites. Given the Serb ethnic sensitivity, it will be important to establish an office in the RS where the people of the RS will not feel that they are being discriminated against or marginalized.

It will be easier to operate an office with Serb counterparts, drivers, and other office staff. The staff should be able to operate in the RS with minimal safety concerns and the banks and companies in the RS should understand that they will receive fair and impartial treatment.

Although these steps might be regarded as institutionalizing the separation between the ethnic groups, the steps will instead enable the BRFF/OMU process to work quickly and smoothly in the RS. Over time of course, these issues can be readdressed. The office would eventually take on the characteristics of a Tuzla office, in that all of the administrative, credit approval, and accounting would remain in Sarajevo and would be linked by telephone and computer to the RS office. The offices in the RS would essentially be loan production offices.

Banja Luka

We consider Banja Luka ideally positioned for a BRFF/OMU office in the RS even though it is not in the US SFOR sector. Banja Luka has about 240 thousand inhabitants of which some 70 thousand are refugees, and the city is viewed as the economic and cultural center of the RS. Banja Luka was not damaged in the war, and has the physical infrastructure and a political and economic climate that are conducive for a BRFF/OMU lending unit. It is the largest commercial city in the RS and the second-largest commercial city in BiH behind Tuzla. Approximately 70-80 percent of the commercial enterprises in the RS are only a half-day drive from the city center. The National Bank of the RS is located in Banja Luka, and the city is the seat of a shadow government (many of the government officials in Pale have offices in Banja Luka). There is considerable competition within the RS between Pale and Banja Luka for the seat of political power. The more politically open minded individuals tend to reside in and around Banja Luka. There are five banks headquartered in Banja Luka (Banjaluka Banka, Jugobanka, Agroprom Banka, West

Banka, and Elevator Banka). The University of Banja Luka, a leading economics institution in the RS, has offered their facilities for training and their Master's and Doctoral students as assistants. Additional information and demographic data on the city of Banja Luka can be found in the *Handbook of Banja Luka*.

Additional Offices

Given the physical characteristics of the RS, and if business warrants, a second office should be considered to manage potential BRFF/OMU customers in the US SFOR sector east of Brcko and south toward Hans Pijesak. This office could be a mirror of the Banja Luka office with fewer people depending on the demand from this area. A Banja Luka office would handle all companies west of Brcko. We recommend Bijeljina as a possible site for a second office because the city has a growing group of privately-owned companies and is strategically located to manage companies in the eastern and southern lobe of the RS.

Office Expenses and Time Table

The capital costs alone for equipping an office for three lenders with a corresponding staff of 11 individuals in Banja Luka are estimated at approximately DM 170,000. These costs do not include the costs associated with wages and salaries, housing, utilities, rent if necessary, and day to day expenses, or the cost of multiple offices in the RS (the estimates for all these costs are included in the *Action Plan* section of this report). Additional offices would have expenses as a function of the number of lenders to be assigned to each office and can be estimated when the offices are closer to realization. Based on our discussions with the BRFF/OMU personnel in Sarajevo, we believe that the physical office could be set up in four to six weeks if there are no unforeseen delays. This estimate does not include finding and placing expatriate lenders in the proposed office, which may prolong the process.

Wages, Visas, Employment Issues

Wages have not been factored into the estimate as lenders' salaries are highly personalized and negotiated as a function of experience. Local-hire wages will be commensurate with wages paid in the Sarajevo office. No visas or work papers are required for individuals invited by the government. Currently no visas are required by BRFF/OMU expatriate staff. Additional information is located in *1996 Yearbook on Republika Srpska*.

2. Challenges

Banking and Legal System

The banking system in the BiH is undergoing reforms. The reforms discussed above are required due to the legal, regulatory, and ownership structures left over from the former Yugoslav Republic including imprudent lending policies, a preponderance of assets that are non-performing, and a deposit base that has lost confidence in the system. Unfortunately, the pace of reform in the RS appears to be slower than in the Federation (refer to the *World Bank Private Sector Development Study*). The RS has been resisting making the difficult decisions necessary to return to an economic path. The timing and the pace of the reforms are unknown. The unresolved issues of the central bank and single currency add to the potential delays.

There will be a need to set up a BRFF/OMU structure in the RS similar to the structure in the Federation due to the weak financial state of the RS banks. Essentially, the BRFF/OMU will lend directly to the companies through agent banks that are licensed and supervised by the central bank or an agency authorized by the central bank to act in that capacity. Currently the National Bank in the RS acts as a central bank for the entity. These mechanics will need to be in place before the BRFF/OMU program can commence.

In the RS, banks are eligible for three different types of licenses depending on the level of capital and types of operation. A full license allows a bank to have full international branches and corresponding bank relationships, the secondary license allows for modified international presence, and the third form of license allows only domestic banking. A thorough review of licenses and whether or not the banks can receive transfers from abroad (Germany or the UK) will be important factors in choosing agent banks.

The bank laws and practices are ambiguous in the area of contract law, enterprise law, secured lending, property rights, and other forms of banking activity. It appears that many of the laws and practices are similar in form to the practices in the Federation, for example, the BRFF/OMU can take collateral and guarantees along the same lines as in the Federation through a court registration procedure. However, it would be prudent to have the BRFF/OMU documentation (Agency Agreement, Promissory Note, Loan Agreement, Guarantees, etc.) reviewed by legal counsel in the RS to make sure that the agreements are valid and enforceable under the RS's current legal structure.

Communications

Communication between the office in the RS and Sarajevo will be critical. Currently, credit committee meetings for loan approvals are conducted over the phone between Tuzla and Sarajevo as well as other discussions regarding BRFF/OMU matters. There will be similar difficulties in any office established in the RS, because there are significant communication

problems between RS and the Federation. Although telephonic communication from Sarajevo to RS appears to be possible, it is not dependable. Solutions to these problems include using satellite phones or radio phones, but none is ideal. The cost of a satellite phone ranges from \$18,000 to \$25,000 for the equipment, and calls cost DM 15 per minute. A solution that offers somewhat more dependable communications at a lower cost involves negotiating with the RS government or the National Bank of the RS for telephone lines to Sarajevo. Radio phone is a recommended back-up in the event of outages.

US SFOR

Banja Luka, the principal commercial city in the RS, is not in the US SFOR sector. It is located in the British SFOR sector. If there is a decision to enter into the RS for BRFF/OMU lending, it would be beneficial to seek a "carve out" for the RS similar to the carve out for Sarajevo.

Brcko

Brcko is a controversial and contended area north of Tuzla. It is currently under international supervision until an arbitration judge can decide whether it is to be under the jurisdiction of the RS or the Federation (refer to the Arbitral Tribunal for Dispute over Inter-Entity Boundary in Brcko Area and a draft of Reconstruction Priorities for Brcko). It was also the sight of significant atrocities and ethnic cleansing during the war. Geographically, it is a good location for a BRFF/OMU office however its legacy would make it symbolically a controversial site for a BRFF/OMU office. The high incidence of businesses and individuals in the Brcko area associated with unattractive activities makes it a problematic area for appropriate due diligence.

If there is an order to commence RS lending activity in Brcko and only Brcko, this activity should be conducted from the Tuzla office, which is only about 16 miles from Brcko. If a green light is given for lending in the RS in general, Brcko could be handled from the recommended second office in Bijeljina.

Because of the atrocities committed in Brcko, it is recommended that companies be cleared through the U.S. Army Civil Affairs unit at Ft. Mc Govern; members of the unit have already been interacting with the companies in the area. Therefore, they will have a good idea of the companies that should not receive BRFF/OMU funds.

War Criminals

It is believed that the issue of war criminals will be more of a problem in the RS than in the Federation. This is based on the fact that the majority of indicted and undetained war criminals are from the RS. Great care will need to be applied in order to comply with the BRFF/OMU requirement of not lending to known and indicted war criminals or to areas

where there have been known atrocities. Although there is no foolproof way of avoiding individuals or enterprises that have unsavory backgrounds, there are ways of addressing the issues.

- First, lending should focus on small- and medium-sized private companies and avoid financing state-owned companies or privatizing state-owned companies — unless a thorough check of the ownership and management can be executed. It is believed that state-owned companies are more likely to have ties to individuals with questionable backgrounds.
- Second, the Army Civilian Affairs unit or the UNHCR list of people and cities should be utilized to determine the areas and companies where there may be suspected unsavory activity. This may require red-lining certain areas from lending.
- Finally, it would be wise to cultivate relationships with individuals in the RS who are highly regarded and believed to be objective in their reasoning.

RS Government and Political Intervention

Some people believe that the government in RS might not be fully cooperative with the BRFF/OMU and may try to manipulate the program. We suggest that the BRFF/OMU establish strong ties to the National Bank of the RS (similar to the ties established with the National Bank of BiH). In cases where there is fear that funds might be appropriated, financing could be used to pay the supplier of equipment directly and avoid the funds ever going to a company's bank accounts. Of course, if there is a real fear that funds will be expropriated, the lending program should be reviewed and possibly curtailed.

Asset Appropriation

It was the nature of the war in BiH that the assets (equipment and machinery) of plants may have been taken from companies owned by one ethnic group and moved to another plant under the control of a different ethnic group. Care must be taken to avoid lending to companies that have those types of assets, or providing financing to repair the equipment of factories where the assets are of questionable ownership. Learning the origin of assets will require careful underwriting, a sound understanding of the borrower, the company's history, and where possible, obtaining original invoices for purchases of plant and equipment.

The additional level of caution necessary to lend in the RS may require meetings with the leadership at the National Bank and the Ministry of Finance to explain the BRFF/OMU policies and concerns.

B. Recommendations on Suitable Agent Banks

The team met eight banks in the RS (refer to Annex A and B for the list of the banks and contact names), and conducted in-depth interviews with seven banks. Four of the banks were state-owned banks, and the remaining banks were private banks. The following banks were interviewed: Banjaluka Banka, Jugobanka, Agroprom Banka, West Banka, Privredna Banka Doboј, Semberska Banka, and Export Banka. Currently all of the banks are licensed and supervised by the National Bank of the RS. No attempt was made to evaluate the financial viability of the banks. Financial statements were requested from all the banks interviewed, and five of the banks provided some form of statement (refer to Appendix 19 for statements). As in the Federation, the banks that participate in the program from the RS will need to be licensed by the Central Bank and be able to receive and send international transfers from Germany to the RS.

1. Banjaluka Banka (B.B.) is the largest bank in the RS and has the largest international network. It is the only bank in the RS with a full license to work with all banks abroad. B.B. has had a correspondent bank relationship with over 45 banks and was a member of SWIFT until the Central Bank issue caused the SWIFT system to be deactivated (some of the banks that do not have international correspondents use B.B. as their correspondent bank). B.B. has as a large customer base but all but one of its branches (Srbac branch) are outside the US SFOR sector. However, due to its size and international breadth, B.B. should be considered as an agent bank candidate.

2. Jugobanka is the second-largest bank in the RS (the director of the bank is also the president of Bankers Association in RS and offered his help to the BRFF/OMU effort in RS). Jugobanka has five branches in the US SFOR sector including Doboј, Prnjavor, Derventa, Bijeljina, and Brcko. Jugobanka has correspondent banks in France, Germany, Austria, and Russia. Training is greatly needed by this bank, and the directors' relationship with the Bankers Association will be helpful for future training initiatives. Jugobanka should be considered a good agent bank candidate.

3. Agroprom Banka is the largest private bank in RS. It has one branch located in the US SFOR sector and has a small international network. The bank does have customers in several cities covered in the US SFOR sector. Agroprom Banka is able to provide a list of private companies with which it has relationships. We recommend A.B. as a potential agent bank.

4. West Banka is a private bank that was established and licensed in 1993. It has no correspondent banks abroad except in Serbia and Macedonia. The bank has approximately 100 clients of which 80 percent are private companies. The Bank covers the area from Brcko west to Banja Luka, primarily in the US SFOR sector. West Banka does not appear to have the international network to be considered a good candidate for agent bank; but its client base makes it a good potential source of companies for the BRFF/OMU.

5. Privredna Banka-Doboj has three branches in the US SFOR sector and is also based in the US SFOR sector. The bank brought together over 60 enterprises for a meeting with the feasibility team to understand how the BRFF/OMU program works. The management of the bank didn't seem interested in training, stating that staff had been to seminars in the past. However, the bank's location in Doboj gives it potential for inter-entity trading and commerce. This bank could potentially be an agent bank, but requires additional due diligence regarding the nature of its license and correspondent banks.

6. Semberska Banka-Bijeljina was established in 1889 during the Austrian-Hungarian period. The bank has no international correspondent banks and uses Banjaluka Banka as its correspondent for overseas transactions. Although it has customers in several sectors, most of its clients are in the agricultural sector. This bank may have difficulty becoming eligible as an agent because it does not have any corresponding bank relationships. It would need to use Banja Luka Bank as its correspondent. Due to the nature of its clients, many of the potential loans would be in the DM 50,000 range.

7. Export Banka is a private bank located in Bijeljina. The bank was established in 1992 and has correspondent bank relationships in Germany and Austria. The bank has both private and state-owned customers. Export Banka is potentially a good candidate for the agent bank role.

C. Industrial Sectors

The major market and industrial sectors for opportunity in the RS are as follows (in approximate order of attractiveness):

- Forestry and Wood Processing
- Agriculture and Food Processing
- Electrical Equipment
- Metal Working and Machine Building
- Pulp and Paper
- Textiles and Footwear
- Non-ferrous Metal ores and Products

Forestry and Wood Processing

Forestry in the RS supplies 28 different industrial activities with wood. Forests cover about 55 percent of the total territory of the RS or 1.5 million hectares. Some 15 percent of the forests are privately owned, and the balance is state owned. There are about 35 companies engaged in wood processing plants in the RS. Most companies produce wood structure, beams and boards, plywood boards, splinter boards veneer, and material for home furnishing (parquetry, doors, windows).

Agriculture and Food Industry

Agriculture is an important sector in the RS. 650,000 hectares of 1.5 million hectares of agricultural land is arable. Today, approximately 90 percent of the land is privately owned. The principal agricultural products are wheat, maize, corn, potato, sugar beet, sunflower, and tobacco. Fruit and grapes are produced in the RS. Cattle and animal breeding produce beef, lamb, pork, and poultry. Food processing industries are strong players in Banja Luka, Brcko, Bijeljina, Doboj, Trebinje, and Prijedor.

Textiles and Footwear

This sector is widespread in the RS, with about 40 textile companies and 5 major footwear companies. The textiles and footwear sector currently exports 60 percent of its production.

Paper and Pulp

The paper and pulp industry is located in the northwestern part of the RS. The main paper and pulp producer is a state-owned entity located in Banja Luka. Other plants are in Prijedor and Drear.

The above-mentioned sectors and others can be examined in more detail in Annex D (*1996 Year Book Republic Srpska*). The principal regions within the RS slated for reconstruction and restoration are Banja Luka, Bijeljina, Doboj, Pale, and Trebinje. Currently only Doboj and Bijeljina are in the US SFOR sector, but it should be noted that Banja Luka region has over 70 percent of the reconstruction projects (refer to Annex A).

D. Identifying the Staff

Because staffing the BRFF/OMU with expatriate lenders may be a challenge, early identification of personnel is key. The staffing of the office with local professionals should be less problematic. The unemployment situation in the RS is reported to be at 70 percent or more and should result in a good supply of eligible, appropriate employees. BRFF/OMU will need English-speaking staff. We believe there is a good source of candidates for employment in Banja Luka. The search for local-staff hires can be aided via consultations with key individuals. Listed below are several individuals who have been identified as having access and knowledge of good and reliable people.

Mirjana (Mira) Stojanovic- Banjalucka Banka
Dr. Vladislav Durasovic-Dean of Economic Department- University of Banja Luka
 (Business cards for the individuals are in Annex 1A.)

BRFF/OMU – Government of the Republika Srpska (GoRS) Linkages and Coordination Points

Apart from the larger political impediments to establishing a BRFF/OMU in the RS, we believe that there are no legal or regulatory restrictions to a satisfactory and seamless execution of the BRFF/OMU presence in the region.

Those GoRS offices, ministries, and other organizations that might serve as good linkages and principal coordination points in BiH will likely include the Central Bank of Bosnia and Herzegovina, once it has been established. Organizations specific to the GoRS include:

- The Governor of the National Bank of the RS (if a form of it exists when the Central Bank is established),
- Deputy Prime Minister of Business and Finance, and
- Ministry of Finance.

The principal coordination point for the BRFF/OMU is expected to be the Governor of the National Bank of the RS. As noted above, a strong working relationship between the BRFF/OMU and the National Bank will be the primary indicator of the BRFF/OMU's success in RS.

E. Step by Step Action Plan for BRFF/OMU Lending in the RS

Per the requirements of this feasibility study, the following are the suggested steps for the initial establishment and implementation of a BRFF/OMU lending office and program in the RS.

Republica Srpska BRFF/OMU Office Time Table

The following time table has been completed under the assumption that the relevant policy issues regarding compliance with the Dayton Peace Accords have been resolved. It further assumes that USAID will have a free hand in choosing the location for the office in the RS. We believe that these actions can be completed in four to six weeks with the exception of the hiring of lenders, which adds a level of uncertainty to the process. Preliminary identification of potential staff should commence immediately.

Phase I.

- Meet with the Central Bank in Sarajevo to announce the intention of establishing an office in the RS and get their formal sponsorship and support.

- Meet with the Central Bank in Sarajevo, the National Bank of the RS, and any other appropriate government bodies (Deputy Prime Minister of Business and Finance, the Ministry of Finance, and the Payments Bureau), to announce the intention of opening an office. It is important in this meeting that USAID extract from the Central Bank and the RS National Bank a commitment for very good communication lines (telephone, fax, e-mail) so that the BRFF/OMU office in the RS can communicate well with its Sarajevo office. This will be a critical commitment to ensure the success of the office. In addition, USAID should negotiate for free space from the National Bank in the RS similar to the arrangement for BRFF/OMU in Sarajevo.
- Seek an indication of the potential banks that will meet the standards for agent bank selection in the RS. These banks should have an ability to receive funds from an off-shore account in Germany and receive deposits in the accounts of their customers.
- Make a final decision on the location city for the main BRFF/OMU RS office (assume Banja Luka).

Phase II.

- Meet with University of Banja Luka Economics Faculty Dean to discuss the use of the facility for training of bankers, companies, and other consultants or local trainers as appropriate. Training curriculum should be discussed in this meeting in coordination with the BRFF/OMU Training Coordinator and BBAC.
- These next steps should occur simultaneously. A team should be sent to complete the tasks.
 - i. Look for office space if National Bank of RS space is unsuitable
 - ii. Commence search and interviewing for local staff (potential counterparts and other staff positions)
 - iii. Secure housing for expatriate staff
 - iv. Order vehicles, equipment, and supplies for the office (locally if appropriate)
- Stage a road show with RS banks that have been approved by the Central Bank and the National Bank of the RS to explain the BRFF/OMU program in detail and in particular the agent bank role. The meeting should be led by the BRFF/OMU Chief of Operations, BRFF/OMU Operations Manager, Environmental Manager, lenders from the Sarajevo office, and USAID

personnel. Meetings for all banks should be held at the National Bank of the RS in Banja Luka.

Phase III.

- Commence training of banks, consultants, and selected companies.
- Hire local staff.
- Complete the following simultaneously
 - i. Close lease on location for office and housing for lenders/expatriates
 - ii. Arrange for phone system to be installed
 - iii. Deliver vehicles for the office
 - iv. Arrange for delivery of supplies and equipment
- Bring staff to Sarajevo for orientation (1 week)
- Arrange a meeting with the BRFF/OMU staff in the RS with the National Bank of the RS.
- Stage a road show for potential borrowers, ensuring that agent banks send representatives.

ESTIMATED OFFICE START-UP EXPENSES

The following are estimated expenses for equipping one office in the Republika Srpska. The information was constructed from discussions and estimates received from the BRFF/OMU office in Sarajevo. Estimates for additional offices will be a derivative of these expenses, driven principally by the number of lenders and required support staff in the office. The table with the recommended computer equipment is based on an office in the RS with eleven (11) full time staff.

REPUBLIKA SRPSKA OFFICE:

- 3 Expatriate Credit Officers**
- 3 Counterparts**
- 2 Translators**
- 1 Secretary/receptionist**
- 2 Drivers**
- 1 Person who maintains computer equipment on call**

FURNITURE FOR 11 OCCUPANTS:

- 11 Desks with file cabinets 3 drawers
- 11 Computer desks
- 11 Chairs
- 11-12 Guest chairs
- 11 File cabinets with drawers
- Estimated costs 17.985 DM**

COMPUTERS:

- 10 Computer work stations
- 1 Laptop
- Server
- Instruction to the above mentioned are attached on the 2nd page
- Printer
- Copy machine
- Estimated costs 100.000 DM**

Telephones*:

- Panasonic Switchboard with 3 lines and 8 extensions
- 11 telephones/ 5 analogue lines and 6 digital line/
- Fax machine
- Estimated costs 2.580 DM**

Office stationary:

Could be ordered in Sarajevo or from supplier in RS.

Vehicles:

2 four-wheel drive vehicles

Estimated Costs \$50,000 (@\$25,000 per vehicle)

* In the event that adequate phone lines are not available, the use of a satellite phone may be considered.

Estimated Costs \$18,000-25,000 per unit (operating costs of approximately DM 15.00 per minute)

Description	Quantity
1. Workstation DELL or COMPAQ (Pentium 133, 1.6 Gb HD, 16 Mb RAM, 15"color monitor, Ethernet adapter, Windows 95)	10
2. Laptop DELL or COMPAQ (Pentium 133, 1.6 Gb HD, 16Mb RAM, 800x600 256 color display, 3COM PCMCIA Ethernet modem card, Windows 95)	1
3. Server COMPAQ Proliant 800 (Pentium 200, 4Gb SCSI HD, 128 Mb RAM, 14"color monitor, DAT, Windows NT 4.0 server & ARCserve 6.0 with COMPAQ's activation key)	1
4. 16 port HUB	1
5. UTP Cable	TBD*
6. UTP Connector RJ45	100
7. Lotus Notes 4.5 workstation **	11
8. Lotus Notes 4.5 Domino server **	1
9. Word Perfect suite 7.0 **	11
7. Lotus 1.2.3 **	11

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8. NAV 95 **	11
9. NAV NT **	1
10. Microsoft Office 97 **	1
11. If possible international phone line	1
12. Modem Motorola Premier 33.600 **	2
13. HP Laserjet 5M Printer	1
14. HP DeskJet 870 cxi	1

*Can not specify quantity of cable before checking office and distance between computers.

** Cheapest way of purchasing is from U.S. - all other equipment could be purchased locally.

Additional RS Office Expenses

Office Space will rent for DM 15- 30 per square meter

Housing (2 bedroom) DM 2000-2200 per month

Apartment (1 bedroom) DM 1500- 1700 per month

Car Rental DM 90 per day plus gasoline

Salaries for local staff approximately DM 2500 per month per individual

Salaries for expatriate lenders as negotiated

Other Office Related Matters

Visa and Work papers: Currently there are no Bosnian Visa requirements pr work papers required. Expatriates have long-term Croatian visas to facilitate travel through Zagreb. Foreign visitors should hold a valid passport. Those invited by the government need not obtain a visa.

Money Transfers: Transfers from the BRFF/OMU office in Sarajevo to an office in the RS for normal office related expenses can be done. There are transfers and inter-entity settlements being made on a small scale once a week. This will need to be explored and discussed with the appropriate parties from the National Bank of the RS and the Central Bank in BiH and their respective payments bureaus to assure smooth money transfers.

ANNEX 1.

- Contact list
- Business Cards
- Brcko Companies and Attendees
- Doboј Companies and Attendees

Annex 1-A Detailed List of Contacts						
Co-ordination Points	Area	City	Name of the Institution	Name of Person	Title	Relevance to BRFF
Bethesda, MD.	USA	Washington DC				
			State Department	Thomas Adams	NA	Source of Information on Brcko Initiatives
			USAID	Bryan Kurtz	Senior Banking Specialist	BRFF Washington D.C project coordinator
			USAID	Ann Convery	NA	
			USAID	Ellen Leddy	NA	
			Scott Brown	IMF	Mission Chief Bosnia & Herzegovina	IMF project manager for Bosnia
			Dawn Rehm	IMF	NA	Staff of Scott Brown - Bosnia
			Philippe Marcinick	IMF	NA	Staff of Scott Brown - Bosnia
			Zlatko Hurtic	World Bank	Assistant to Executive Director	Covers Bosnia
Bosnia & Herzegovina						
	BiH	Sarajevo	USAID	Craig Buck	Mission Director	Approves all BRFF credits
			USAID	John Heard	Coordinator of the BRFF and Enterprise Recovery	Coordinates BRFF and the OMU with USAID
			USAID	Erna Kerst	Deputy Director	

			USAID-OTI	Michael Stievater	NA	
			USAID	Mike Sarhan	Chief, ERO	
			Bank for Reconstruction and Development of BH	Safet Proho	General Director	
			International Finance Corporation	Alireza Zavar	Investment Officer Outreach Programe Europr Department	
			USAID-ERO	C.Dale Wilson	Financial Institutions Advisor	Federal Banking Advisor
			BBAC	David King	Executive Director	Works in COodination with the BRFF COP
			Narodna Banka of BiH	Enver Backovic	Vice Governor	Licenses and supervises all banks in the Federation
			ZPP	Husref Gazibegovic	Director of Canton Sarajevo	Manages Payment System for all internal country payments
			IMF	Alessandro Zaniello	Resident Representative in BiH	Source of information on all banks in the RS
			World Bank	Saumya Mitra	Deputy Director	
			World Bank	Andrew Stone	Private Sector Developmant Specialist	Provided study on private enterprises in the RS
			World Bank	Djordijja Peykoski	Senior Enterprise Restructuring Specialist	
			EBRD	Zsuzsanna Hargitai	Deputy Resident Representative	Possible source of equity capital when privatization laws are finalized

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			Office of the High Representative	Thomas Schiller	Economic Advisor	
			USAID	Mike Kerst	Economic Office	
			BRFF	Larry Potts	Chief of Party	
			BRFF	Bruce Spake	Deputy Chief of Party	
			BRFF	Neil Isbrandsen	Banker	
			BRFF	Jan Dearing	Banker	
			BRFF	Jane Seifert	Banker	
			BRFF	Phil Fox	Head of Operations and Accounting	
			BRFF	Michael Kent	Environmental Specialist	
			BRFF	Bill Pendleton	Head of Training	
	BiH	Tuzla				
			USAID	Alain Grenier	NA	
			BRFF	Roger Bird	Banker	
			BBAC	Nimai Ghose	Management Consultant	
			BBAC	Lou Posillico	Management Consultant	
			US Army, Civilian Affairs	Sgt. James Sheehan	Economic Project Officer	
	BiH	Ft. McGovern	Us Army, Civilian Affairs	Maj. David Robinson	Head of Civil Affairs	Help the local companies in the area develop business planning skills
			"	Maj. Jeff Bryant		
			"	Maj. Gary Stahlman		

			“	Maj. Carbone		
			“	Lt. Kimmel		
	RS	Pale	Republic of Srpska Government	Djuradj Banjac	Deputy to Prime Minister in charge of businee and finance	Contact met. in RS
		Pale	Republic of Srpska Government	Radomir S.lic	Deputy Finance Minister	Contact met. in RS
		Pale	Republic of Srpska Government	Slavisa Rakovic	Minister of Finance	“
		Pale	Ministry of Finance	Ranko Travar	Deputy Finance Minister	“
		Pale	Energopetrol	Dusko Boganovic	Director	“
		Banja Luka	Ministry of Finance	Gordana Cenic	Deputy Finance Minister	
		Banja Luka	National Bank of RS	Petra Markovic	Deputy Governor	“
		Banja Luka	National Bank of RS	Jela Radisic	Director of Foreign Exchange	“
		Banja Luka	National Bank of RS	Stanko Karac	Director of Foreign Exchange	“
		Banja Luka	Ekvator Bank	Djordje Davidovic	General Manager	“
		Banja Luka	Banjalucka Bank	Mirjana Stojanovic	Chief of Foreign payment Department	“
		Banja Luka	Banjalucka Bank	Momcilo Popovic	General Manager	“
		Banja Luka	Jugobanka	Ljubomir Klincov	General Manager	“
		Banja Luka	Agroprom Bank	Milenko Vracar	General Manager	“
		Banja Luka	West bank	Ranko Karapetrovic	Director	“
		Banja Luka	Super Premix	Rajko Latinovic	Director	“

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		Banja Luka	Futur	Fuad Turalic	Veterinarian - Bachelor of Arts	"
		Banja Luka	Aneko	Nebojsa Antonijevic	Director	"
		Banja Luka	Vizija	Milos Babic	Director	"
		Banja Luka	Ekom	Damir Miljevic	Master of Arts	"
		Banja Luka	Integral Inzinjering	Dragan Bojic	General Manager Deputy	"
		Banja Luka	Integral Inzinjering	Slobodan Stankovic	General Manager	"
		Banja Luka	PP Racunari	Mihajlo Grgic	Director	"
		Banja Luka	Atlantik	Berislav Vukovic		"
		Banja Luka	Atlantik	Branislav Galic		"
		Banja Luka	Economic Chamber of Banja Luka	Dragica Ristic	Secretary	"
		Banja Luka	Economic Chamber of Banja Luka	Svetislav Mudrenovic	President	"
		Banja Luka	Banja Luka University (Faculty of Economics)	Vladislav Djurasovic	Dean	"
		Banja Luka	National Bank of RS	Manojlo Coric	Governor	"
		Banja Luka	Faculty of law	Marko Raicevic	Ph.D	"
		Banja Luka/Laktasi	Projekt Inzinjering	Milos Blagojevic	Director	"
		Banja Luka/Maslovare	Jezerka	Adil Hotilovic		"
		Banja Luka	Masinbravarska radnja	Nikola Spiric	Owner	"
		Banja Luka/Laktasi	Lakting	Milenko Vukovic	Commercial Manager	"

		Banja Luka/Laktasi	Kubik - trans	Bosko Djurdjevic		“
		Banja Luka/Laktasi	Kupresak	Spasen Nikodinovic	Technical Manager	“
	RS	Brcko	See list in Annex 1. B For list of companies.			“
		Brcko	Bimeks	Dragan Jakusic	Director	“
		Brcko	Bimal	Milan Karanovic	Director	“
		Brcko	Agreks	Predrag Milicic	Director	“
		Brcko	Grafam	Boro Kojic	Director	“
		Bijeljina	Semberska Bank	Petar ilic	Deputy Manager	“
		Bijeljina	Semberska Bank	Branko Marjanovic	Director	“
		Bijeljina	Export Bank	Miladin Vidic	Director	“
		Bijeljina	Institute for Privatization and Development	Aleksa Milojevic	Director	“
		Bijeljina	RS Chamber of Commerce	Milan Lugonjic	President	“
		Bijeljina	Express International	Jovan Curcic	President	“
		Bijeljina	Hotel Sico	Jovan Curcic	President	“
		Bijeljina	Leder	Milan Lazarevic	President	“
		Bijeljina	Bijeljina	Dusan Lazarevic	Director	“
		Bijeljina	UPI - Sirmium	Novica Novakovic	Director	“
		Bijeljina	Mesoprodukt	Zoran Djeric	Director	“

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		Bijeljina	Sava	Milenko Savic	Director	"
		Doboj	Privredna Bank AD Doboj	Ljubomir Kovacevic	Director	"
		Doboj	Regional Chamber of Commerce	Slobodan Petrovic	Secretatry technical	"
		Doboj	See List of attendees in Annex 1.C			

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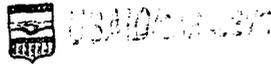


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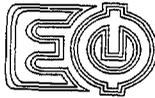
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Jovana Dučića 533
78000 Banja Luka
Phone: 078/17-011



^{3/10/97}
BANJALUČKA BANKA D.D.
BANJA LUKA

STOJANOVIĆ Mirjana
chief of foreign payment dept..

TELEPHONE: + 381 78 12 192
FAX: + 381 78 12 003
TLX 45 185 BLS BL YU
SWIFT ADDRESS: BLDABA 2X

PRIVATE: + 381 78 12 615



^{3/10/97}
JUGOBANKA AD BANJA LUKA

Ljubomir Klincov
General Manager

Tel.: 078/12-942
12-930
Fax: 12-878

78000 Banja Luka
Jukićeva 9

^{3/10/97}
АБЗ АПРОПРОМ БАНКА

MILENKO VRACAR
Миленко ВРАЧАР
директор



78000 БАНЈА ЛУКА
Књазо Милоша 19
Тел. 078/ 30-050, 32-992
Централа: 078/ 33-611
Факс: 078/ 44-181



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3/11/97

Super Premix

Др. Рајко Латиновић, дипл. вет.
Директор

Бања Лука
Младена Стојановића 4
Тел: 078/36-782



3/10/97

integral inženjering LAKTAŠI
Tel. 078/61-660, 64-443, tel/fax: 62-900

Bojić Dragan
zamjenik direktora

Banja Luka
benzinska st. Starčevica
Jug Bogdana bb

3/11/97
p.p. **FUTUR** p.o. CONSULTING-DEVELOPMENT
78000 Banja Luka, Jevrejska 87 (ulaz iz dvorista)
tel: 381/78/31 604 fax: 381/78/30 298

Mr Sc. **FUAD TURALIĆ**
dipl. veterinar

privat: 78000 Banja Luka
Jevrejska 6
tel: 381/78/31920



3/10/97

integral inženjering LAKTAŠI
Tel. 078/61-660, 64-443, tel/fax: 62-900

Stanković Slobodan
direktor

Banja Luka
benzinska st. Starčevica
Jug Bogdana bb



Mr. **Антонијевић Небојша**, дипл. инг. елек.
директор

78000 БАЊА ЛУКА, Крајишких бригада 113, тел/факс: 078/47-300

G.D.

MIHAJLO GRGIĆ
Михајло Гргић
директор

3/10/97



"RAČUNARI"

пп рачунари д.о.о.
ЕККОМ

78000 Бања Лука, Вука Караџића 6
Телефони (078) Централ 42-404
Директор 17-042
Факс 11-635



VIZIJA
KOMUNIKACIJE

Miloš Babić, dipl.ing.el.
DIREKTOR

78000 Banja Luka
Ranka Šipke 30

Tel/fax: 078/45-505.33-802
E-mail: vis@elf.bl.ac.yu

Издавачко графичко предузеће

3/10/97



Атлантик ББ

Берислав Вуковић

Бања Лука, Алеја Св. Саве 13
Тел/факс: 078/47-710, 46-971, 18-144, 18-145

Привредна

Mr Damir
MILJEVIĆ

BANJALUKA
Ul. Mladena Stojanovića 4
tel/fax: 078/30-781
tel: 078/37-646

ЕККОМ

3/10/97



Атлантик ББ

Бања Лука, Алеја Св. Саве 13
Тел/факс: 078/47-710, 46-971, 18-144, 18-145

Бранислав Галић

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PRIVREDNA BANKA DOBOJ



ПРИВРЕДНА БАНКА АД ДОБОЈ
Ул. Светог саве бр. 1

Mr Љубомир Ковачевић
генерални директор

ЉУБОМИР КОВАЧЕВИЋ

Телефон: 074/ 41-657

Факс: 41-662

ПРИВРЕДНА КОМОРА РЕГИЈЕ
ДОБОЈ

Списких саколовца 1

Слободан Петковић
Слободан Петровић д.и.п. ек.

секретар Коморе

SECRETARY OF COMMERCE

Тел: 074/ 41-988

41-663

SECRETARY

Телефакс: 41-590

Стр: 074/ 41-100

ЕНЕРГОИНВЕСТ САРАЈЕВО
ЕН **ЕНЕРГОПЕТРОЛ**

Предузеће за промет нафте,
нафтних деривата и
природног гаса

Пословни центар
САРАЈЕВО

Бођановић Душко
директор

Телефони:
071/783-410
783-794
786-258

Факс:
071/783-243

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Семберска банка д.д.

БИЈЕЉИНА

PETAR ILIC

Карађорђева бр. 3

Петар Илић

директор сектора послова
са становништвом

HOME

СТАН:

ТЕЛЕФОНИ:

(076) 46-481

(076) 471-588, лок. 147

Факс (076) 472-247

76300 Бијељина

Зорана Радмиловића бр. 3

(076) 42-776



SEMBERSKA BANKA LTD.

Семберска банка д.д.

БИЈЕЉИНА

MARTANOVIĆ BRANKO

Карађорђева бр. 3

Марјановић Бранко

замјеник директора

DEPUTY MGR.

HOME

СТАН:

ТЕЛЕФОНИ:

(076) 41-688

(076) 471-588, лок. 114

Факс (076) 472-247

76300 Бијељина

Гаврила Принципа бр. 10/43

(076) 472-091



EXPORT BANKA AD

76300 Бијељина, Београдска Царава 46
Тел: (076) 401-100, 401-410, факс 401-410

Београд, Булевар Лазића 100а

Тел: (01) 400-844, факс 400-4451

Париз, Франска

Тел: (01) 478-4403, факс 478-613

MILADIN VIDIĆ, др. е.с.с.
ДИРЕКТОР

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EXPRESS - INTERNATIONAL
import - export

Tel. 284-050
286-445
244-241
Fax 286-446

Head Office:
enizelou Str.20
Thessaloniki-Greece

Tel./fax 412887 PAPA GR

JOVAN ĆURČIĆ
president



БИЈЕЉИНА, Николе Тесла 2
Тел/факс: (076) 472-973, 472-975, 472-482

Лазаревић Милан
директор

Стан: Вељка Лукића 222/1
Тел.: (076) 472-508



HOTEL ŠICO

76300 BIJEĽINA
Ul. Jovana Dučića br.3
Tel. 076/472-952 recepcija
Tel./faks 076/472-892

JOVAN ĆURČIĆ
president



DUŠAN LAZAREVIĆ
Душко Лазаревић
директор

Бијељина, Брчански пут 66
Жиро рачун: 30700-601-2-9854
Телефон/факс: 076/472-716
Скл. грађ. мат. 472-715, 472-603
Бутик „Снежана“ 472-100
ПР „Центар“ 401-065

Стан:
76300 Бијељина
Стефана Дечанског 222
Тел.: 076/472-509



DIONIČKO DRUŠTVO SA P.O.
UPI - BIRMUM BIJEĽINA

Novaković Novica
direktor

ul. Svetog Save 46,
tel. 076/401-409,
fax 401-410

ĐERIĆ ZORAN dr. vet. med.
direktor *State Vet. Spinal Service*

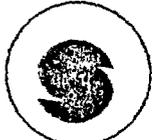


MESOPRODUKT

Fabrika mesa i proizvoda od mesa

76300, Bijeljina,
Karadordeva 9

Tel. 45-243, 401-108
Tel/faks 472-034



SAVA
PREHRAMBENA INDUSTRIJA 76300 bijeljina

Food Processing (Fruit + Veg)

mr. Savić Miroslava, dipl. ing
direktor

Stan:
Gavrila Principa 16-10
Tel. 076/471-802

Tel. 076/471-109
Telex 44751
Telefax 472-884

LB

The Republic of Srpska
Institute for Privatization and Development

D.Econ.Sc. Aleksa MILOJEVIĆ

Director

flat:

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76300 Bijeljina

work:

Tel. : 076/471-747
Fax : 076/471-750
Kozaracka 14
76300 Bijeljina

604

PRIVREDNA KOMORA R. SRPSKE
Privredna komora regije Bijeljina

Milan Lugonjić, dipl. ecc
— P R E D S E D N I K —

76300 BIJE LJINA
☎ (076) 472 976
Fax: (076) 41-235

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BRCKO COMPANIES AND ATTENDEES

No.	Title of the Government Company	Basic activity	Name of director	Tel. number
1.	DP "MLADOST"	Children clothes and bed cloth manufacturing	Lukic Slobodanka	204-012
2.	DP "BIMEX"	Manufacturing: food, meat, meat products, industrial feedstuffs, livestock breeding developer in Republika srpska	Jaksic Dragan	204-122 204-837
3.	DP "IZBOR"	Leather men's shoes production	Pero Nikolic	205-499
4.	DP "BIMAL"	Oil and oil crops production	Milan Karanovic	204-903
5.	DP "PALIS"	Juice, absolute alcohol, livestock leaven, carbonic dioxide, etc. Production	Risto Ilic	204-146
6.	DP "POLJOKOP"	Cooperate with privately owned agricultural estate, supply private farms with row material, take over and by up agricultural products.	Danilo Kozjak	204-166
7.	DP "POSAVINA"	Crop farming production: corn, wheat, oil beet, soya-been, sunflower, sugar beet and oats.	Spasoje Biocanin	205-415
8.	DP "AGROSJEME"	Organize production, finishing process, seeds packing, granary and oil crops drying and marketing.	Tomic Zivan	204-702 204-488
9.	DP "BOSNAPLOD"	Production, domestic and export food products marketing (production, preparation canned fruit and vegetable, grain goods and forest fruit processing).	Sofic Jovan	204-076
10.	DP "ZITOPROMET"	Manufacturing flour milling and bakery products	Similic Mico	204-089
11.	DP "PIROMETAL"	Producer of lead pipes, aluminum products and different kind of metal manufacturing industry products.	Polaja Novak	204-088 204-087

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12. DP "INTERPLET"	Manufacturing different kind of knitwear, woolen knitwear, ready-made clothes and stockings.	Djordje Ristanic	204-068
13. DP "LASER"	Company for the transport organization and tourism.	Bogicevic Nebojsa	204-150
14. DP "STAKLORAD"	Offer all kind of services in glazier's trade industry.	Medic Boro	205-168 204-215
15. DP. "TESLA"	Accumulator and lead alloy production.	Vasiljevic Vasilje	205-301
16. DP "MIBO"	Production of the semi-axes cog-wheels, vibrate-generators, park, green fields and sport fields maintenance machinery (sprayer, roller, grass collector).	Laketa Momcilo	205-523
17. DP "P S C"	Basic activity: services on maintenance of vehicle and vehicle with trailer, technical examination and certificate issue. Secondary activity: spare parts and oil derivative trading .	Nedeljko Simic	204-044
18. DP "ZANAT"	Services in civil engineering	Slavko Sajlovic	28-712
19. DP "IZGRADNJA"	Building construction Company	Goran Trupl	205-232 204-209
20. DP "NOVOGRADNJA"	Civil engineering and sewage water construction works.	Lazo Djukic	204-391 204-390
21. DP "LUKA"	Concrete blocks, concrete tubes and different concrete products production, large cargo loading and unloading service.	Mladen Zonic	204-113
22. DP "GRAFAM"	Unified trading books and forms production, different kind of labels, cardboard boxes and packing material production. Printing services: printing, book lining, publishing.	Boro Kojic	204-091 204-953

23. DP Furniture Factory "MAJEVICA"	Production and furniture trading	Bosko Maricic	204-096 204-301
24. DP "UGOSTITELJSKO TURISTICKU TRGOVACKU DJELATNOST "BRCKO"	Services in catering and tourism industry	Bosko Maricic	204-096 204-097
25. DP " "FEROS"	Secondary row materials trading	Djordje	204-709
26. AUTO_MOTO DRUSTVO BRCKO	Overhauling and repair and forwarding Agency	Jovic Milorad	204-709
27. VETERINARSKA STANICA	Veterinary sation: preventive vaccinate ,diagnosis and medical treatment of the animals.	Burgic Perica	205-521
28. PTT	PTT traffic and Telecommunication	Bosic Mladen	204-004
29. DP "SAVA"	Town cleanliness water installation and sewage Water system maintenance.	Djordje Dragicevic	204-713 205-441
30. DP "MERKUR"	Wholesale and retail trade	Gajic Djordje	25-150
31. DP "ROBNA KUCA"	Wholesale and retail trade	Gavraovic Cvijan	204-885
32. DP "TAHNOGRADJA"	Retail trade	Karanovic	204-047
33. DP "UZOR"	Retail trade	Slobodan Vukovic	204-144
34. DP "VELMA"	Retail trade	Milan Marjanovic	205-247
35. DP "NOVA TRGOVINA"	Retail trade	Radovanovic Drago	25-624 24-781
36. DP "INTERSPED"	International and domestic transport and goods storage.		205-080

SPISAK

prisutnih na sastanku sa predstavnicima MEĐUNARODNIH FINANSIJSKIH INSTITUCIJA
održanom dana 13.03.1997. godine u zgradi Privredne banke AD Doboј

Red. br.	PREZIME I IME	NAZIV FIRME	FUNKCIJA	Broj telefona
1.	Bjelanović Gordana	STR "BAMBI" Doboј	Direktor	074-31-026
2.	Božić Cvjetko	"Kamenorezac" Osojnica	Knjigovoda	074-21-213
3.	Božić Boro	"	Direktor	074-21-213
4.	Lazić Dušanka	AMD-DOBOJ	Šef računovodstva	074-41-653
5.	Dujković Ratko	PP "Paun" Trgovina	Vlasnik	076-661-305
6.	Đurković Borislav	PP "Bolero"	Direktor	21-359
7.	Mikerević Nenad	PP "Mineks"	Direktor	32-121
8.	Miladinović Novica	PTUP "Novex" Doboј	Direktor i Vlasnik	074-42-176 fax 34-747
9.	Damjanović Niko	PP "Mladost" MH" Trgovina Šamac		076-62-328
10.	Milovanović Slobodan	PP "Omega-S"	Direktor	076-62-679
11.	Savić Zoran	"Mile -komerc"	Direktor	076-661-129
12.	Vujić Milan	OJVP "Vodovod i kanalizacija" Šamac	Direktor	076-61-3141 61-950
13.	Subotić Nedeljko	Rudens-komerc Doboј	Direktor	074-41-718 i 41-024
14.	Mitrović Uroš	ODP Montaža	Rukovodilac komercijalnih preduzeća	41-812 i 41-800
15.	Kojić Đorđo	"Koplast"	St. Vl. Preduzeća i RUK. preduzeća	784-022 Faks 784-683 Telef
16.	Ganedarica Bogoljub	Koplasa	Vlasnik	41-986
17.	Radovanović Milica	PB Filijala Srpski Brod	Direktor	074-861-291
18.				
19.	Ilić Dušan	DP Sirovinaprodukt Doboј	Pomoćnik direktora	41-742
20.	Močić Ratko	PP Trgotrans	Direktor	074-41-284
21.	Geranović Predrag	Fabr. čarapa i pletiva "Brodteks" Sr. Brod	Rukovodilac PRS	074-864-561

Red. br.	PREZIME I IME	NAZIV FIRME	FUNKCIJA	Broj telefona
22.	Branislav Stojanović	PPTUP "Branko" DOBOJ	Direktor Vlasnik	074-33-473
23.	Đurić Željko	PP "SATURN"	Vlasnik Direktor	076-61-765 i 62-301
24.	Ilija Kuzmanović	"Kuzmanović" Komerc Modriča	Vlasnik i Direktor	008-525 i 883-703
25.	Miličić Slavko	GDP "Radnik" Doboj	Rukovodilac Ekonom.sektora	074-41-726
26.	Panić Čedomir	PP Panić	Direktor	31-466
27.	Mastilović Drago	S.Z.Bravarsko-linarska	VKV Bravar	786-836
28.	Đalić Mišar	PP "Ingerprom" Derventa		833-059
29.	Cvijanović Nenad	Rudeko Doboj	Vlasnik	24-900, 31-816
30.	Cvijanović Borka	Elkom inženjering S.Brod	Šef. računovodstva	861-642
31.	Ružičić Grozdan	TTO "minik" Derventa	Direktor	831-902 i 831-901
32.	Čolić Petar	STP "Derventa" D	Direktor	833-204
33.	Ristić Živko	PP Žižo Boljanić	Direktor	693-172
34.	Knežević Mirko	PP "Interprom" Derventa	Zamjenik direktora	- 833-052, 833-259
35.	Nedić Anđelko	"Matefpak-prom"	Direktor	790-511
36.	Miličević Nikola	PP "Filuks"	Komercijalista	24-397 i 32-940
37.	Stančić Uroš	PP Best kolor	Direktor	832-101
38.	Jovičić Ilija	Energopetrol	Direktor RS Brod	861-315
39.	Karanović Milan	Promex Enteriéri Doboj	Vlasnik	41-513
40.	Aleksić Luka	Alprotrans	Direktor	41-361
41.	Đekić Zoran	Papirna konfekcija Đekić Derventa	Direktor	833-221, 834-942, 834-944, 31-533
42.	Radić Radivoje	"Odluka" (alatnica)	Vlasnik	24-536

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Red. br.	PREZIME I IME	NAZIV FIRME	FUNKCIJA	Broj telefona
43.	Stjepanović Ljuban	Inventing	Vlasnik Direktor	32-851, 21-957
44.	Borojević Čedomir	MMB-INEX coop" Šamac	Direktor	61-208
45.	Pavlović Nada	Polet Šamac	Direktor	61-243
46.	Nikola Lukić	Intereksport Šamac	Direktor	63-010
47.	Ljubomir	Sanja - 5	Vlasnik	076-681-262
48.	Simić Jovan	PP UNIX	Vlasnik	076-651-420, 61-956
49.	Damjanović Dragan	Dragulj Dobo	Vlasnik	35-120
50.	Đurić Ostoja	PP Promkoop"	Vlasnik Karanovac	
51.	Đuričić Nebojša	DP Mesopromet Dobo	Ruk.sekt.opštih posl	41-939
52.	Lukić Nataša	"	knjigovođa	41-939
53.	Jovanović ing Jordan			24-236
54.	Jovanović Miroslav	SZR Jovanović	Vlasnik	41-325
55.	Konstatinov Aleksandar	Grafoart	Vlasnik	22-570
56.	Petričević Miroslav	Pred."valm 5"	Direktor	36-394
57.	Ristić Dušan	SZR "SMRČA" Karanovac	Vlasnik	799-228
58.	Živanović Dimšo	Promex-enterijer	Komercijalista	41-513 i 24-419
59.	Novaković Jovan	Metal Emajl Brod	Rukovodilac Računovodstvo	074-361-712
60.	Petrović Slobodan	Privredna Komora Dobo	Sekretar Komerc.	41-980
61.	Ninković Vasika	PP Ninković	Direktor	36-236
62.	Ljubomir Novaković	DOO AS -Promet	Direktor	33-430
63.	Stanisavljević Milan	DP ISKON Srp.Brod	Zamjenik rukovodioca	863-160

ANNEX 2.

- List of Banks Contacted in the Republika Srpska
- Business Cards of Banks
- List of Commercial Banks, Branches, and SFOR Sectors in the Republika Srpska

Annex 2

List of Banks Contacted in the RS

Bank	Location	Contact	Title	Sector	Branches in US SFOR	Private or State-Owned
Banjalucka Banka	Banja Luka	Momcilo Poparic	General Manager	UK	2	State-Owned
Jugobanka	Banja Luka	Ljubomir Klincov	General Manager	UK	5	State-Owned
Agroprombanka	Banja Luka	Milenko Vracar	General Manager	UK	1	Private (Mixed)
West Banka	Laktasi (Banja Luka)	Ranko Karapetrovic	Director	UK	0	Private
Ekvator Banka	Banja Luka	Dorde Davidovic	General Manager	UK	0	Private
Privredna Banka- Doboj	Doboi	Ijubohir Xovacevic	General Manager	US	3	State- Owned
Semberska Banka	Bijeljina	Martanovic Branko	Deputy manager	US	1	State- Owned
Export Banka	Bijeljina	Miladin Vidic	Director	US	1	Private

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BANJA LUKA

TEL. 078/17-920

17-918

12-385

R. ĐORĐE DAVIDOVIĆ

General Manager



BANJALUČKA BANKA D.D. BANJA LUKA
78000 Banja Luka, Marije Bursać br. 7

Momčilo Poparić
general manager

PHONE: 078/12-516
12-136
FAX: 12-830

PRIVATE:
Jovana Dučića 533
78000 Banja Luka
Phone: 078/17-011

PRIVREDNA BANKA DOBOJ



ПРИВРЕДНА БАНКА АД ДОБОЈ
Ул. Светог саве бр. 1

Мр Љубомир Ковачевић

генерални директор

ЉУБОМИР КОВАЧЕВИЋ

Телефон: 074/ 41-657

Факс 41-662



JUGOBANKA AD BANJA LUKA

Ljubomir Klincov
General Manager

Tel.: 078/12-942
12-930
Fax: 12-878

78000 Banja Luka
Jukićeva 9



SEMBERSKA BANKA LTD.
Семберска банка д.д.

БИЈЕЉИНА

Карађорђева бр. 3

MARTANOVIĆ BRANKO
Марјановић Бранко

замјеник директора

DEPUTY MGR.

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(076) 41-688
(076) 471-588, лок. 114
Факс (076) 472-247

76300 Бијељина
Гаврила Принципа бр. 10/43
(076) 472-091

HOME
СТАН:

ABZ АГРОПРОМ БАНКА

MILENKO VRACAR

Миленко ВРАЧАР
директор

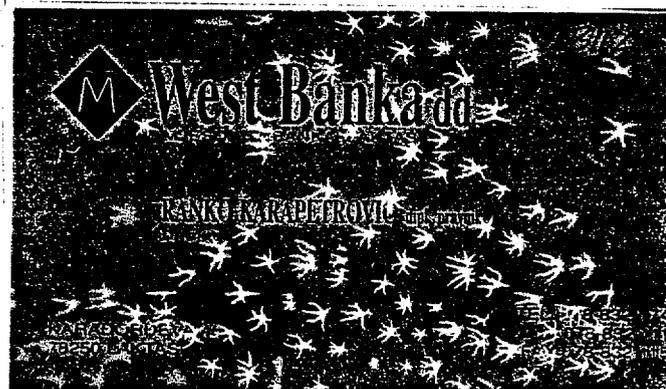
78000 БАЊА ЛУКА
Књазо Милоша 19
Тел: 078/ 30-050, 30-992
Централа: 078/ 33-611
Факс: 078/ 44-181



EXPORT BANKA AD

76300 Bijeljina, Svetog Save 46
Tel.: 076/401-409, 401-414; fax 401-410
Filijala Beograd, Bulevar Lenjina 165a
Tel. 011/130-944; fax 222-14-51
Filijala Paie
Tel./fax: 071/784-435, 785-518

MILADIN VIDIĆ, dipl. OECC
DIREKTOR



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LIST OF COMMERCIAL BANKS WITH THEIR BRANCHES
REPUBLIKA SRPSKA

UK SECTOR

1. BANJALUCKA BANKA DD BANJA LUKA

Branches: Banja Luka
Celinac
Kotor Varos
Laktasi
Mrkonjic Grad
Prnjavor
Knezevo
Srbac *
Sipovo
Teslic
Kozarska Dubica
Beograd

UK SECTOR

2. AGROPROMBANKA DD BANJA LUKA

Branches: Prijedor
Gradiska
Laktasi
Bijeljina *
Beograd
Novi Sad

UK SECTOR

3. JUGOBANKA DD BANJALUKA

Branches: Gradiska
Novi Grad
Doboj *
Prijedor
Prnjavor *
Derventa *
Bijeljina *
Brcko *
Zvornik
Trebinje
Bileca

4. PRIVREDNA BANKA DD GRADISKA

Branches: Beograd
Banja Luka
Kozarska Dubica
Laktasi
Srbac

5. PRIVREDNA BANKA DD DOBOJ *
Branches Brod
Derventa *
Doboj *
Modrica *
Samac

6. PRIJEDORSKA BANKA DD PRIJEDOR
Branches: Prijedor
Kozarska Dubica
Novi Grad

7. SEMBERSKA BANKA DD DIJELJINA *
Branches: Ugljevik
Lopare
Agencies: Bijeljina
Janja

8. PRIVREDNA BANKA AD SRPSKO SARAJEWO
Branches: Zvornik
Srbinje
Trebinje
Beograd

9. EKSPORT-IMPORT BANKA AD BIJELJINA * PRIVATE BANK
Branch: Beograd

10. UK SECTOR
WEST BANKA DD LAKTASI PRIVATE BANK
Branches: Beograd
Banja Luka

11. PRIVREDNA BANKA DD BRCKO *
Branches: No registered branches

12. CEPTER BANKA AD BEOGRAD
Branch: Kozarska Dubica

From: National Bank of Republika Srpska, Banja Luka, 1996.

* US SECTOR

ANNEX 3.

- List of Projects

- Industry Sectors and Restoration Projects in the RS
- Geographic Regions for Restoration Projects in the RS
- Companies in Doboj from Doboj Chamber of Commerce
- Republika Srpska Office of the Prime Minister- Industry Structure
- BBAC- Survey of Large Bosnian Companies

Annex 3

List of Projects

The following table of potential projects were the result of company meetings and interviews. Many companies did not have comprehensive plans to distribute. In order to avoid heightening expectations that currently can't be met, the team did not pursue aggressively for written plans.

Company Name	Director	Contact Intructions	Location	Project	Investment Amount	Comments
	N. Spiric	See Business Card*	Banja Luka	Produces spare parts for machinery	DM 350,000	
	M. Blagojevic	See Business Card	Banja Luka	Metal working	DM 200,000	Supplies SFOR
	S. Nicodinovic	See Business Card	Banja Luka	Process aluminum and steel door and window frames	DM 150,000	
Jezerka	A. Hotelovic	See Business Card	Maslovare	Meat, Honey, mushroom production	\$ 1,500,000	Muslim business in RS
Vlasic	R. Spirage	745-130	Maslovare	Wood Processing	DM 150,000	
PDS	S. Karac	832-235	Banja Luka	Produces Parquet Floors	DM 200,000	works for the National Bank of RS as Mgr of Legal Dept.
Leder	S.Jevtic	See Business Card	Bijeljina	Meat Processing	DM 500,000	
Sava	S. Milenko	See Business Card	Bijeljina	Food Processing	NA	
Integral	S. Stankovic	See Business Card	Banja Luka	Building Materila and Construction	NA	

* Refer to Cards in Annex 1A

BL

Annex 3. LIST OF READILY AVAILABLE PROJECTS FOR CONSIDERATION BY BRFF
08/04/97 Clients of EXPORT BANKA AD, Bijeljina

No.	Project title	Total investment	Loans sought	Company	Headquarters	Remark
01.	Aluminum furniture production	200,000 DEM	120,000 DEM	"PRIMUS"	Bijeljina	Private
02.	Manufacturing of metal roofs & containers	200,000 DEM	160,000 DEM	"VELMING"	Višegrad	Private
03.	Cattle breeding	70,000 DEM	50,000 DEM	"DM"	Donja Trnova	Private
04.	Wood manufacturing	180,000 DEM	100,000 DEM	"MIPEX"	Ugljevička obrijež	Private
05.	Turkey farm and slaughterhouse	1,200,000 DEM	400,000 DEM	"Mini-Ugljevik"	Ugljevik	Private
06.	Manufacturing of refrigerators	1,600,000 DEM	1,100,000 DEM	"Brezovica"	Bijeljina	Private
07.	Production of packaging cardboards	6,400,000 DEM	4,400,000 DEM	"Ambalažerka"	Laktaši (BL)	Private
08.	Cattle breeding farm	4,000,000 DEM	2,800,000 DEM	"Sincoop"	Laktaši (BL)	Private
09.	Fish processing	6,000,000 DEM	4,100,000 DEM	"Sincoop"	Laktaši (BL)	Private
10.	Poultry and egg farm expansion	11,800,000 DEM	7,500,000 DEM	"Orčevac"	Bijeljina	Private
11.	Production of machine spare part and repairs of vehicles	250,000 DEM	100,000 DEM	"Nives"	Bijeljina	Private
12.	Production of paints and polish materials	600,000 DEM	300,000 DEM	"Vis-Komerc"	Bijeljina	Private
13.	Production of medicine auxiliaries	1,400,000 DEM	1,000,000 DEM	"Blagolex"	Bijeljina	
14.	Production of cleaning materials for industry	1,400,000 DEM	500,000 DEM	"IMD Drina"	Popovi (BN)	Private
15.	Production of equipment for slaughterhouses and food processing machines	2,000,000 DEM	1,400,000 DEM	"Valnetino"	Ugljevik	Private
16.	Production of soft drinks and beverages	400,000 DEM	300,000 DEM	"IMD Drina"	Popovi (BN)	Private
17.	Egg farm	200,000 DEM	150,000 DEM	"Bramex"	Ugljevik	Private
18.	Egg farm	1,000,000 DEM	900,000 DEM	"Bramex"	Ugljevik	Private
19.	Slaughterhouse completion	1,300,000 DEM	600,000 DEM	"Leder"	Bijeljina	Private
20.	Equipment for coal mine surface escavation	1,200,000 DEM	400,000 DEM	"Lav promet"	Ugljevik	J. Venture

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Annex 3. LIST OF READILY AVAILABLE PROJECTS FOR CONSIDERATION BY BRFF
 Clients of EXPORT BANKA AD, Bijeljina

No.	Project title	Total investment	Loans sought	Company	Headquarters	Remark
21.	Poultry farm	300,000 DEM	200,000 DEM	"JAS"	Bijeljina	Private
22.	Wood furniture (handicrafts)	300,000 DEM	150,000 DEM	"Carpentry"	Bijeljina	Private
23.	Pork and cattle breeding	150,000 DEM	100,000 DEM	"Mitex"	Peljave (Lopare)	Private
24.	Wood manufacturing	260,000 DEM	100,000 DEM	"Prelovac"	Balković (BN)	Private
25.	Chicken eggs production	3,000,000 DEM	2,000,000 DEM	"Živinoprodukt"	Bijeljina	Private
26.	Fish breeding and processing	500,000 DEM	300,000 DEM	"Lovolurs- komerc"	Bijeljina	Private
27.	Fish breeding and processing	1,400,000 DEM	800,000 DEM	"Drina river bridge Corp."	Bijeljina	Private
28.	Mini dairy plant	400,000 DEM	300,000 DEM	"Semberija produkt"	Bijeljina	Private
29.	Slaughterhouse and meat processing	3,500,000 DEM	3,000,000 DEM	"Živinoprodukt"	Bijeljina	Private
Total value of investment in DEM		51,210,000 DEM				
Total value of loans sought in DEM			32,330,000 DEM			
Average value of investment per project		1,800,000 DEM				
Average loan per project			1,100,000 DEM			

Source : Export banka AD based on field visit to Bijeljina (G. M. Lajsic)

SUMMARY

of projects for restoration and reconstruction of economic capacity from funds of international community, which are candidate through Chambers of economy, in the competence of Republic

IN DEM

REGIONS	NUMBER OF PROGRAMS				NECESSARY FINANCIAL RESOURCES			
	Social enterprises	Private enterprises	Total	Structure %	Social enterprises	Private enterprises	Total	Structure %
1	2	3	4	5	6	7	8	9
BANJA LUKA	584	1.052	1.636	72,3	2.215.303.773	687.109.746	2.902.413.519	65,6
BIJELJINA	186	34	220	9,7	535.881.772	25.568.082	561.449.854	12,7
DOBOJ	186	50	236	10,5	468.660.590	30.856.540	499.517.130	11,3
PALE	64	11	75	3,3	211.154.725	11.016.013	222.170.738	5,0
TREBINJE	72	23	95	4,2	-	-	239.782.500	5,4
TOTAL:	1.092	1.170	2.262	100,0	3.431.000.860	754.550.381	4.425.333.741	100,00

SOURCE: CHAMBER OF COMMERCE

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SUMMARY

of projects for restoration and reconstruction of economic capacity from funds of international community, which are candidate through Chambers of economy, in the competence of Republic on activities

IN DEM

ACTIVITIES	NUMBER OF PROGRAMS				NECESSARY FINANCIAL RESOURCES			
	Social enterprises	Private enterprises	Total	Structure %	Social enterprises	Private enterprises	Total	Structure %
1	2	3	4	5	6	7	8	9
Industry	453	526	979	45,9	1.985.088.731	358.274.122	2.343.362.853	56,7
Agriculture and fishing	275	306	581	27,2	462.142.511	207.805.878	669.948.389	16,2
Forestry	1	5	6	0,3	128.900.000	2.516.000	131.416.000	3,2
Waterpower engineering	6	-	6	0,3	14.267.987	-	* 14.267.987	0,3
Construction	72	56	128	6,0	372.141.949	36.251.532	408.393.481	9,9
Transport and communication	51	58	109	5,1	164.186.253	52.934.483	217.120.736	5,3
Commerce	52	53	105	4,9	112.461.985	62.855.674	175.317.659	4,2
Hotel management and tourism	32	13	45	2,1	39.810.035	7.890.100	47.700.135	1,2
Craftmen's and houssing communal activities	45	51	96	4,5	97.224.471	13.913.976	111.138.447	2,7
Independent businessmen	-	80	80	3,7	-	11.769.616	11.769.616	0,3
TOTAL ECONOMY:	987	1.148	2.135	100,0	3.376.223.922	754.211.381	4.130.435.303	100,0
SOCIAL ACTIVITIES:	33	-	33	-	54.776.938	-	54.776.938	-
ALL TOTAL:	1.092	1.170	2.262	-	3.431.000.860	754.550.381	4.425.333.741	-

SOURCE: CHAMBER OF COMMERCE

PRIVREDNA KOMORA REGIJE DOBOJ

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P O S L O V N I A D R E S A R

Doboj, septembra 1996. godine

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PREDGOVOR

Saglasno Zakonu o Privrednoj komori Republike Srpske, Statutu Privredne komore Republike Srpske i Statutu Privredne komore regije Doboj, Privredna komora regije Doboj obuhvata područja opština: Doboj, Derventa, Vukosavlje, Modriča, Pelagićevo, Petrovo, Srpski Brod, Teslić i Šamac. Ovo područje u izvjesnoj mjeri se razlikuje od područja na kome je ranije djelovala Komora Doboj. U međuvremenu došlo je i do znatnih izmjena u političkom i privrednom sistemu, pa i u strukturi privrednih subjekata i načinu poslovnog komuniciranja, čime je stvorena potreba za izdavanjem poslovnog adresara.

U ovaj adresar uvrštena su privredna preduzeća svih oblika vlasništva čije je sjedište na području Komore Doboj. Osnovu za njegovu izradu predstavljala je interna dokumentacija s kojom je raspolagala Komora, a djelimično su korišteni i drugi izvori podataka.

Adresarom su uglavnom obuhvaćeni privredni subjekti koji imaju status pravnog lica. Izostalo je samo nekoliko privatnih preduzeća za koje se, izuzev naziva, nisu mogli prikupiti ostali podaci. Samo u izuzetnim slučajevima iskazani su i podaci o nižim organizacionim oblicima, kao što su radne jedinice i stovarišta, za koje je ocijenjeno da su od većeg poslovnog značaja.

Cilj izdavanja adresara je da se objedine najnužniji podaci o svim privrednim preduzećima na području Komore Doboj, u uvjerenju da će korisno poslužiti u cilju lakšeg i bržeg uspostavljanja poslovnih veza. Pretpostavka je da će ga koristiti svi poslovni subjekti, a prvenstveno oni koji djeluju na širem području, računajući i na inostrane i druge partnere.

Ovo je prvi poslovni adresar koga je izdala Komora Doboj. Njime su obuhvaćeni podaci koji su podložni čestim promjenama. Zato postoji potreba i namjera da se on stalno prati, ažurira i dograđuje i periodično izdaje, najvjerovatnije početkom svake godine.

Sve opravdane primjedbe i prijedlozi vezani za formu i sadržaj poslovnog adresara biće prihvaćene i uvažene kod štampanja sljedećeg izdanja.

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PRIVREDNA KOMORA REGIJE DOBOJ

1. Mr Vojislav Radišković, dipl. ek., v.d. predsjednika Komore
2. Slobodan Petrović, dipl. ek., v.d. sekretara Komore
3. Ratko Knežević, dipl. ek., sekretar:
Granskog odbora za metalnu i hemijsku industriju i energetiku i
Granskog odbora za tekstilnu i kožarsku idnustriju
4. Simeun Djurdjević, dipl. inž. poljoprivrede, sekretar:
Granskog odbora za poljoprivredu, zemljoradničko zadrugarstvo, prehrambenu
industriju i vodoprivredu i
Granskog odbora za industriju prerade drveta i šumarstve
5. Srećko Stojaković, dipl. inž. elektrotehnike, sekretar:
Granskog odbora za saobraćaj i turizam i
Granskog odbora za građevinarstvo, industriju građevinskog materijala i nemetala
6. Radislav Blagojević, dipl. ek., sekretar:
Granskog odbora za trgovinu, ugostiteljstvo, bankarstvo i osiguranje i
Granskog odbora za stambeno-komunalne djeltanosti i zanatstvo.

TELEFONI: Predsjednik Komore: 41-463

Sekretar Komore i sekretari granskih odbora: 41-980

Telefaks: 41-590

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Red. broj	DJELATNOST/NAZIV PREDUZEĆA	Sjedište preduzeća	Osnovni proizvod. ili uslužni program	Ime i prezime direktora	Telefon	Telefak
1	2	3	4	5	6	7
INDUSTRIJA I ENERGETIKA						
1. Energetika						
1.	DP "Elektro-Doboj"	Doboj	Distribucija el.ener.	Milenko Cvijanović	41-668	41-036
	- RJ "Derventa"	Derventa		Boško Djekić	833-001	833-001
	- RJ "Modriča"	Modriča		Jovan Simeunović	880-548	
	- RJ "Petrovo"	Petrovo		Vladislav Vasiljević	790-235	
	- RJ "Srpski Brod"	Srpski Brod		Mielnko Cvijanović	861-024	861-024
	- RJ Teslić"	Teslić		Božo Petrović	731-192	
	- RJ "Šamac"	Šamac		Perica Krstanović	61-133	
2.	DP Rudnik lignita "Stanari"	Stanari	Proizvodnja uglja	Mlade Kršić	41-778	41-778
3.	DP Rafinerija ulja	Modriča	Proiz. ulja i maziva	Milan Jelić	880-158	882-541
4.	DP Rafinerija nafte	Sr. Brod	Proiz. naftn. deriv.	Vojo Mujičić	861-581	861-809
2. Metaloprerađivačka industrija						
1.	DP "Trudbenik"	Doboj	Proiz.kompresora i pneumatskog alata	Pero Bukejlović	41-642	41-842
2.	DP Tvor.niskonap.opreme	Doboj	Proiz. el. maš. i apar.	Miroslav Radojčić	41-509	41-247
3.	DP Tvor.dalek.stub. i konst.	Doboj	Proiz.metal.konstruk.	Djordje Garić	41-378	41-378
4.	DP "Metalomontaža"	Doboj	Proiz. priklj. za poljop.maš. i čel. konst.	Gojko Djenić	41-424	41-817
5.	DP "Montaža"	Doboj	Mont.grij. i opr.el. mot. i el. instal.	Vojin Lukić	41-800	32-77C
6.	DP UNIS-Fabr.cijevi	Derventa	Proiz.šavnih cijevi	Ilija Šušić	833-294	833-107
7.	DP "Mehanika"	Derventa	Proiz.auto dijelova	Tomo Nagradić	833-495	833-06C
8.	DP "Tehnorad"	Derventa	Proiz.čelič.konstr.	Pero Markelić	833-071	833-071
9.	PP MID	Derventa	Proiz.auto dijelova	Jelena Šušić	833-004	
10.	DP TNRU	Vukosavlje	Proiz.niskonap.rashlad. uređjaja	Ljubo Bogdanović	880-111	
11.	DP "Strolit"	Vukosavlje	Proiz. odlivaka	Bogoljub Vujičić	883-667	883-667

1	2	3	4	5	6	7
12.	DP "Metalrad"	Modriča	Proiz.metal.konstr.	Milutin Vračević	883-808	883-808
13.	DP "Metalmont"	Petrovo	Proiz.metal.konstr.	Perica Arsenić	790-043	
14.	DP "Metalemajl"	Sr.Brod	Priz.sanitar.uredj.	Stevan Dubovljević	861-712	861-352
15.	DP "Metal-Brod"	Sr.Brod	Proiz.gradj.konstr.	Milan Trifunović	861-008	861-797
16.	DP "Adapter"	Sr.Brod	Proiz.maš.dijel.i ured.	Radoslav Kokić	861-071	
17.	DP "Zrak"	Teslić	Proiz.pred.mehan.i el.	Milovan Stanković	731-388	730-453
18.	DP "Geofon"	Teslić	Proiz.sigur.uredjaja	Nikola Vuković	731-308	731-901
19.	DP "Dijal"	Teslić	Proiz.dimant.alata	Boris Predojević	731-772	736-317
20.	DP "4. septembar"	Teslić	Obrada metala	Goran Gojić	730-292	730-396
21.	DP "Mašinstvo"	Teslić	Obrada metala	Branko Petković	731-815	730-686
22.	DP "Uniglas"	Šamac	Proiz.aut. stakla i kabina za traktore	Stanko Djurdjević	61-137	61-188
23.	DP "Meboš"	Šamac	Proiz.bojlera, gradj. kolica i metal.burad	Veselin Blagojević	62-403	61-403
<u>3. Hamijska industrija</u>						
1.	DP "Hemoprodukt"	Doboj	Proiz.alumin.sulfata	Nikola Ninković	41-911	22-471
2.	PP "Koplast"	Osječani	Proiz.plast. ambalaže	Djordje Kojić	784-022	
3.	PP "Plas-produkt"	Osječani	Proiz.plast. ambalaže	Spasoje Kojić	784-477	
4.	DP "Henija"	Modriča	Proiz.pasta, boja i lak.	Miće Josipović	882-561	881-825
5.	DP "Fimal"	Petrovo	Proiz.asbest.lepenke i pletenica	Simo Dujković	790-223	790-074
6.	DP "Duvaplast"	Kakmuž	Priz.duv. plast.amal.	Ljuban Jovanović		
7.	DP "Plasmo"	Modriča	Proiz.plast. ambalaže	Mirko Josipović	882-701	882-460
8.	DP "Destilacija"	Teslić	Proiz.akumulat.kisel., nitrorazredj.i des.vode	Rade Pavlović	731-112	731-796

1	2	3	4	5	6	7
<u>4. Industrija građevinskih materijala i nemetala</u>						
1.	DP Rudnik krečnjaka i tvornica kreča	Doboj	Ekspl. kamena i proizvod. kreča	Aleksandar Simić	41-579	41-579
2.	DP "Fagmin"	Petrovo	Ekspl. azbesta i proiz. ukrasnog kamena	Vaskrsije Mitrović	790-062	
3.	DP "Gradnjamont"	Petrovo	Proiz.bet.konstr. i betonske galanterije	Bogdan Marušić	790-479	790-047
4.	DP "Sočkovac"	Sočkovac	Proiz.bet.crijepa, bet. i glin.blokovai uložaka	Petar Katanić	799-579	799-578
5.	DP "Gramat"	SR.Bród	Proiz.cigle i blokova	Ilija Vidić	861-486	
<u>5. Industrija drveta i papira</u>						
1.	DP "Razvitak"	Doboj	Proiz. namještaja	Ljubo Milanović	42-182	41-360
2.	DP "Enterijer"	Kotorsko	Proiz. namještaja i enterijera	Marjan Mišić	41-815	41-815
3.	PP "Promeks - enterijeri"	Doboj	Proiz. fotelja i stol.	Milan Karanović	41-513	21-322
4.	DP "28. juni"	Modriča	Proiz.gradj. stolarije	Branka Popović	882-568	881-765
5.	DP "PAMO"	Modriča	Proiz.papir. ambalaže	Ljiljan Jelić	880-004	882-460
6.	DP "Ozren"	Petrovo	Proiz.rez.gradje i par.	Žarko Lazarević	790-039	790-015
7.	DP "Prenja"	Karanovac	Proiz.rez.gradje	Milena Panić		
8.	DP "Ozren"	Sočkovac	Proiz.rez.gradje	Ratko Mihajlović	790-066	
9.	PP "Lezeta drvo"	Karanovac	Proiz.rez. gradja	Djordjo Ilić		
10.	PP "Dule komerc"	Karanovac	Proiz.rez.gradje	Dušan Nedić		
11.	PP "Mladjanović"	Sočkovac	Proiz.rez.gradje i par.	Ranko Mladjanović		
12.	PP "Mamac drvo"		Proiz.rez.gradje	Momir Maksimović		
13.	PP "Prerada drveta"		Proiz.rez.gradje i par.	Tomo Mihajlović		
14.	DP DI "Borja"	Teslić	Proiz.rez.gradje i namještaja	Savo Kasapović	730-840	731-611
15.	DP "Budućnost"	Šamac	Proiz. namještaja	Slobodan Sjeničić	61-932	61-351

BD

1	2	3	4	5	6	7
<u>6. Tekstilna i obućarska industrija</u>						
1.	DP "Modeks"	Doboj	Proiz.konfekcije	Novak Radojčić	41-947	31-956
2.	DP "Ukrina"	Derventa	Proiz.prediva i post. konfekcije	Milkan Nagradić	833-043	833-044
3.	PP "Novitet"	Derventa	Proiz.pamuč.konf.i pr.	Duško Vekić	833-274	
4.	DP "Brodteks"	Sr.Brod	Proizvodnja čarapa	Jovan Buzak	861-739	861-058
5.	DP "Tena"	Teslić	Proiz.tek. konfekcije	Dušan Kuzmanović	730-981	736-484
6.	DP "Neli"	Teslić	Proiz. čarapa	Drago Ignjić	736-096	731-261
7.	DP "ŠIT"	Šamac	Proiz. tekst.konfek. i trikotaže	Savo Popović	61-247	62-982
8.	DP "Užarija"	Šamac	Proiz.tekst.užadi	Radovan Djurić	61-441	
9.	DP "Demos"	Derventa	Proiz.obuće	Djordje Krekić	833-555	833-555
10.	DP "KOMO"	Modriča	Proiz. obuće i tek.kon.	Ostoja Lujčić	883-823	882-523
11.	DOO "Fortuna"	Karanovac	Proiz. obuće			
12.	DP Fabrika obuće	Teslić	Proiz.gor. dijel.obuće	Dragutin Škrebić	730-790	736-465
13.	DP "Vunteks"	Vukosavlje	Proiz.plet. trikotaže	Mihajlo Pavić		
<u>7. Prehrambena industrija</u>						
1.	DP Mlinsko-pekar. industr.	Modriča	Prerada žitarica i proiz.pekar. proizvod.	Mirko Janković	881-105	
2.	DP Ind.pekara "Dobojka"	Doboj	Proiz.hljeba i peciva	Slobodan Paravac	42-108	42-217
3.	DP "Klas"	Derventa	Proiz.hljeba i peciva	Petar Čosić	833-087	
4.	DP "Pekara"	Sr. Brod	Proiz.hljeba i peciva	Stojan Vidić	861-160	
5.	DP "Bosanka"	Doboj	Prerada voća i povrća	Radomir Gavrić	41-871	41-809
6.	DP "Hranaprodukt"	Šamac	Orerada voća i povrća	Čedomir Simić	61-654	61-651
7.	DP "Mesopromet"	Doboj	Klanje stoke i prerada mesa	Slaviša Bukejlović	41-937	

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8.	DP "Mesar"	Derventa	Klanje stoke i prerada mesa	Milan Simić	833-047	
9.	DP "Modimes"	Modriča	Klanje stoke i prerada mesa	Dimitrije Trbonjić	880-764	
10.	DP "25. novembar"	Sr.Brod	Klanje stoje i prerada mesa	Rade Kostadinović	861-036	
11.	DP "Kooperativa"	Teslić	Klanje stoke	Milan Lugonjić	730-086	
<u>8. Grafička industrija</u>						
1.	DP "Grafičar"	Doboj	Štamparija	Ratko Marić	42-207	41-206
2.	DP "Iskra"	Derventa	Štamparija	Boro Raulić	833-119	
3.	PP "Djekić"	Derventa	Papir.konfekcija	Zoran Djekić	833-183	
4.	PP "Kartongalant"	Derventa	Papir. ambalaža	Duško Milovanović	833-446	
5.	PP "Lotos-komerc"	Derventa	Papir. ambalaža	Petko Bećarević	834-932	
6.	PP "Osvit"	Šamac	Štamaprija	Milan Simić	61-173	
<u>POLJOPRIVREDA I RIBARSTVO</u>						
1.	UPD "Petar Mrkonjić"	Modriča	Bilj. i stoč. proiz.	Dragan Grabovac	880-922	882-715
2.	DP PIK	Šamac	Bilj. proiz. i prerada žitarica	Stevo Tutnjević	61-477	61-076
3.	DP "Livada"	Derventa	Biljna proizvodnja	Milenko Vujanić	833-176	
4.	DP "Ivanjsko polje"	Sr.Brod	Biljna proizvodnja	Vid Rakić	861-508	
5.	PD "Napredak"	Pelagićevo	Biljna proizvodnja	Aleksa Stokić	810-086	810-086
6.	DP "Ratar"	Vukosavlje	Biljna proizvodnja			
7.	ZZ "Bosnakoop"	Doboj	Bilj.proiz. i trgov.	Branislav Gavrić	42-195	42-195
8.	ZZ "Trebavakomerc"	Doboj	Bilj.proiz. i trgov.	Slobodan Mičić	42-026	33-232
9.	ZZ "Osječani"	Osječani	Bilj.proiz. i trgov.	Željko Petrović	784-258	
10.	ZZ "Krnjinka"	Stanari	Bilj.proiz. i trgov.	Miodrag Pavlović	690-023	
11.	ZZ "Cerovića"	Cerovića	Biljna proizvodnja	Simo Čilić		

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12.	ZZ "Derventa"	Derventa	Bilj.i stočžproizvod.	Mirloslav Simić	833-311	
13.	ZZ "Agići"	Derventa	Bilj.proiz. i trgov.	Milan Popara		
14.	ZZ "Modriča"	Modriča	Bilj.proiz. i trgov.	Velimir Jančić	882-611	2-611
15.	ZZ "Dugopoljka"	D.Polje	Biljna proizvodnja			
16.	ZZ "Agrozad"	Pelagićevo	Bilj.proiz. i trgov.	Milić Kašterović	810-107	
17.	ZZ "Pelagićevo"	Pelagićevo	Biljna proizvodnja	Milivoje Živković	810-019	810-019
18.	ZZ "Agroposavina"	D.Žabar	Biljna proizvodnja	Lazar Mirkić		
19.	ZZ "Jedinstvo"	Petrovo	Bilj.proiz. i trgov.	Uroš Todorović	790-026	790-026
20.	ZZ "Agromal"	Petrovo	Biljna proizvodnja	Novak Gojković	790-066	
21.	ZZ "Planina"	Blatnica	Biljna i stoč. proiz.	Milivoje Cvijić		
22.	ZZ "Agropromet"	Šamac	Proiz.jaja i brojlera	Stanko Dujković	61-006	
23.	ZZ "Agrokoop"	Šamac	Bilj.proiz. i trgov.	Vlado Damjanović	61-774	
24.	ZZ "Obudovac"	Obudovac	Bilj.proiz. i trgov.	Petar Živković	641-543	641-543
25.	ZZ "Slatina"	G.Slatina	Bilj.proiz. i trgov.	Dragan Tošić	661-006	62-324
26.	DP "Koka"	Karanovac	Proiz.pilića i jaja			
27.	PP "Pilekomerc"	Petrovo	Proiz.pilića i jaja	Dušan Dujković		
28.	JP Veterinarska stanica	Doboj	Zdrav.zaštita stoke	Borivoje Marković	42-059	42-059
29.	JP Veterinarska stanica	Derventa	Zdrav.zaštita stoke	Milan Lazić	833-202	
30.	JP Veterinarska stanica	Modriča	Zdrav.zaštita stoke	Milan Novaković	881-155	
31.	JP Veterinarska stanica	Petrovo	Zdrav.zaštita stoke	Branislav Jeremić	790-055	
32.	JP Veterinarska stanica	Sr.Brod	Zdrav.zaštita stoke	Svetozar Ninić	861-507	
33.	JP Veterinarska stanica	Teslić	Zdrav.zaštita stoke	Petar Jovičić	731-188	
34.	JP Veterinarska stanica	Šamac	Zdrav.zaštita stoke	Ilija Ristić	61-253	
35.	DP "Ribnjak"	Sr.Brod	Uzgoj ribe	Perica Bardak	861-558	

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<u>ŠUMARSTVO</u>						
1.	Šumsko gazdinstvo	Doboj	Ekspl.,uzgoj i zaštita šuma	Darko Vidojević	36-356	
2.	Šumsko gazdinstvo	Derventa	Ekspl.,uzgoj i zaštita šuma	Ratko Bilić	833-120	
3.	Šumsko gazdinstvo	Petrovo	Ekspl.,uzgoj i zaštita šuma	Ratko Mihajlović		
4.	DP "Šumarstvo"	Teslić	Ekspl.,uzgoj i zaštita šuma	Milovan Božić	736-415	736-998
5.	DP "Krivaja"	Doboj	Eksplloat. šuma	Milovan Popović	31-218	42-197
<u>VODOPRIVREDA</u>						
1.	DP "Ušće Bosne"	Šamac	Zaštita voda i zemlj. od štet.djel. voda	Rajko Kurešević	61-561	61-56
2.	DP "Posavina"	Vukosavlje	Zašt. voda i zemljišta od štet. djel. voda	Stevo RADIĆ	863-113	
3.	DP "Sava"	Sr.Brod	Zašt.voda i zemljišta od štet.djelov.voda	Nedljeko Blagojević	861-918	
<u>GRADJEVINARSTVO</u>						
1.	DP "Radnik"	Doboj	Visokograd.i niskogr.	Brano Kovačević	42-231	21-876
2.	DP ŽGP "Doboj"	Doboj	Niskogr. i visokograd.	Miodrag Radja	42-047	42-076
3.	DP "Niskogradnja"	Doboj	Niskogradnja	Stojan Prešić	41-967	41-966
4.	DP "Ukras"	Doboj	Moler.farb.radovi	Cvetin Gordanić	42-183	42-184
5.	DP "Zanatprom"	Doboj	Završni rad. u gradj.	Slobodan Karagić	42-196	41-614
6.	PP "Domgradnja"	Doboj	Visokogr. i niskograd.	Vladimir Kovačević	23-308	41-853
7.	PP "Izostaklo"	Doboj	Staklar. radovi	Momir Tutnjević	41-581	31-201

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8.	PP "Mako"	Doboj	Gradj. zanatstvo	Kosta Marković	41-971	41-
9.	PP "Telma"	Doboj	Elek.teh.opremanje	Marko Arsenić	23-323	24-
10.	PP "Tigar"	Doboj	Gradjevin. zanatstvo	Bogdan Stjepanović		
11.	ITG	Doboj	Viskograd. i Instalacije	Radenko Nikolić	31-106	31-
12.	DP "Novomont"	Vukosavlje	Viskograd. i niskograd.	Bogdan Dragojlović	881-675	881-
13.	DP "Rad"	Derventa	Voskograd. i niskograd.	Vitomir Tošić	833-026	831-
14.	DP "Bratstvo"	Derventa	Završni radovi u gradjevinar.	Dragomir Trivunić	833-025	
15.	DP "Instalater"	Derventa	Završni radovi u gradjevinar.	Dušan Nedinić	833-414	
16.	PP "EHTA-R"	Derventa	Gradjevinske instalacije	Miro Asentić	833-450	833-
17.	DP "Radnik-gradnja"	Modriča	Viskograd. i niskograd.	Stojan Savić	882-227	880-
18.	DP "Ozreogradnja"	Kakmuž	Voskograd. i niskogradnja	Slobodan Jovanović	790-046	790-i
19.	DP GIK "Brod"	Srpski Brod	Viskograd. i niskogradnja	Mihajlo Sremac	861-718	861-
20.	DP "Graditelj"	Teslić	Viskograd. i niskogradnja	Milorad Vuković	730-820	730-i
21.	DP "Niskogradnja"	Teslić	Niskogradnja	Žarko Jovičić	731-624	
22.	DP "Gradjevinar"	Šamac	Visokograd. i niskograd.	Janko Josipović	61-242	
23.	Zanat. zadruga "Napredak"	Šamac	Završni radovi u gradjevinar.	Milan Čeliković	61-740	61-
24.	PP "Obnova"	Šamac	Visokograd. i niskogradnja	Cvijetin Savić	61-607	61-

SAOBRAĆAJ I VEZE

1.	JŽTP	Doboj	Prevoz putnika i robe željez.	Marinko Kontić	41-368	22-
2.	DP "Luka"	Šamac	Prijem i otprema roba			
3.	DP "Dobojputevi"	Doboj	Održavanje i zaštita puteva	Slobodan Ružojčić	22-427	42-
4.	DOO "Krnjinput"	Stanari	Održavanje i zaštita puteva	Nedeljko Radlšković	690-142	
5.	DP "Bosnaekspres"	Doboj	Prevoz putnika i roba	Uroš Krulj	32-901	41-
6.	DP "Derventa"	Derventa	Prevoz putnika i roba	Miroslav Tepić	833-499	833-
7.	DP "Remonttrans"	Modriča	Prevoz roba i putnika	Jovica Begović	883-364	880-
8.	DP "Ozrentrans"	Petrovo	Prevoz putnika i roba	Mladen Djurić	790-202	790-

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9.	DP "Transfer"	Sr.Brod	Prevoz. teč. ter. i putnika	Milivoje Djurdjević	861-319	865-918
10.	DP "Jugoprevoz"	Teslić	Prevoz putnika i roba	Perica Kuzmanović	731-655	737-072
11.	DP "Master"	Šamac	Prevoz roba i putnika		61-139.	61-521
12.	PP "Minik"	Derventa	Prevoz putnika	Grozdan Ružičić	831-901	833-503
13.	PP "Ninatrans"	Derventa	Prevoz putnika	Nada Vukman	833-515	
14.	PP "Migis"	Derventa	Auto taksi	Miroslav Vračević	833-426	
15.	PP "Vučijakekspres"	Podnovlje	Prevoz putnika	Novak Dnilović	680-064	
16.	PP "Bisturs"	Vukosavlje	Prevoz putnika	Borko Grašarević		
17.	PP "Boro"	Cvrtkovci	Prevoz putnika	Boro Tutnjević	825-719	825-866
18.	PP "Dadi"	Sr.Brod	Prevoz putnika	Marko Babić	865-409	
19.	PP "Gana"	Teslić	Prevoz putnika	Gostimir Gačić	736-278	
20.	DP "Poljoremont"	Doboj	Održ. i popr.mot.voz.	Vitomir Savić	42-072	
21.	DP "Autokomerc"	Doboj	Popr. voz. i auto škol.	Milan Savić	41-594	41-594
22.	DP "Tehnoservis"	Sr.Brod	Održ.i poprav.mot.voz.		861-245	
23.	AMD "Risto Dujković - Rile"	Doboj	Oprav. voz. i obuka voz.	Predrag Kujundžić	41-653	41-653
24.	AMD	Derventa	Oprav.voz. i obuka voz.	Milorad Miladinović	833-460	
25.	AMD "Optima"	Modriča	Oprav.voz. i obuka voz.	Pero Kurešević	880-859	
26.	AMD	Teslić	Oprav.voz. i obuka voz.		736-251	
27.	DP "Interšped"	Doboj	Špediter. usluge	Milko Gogić	41-787	41-264
28.	DP "Tranšped" B.Luka - RJ	Doboj	Špeditorske usluge	Zoran Marković	42-229	31-520
29.	PP "Skanšped"	Doboj	Špeditorske usluge	Gordana Zarić	32-602	32-602
30.	PP "Optimašped"	Doboj	Špeditorske usluge	Ljulja Kurešević	41-707	
31.	PP "Eurošped"	Doboj	Špeditorske usluge	Drago Suvajac	24-266	
32.	PP "Agentšped"	Doboj	Špeditorske usluge	Dragan Vasiljević	41-861	

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33.	PP "Braća Milutinović"	Doboj	Prevoz roba i et.usluge	Nenad Milutinović	22-123	
34.	PP "Mineks"	Doboj	Špeditorske usluge	Nenad Mikerević	31-525	
35.	Preduzeće PTT saobraćaja	Doboj	PTT saobraćaj	Dušan Panić	41-150	41-478
	- RJ TT saobraćaja	Doboj	TT saobraćaj	Teodor Popović	41-216	41-015
	- RJ PTT saobraćaja	Doboj	PTT saobraćaj	Milosav Stjepanović	41-883	
	- RJ PTT saobraćaja	Vukosavlje	PTT saobraćaj	Jovan Slijepčević	881-401	
	- RJ PTT saobraćaja	Derventa	PTT saobraćaj	Luka Nović	833-199	833-000
	- RJ PTT saobraćaja	Modriča	PTT saobraćaj	Nedo Janković	880-150	881-445
	- RJ PTT saobraćaja	Petrovo	PTT saobraćaj	Miladin Arsenić	790-011	
	- RJ PTT saobraćaja	Sr.Brod	PTT saobraćaj	Borivoje Djurić	861-168	861-105

TRGOVINA

1.	DP "Izbor"	Doboj	Trg.mješov.robom	Djordje Vasiljević	41-734	41-320
2.	DP RK "Beograd"	Doboj	Trg.mješov.robom	Krunislav Lukić	41-790	41-470
3.	DP "Dobojpromet"	Doboj	Trg.mješov.robom		42-175	42-175
4.	DP "Omnikom"	Doboj	Trg.mješov.robom	Mirko Pobrić	41-273	41-150
5.	DP "Domark"	Doboj	Trg.kanc.mat. i šk.pri.	Dragan Djuranović	41-204	41-960
6.	DP "Tehnogas"	Doboj	Trg.tehn.gasovima	Milan Ninković	41-755	41-460
7.	DP "Šipad"	Doboj	Trg. namještajem	Milan Matić	41-749	41-080
8.	DP "Radnik-promet"	Doboj	Trg.gradj. materijal.	Borislav Janković	41-855	
9.	DP "Dobojlijek"	Doboj	Trg. med.oprem.i lijek.	Miodrag Joldić	42-117	42-110
10.	DP "Sirovinaprodukt"	Doboj	Trg.sekund.sirovin.	Ratko Radić	41-839	41-740
11.	DP "Poljooprema"	Doboj	Trg.rez. dijel. i sje- menima	Duško Paravac	41-673	42-260
12.	DOO "Duga"	Doboj	Trg. bojama i lakovima	Pero Ninković	41-923	42-050
13.	DO "Mitros-promet"	Doboj	Trg.mesn. preradj.	Zdravko Kozarević	41-429	
14.	DD "Banjalučka pivara"- Stovarište	Doboj	Trgovina pivom	Ruža Kuzmanović	41-097	
15.	DD "Apatinska pivara" - Stovarište	Doboj	Trgovina pivom	Drago Nešić	41-595	

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16.	DP "Kolorit"	Doboj	Trg. bojama i lakovima	Sreten Blagojević	41-188	
17.	PP "Noveks"	Doboj	Trg.mješov.robom	Novica Miladinović	42-176	42-176
18.	PP "Ninković"	Doboj	Trg.bojama i lakovima	Vasika Ninković	36-236	
19.	PP "Total-trade"	Doboj	Trg. autodijelovima	Boško Popadić	32-739	32-739
20.	PP "Košuta"	Doboj	Trg.mješov.robom	Branka Radovanović	31-940	
21.	PP "Cerovica-promet"	Cerovica	Trg.mješov.robom			
22.	PP "Tatić"	Osječani	Trg.naft. derivatima	Dimitrije Tatić	784-023	
23.	DP "Trgopromet"	Derventa	Trg.mješov.robom	Jovo Radoja	833-061	833-061
24.	PP "Frukta-treid"	Derventa	Trg.mješov.robom	Dušan Reljić	833-321	833-321
25.	PP "Interprom"	Derventa	Trg. mješov.robom	Drago Knežević	833-059	833-059
26.	PP "Niveks"	Derventa	Trg.mješov. robom	Drago Nagradić	833-008	
27.	PP "Ada-komerc"	Derventa	Trg.mješov. robom	Pero Dušanić	831-739	
28.	PP "Slavija-komerc"	Derventa	Trg.mješov.robom	Mira Vinčić		
29.	PP "Nid-komerc"	Osinja	Trg. mješov. robom	Mirko Perić	825-023	
30.	PP "Nada"	Derventa	Trg. naft. derivatima	Milan Pečić	833-123	
31.	PP "Markelić"	Osinja	Trg. naft. derivatima	Čedo Markelić	825-035	
32.	PP "Migo"	Osinja	Trg. naft. derivatima	Milovan Marić	825-021	
33.	PP "Simić"	Kelenderovci	Trg. mješov.robom	Milorad Simić	829-083	
34.	PP "Vuković"	Derventa	Trg.mješov. robom	Gojko Vuković	833-137	
35.	PP "Zoneks"	Derventa	Trg. mješov. robom	Zoran Budišić	833-254	
36.	PP "Logner"	Derventa	Trg.autodijelovima	Nedeljko Preradović	833-239	
37.	DOO "Invest"	Derventa	Trg. gradj. materij.	Borislav Dujaković	833-084	833-503
38.	DP "Modričanka"	Modriča	Trg. mješov. robom	Momir Grahovac	882-213	883-830
39.	DP "Agropromet"	Modriča	Trg.polj.maš.i sjemen.	Dragan Vidaković	883-374	880-438

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40.	DP "Ozeprom"	Petrovo	Trg.mješov. robom	Milenko Katanić	790-214	
41.	PP "Ozrenpromet"	Petrovo	Trg.mješov. robom	Milorad Mihajlović	790-294	
42.	DP "Vučjak"	Sr.Brod	Trg.mješov. robom	Zoran Pavičić	864-986	
43.	DP RK "Beograd"	Sr.Brod	Trg. mješov. robom	Milan Gojković	861-892	861-892
44.	DP "Energopetrol" - Poslovni centar	Sr.Brod	Trg. naft. derivatima	Ilija Jovičić	861-627	861-700
45.	PP "Joca-komerc"	Sr.Brod	Trg.mješov. robom			
46.	DP "Promtes"	Teslić	Trg. mješov.robom	Jovo Petrović	735-054	730-713
47.	DP "Tekom"	Teslić	Trg. mješov. robom	Rajko Djekić	731-497	736-967
48.	DP "Bratstvo"	Blatnica	Trg. mješov. robom	Branislav Djurić	736-958	736-958
49.	DP "Šamčanka"	Šamac	Trg. mješov. robom	Djuro Pavlović	61-416	
50.	PP "Saturn"	Šamac	Trg. mješov. robom	Željko Djurić	61-765	
51.	PP "Unix"	Šamac	Trg. mješov. robom	Jovan Simić		
52.	PP "Mladost"	Šamac	Trg. mješov. robom	Niko Damjanović		
53.	PP "Aris-komerc"	Šamac	Trg.mješov. robom			
54.	PP "Agrocentar"	Šamac	Trg.polj.alatima i sjem.	Nikola Perić		

UGOSTITELJSTVO I TURIZAM

1.	DP "Ozrenturist"	Doboj	Hotel.ugost. usluge	Svetislav Mitrović	42-057	41-21
2.	DP "Motajica"	Derventa	Hotel.ugost. usluge	Zoran Vukićević	833-441	
3.	DP Motel "Majna"	Modriča	Hotel.ugost. usluge	Milorad Papić	883-806	883-80
4.	DP "Posavina"	Sr. Brod	Hotel.ugost. usluge	Jakov Jaćimović	861-823	
5.	DUTP "Borja"	Teslić	Hotel.ugost. usluge	Mladen Dolić	731-566	731-99
6.	DP "Ugostitelj"	Šamac	Hotel.ugost. usluge			
7.	DP "Sava"	Vukosavlje	Ugostitelj. usluge	Simo Šišljagić	881-402	

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8.	PP "Trica"	Podnovlje	Ugostitelj.usluge			
9.	DP "Ozrenske toplice"	Kakmuž	Banjske usl. i proiz. plina i kis. vode			
10.	DP "Sporski centar"	Sr.Brod	Sportsko-turis. usluge	Ranko Stanimir	861-346	
11.	DP ZTC "Banja Vrućica"	Teslić	Banjsko-turist.usluge	Djordjo Jelić	731-270	731-391
ZANATSKE USLUGE						
1.	DP "Eleks"	Doboj	Servis. kuć. aparata	Brnko Prešić	42-009	
2.	DP "Frizer"	Doboj	Frizerske usluge	Gojko Čikojević	41-617	
3.	DP "Predis"	Doboj	Graf. i dr. usluge	Dragoslav Jovanović	41-334	
4.	Zavod za slijepe "Budućnost"	Derventa	Razne usluge	Rade Bjelić	833-340	
STAMBENO-KOMUNALNE DJELATNOSTI						
1.	JP "Doboinvest"	Doboj	Održ.stanova i uredj. naselja	Momir Dejanović	41-782	41-757
2.	JKP "Progres"	Doboj	Održ.čistoće naselja	Milovan Vasiljević	41-864	42-048
3.	JKP "Vodovod"	Doboj	Proiz. i distr.vode i kanalizacija	Milorad Bjelogrić	41-801	
4.	JKP "Gradska Toplana"	Doboj	Proiz. i distr.toplote	Rade Bjelić	41-955	41-955
5.	JKP "Komunalac"	Derventa	Snab.vodom i odr.čist.	Marko Zemunović	833-062	833-062
6.	JKP "Majna"	Modriča	Snab.vodom i odr.čist.	Ranko Vidović	882-874	
7.	JKP "Komunal"	Petrovo	Održ. čistoće naselja	Jelenko Mihajlović		
8.	JKP "Komvod"	Sr.Brod	Snab.vodom i održ.čist.	Savo Petković	861-230	
9.	JKP "Rad"	Teslić	Snab.vodom i odr.čist.	Milorad Stanojević	731-499	
10.	JKP "Čistoća"	Šamac	Održ.čistoće naselja	Stevica Marković	61-522	
11.	JVP "Vodovod"	Šamac	Snab.vodom i odvod.	Mirko Minić	61-950	
12.	JKP "Toplana"	Šamac	Proiz.i distr.toplote	Željko Babić	61-573	

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1	2	3	4	5	6	7
14.	Teritorijalna vatrogasna jedinica	Doboj	Protivpožarna zaštita	Ljubomir Kuzmić	41-933	
15.	Profesionalna vatrogasna jedinica	Modriča	Protivpožarna zaštita	Dragan Stjepanić	882-661	
16.	Profesion. teritorijalna vatrogasna jedinica	Teslić	Protivpožarna zaštita	Milorad Blagojević	731-669	
<u>FINANSIJSKE, TEHNIČKE I POSLOVNE USLUGE</u>						
<u>1. Bankarstvo</u>						
1.	Privredna banka AD	Doboj	Bankarske usluge	Ljubomir Kovačević	41-657	41-662
	- Filijala	Doboj		Miloš Ilić	41-946	
	- Filijala	Derventa		Djordje Petković	833-007	
	- Filijala	Modriča		Gordana Blagojević	881-102	
	- Filijala	Petrovo		Danilo Vukeljić	790-485	
	- Filijala	Sr. Brod		Milica Radovanović	861-291	
	- Filijala	Šamac		Dušanka Ristić-Nezirović	61-161	
2.	<u>"Jugobanka" Beograd</u>					
	Ekspozitura	Doboj	Bankarske usluge	Djordje Stanišić	42-278	42-278
3.	Jugobanka AD Banja Luka					
	Ekspozitura	Derventa	Bankarske usluge	Simo Cvijetić	833-103	
4.	Jugobanka AD Banja Luka					
	Ekspozitura	Sr. Brod	Bankarske usluge	Ljeposava Tepić	861-540	
5.	Investbanka Deograd					
	Ekspozitura	Doboj	Bankarske usluge	Nedeljko Grubor	41-200	
6.	Investbanka Beograd					
	Ekspozitura	Modriča	Bankarske usluge	Stojan Lukić	882-601	
7.	Investbanka Beograd					
	Ekspozitura	Teslić	Bankarske usluge	Djordje Jelić	730-736	

1	2	3	4	5	6	7
<u>2. Osiguravajuća društva</u>						
1.	SOD "Jahorina" Pale Filijala	Doboj	Osig. imovine i lica	Mirko Stojčinović	41-938	41-671
2.	SOD "Jahorina" Pale Filijala	Srb.Brod	Osig. imovine i lica	Boro Čabak	861-912	861-912
	- Ispostava	Derventa		Nedeljko Djurić	833-165	
3.	SOD "Jahorina" Pale Filijala	Modriča	Osig. imovine i lica	Stevo Joksimović	880-560	881-780
	- Ispostava	Šamac		Slavoljub Pavlović	62-412	
4.	DD za osiguranje "Kosig" Banja Luka - Ekspozitura	Doboj	Osig. imovine i lica	Slavko Pavlović	42-046	42-046
5.	DD za osiguranje "Kosig" Banja Luka - Ispostava	Teslić	Osig. imovine i lica	Drago Lazić	731-487	
6.	DD OR "Krajina-Kopaonik" B. Luka - Predstavništvo	Doboj	Osig. imovine i lica	Radoljub Šljivić	41-721	
<u>3. Istraživako-razvojni rad</u>						
1.	Institut za ekonomiku	Doboj	Izrada studija, analiza i invest. programa	Milan Kovačević	41-327	
2.	Poljoprivredni zavod	Doboj	Naučno-istraživački rad u poljprivredi	Dragiša Marković	41-181	41-181
3.	DO "Dobojprojekt 1966"	Doboj	Projekt.gradj. objek.	Zlatan Gojković	41-854	
4.	DP "Marketing"	Modriča	Projektovanje	Svjetlana Damjanović	880-104	

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Republika Srpska

Office of the Prime Minister

Industry Structure

Compiled by Slavisa Rakovic
(Rakovic Database)

Summaries and Sorted Listings

Industry task Force Meeting
28 January 1997

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Republika Srpska Industry Structure (Rough Approximation)						
	Rakovic Database Rounded Estimates			Rounded Projection Empl. = 100,000		
	Number of Plants	Empl. at Capacity Thousand	Percent Distr. %	Total Empl. Thousand	Percent Distr. %	
Textiles and Apparel	38	20.0	21.1	21.0	21.0	
Wood	36	13.0	13.7	14.0	14.0	
Pulp and paper	5	10.0	10.5	10.5	10.5	
Mechanical Eq.	22	9.0	9.5	9.5	9.5	
Footwear and Rubbber Pr.	12	8.0	8.4	8.5	8.5	
Food	32	7.5	7.9	8.0	8.0	
Elec. Eq.	7	8.0	8.4	8.0	8.0	
Metal products	25	5.0	5.3	5.0	5.0	
Mining and Mineral Proc.	18	5.0	5.3	5.0	5.0	
Chemicals and Plastics	10	3.5	3.7	3.5	3.5	
Building Materials	13	3.0	3.2	3.0	3.0	
Electricity	5	2.0	2.1	2.0	2.0	
Misc. Mfg. and Ind. Svcs.	8	1.0	1.1	1.0	1.0	
Non-metal products	5	0.5	0.5	0.5	0.5	
Tobacco products	1	0.5	0.5	0.5	0.5	
			0			
Total	237	95.0	100.0	100.0	100.0	
Note: Detail may not add to total due to rounding						

Republika Srpska Industry List

(Rakovic Database)

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2. Unadjusted Database, Industry List, Unsorted
3. Adjusted Database,
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Sorted by Municipality and Activity
4. Adjusted Database
Some blank entries estimated on the basis of employment data
Sorted by Activity, Capacity Utilization, Employment at Capacity
5. Adjusted Database, Summary by Industry
6. Adjusted Database, Summary Statistics

RS Industry List

(Rakovic Database, sorted by Activity, then Cap. Util. then Empl. at Cap.)

(Blank Cap. Util. and Empl. at Cap. estimated using employment and shown with one decimal figure)

Muni. Code	Company name	Activity Code	Activity Description	Production Description	Capacity Utilizat'n	Empl. At Pres.	Empl. At Capac.	Mrkt R,F,E
Industries in Municipalities in RS at Present								
10332	Gacko mine/power plnt	1010	Electricity	Electricity	0	1042	1242	RF
10782	HPP Mesici	1010	Electricity	Electricity	0	5		R
11096	Ugjevik mine/ power pl.	1010	Electricity	Electricity	0			RF
11169	HPP Visegrad	1010	Electricity	Electricity	100	83	160	RF
11070	HPP Trebisnjica	1010	Electricity	Electricity				R E
10286	Lignite mine Stanari	1020	Coal mining	Lignite	33	280	848.5	R
10316	Coal mine Miljevina	1020	Coal mining	Dark coal	53.6	30	56	R
10103	Energoinvest oil ref.	1050	Crude oil proc.	Oil refining	0			RF
10642	Engrgnvst Modri'a Ref.	1050	Crude oil processing	Oils, waxes, grease	27	256	948.1	RFE
11193	Energoinvest Birac	1054	Alumina	Alumina, zeolites				
10740	Livnica DP	1071	Iron	Iron foundry, brass		21		R
10979	S.Rudnik Olova, Cinka	1082	Lead and zinc	lead, zinc mining	0			
10995	Bauxite mines	1083	Bauxite mining	Bauxite mining	0			R
11363	Boksit DP	1083	Bauxite mining	Bauxite	57.8	439	760	R
10162	Pirometal DP	1101	Aluminum processing	Al. profiles, structures	10			RF
11170	Alpro DP	1101	Aluminum products	Aluminum profiles	20	104	159	RF
10936	Alumina DP	1101	Aluminum working	Aluminum structures	22.9	25	109	F
10162	Unis Tesla DP	1109	Non-ferrous metals proc.	Car batteries	10	80	150	RFE
10952	Motajica	1111	Non-metal minerals	Clay and kaoline	20	17	85.0	RF
10979	Unis Feros DP	1121	Car industry	Car brkng systems, pads	0	5		RFE
10740	Vatrostalna	1122	Fire resistant materials	Accessory fire res. mat.	30	73	243.3	RF
10740	Elker DP	1123	Ceramics	Electro ceramics prod.	10	142	1420.0	R
10154	Kaolin DP	1123	Ceramics	Ceramic tiles and prod.				
10375	Unis Drawn wire mill	1131	Metal products	Drawn steel wire	0			RFE
10979	Limko DP	1131	Metal working	Tin cans	0			
10022	Jesingrad Livnica Clika	1131	Metal working	Steel foundry	5	201	800	
10065	Forged parts factory	1131	Metal proc.	Forged steel parts	8	119	470	RF
10081	TMP Metal DP	1131	Metal working	Structures, tubes, mtl prd	10	180	1800.0	RF
11169	Metalac EMI	1131	Metal products	Zinc coated strips	20	37	90	RF
10316	Unis Wire processing	1131	Metal products	Screws, nails, springs	20	17		RF
10758	Unis TSC DP	1131	Metal working	Cold drawn tubes	25			F
11169	Unis-Usha MP	1131	Metal products	Steel ropes	39.2	47	120	RFE
10642	Metrad DP	1132	Steel structures	Steel structures	0	18		RF
10065	Jugomontaza	1132	Metal structures	Tanks, metal structures	10	26	71	RF
10740	Tvornica Zavarenih Skl.	1132	Steel structures	Steel str., mach. parts	10	31	310.0	RF
10383	Metal-Mont DP	1132	Steel structures	Misc. metal products	10			RF
11193	Metlno DP	1132	Steel structures	Steel structures				RF
10162	Unis Mibo DP	1139	Metal working	Misc. metal products	0			RF
10782	Alpo metal wkg ind.	1139	Metal products	Al. and steel kitchenware	0	13		RF
10596	Termal DP	1139	Metal working	Radiators for cntrl heating	10	39	200	RF
10618	Soko DP	1139	Metal working	Metal products	15	110	396	RF
11169	Metal parts factory	1139	Metal products	Propane gas containers	20	34	90	RF
10057	Elvaco DD	1139	Metal working	Wldng, proc.eqpt, strctrs	25	191	392	RF
11002	Unis FON DP	1139	Metal working	Furn. metal parts	30	40	137	RF
10758	Metalka DP	1139	Metal working	Chains, nails, structures	30	97	323.3	RF
10103	Metal-emaalj DP	1139	Metal working	Sanitary appliances	30			RF
10057	Panaflex DP	1139	Metal working	Tubes, shafts, strips				RFE
10740	Tomeks DP	1139	Metal working	Bi-metal processing		19		RF
10375	Unis Machine building	1141	Machine building	Food ind. eqpmt	0	3	30	RFE
10022	Univerzal DP	1141	Machine building	Hydraulic presses, appl.	5	120	340	
10022	Jelshingrad TAS DP	1141	Machine building	Mach. for metal working	5	328	1350	
11037	Dial DP	1141	Machine building	Diamond tools, dyes	6			RF
11037	TKO DP	1141	Mech. equipment	Compressors	10	16	80	RF
11037	Masinstvo DP	1141	Mech. equipment	Presses, boilers	10	25	120	RF
10073	F. Poljoprivrednih Mas.	1141	Machine building	Agri. mach., eqpt	12			RF
10537	Jelsingrad TSU DP	1141	Machine building	Presses, crdbrd mach.	15	31	295	RF
10081	Jelsingrad TGS DP	1141	Machine building	Rollers, tanks, agri eqpt	15	80	533.3	R
10758	Jelsingrad	1141	Machine building	Mach. for metalwrkng ind.	20	51	255.0	RF
10103	Machines, prts fctry DP	1141	Machine building	Agri. eqmpt, machinery	20			RF
10111	Fab. Metalne Oporeme	1141	Machine building	Boilers	20			RF
10740	Fadis DP	1141	Machine building	Metal wrkng machinery	25	28	112.0	RF
10286	Energoinvest, Trudbenik	1141	Machine building	Pneumatics	25	181	1100	RFE

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RS Industry List

(Rakovic Database, sorted by Activity, then Cap. Util. then Empl. at Cap.)

(Blank Cap. Util. and Empl. at Cap. estimated using employment and shown with one decimal figure)

Muni. Code	Company name	Activity Code	Activity Description	Production Description	Capacity Utilizat'n	Empl. At Pres.	Empl. At Capac.	Mrkt R,F,E
Industries in Municipalities in RS at Present								
11070	Tools industry	1141	Mach. building	Tools and dyes	25	1063	2590	FE
10936	Hidraulik DP	1141	Machine building	Hydr. cranes and presses				RF
10740	Cajavec FMI DP	1143	Metering instruments	Metering instr. for cars	30	51	170.0	F
10065	Zrak optomechanics	1143	Optical appliances	Optical appl. parts	55	20	36.4	RF
10936	Tvornica Zeljenicke Opr.	1151	Railway equipment	Parts, components for RR	15	20	115	RF
10707	Stroit DP	1152	Automotive	Foundry for parts	5	41	1000	RFE
10782	TPR filters factory	1152	Auto parts	Air and oil filters	25	85	340.0	RF
10804	Auto parts DP	1152	Auto parts	Truck parts	30	103	350	RFE
10707	Energoinvest TNNU	1171	Elec. equipment	Low Volt equipment	0	16		E
10880	Energoinvest Crct brkrs	1171	Elec. appliances	Trnsfmrs, swtchs, brkrs	10			RFE
10286	Energoinvest, L.V. Eqpt	1171	Elec. equipment	Switches, brakrs	25	237	948.0	RF
10561	Cajavec FSU DP	1172	Elec. equipment	Signal equipment	20	120	622	FE
10022	Cajavec Holding	1172	Elec. eqpt	El. mach., electronics	40	1879	4281	
10138	Mebos DP	1174	Household products	Boilers, metal barrels	20	53	265.0	RF
10286	Energoinvest, pylons	1179	Elec. equipment	Pylons for el. trns., ski	5	75	1500.0	RFE
10383	Toplice Ozren DP	1181	Technical gases	Carbon dioxide	10			R
10286	Hemoprodukt DP	1181	Chemicals	Al-sulfate, polyurethane	13			RFE
10642	Hemija DP	1181	Chemicals	Misc. chem. products	35	47	100	RF
11037	Destilacija	1181	Chemicals	Charcoal, acid, pharma.	43	250	840	RFE
10740	Feroks DP	1193	Paints and dyes	Pigments, paints, dyes	0	30		RF
11169	Terpentin DP	1193	Dyes and coatings	Lacquers, dyes, ctngs	20	127	300	RF
10707	Plastika DP	1194	Plastics processing	Plastic packaging	0	7	84	RF
10081	PPM Gradiska	1194	Plastics proc.	Elec. insul., sani eqmt	10	191	1910.0	RF
10804	Rudoplast DP	1194	Plastic products	Containers, boats	20	71	330	F
10383	Duvalplast DP	1194	Plastics processing	Plastic bottles	20			RF
10286	Radnik DP	1200	Stone quarrying	Construction stones	0			
11002	Mermer DP	1200	Stone exploitation	Marble	10	37	105	RF
10111	Japra DP	1200	Stone exploitation	Concrete products	10	251	2510.0	RF
10740	Nemetali DP	1200	Non-metal minerals	Ceramic clay, sand	15	36	240.0	FE
10138	Usce Bosne DP	1200	Stone exploitation	Sand and gravel	25	23	92.0	R
11193	Kamenolom DP	1200	Stone excavation	Stone and gravel				
11096	Ruding DP	1211	Stone exploitation	Limestone	0			R
10103	Gramat DP	1213	Building Materials	Bricks	0			R
10383	Cigiana Sockovac DP	1213	Building materials	Bricks and blocks	0	10		RF
10596	Opearski Proizvodi DP	1213	Building materials	Block bricks	0			R
10707	Novomont	1213	Building materials	Tiles	0	20		RF
10740	Prijedorica	1213	Building materials	Brick-blocks, tiles	20	28	140.0	R
10057	Drina DP	1213	Building materials	Bricks and tiles	35	114	325.7	R
10383	Farmin DP	1214	Non-metal products	Asbestos fibers	0			RF
10383	Fimal DP	1214	Nonmetal proc.	Asbestos products	20			RFE
11193	Novi Izvor DP	1214	Building materials	Bricks, tiles, concr. prod.	25	90	360.0	RF
10383	Grandjamont DP	1214	Structures	Prefab concrete	40			R
10740	Mrakovica DP	1214	Concrete	Concrete products		165		R
10316	Maglic DP	1220	Wood processing	Boards, furniture	0			RFE
10910	Saw mill, chairs fctry	1220	Wood proc.	Timber, chairs	0			
10383	Ozren DP	1220	Wood processing	Timber, parquetry	15			RF
11363	6 August DP	1220	Wood processing	Timber	17	169	322	RF
11170	10 August DP	1220	Wood processing	Timber, prqtry, beds	20	122	150	RF
10642	June DP	1220	Wood processing	Timber, parq., drs, wndws	20	50	250.0	RF
10464	Zelengora DP	1220	Wood processing	Timber	20	94	470.0	RF
10235	Stakorina DP	1220	Wood proce.	Timber, furn., trnsprt	20	495	1069	RF
10537	Prerada Drveta DP	1220	Wood processing	Timber, parquetry	23.7	90	380	RFE
10073	Kozara DP	1220	Wood processing	Timber, prqtry, furn.	25			RF
10413	Planinsko	1220	Wood processing	Drs, wndws, structures	25			RF
11193	Jadar DP	1220	Wood processing	Splinter boards, rel. prod.	25			RFE
10782	Sjemec wood proc. ind	1220	Wood products	Doors, widows, furniture	30	25	105	RF
10740	Jela DP	1220	Wood processing	Timber	30	54	180.0	RF
10081	Podgraci DP	1220	Wood processing	Timber, prqtry, furn.	30	415	1383.3	RF
10154	Pilana DP	1220	Wood processing	Timber	30			RF
10936	Cemernica DP	1220	Wood processing	Timber	60			RF
10952	Prijebljezi DP	1220	Wood processing	Timber		90		RF
10138	Uniglas MP	1221	Car industry	Auto glass	0	113		RFE

RS Industry List

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Muni. Code	Company name	Activity Code	Activity Description	Production Description	Capacity Utilizat'n	Empl. At Pres.	Empl. At Capac.	Mrkt R,F,E
Industries in Municipalities in RS at Present								
10081	Radnik DP	1221	Wood processing	Furniture	30	320	1066.7	RF
10596	Lopare Furniture DP	1231	Wood processing	Chairs, tables	5	90	300	RF
10561	Vrbas TSN DP	1231	Wood processing	Furniture	10	80	208	RF
10138	Buducnost DP	1231	Wood processing	Furniture	10	48	480.0	RF
10154	F. Stilskog Namjestaja	1231	Wood processing	Furniture	10			
10162	Bosna DP	1231	Wood processing	Furniture	12			RF
10286	Razvitak DD Kotorsko	1231	Wood processing	Kitchen furniture	16	152	400	RF
11037	Borja DP	1231	Wood processing	Timber, parquetry, furn	16	296	1800	RF
10022	Vrbas DP	1231	Wood processing	Furniture	17	338	1130	RF
10286	Razvitak DP	1231	Wood processing	Furniture	20	98	400	RF
11169	Varda PDI	1231	Wood processing	Furniture hardwood	20	216	600	RFE
10057	Stolar DP	1231	Wood processing	Furn., wardrobes	20			RF
10111	Lingosper	1231	Wood processing	Office furniture	25	240	960.0	RF
10758	Standard DP	1231	Wood processing	Furniture	30	120	400.0	RF
10740	Javor DP	1231	Wood processing	Furniture		93		RF
11070	Luz DP	1232	Wood processing	Drs, wndws, furn.	50	125	200	RF
10804	Polimka DP	1232	Wood products	Beech parquetry	50	179	255	RF
10022	Incel DP	1241	Pulp and paper	Pulp and paper	15	1425	3758	RF
10740	Celpak DP	1241	Pulp and paper	Pulp, stationery paper	20	1268	6340.0	RF
10073	Papirnica DP	1242	Paper products	Office and schli stationery	20			RF
10642	Pamo	1242	Paper products	Cardboard pack. material	70	36	51.4	RF
10952	Stirokart	1242	Paper processing	Cardboard products				F
10910	Yarn factory	1251	Yarns	Wool and cotton yarn	0			RF
10073	Dubicanka DP	1251	Textiles	Cotton yarn	10			RF
10103	Yarn, stockngs fctry DP	1251	Textiles	Stockings	30			RF
10952	Itrris DP	1251	Yarn	Coton yarn, underwear	37.5	300	800	FE
10073	Knezopoljka DP	1252	Textiles	Textile cloth	22			RF
10251	Svila DP	1252	Apparel	Silk cloth	43			FE
10316	Trikotaza DP	1261	Textiles	Wool wear	20			RF
10332	Tkanina DP	1262	Textiles	Upholstery	0		270	RF
10707	Vunteks DP	1262	Textiles	Knitwear, trousers	0		1000	RFE
11070	Trebinjetekst DP	1262	Textiles	Mens clothing	0	1260	1700	E
10413	Jasna DP	1262	Textiles	Jeans	0			RFE
10740	Sana Elegant DP	1262	Textiles	Women's garments	0			
10162	Interplet DP	1262	Textiles	Underwear, sportwear	5			RF
10138	Tekstilac DP	1262	Textiles	Knitwear, clothes	10	80	800.0	RF
10081	Ti Gradiska DP	1262	Textiles	Knitwera and garments	10	587	5870.0	FE
11002	Lovnica DP	1262	Textiles	Cotton garments	20	60	200	RF
10561	Slateks DP	1262	Textiles	Garments	20	26	206	RF
10235	Vrelo DP	1262	Textiles	Knitwear	20	230	500	RFE
11096	Podmladak DP	1262	Textiles	Trousers	20	108	540.0	RF
10057	Kurjak DP	1262	Textiles	Trousers	20			RF
11193	Vezionica DP	1262	Textiles	Children's garments	25	540	870	RFE
10065	Bilesanka DP	1262	Textiles	Carpets and curtains	25	650	1250	RFE
10758	Pionir DP	1262	Textiles	Trousers	30	70	233.3	R
10111	Sana DP	1262	Textiles	Cotton yarn, cotton items	30	1140	3800.0	RFE
10464	1 Oktobar DP	1262	Textiles	Knitwear	40			RF
11037	Tena DP	1262	Textiles	Apparel	40			RF
10286	Modeks DP	1262	Textiles	Apparel	50	56	400	RF
10740	Borac DP	1262	Textiles	Garments	50	253	506.0	RF
10022	22 Decembar DP	1262	Textiles	Garments	57	120	210.5	
10073	Uniteks DP	1262	Textiles	Garments	60			RF
11169	Napredak DP	1262	Textiles	Garments	61.7	74	120	RF
10073	Knezicanka DP	1262	Textiles	Sportswear				RF
10936	Kneteks DP	1262	Textiles	Garments		184		RF
11070	Leoteks	1262	Textiles	Apparel		136		RF
10782	Rotex DD	1269	Textiles	Blankets, cloth	10	25	250.0	RFE
11170	Pozamenterija Elastik	1269	Textiles related	Strips	12	133	1108.3	RF
10316	Stockings factory DP	1269	Textiles	Womens stockings	15			RF
11170	Elastik DP	1269	Textiles related	Patent zippers	20	82	160	RF
10537	Bosna DP	1281	Footwear	Shoe uppers	0		113	
10383	Fortuna DP	1281	Footwear	Shoe uppers	0			RF

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RS Industry List								
(Rakovic Database, sorted by Activity, then Cap. Util. then Empl. at Cap.)								
(Blank Cap. Util. and Empl. at Cap. estimated using employment and shown with one decimal figure)								
Muni. Code	Company name	Activity Code	Activity Description	Production Description	Capacity Utilizat'n	Empl. At Pres.	Empl. At Capac.	Mrkt R,F,E
Industries in Municipalities in RS at Present								
10162	Izbor DP	1281	Footwear	Footwear	5			RF
10022	Bosna DP	1281	Footwear	Footwear	10	426	2550	
10057	Zenit DP	1281	Footwear	Footwear	20	425	850	RF
10642	Vjekoslav Bakulic DP	1281	Footwear	Shoes and leather prod.	25	294	1176.0	RF
11037	FOT DP	1281	Footwear	Footwear	30	70	150	R
10758	Sloga DP	1281	Footwear	Footwear	30	539	1796.7	E
11096	Zenit DP	1281	Footwear	Shoe uppers	35	50	376	R
10537	Proleks DP	1281	Footwear	Shoe and leather products	40	350	875.0	R
10758	Piko MP	1281	Footwear	Shoe and leather prod.	40			RF
11193	Fagum DP	1290	Rubber products	Rubber ctng for mng eqpt				F
10740	Zitoprmet DP	1301	Wheat flour	Wheat flour, bread	20			R
10022	Zitoprodukt DP	1301	Wheat flour	Wheat flour, bread	30	224	746.7	R
10162	Itopromet DP	1301	Wheat flour	Wheat flour and bread	45			R
10758	Mlinpek DP	1301	Wheat flour	Wheat flour, bread	60	50	83.3	R
10057	Zitopromet	1302	Wheat milling	Wheat, flour, bread				R
10375	Hladnjaca DP	1303	Fruits and veg. proc.	Frozen fruits and veg.	0			RFE
10022	Vitaminka DP	1303	Fruits and veg. proc.	Fruits and veg.	10	180	1800.0	RFE
10057	Sava DP	1303	Fruits and veg. proc.	Frozen, canned frts,veg	60			RFE
10162	Bosnaplod DP	1303	Fruits, veg. processing	Fruits, veg. proc.				RFE
10740	Prijedorcanka DP	1303	Fruits	Fruits proc., freezing		61		R
10162	Bimeks DP	1304	Meat processing	Meat products	4			RF
10782	Klaonica DP	1304	Meat processing	Meat products	10	20	200.0	R
10103	Klaonica DP	1304	Meat processing	Meat products	10			R
10707	Klaonica DP	1304	Meat processing	Meat products	20	11	35	R
10740	Impro DP	1304	Meat processing	Meat products	20	70		R
10758	Vetprodukt MP	1304	Meat processing	Eggs and poultry meat	20			R
10081	Levita DP	1304	Meat processing	Beef and pork meat	25	420	1680.0	RF
10057	Mesoprodukt DP	1304	Meat processing	Beef and pork products	50	37	74.0	R
10952	Zivinoprodukt	1304	Meat products	Poultry meat	50			R
10022	Mijekara DP	1305	Milk	Milk, dairy prod.	21	183	871.4	R
10057	Fabrika Secera DP	1306	Sugar	Beet sugar	0			RF
10740	Mira DP	1307	Confectionery prod.	Buisquits, cakes, waffers	20	299	737	RFE
10162	Bimal DP	1308	Edible oils	Edible oils refining, pckng				
10073	Hermijska Prerada Kuk.	1309	Food	Maize proc.	20			RF
10057	Semberka DP	1309	Veg. processing	Spices, dried veg.	30			RF
10782	DP Malt factory	1311	Malt and beer	Malt	0	7		RF
10022	Banjalucka Pivara	1311	Alcoh. beverages	Brewery	30	195	460	R
10022	Fruktona MP	1312	Non-alcoh. beverages	Pepsi, Mirinda	15	163	320	R
10286	Bosanka DP	1312	Food and bev.	Juices and jams	20	117	600	RF
10162	Palis DP	1312	Non-alcoh. beverages	Soda and related bev.	30			R
10707	Zitoprerada DP	1320	Wheat milling	Flour milling	0	10	45	R
10073	Poljoprivreda	1320	Food	Animal feed	12			R
10022	Fabrika Duvana DP	1332	Tobacco products	Cigarettes	40	180	276	RF
10286	Grafizar DP	1340	Printing	Printing services	5	40	100	R
10782	Mico Sokolovic DP	1340	Printing	Printing services	30	26	86.7	R
10081	Gi Gradiska DP	1340	Printing	Printing services	60	56	93.3	R
11070	Print shop DD	1340	Printing	Printing services				R
11037	Geofon DP	1390	Misc. products	Engineering	30	20	80	RFE
10057	Rad DD	5010	Civil construction	Buildings construction	20	206	602	RF
10162	Staklorad	5030	Glass products	Glass proc., insulating gl.	30	10	33.3	R
10162	Luka DP	6030	Port services	Loading, unloading, store				

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RS Industry List

(Rakovic Database, sorted by Activity, then Cap. Util. then Empl. at Cap.)

(Blank Cap. Util. and Empl. at Cap. estimated using employment and shown with one decimal figure)

Muni.	Company name	Activity	Activity	Production	Capacity	Empl.	Empl.	Mrkt
Code		Code	Description	Description	Utilizat'n	At Pres.	At Capac.	R,F,E
Industries in Municipalities not in RS at Present								
*10863	Ilijas Iron Works	1071	Iron Mill	Foundry, pipes, radiators	0			RF
*10871	Technogas DP	1129	Technical gases	Oxygen, acetylene, nitr.				R
*10847	Dalekovodinzenering	1132	Steel structures	Pylons, ski lifts				RFE
*10855	Unis Lasta DP	1139	Metal working	Bicycles and parts	78.1	250	320	RFE
*10928	Unis UTL MP	1141	Machine building	Tapper roller bearings	0	12	700	FE
*10855	Energoinvest Tat DP	1141	Machine building	Process equipment	0	70	950	FE
*10855	Enrgnvst Alati/Pogoni	1141	Machine building	Driving gears		25		R
*10855	Unis MGA DP	1143	Equipment	Gas meters, regulators	10	25	134	F
*10855	Enrgnvst Automatika	1143	Elec. equipt	Industrial automation	28.6	100	350	RFE
*10928	Unis TAS MP	1152	Car industry	VW Golf and Caddy	0			RFE
*10855	Famos DP	1152	Car industry	Truck engines, gear boxes	11.9	202	1700	RFE
*10847	Tvornica ElektroOpreme	1179	Elec. equipment	Lo. volt. dstr. boxes	20	20	100.0	RF
*10863	Intal Bosna DP	1214	Building materials	Pre-fab houses	20			RF
*10855	Bosanmka DP	1220	Wood processing	Plywood	0	18		RFE
*10847	Bjelasnica DP	1220	Wood processing	Timber, drs, wndws				RF
*10863	Drvna Galanterija DP	1232	Wood processing	Tmbr, veneer, pckng mat.	15			RF
*10855	Tkaonica Cilima DP	1269	Textiles	Carpets, rugs	15	160	1066.7	RF
*10855	Zitopromet DP	1301	Wheat milling	Wheat flour	50			R
*10871	Sprind DP	1302	Bakery	Bread				R
*10847	Coca Cola Hadcici DP	1312	Non-alcoh. beverages	Coca cola	15			R

Republika Srpska Industry List

(Rakovic Database)

Tables

1. Unadjusted, Number of Industries in Municipalities and Data Gaps
2. Unadjusted Database, Industry List, Unsorted
3. Adjusted Database,
Some blank entries estimated on the basis of employment data
Sorted by Municipality and Activity
4. Adjusted Database
Some blank entries estimated on the basis of employment data
Sorted by Activity, Capacity Utilization, Employment at Capacity
- 5. Adjusted Database, Summary by Industry**
6. Adjusted Database, Summary Statistics

Republika Srpska Industry List
(Rakovic Database, Summarized by Activity)
(Blank Cap. Util. and Empl. at Cap. estimated)

Activity Code	Activity	Number of Plants	Cap. Util.	Cap Util.	Avg. Util.	Employees at Pres.		Employees at Cap.	
			= 0	= blank	Non-zero	Non-zero, Non-blank	Non-zero, Non-blank	Non-zero, Non-blank	
					Non-Blank	Number	Percent	Number	Percent
					Percent	Number	Percent	Number	Percent
Industries in Municipalities in RS at Present									
1010	Electricity	5	3	1	100	1130	4.1	1402	1.5
1020	Coal mining	2	0	0	43	310	1.1	904	1.0
1050	Crude oil processing	2	1	0	27	256	0.9	948	1.0
1054	Alumina	1	0	1					
1071	Iron	1	0	1		21	0.1		
108	Lead, zinc, bauxite mining	3	2	0	58	439	1.6	760	0.8
1101	Aluminum processing	3	0	0	18	129	0.5	268	0.3
1109	Non-ferrous metals proc.	1	0	0	10	80	0.3	150	0.2
1111	Non-metal minerals	1	0	0	20	17	0.1	85	0.1
112	Non ferrous processing	4	1	1	20	220	0.8	1663	1.8
113	Metal products	25	5	3	19	1219	4.5	5199	5.5
1141	Machine building	16	1	1	15	1926	7.0	6805	7.2
1143	Instruments	2	0	0	43	71	0.3	206	0.2
115	Transport Eq.	4	0	0	19	249	0.9	1805	1.9
117	Elec. Eq.	7	1	0	20	2380	8.7	7616	8.0
118	Chemicals (incl. 1193)	6	1	0	24	454	1.7	1240	1.3
1194	Plastics	4	1	0	17	269	1.0	2324	2.5
120	Stone and clay (incl.1211)	7	2	1	15	347	1.3	2947	3.1
1213	Building Materials	6	4	0	28	172	0.6	466	0.5
1214	Non-metal products	5	1	1	28	255	0.9	360	0.4
122	Wood, upstream	18	2	1	26	1604	5.9	4309	4.6
1221	Auto glass	1	1	0		113	0.4		
122	Wood processing (?)	1	0	0	30	320	1.2	1067	1.1
123	Wood processing	16	0	1	21	2075	7.6	7133	7.5
124	Pulp and paper	5	0	1	31	2729	10.0	10149	10.7
125	Textiles	7	1	0	7				
1262	Upholstery	1	1	0				270	0.3
1262	Apparel	26	4	3	31	5574	20.4	18206	19.2
1269	Textiles, other	4	0	0	14	240	0.9	1518	1.6
1281	Footwear	11	2	0	26	2154	7.9	7887	8.3
1290	Rubber products	1	0	1					
1301	Wheat flour (incl. 1302)	5	0	1	39	274	1.0	830	0.9
1303	Fruits and veg. proc.	5	1	2	35	241	0.9	1800	1.9
1304	Meat processing	9	0	0	23	558	2.0	1989	2.1
130	Other Food and bev.	13	3	1	22	974	3.6	3033	3.2
1332	Tobacco products	1	0	0	40	180	0.7	276	0.3
1340	Printing	4	0	1	32	122	0.4	280	0.3
9000	Misc. Other	4	0	1	27	236	0.9	715	0.8
Sum		237	38	23	25	27338	100.0	94613	100.0
Combined sectors									
1010	Electricity	5	3	1	100	1130	4.1	1402	1.5
	Mining and Mineral Proc.	18	4	3	22	1472	5.4	4779	5.1
113	Metal products	25	5	3	19	1219	4.5	5199	5.5
	Mechanical Eq.	22	1	1	25	2246	8.2	8817	9.3
117	Elec. Eq.	7	1	0	20	2380	8.7	7616	8.0
	Chemicals and Plastics	10	2	0	20	723	2.6	3564	3.8
	Building Materials	13	6	1	21	519	1.9	3413	3.6
1214	Non-metal products	5	1	1	28	255	0.9	360	0.4
	Wood	36	3	2	19	4112	15.0	12509	13.2
124	Pulp and paper	5	0	1	31	2729	10.0	10149	10.7
	Textiles and Apparel	38	6	3	13	5814	21.3	19994	21.1
	Footwear and Rubbber Pr.	12	2	1	13	2154	7.9	7887	8.3
	Food	32	4	4	30	2047	7.5	7652	8.1
1332	Tobacco products	1	0	0	40	180	0.7	276	0.3
	Other	8	0	2	29	358	1.3	995	1.1
	Total	237	38	23	25	27338	100.0	94613	100.0
Industries in Municipalities not in RS at Present									
	Misc. Activities	20	5	5	26	882	100.0	5321	100.0

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Republika Srpska Industry List

(Rakovic Database)

Tables

1. Unadjusted, Number of Industries in Municipalities and Data Gaps
2. Unadjusted Database, Industry List, Unsorted
3. Adjusted Database,
Some blank entries estimated on the basis of employment data
Sorted by Municipality and Activity
4. Adjusted Database
Some blank entries estimated on the basis of employment data
Sorted by Activity, Capacity Utilization, Employment at Capacity
5. Adjusted Database, Summary by Industry
6. Adjusted Database, Summary Statistics

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RS Industry List									
(Rakovic Database, Adjusted, Summary Statistics)									
(Blank Cap. Util. and Empl. at Cap. estimated)									
Industry Entries	Industries in Municipalities in RS at Present				Industries in Municipalities in RS at Present				
	Capacity Utilizat'n	Empl. At Pres.	Empl. At Capac.	Mrkt R,F,E	Capacity Utilizat'n	Empl. At Pres.	Empl. At Capac.	Mrkt R,F,E	
Number with zero entries	38	0	0	0	5	0	0	0	0
Number with blank entries	23	86	103	18	5	5	12	0	0
Number with pos. entries	176	151	134	219	10	10	8	20	
Average Empl.		183	712			88	665		
Average Gross Util.	25				26				
Average Weighted Util.	21				17				
Range	4-100	3-1879	30-6340		10-78	12-250	100-1700		
Range, cap. util.									
lte 10 percent	38				1				
11-25 percent	79				6				
26-50 percent	47				2				
gt 50 percent	12				1				
Range, empl. at pres.									
lte 50 employees		52				5			
51-100 employees		30				2			
101-500 employees		58				3			
gt 500 employees		11				0			
Range empl. at cap.									
lte 50 employees			5					0	
51-100 employees			16					1	
101-500 employees			62					3	
gt 500 employees			51					4	
Range of market									
R (RS only)				45					5
RF (RS and FRY)				124					6
RFE (RS, FRY, Exports)				34					6
R E (RS, Exports)				1					0
F (FRY)				6					1
FE (FRY, Exports)				6					2
E (Exports)				3					0

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RS Industry List				
(Rakovic Database, Unadjusted, Summarized by Municipality)				
Number of Industries in Municipalities and Data Gaps				
Muni. Code	Municipality	Total Industries Number	Non-Operating Number	No Util. Data Number
Municipalities in RS at Present				
10022	Banja Luka	14	0	0
10057	Bijeljina	12	1	2
10065	Bileca	4	0	0
10073	Kozarska Dubica	9	0	1
10081	Gradiska	8	0	0
10103	Brod	6	2	0
10111	Novi Grad	4	0	0
10138	Samac	5	1	0
10154	Bratunac	3	0	1
10162	Brcko	13	1	3
10235	Cajnice	2	0	0
10251	Celinac	1	0	0
10288	Doboj	11	1	0
10316	Srbinja	5	1	1
10332	Gacko	2	2	0
10375	Gorazde	3	3	0
10383	Petrovo	9	3	0
10413	Han Pijesak	2	1	0
10464	Kalinovik	2	0	0
10537	Kotor Varos	4	1	1
10561	Laktasi	3	0	0
10596	Lopare	3	1	0
10618	Ljubinja	1	0	0
10642	Modrica	6	1	0
10707	Vukosavlje	7	5	0
10740	Prijedor	20	2	5
10758	Prijedor	9	0	0
10782	Rogatica	6	3	0
10804	Rudo	3	0	0
10880	Novo Sarajevo	1	0	0
10910	Trnovo	2	2	0
10936	Knezavo	5	0	3
10952	Srbac	5	0	3
10979	Skelani	3	3	0
10995	Berkovici	1	1	0
11002	Sekovici	3	0	0
11037	Tešić	8	0	0
11070	Trebinje	6	1	3
11096	Ugljevik	4	2	0
11169	Visegrad	7	0	2
11170	Vlasenica	4	0	0
11193	Zvornik	7	0	4
11363	Milici	2	0	1
Municipalities not in RS at Present				
*10847	Hadzici	4	0	2
*10855	Ilićza	9	2	4
*10863	Ilijac	3	1	0
*10871	Rajlovac	2	0	2
*10928	Vogosca	2	2	0
Totals				
RS (in RS at Present)		237	38	30
*Munis (nit in RS at Pres.)		20	5	8
RS + *Munis		257	43	38

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USAID-Sarajevo / Bosnia Business Assistance Center

To:	Industry Task Force
From:	BBAC
Re:	<i>Survey of Large Bosnian Companies</i>
Date:	11-Dec-96

Bosnian policymakers and business people, the international official community, and potential foreign investors have expressed considerable interest in the status and future of the largest Bosnian companies. In the coming months these enterprises will be developing restructuring alternatives as the privatization process gets underway. The BBAC has prepared the attached statistical survey to help guide policies toward privatization of these companies, and to give some indication of their financing needs and potential.

The attached information was assembled from (1) the Federation Statistics Bureau data, (2) ZPP statistics (Zavod za Platni Promet, the state agency through which all business payments are supposed to flow), (3) The Economy of Bosnia & Hercegovina, Business Press, 1991, (4) Price Waterhouse (PW) compilations, and (5) BBAC "best estimates" based on direct company questionnaires and interviews. There are numerous inconsistencies in these data, which we have not been able to satisfactorily resolve. However, they are indicative and interesting.

Following are summary observations that can be drawn from this initial research:

- Based on 1996 data assembled by PW, there are roughly 26,000 registered companies in the Federation, of which about 2,300 (9%) are candidates for privatization – *ie.*, they have some state ownership.
 - > This means that about 91% of all registered companies are privately-owned. The vast majority of these are probably fewer than five employees. Half of these privately-owned companies are in Sarajevo canton.
 - > Of the 2,300 privatization candidates, about one-third (800) can be classified as "small scale": they are engaged in business services and are to be privatized on a faster track. That leaves about 1,500 larger state-owned companies to be privatized.
- For the Republic of BiH in 1991, companies are shown ranked first by capitalization, and then by 1991 revenue.:
 - > 12 companies with capital exceeding DM 250 million represented over half of the total capitalization of the top 100.
 - > 73 of these companies are now in the Federation, and 27 are in the Republika Srpska (RS). A somewhat larger proportion of the total capitalization is now in the Federation.
 - > The largest BiH company in 1991 had revenues of about DM 800 million. Four companies exceeded DM 500 MM. 35 companies were in the DM 100 - 500 MM range.

- Summary statistics for the 10 largest holding companies are shown, based on ZPP data. They are ranked by 1991 assets. 1991 data are for the Republic of BiH, and 1996 data are for the Federation.
 - > According to these data, the top 10 holding companies appear to have had a total of 95 operating units in 1991, versus 59 today.
 - > Total assets of these 10 holding companies are reported at DM 2.5 billion, about half their level in 1991, probably mostly reflecting inter-entity separations.
 - > While these data are of some interest, they appear to be numerous inconsistencies with information obtained directly from the companies.
- Based on BBAC direct surveys and interviews with approximately 70 companies in the Federation only, 50 larger privatization candidates are listed with 1991 and 1996 size, capacity, and financing indicators:
 - > In 1991, these companies had capital of over DM 12 billion, revenues of DM 10 billion, and employed over 130,000 people.
 - > By 1996, capital was reduced by almost half, to DM 6.7 billion (and this is probably overstated). Revenues had dropped by over 90 percent, to under DM 800 million, and employment had fallen by 75%, to less than 34,000. Nearly 40,000 are estimated to be currently on "the waiting list".
 - > On average, present available capacity (not damaged by war and accessible to these companies) is about 60% of the prewar level. That available capacity is at about 30% utilization. Combining these indicators, present utilization of prewar capacity is estimated at about 18%.
 - > The estimated financing needed by these companies to bring them to full utilization of *available* capacity is about DM 450 million. (If this investment allowed for the full reabsorption of inactive employees, the cost per job would be about DM 11,000.) Approximately DM 1.8 billion would be needed to restore capacity to the prewar level.

BH Federation
Summary of Enterprise Database [1]

Majority Nationality	Cantons	Number of Municipalities	Number of Registered Enterprises	Number of Privatization Candidates [2]	% of Privatization Candidates by Canton	Small-scale Candidates Special Activities [3]
Bosniak	Sarajevo	9	10,308	714	31.2%	278
Bosniak	Tuzlansko-Podrinjski	15	4,973	379	16.6%	118
Bosniak	Zenicko-Dobojski	13	3,142	337	14.7%	147
Mixed	Srednjobosanski	12	1,707	255	11.1%	83
Mixed	Neretvanjski	8	1,475	253	11.1%	78
Bosniak	Unsko-Sanski	9	2,812	157	6.9%	47
Croat	Zapadnobosanski	5	259	60	2.6%	16
Croat	Velezupa Posavska	3	423	54	2.4%	12
Croat	Zapadno-Herzegovacki	4	422	48	2.1%	14
Bosniak	Gornjepodrinjski	3	204	31	1.4%	11
Total		81	25,725	2,288	100.0%	804

Notes

- [1] Source from the Sarajevo branch of the Statistics Bureau, registered as of September 1996.
 [2] Enterprises that registered with the Statistics Bureau as either having state, social or mixed ownership.
 [3] Enterprises that registered with the Statistics Bureau as either having state, social or mixed ownership and also identified their main business activities in either trade, catering, services or road transportation (required by Article 27 of the Law on Enterprises, for small-scale privatization).

Summary by Region

Region	Number of Municipalities	Number of Registered Enterprises	Number of Privatization Candidates	% of Privatization Candidates by Canton	Small-scale Candidates Special Activities	
Bosniak	49	21,439	1,618	70.7%	601	
Croat	12	1,104	162	7.1%	42	
Mixed	20	3,182	508	22.2%	161	
Total		81	25,725	2,288	100.0%	804

TOP 100 BiH ENTERPRISES, 1991

Ranked by Capital

(See Source and Notes Below)

SUMMARY

	At Present Federation:	At Present R. Srpska:	BiH
Number	73	27	100
Capital, Percent	84	16	100

Distribution by Size of Capital

Range DM Million	At Pres. Federation		At Pres. Rep. Srpska		BiH	
	Number Percent	Capital Percent	Number Percent	Capital Percent	Number Percent	Capital Percent
1000+	3	37	0	0	2	31
750-1000	1	6	0	0	1	5
500-750	1	4	4	21	2	7
250-500	8	13	4	10	7	12
100-250	37	26	26	34	34	27
75-100	14	5	15	10	14	6
59-75	21	6	30	15	23	7
50-	15	3	22	9	17	4
Total:	100	100	100	100	100	100

Ownership Code: S= Social M=Mixed

Entity at Present Code: F=Federation S=Rep. Srpska

Source:

ZPP, Enterprise Balance Sheets as at December 31, 1991

USAID Bosnian Privatization Project, Price Waterhouse

Note 1:

Public companies such as: electric power systems, telecommunications, gas supply, water supply, sewage disposal, postal service, railroad, as well, as companies engaged in forestry and military business are not included in the list

Note 2:

Capital shown is total capital, i.e., nominated capital plus unnominated capital

Nominated capital is social capital plus shareholders equity plus private deposits

The total capital figures in the database have been converted from dinars to DM at DM1=12.5 dinars

TOP 100 BiH ENTERPRISES, 1991						
(Ranked by Capital - See Source and Notes in Summary Sheet)						
No.	Enterprise	Owner-ship	1991 Location	Entity At Pres.	Business Activity	Capital DM Million
1	RMK-ZELJEZARA ZENICA	S	Zenica	F	Ferrous Metallurgy	2500-5000
2	AGROKOMERC	S	Velika Kladusa	F	Food Processing	1000-2500
3	ALUMINIJUM	S	Mostar	F	Aluminum Production	750-1000
4	BIRAC HOLDING - PROIZVODNJA GLINICE	M	Zvornik	S	Alumina Basic Products	500-750
5	ENERGOINVEST-RAFINERIJA NAFTE	S	Bos. Brod	F	Oil Refinery	500-750
6	INATRON	M	Magla	F	Cellulose and Paper Production	300-500
7	HEPOK	S	Mostar	F	Food Processing Trade	300-500
8	INTERINA	M	Sarajevo	F	Trade Activities	300-500
9	INCEL-INDUSTRIJA CELULOZE I PAPIRA	S	Banja Luka	S	Cellulose and Paper Production	300-500
10	KRIVAJA	S	Zavidovi	F	Wood Processing	300-500
11	UNIS - TVORNICA AUTOMOBILA	M	Sarajevo	F	Automobiles and Parts Prod.	200-300
12	RUDNIK SOLI	S	Tuzla	F	Salt Mining	200-300
13	UNIS HOLDING	S	Sarajevo	F	Holding Company	200-300
14	FABRIKA SECERA	S	Velika Obarska	S	Sugar Production	200-300
15	POLJOPRIVREDNO DOBRO MLADEN ST.	M	Bosanska Gradiska	S	Cattle Breeding	200-300
16	SIPAD KOMERC	S	Sarajevo	F	Wood Processing	200-300
17	BIRAC HOLDING	M	Zvornik	F	Alumina Basic Products	200-300
18	SOKO-VAZDUHOPLOVNA INDUSTRIJA	S	Mostar	F	Metal Construction	200-300
19	RMK ZENICA-ZICA SARAJEVO	S	Sarajevo	F	Steel Wire Production	200-300
20	TVORNICA MASINA I HIDRAULIKE	S	Pucarevo	F	Energetics Machines Production	200-300
21	FABRIKA KARTONA I AMBALAZE	S	Cazin	F	Cardboard Production	200-300
22	KOKSNO HEMIJSKI KOMBINAT	S	Lukavac	F	Chemicals production	150-200
23	FAMOS-FABRIKA MOTORA	S	Ilidza	F	Vehicle Production	150-200
24	POLJOPRIVREDNO DOBRO SEMBERIJA	S	Bijeljina	S	Agriculture	150-200
25	KOMBITEKS	S	Bihac	F	Cotton Fabrics Production	150-200
26	SLOBODAN PRINCIP SELJO	S	Vitez	F	Chemicals Production	150-200
27	ENERGOINVEST HOLDING	S	Sarajevo	F	Holding Company	150-200
28	UNIS PRETIS HOLDING	S	Vogosca	F	Metalworking Prod. Prog.	125-150
29	ZELJEZARA ILIJAS	S	Ilijas	F	Steel Production	125-150
30	POPOVO POLJE	S	Trebinje	F	Wine Growing	125-150
31	KOZARSKO TEKSTILNI KOMBINAT-KTK	S	Visoko	F	Leather Processing	125-150
32	FABRIKA SODE	S	Lukavac	F	Chemicals Production	125-150
33	OLIMPIJSKI CENTAR	S	Sarajevo	F	Foreign Trade and Catering	125-150
34	SANITEKS	S	Velika Kladusa	F	Textiles Production	125-150
35	AGROINDUSTRIJSKO PREDUZECE	S	Draksenic	F	Agriculture	125-150
36	POLJOPRIVREDNO PREDUZECE VLASIC	S	Travnik	F	Cattle Breeding	100-125
37	POLJOPRIVREDNO PREDUZECE SPRECAI	S	Donje Vukovije	S	Cattle Breeding	100-125
38	ZEMLJORADNICKA ZADRUGA UPI	M	Ilidza	F	Cooperative Company	100-125
39	IZOCIJANATNA HEMIJA	M	Tuzla	F	Chemicals Production	100-125
40	ENERGOINVEST-ENERGOINZINJERING	S	Sarajevo	F	Engineering	100-125
41	HEMIJSKA PRERADA KUKURUZA	S	Draksenic	S	Sugar Production	100-125
42	RUDI GAJAVEC ELEKTRONIKA	S	Banja Luka	S	Electronics Products	100-125
43	SODA SO HOLDING-FABRIKA SOLI	S	Tuzla	F	Edible Salt Production	100-125
44	UPI-POLJOPRIVREDNO DOBRO RATAR	S	Novi Grad	F	Cattle Breeding	100-125
45	TVORNICA CEMENTA	S	Kakanj	F	Cement Production	100-125
46	LEVITA	M	Bosanska Gradiska	S	Food Processing	100-125
47	ELEKTROBOSNA	S	Jajce	F	Ferrous Alloys Production	75-100
48	PUT-GRADJEVINSKO PREDUZECE	S	Sarajevo	F	Traffic Facilities Production	75-100
49	ENERGOINVEST DALEKOVODI HOLDING	S	Sarajevo	F	Agent Services	75-100
50	UNIS-AZOT HOLDING	S	Vitkovici	S	Chemicals Production	75-100

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TOP 100 BIH ENTERPRISES, 1991						
(Ranked by Capital -- See Source and Notes in Summary Sheet)						
No.	Enterprise	Owner-ship	1991 Location	Entity At Pres.	Business Activity	Capital DM Million
51	UNIS-POBJEDA HOLDING	S	Gorazde	F	Chemicals Production	75-100
52	AERODROM SARAJEVO	S	Sarajevo	F	Airport Services	75-100
53	FABRIKA DUVANA SARAJEVO	S	Sarajevo	F	Tobacco Products	75-100
54	PAPIR	S	Tkov Drvar	F	Paper Processing	75-100
55	TVORNICA TRANSPORTNIH UREDJAJA	M	Tuzia	F	Transport Vehicles Production	75-100
56	PREDUZECE CESLIJANE PREDJE	S	Bos. Dubica	S	Cotton Thread Production	75-100
57	POLJOPRIVREDNO DOBRO POSAVINA	S	Brcko	S	Agriculture	75-100
58	CELPAK - FABRIKA CELULOZE I PAPAIRA	S	Prijedor	S	Cellulose and Paper Prod.	75-100
59	ENERGOINVEST - TERMOAPARATI	S	Ilidza	F	Thermo Devices Prod.	75-100
60	BORAC - TRGOVINSKO PREDUZECE	S	Travnik	F	Garments Trade	75-100
61	GRADSKI SAOBRACAJ	S	Sarajevo	F	City Transport	60-75
62	VITEZIT	S	Vitez	F	Chemicals Production	60-75
63	PRIVREDNIK	S	Butmir	F	Agriculture Production	60-75
64	BORAC - TVORNICA KONFEKCIJE	S	Travnik	F	Textiles Production	60-75
65	TVORNICA ULJA BIMAL	S	Brcko	S	Edible Oil Production	60-75
66	PROIZVODNJA I PRERADA ZICE	S	Gorazde	F	Wire Production	60-75
67	HIDROGRADNJA	S	Sarajevo	F	Industrial Construction	60-75
68	RAFINERIJA ULJA	S	Modrica	S	Oil Products Refinery	60-75
69	UNIS TOURS	S	Sarajevo	F	Tourism Services	60-75
70	UPI MARKETI	S	Sarajevo	F	Wholesale and Retail	60-75
71	UNIS-UNIGLAS	M	Bosanski Samac	S	Automobile Glass Production	60-75
72	UPI - POLJOPRIVREDNO DOBRO	S	Modrica	S	Agriculture	60-75
73	TVORNICA OBUCE	S	Derventa	S	Footwear Products	50-60
74	TRGOVINSKO PREDUZECE BOSKA	M	Banja Luka	S	Wholesale and Retail	50-60
75	POLJOPR. INDUSTRIJ. KOMBINAT	S	Bosanski Samac	S	Agriculture, Ind. Trade	50-60
76	VITAMINKA	M	Banja Luka	S	Food Processing	50-60
77	DESTILACIJA	S	Teslic	F	Chemicals Production	50-60
78	APRO SUNCE	M	Neum	F	Catering Services	50-60
79	VRANICA	S	Sarajevo	F	Construction Engineering	50-60
80	POLJOPRIVREDNO DOBRO	S	Sokolac	S	Agriculture	50-60
81	VITEX	S	Visoko	F	Trade Activities	50-60
82	TVORNICA ALATNIH STROJEVA	S	Banja Luka	F	Tools Production	50-60
83	HOLIDAY INN	S	Sarajevo	F	Catering Services	50-60
84	UKRINA	S	Derventa	F	Textiles Production	45-50
85	BOSNALIJEK	S	Sarajevo	F	Pharmaceuticals Production	45-50
86	UPI - SIMES	S	Ilidza	F	Meat Processing	45-50
87	BANJALUCKA PIVARA	S	Banja Luka	S	Brewery	45-50
88	SKENDERIJA	S	Sarajevo	F	Service Activities	45-50
89	ZITOPRODUKT	M	Banja Luka	S	Food Processing	45-50
90	KOKAPRODUKT	S	Gracanica	F	Chicken Meat Processing	45-50
91	SVILA	M	Celinac	S	Silk Production	45-50
92	UNIS - TVORNICA KOTRLJ. LEZAJEVA	S	Sokolac	S	Rolling Bearings Production	45-50
93	RMK - PROMET	S	Zenica	F	Trade Activities	45-50
94	ENERGOINVEST - DALEKOVODI HOLDING	M	Sarajevo	F	Agent Services	45-50
95	PPREHRANA PROMET	S	Tuzia	F	Trade Activities	40-45
96	FLORAMI	S	Buna	F	Catering Services	40-45
97	SODA SO - POLIHEM	S	Tuzia	F	Chemicals Production	40-45
98	ENERGOINVEST - TRUDBENIK	S	Doboj	S	Compression Sets Production	40-45
99	BIHACKA PIVARA	M	Bihac	F	Brewery	40-45
100	TVORNICA KABLOVA	S	Tomislav Grad	F	Cables Production	40-45

TOP 50 BIH ENTERPRISES, 1991
Ranked by Revenue
(See Source and Note Below)

Rank	Enterprise	Location	Business Activity	Ownership	Revenue DM Million	Number of Employees
1	E-ENERGOPETROL	Sarajevo	Oil and Oil Products Trade	Social	786	2,605
2	RMK-ZELJEZARA	Zenica	Ferrous Metallurgy	Social	734	19,880
3	SIPAD KOMERC	Sarajevo	Wood Processing Trade	Social	625	2,960
4	UNIS-TVORNICA AUTOMOBILA	Sarajevo	Automobile Production	Mixed	619	3,480
5	E-RAFINERIJA NAFTE	Bos. Brod	Oil Refinery	Social	432	2,362
6	J.P. ZELJEZNICKO-TRANSP. PRED.	Sarajevo	Railroad Transport	Social	371	16,114
7	E-DALEKOVODI HOLDING - IDV	Sarajevo	Transmission Lines Construction	Social	354	375
8	TERMOELEKTRANA CATICI	Kakanj	Thermo Electric Power Plant	Social	354	1,146
9	TERMOELEKTRANA TUZLA	Tuzla	Thermo Electric Power Plant	Social	322	1,512
10	ENERGOINZINJERING	Sarajevo	Construction Engineering	Social	314	1,058
11	TVORNICA GLINICE BIRAC	Zvornik	Zeolite Production	Social	286	2,541
12	ALUMINIJ	Mostar	Production of Aluminum	Social	278	3,907
13	PEROELEKTRO	Sarajevo	Home and Foreign Trade	Mixed	277	794
14	METAL	Banja Luka	Metal and Technical Products Trade	Mixed	263	518
15	NATRON	Maglaj	Cellulose and Wrapping Paper Production	Mixed	262	4,486
16	UNIS-PRETIS HOLDING	Vogosca	Special Purpose Products Production	Social	230	3,303
17	KRIVAJA	Zavidovici	Timber Primary and Final Processing	Social	227	11,417
18	OPRESA	Sarajevo	Marketing and Trade	Mixed	217	1,162
19	INCEL	Banja Luka	Cellulose and Paper Production	Social	210	5,815
20	RMK PROMET	Zenica	Trade of Mining and Metallurgical Products	Social	181	327
21	FAMOS-FABRIKA MOTORA	Sarajevo	Vehicles Production	Social	177	6,175
22	RUDNIK MRKOG UGLJA TITO	Banovici	Brown Coal Mining	Social	175	3,925
23	RUDNICI LIGNITA KREKA	Tuzla	Lignite Coal Mining	Social	169	7,562
24	UPI MARKETI	Sarajevo	Marketing and Trade	Social	155	2,123
25	J.P.UGLJEVIK	Ugljevik	Coal Mining	Social	151	1,793
26	RUDNIK I TERMOELEKTRANA GACKO	Gacko	Mine and Thermo-Electric Power Plant	Social	147	1,633
27	FABRIKA DUVANA	Sarajevo	Tobacco Processing, Cigarettes	Social	141	878
28	AGROKOMERC	Velika Kladusa	Primary Products	Social	139	7,169
29	BORIS KIDRIC-KOKSNO HEMIJSKI KOMB.	Lukavac	Coal Production and Refining	Social	131	3,484
30	RUDNIK MRKOG UGLJA KAKANJ	Kakanj	Brown Coal Mining	Social	131	4,727
31	UNIS KOMERC	Sarajevo	Marketing and Trade	Mixed	126	622
32	PTT SAOBRACAJ	Sarajevo	Postal Services	Social	121	2,595
33	VELEPROMET-VELEPRODAJA	Visoko	Wholesale Trade	Social	121	555
34	KOZARSKO-TEKSTILNI KOMBINAT -KTK	Visoko	Leather Processing	Social	117	3,495
35	HOLDING VELMOS	Mostar	Marketing and Trade	Social	116	662
36	DITA-SODA SO	Tuzla	Chemicals Production	Social	106	597
37	E-RAFINERIJA ULJA	Modrica	Industrial Oil Refinery	Social	105	889
38	HIDROGRADNJA	Sarajevo	Hydraulic and Civil Engineering	Social	103	5,840
39	UNIS-SLAVKO RODIC	Bugojno	Office Typewriters Production	Social	102	2,715
40	GORENJE-TVORNICA RASHLADNIH URED.	Bihac	Refrigerator Components Production	Social	93	1,074
41	RMK-ZICA	Sarajevo	Wire Production	Social	98	1,909
42	VELEPROMET-MALOPRODAJA	Visoko	Retail Trade	Social	95	1,431
43	UPI-PIM	Sarajevo	Agriculture Production	Social	95	877
44	CEPAK-FABRIKA CELULOZE I PAPIRA	Prijedor	Cellulose and Paper Production	Social	94	2,834
45	SOKO-VAZDUHOPLOVNA INDUSTRIJA	Mostar	Aircraft Production	Social	93	3,872
46	RUDNICI ZELJEZNE RUDE LJUBIJA	Prijedor	Ferrous Mining	Social	93	4,377
47	BOSNAPLOD EXPORT-IMPORT	Sarajevo	Agriculture Production	Social	87	1,098
48	BORAC-TRGOVINSKO PREDUZECE	Travnik	Man's and Women's Garments Trade	Social	83	1,544
49	HIDROELEKTRANE NA DRINI	Visegrad	Hydro-Electric Power Plant	Social	82	213
50	BOSNA AUTO HOLDING-TRGOVINA	Sarajevo	Automobile Trade	Social	81	478

Source: The Economy Of Bosnia and Herzegovina, Business Press, 1991

Note: The published half-year revenue figures for 1991 have been annualized and converted from dinars to DM at DM1=12.5 dinars

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TOP 10 HOLDING COMPANIES									
CAPITAL, ASSETS and WORKFORCE									
(See Source and Notes Below)									
GRAND SUMMARY									
(See Summary Sheets and Individual Holding Company Sheets Attached)									
1991									
Company	Units		Capital		Assets		Employees		
	Number	Percent	DM Mill.	Percent	DM Mill.	Percent	Number	Percent	
ENERGOINVEST	19	20	1250	48	2215	43	9034	30	
SIPAD	11	12	443	17	1039	20	5148	17	
UPI	22	23	437	17	581	11	3850	13	
UNIS	18	19	179	7	452	9	4040	14	
AGROKOMERC									
FEROELEKTRO	5	5	96	4	304	6	1398	5	
MAGROS	7	7	52	2	203	4	1358	5	
SODASO	1	1	105	4	154	3	956	3	
UNIONINVEST	8	8	25	1	161	3	3438	12	
SOKO	4	4	5	0	12	0	517	2	
Total	95	100	2592	100	5121	100	29739	100	
1991									
Company	Units		Capital		Assets		Employees		
	Number	Percent	DM Mill.	Percent	DM Mill.	Percent	Number	Percent	
ENERGOINVEST	3	5	661	30	817	33			
SIPAD	11	19	481	22	536	22			
UPI	3	5	41	2	41	2			
UNIS	23	39	90	4	108	4			
AGROKOMERC	1	2	355	16	360	15			
FEROELEKTRO	2	3	53	2	67	3			
MAGROS	6	10	65	3	53	2			
SODASO	7	12	262	12	291	12			
UNIONINVEST	1	2	156	7	157	6			
SOKO	2	3	15	1	16	1			
Total	59	100	2179	100	2446	100			
Source:									
ZPP, Enterprise Midyear Assessment, 1991 and 1996									
USAID Bosnian Privatization Project, Price Waterhouse									
Note 1:									
The ZPP database for these tables is different than the database used for the Top 100 Enterprises									
There are some apparent inconsistencies in the database which have not been corrected									
The data have not been checked against other sources or for internal consistency									
Note 2:									
Employment data for 1996 is not available.									
Note 3:									
Activity Code: Has not been decoded yet									
Own. Code: 1=Social 3=Coop 4=Mixed									
Note 4:									
Capital shown is total capital which is equal to social capital plus equity capital plus perm dep. plus uncommitted capital									

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Company	Parent Company	Location	Business	1991			1998				Present Capacity		Capital Needed for Full Capacity Utilization		
				Capital	Revenue	Empl.	Capital	Revenue	Employment		% Utilized	% of Prewar	Usable	Prewar	Optimal
									Active	Inactive					
Energopetrol	Energoinvest	Sarajevo	Petrol and Gas Trade	1,111	1,117.0	2,600	45	100.0	700	320	35			63	63
Rudnici Uglja Tuzla		Tuzla	Coal Mining	1,300	450.0	15,000	800	90.0	6,500	4,500	15	50	8	200	
Hidrogradnja		Sarajevo	Construction and Civil Eng.	78	335.0	5,840	75	63.5	1,340	1,100	30	25	3	15	
Fabrika Duhana Sarajevo		Sarajevo	Tobacco Prod. Mfg.	115	190.0	870	62	60.0	500	100	40	80	10	20	
FEROELEKTRO		Sarajevo	Wholesale and Retail Sales	73	498.0	905	49	60.0	227	147	90	76	11	42	72
Zeljezara Zenica	RMK Zenica	Zenica	Iron and Steel	3,200	800.0	20,000	2,500	60.0	5,000	7,500	2	65	180	230	50
KTK		Visoko	Leather Products Mfg.	130	60.0	4,000	120	40.0	1,800	2,000	45	80	8	5	
MARKETI (TP)	UPI	Sarajevo	Trade (food mostly)	200	100.0	2,300	62	25.0	800	500	33	3	5	150	
Soko		Mostar	Aircraft & Metal Industry	250	280.0	6,500	130	20.0	500	1,000	10	50	2	20	
IEE-Inz.za El. Energet.	Energoinvest	Sarajevo	Design and Engineering	78	97.5	1,208	61	18.0	88	33	50		1	1	
VELMOS		Mostar	Trade	90	160.0	900	45	16.5	170	70	50	75	2	6	
Sarajevska Pivara	UPI	Sarajevo	Brewery	60	60.0	2,000	45	15.0	800	600	30	80	3	15	
Tvornica cementa		Kakanj	Cement Production	90	50.0	485	85	15.0	350	100	25	85	5	10	
KLAS		Sarajevo	Baked Goods Production	107	60.0	1,200	40	14.4	680	9	39	70	2	5	3
Konjuh	SIPAD	Zivinica	Furniture Production	42	45.0	2,008	29	13.2	804	696	28	60			0
Metalno	RMK Zenica	Zenica	Metal Working and Services	25	16.0	800	28	12.0	475		25	110	3	2	3
Natron		Maglaj	Paper and Packaging Prod.	545	364.5	4,500	196	9.5	661	1,419	3	70	34	49	17
Sokolina	SIPAD	Kladanj	Wood Processing	50	40.0	1,300	45	9.0	650	150	55	50	2	10	
UMEL		Tuzla	Gen. Contract. & Equip. Mfcr.	15	13.5	1,500	18	9.0	800	250	50	60	3	4	
Borac - konfekcija	Borac	Travnik	Clothing Mfg.	40	80.0	5,750	25	8.5	1,700	2,500	45	70	3		4
UNICO Filter	UNIS	Sarajevo	Automotive Filters	40	32.0	620	26	8.1	402	43	35	40	10	8	8
Put		Sarajevo	Construction Comp.	111	38.0	2,000	30	8.0	430	450	40	20	1	13	
Pobjeda		Tesanj	Automotive Pumps	75	33.0	732	35	7.2	504	47	25	100	20	15	20
Bosnalijek		Sarajevo	Pharmaceuticals Mfg.	55	70.0	860	60	6.5	300	150	10	70	3	15	
Neretva	SIPAD	Konjic	Wood Processing and Products	30	45.0	1,098	25	8.0	400		60	80	1	5	
ENKER	Energoinvest	Tesanj	Automotive Ceramics	32	19.5	610	20	6.0	420	50	40	40	2	2	2
Dalekovodl Inzenjeriing	Energoinvest	Sarajevo	Electr. Transmision Lines	92	452.5	420	26	5.7	156	9	85	40	2	5	3
VITEX		Visoko	Textiles Mfg.	50	65.0	2,250	45	5.5	300	1,150	20	45	10	20	
Zenicaltrans		Zenica	Bus Transport	18	25.2	637	4	5.3	340	16	70	43	13	42	6
Tvornica Transport. Uredj.		Tuzla	Transport Equipment Mfg.	60	30.0	1,230	55	4.5	800	280	20	70	2	5	
SIPAD Komerc	SIPAD	Sarajevo	Trading-Timber & Wood Pr.	230	820.0	3,000	17	4.5	330	130	40	20	6		2
Velepromet		Visoko	Wholesale&Retail Ssies	358	1,433.9	421	4	4.0	216	97	60	85	3	10	
FAMOS		Sarajevo	Dies. Engine and Vehicle Prod.	750	500.0	6,500	6	3.7	300	3,000	50	1	1	500	
BosnaAuto Holding- Trgov.		Sarajevo	Car Trading and services	55	170.0	500	35	3.5	100	250	70	40	2	5	

Company	Parent Company	Location	Business	1991			1996				Present Capacity		Capital Needed for Full Capacity Utilization		
				Capital	Revenue	Empl.	Capital	Revenue	Active	Inactive	% Utilized	% of Prewar	Usable	Prewar	Optimal
Saniteks		V.Kladusa	Medical Products	78	103.2	1,892	30	3.5	300	840	17	80			4
RMK- Zica	RMK Zenica	Sarajevo	Steel Wire Production	200	90.0	1,900	60	3.0	373	643	1	80	2	7	
Fabrika Sode		Lukavac	Sodium Production	78	98.8	1,823	140	3.0	729	498	5	95	10	22	22
K H K		Lukavac	Coke and Chemical Products	271	137.5	3,264	363	2.8	500	1,672	2	80	25	20	25
Ukus		Tesanj	Furniture Production	28	16.0	344	8	2.6	223		40	80	2	2	3
Zrak		Sarajevo	Optics and Optoelectronics Mfg.	250	70.0	4,000	100	2.5	400	850	8	80	12	25	20
Napredak		Tesanj	Clothing Mfg.	7	9.4	669	7	2.1	400	130	75	50	1	2	1
Sana	SIPAD	San Most	Wood Processing	60	40.0	1,250	20	2.0	250		60	50	2	11	
Gorenje BIRA		Bihac	Refrigerator Mfg.	55	110.0	1,100	40	1.5	110	600		60	1	15	
Azot	UNIS	Gorazde	Chemical Products	75	40.0	1,500	40	1.5	120	350	3	60	5	15	
Bina	SIPAD	Bihac	Wood Processing	40	23.0	800	10	1.5	120	340	15	70	2	4	
Borac Trgovinsko Poduz.		Travnik	Cloths and Garments Trading	50	110.0	1,550	20	0.5	140		10	60	4	1	
TAS	UNIS	Sarajevo	Automobile Mfg.(VW)	500	300.0	3,500	70	0.3	75	1,400	5	20	1	125	
UTL	UNIS	Sarajevo	Roller Bearings Mfg.	50	35.0	1,200	10	0.1	60	515	2	1		26	14
Aluminij	Energoinvest	Mostar	Aluminum semiproducts	950	400.0	3,500	900	0.0	200	400	0	98	7	3	
Elektrobosna		Jajce	Ferrous Alloys Production	85	45.0	2,500	60	0.0	70	2,000	0	75	15	25	
Totals / Averages				12,331	10,179	131,336	6,725	764	33,613	38,904	31%	59%	446	1,793	341

Notes:

Source: Estimates by BBAC based on survey data. Companies were judgementally selected based on (1) 1996 revenue, (2) capitalization, and (3) 1997-98 revenue potential.

Capital and Revenue figures are DM millions.

Blank cells indicate data not available at time of preparation.

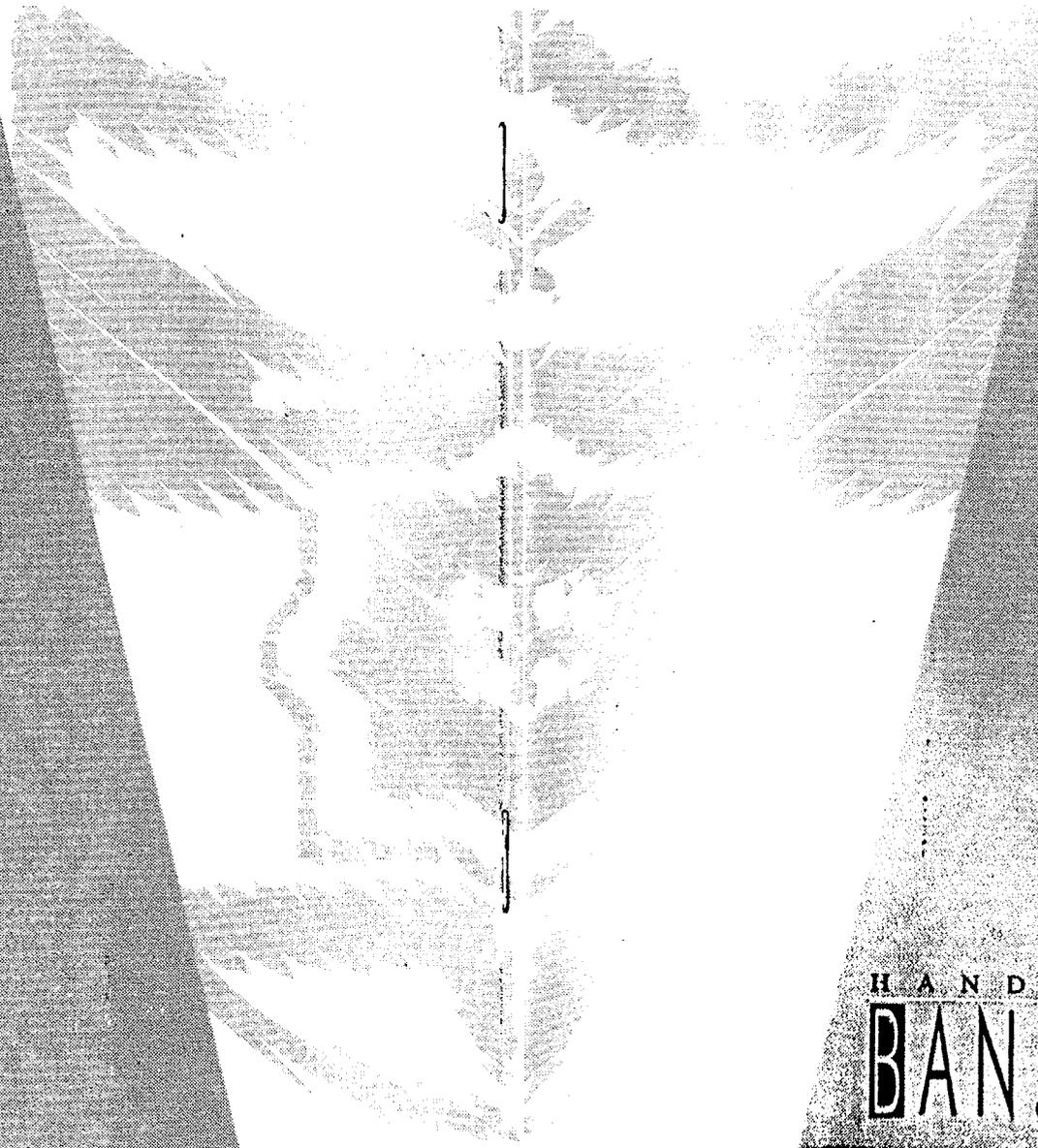
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ANNEX 4.

- Handbook of Banja Luka
- 1996 Republika Srpska - Yearbook
- Republika Srpska: Trade and Investments

П Р И Р У Ч Н И К О

БАНЈАЛУЦИ



H A N D B O O K O F

BANJALUKA

MS

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П Р И Р У Ч Н И К О
БАЊАЛУЦИ

H A N D B O O K O F
BANJALUKA



Бањалука
1996. године

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Предговор

Потребна за оваквим крајним приручником - водичем кроз Бањалуку постоји већ одавно, а његова појава у освићу мира након четворогодишњега рата и пустошења на овим просторима има само један циљ: да пружи основне информације о овоме граду-ономе кога до сада није познавао, односно да освјежи сјећање на овај прелијепи град онима који га, због рата, нису походили већ дуже вријеме.

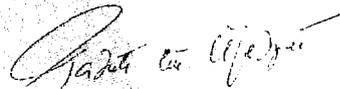
Циљ овога приручника ће бити остварен ако цијењени читаоци осјетити потребу и наћи интерес да посјетити овај град, упозна његове људе и оствари неки од својих интереса у овом културном, универзитетском, привредном, финансијском и трговачком центру Републике Српске.

Људски је надају се да је дошао крај стравотинама овога рата и да ће људи широм свијета, који су нас познавали и прије рата, а посебно они из пословног свијета, осјетити потребу да опет виде град и људе и освјеже пријатељства и пословне контакте, а они који нас не познају да се увјере у њачини онога што ће наћи на станицама овога приручника.

У име аутора и издавача овога приручника позивамо Вас да нас што прије посјетите и дајте свој допринос успостављању пријатељских и пословних веза овог најбољег града са свим људима добрих намјера.

Радич Ст. Предраћ

Бања Лука, 19.02.1996.



Preface

In dispensability of such summary book of reference, like this Handbook of Banjaluka, exist for a long time, and its arise in the dawn of peace, after four years long war and ravaging in this region, have only one aim: to provide basic information about this town - the one who didn't know it yet, with reference to reinvigorate the remembrance about this wonderful city to those who couldn't, by reason of war, visit it for a long time.

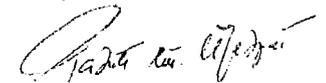
The aim of this handbook will be realized if appreciated reader feel necessity and find his interest to visit this town, meet it's citizens and realize some of his interest in this cultural, university, economic financial and commercial center of the Republic of Srpska.

It's humanly to be hoped that this is the end of enormities of this war and that the people from all over the world, that known us before, and specially those from business world, will find necessity to see this town and it's citizens to refresh the friendships and business contacts, and those who doesn't know us yet will convince in exactness of what they will find on the pages of this handbook.

In the name of authors and publishers of this handbook I invite you to visit us as soon as possible and to give your contribution of re-establishment of friendly and business connections between this agonized town and goodwill peoples.

Radic St. Predrac

Banjaluka,
February 19th 1996.



ОСНОВНИ ПОДАЦИ

Бањалука је највећи град, привредни и културни центар Републике Српске и други град по величини у Босни и Херцеговини. На подручју општине Бањалука, чија је површина 1.239 квадратних километара, било је, прије рата, око 195.000 становника. Сада има око 240.000 становника, од којих је 70.000 избјеглица са других подручја.

Сам град Бањалука простире се на око 150 квадратних километара, а налази се на 44 степену 46 минути 27 секунди сјеверне географске ширине и 17 степену 11 минути 44 секунди источне географске дужине. Просјечна надморска висина износи 164 метра.

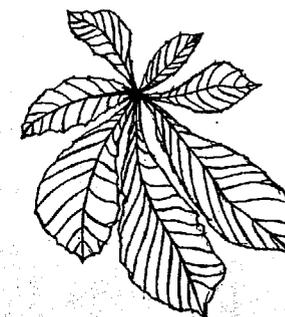
Бањалука је важна раскрсница друског саобраћаја и пролазна тачка многих жељезничких праваца. Са аеродромом, као и пристаништем на Сави, које се налази у 50-так километара удаљеној Градишци, Бањалука је чвориште које омогућава везу Јадранског мора са централном Европом и западних крајева Републике Српске са Србијом и источном Европом.

BASIC DATA

Banja Luka is the greatest city, economic and cultural center of the Republic of Srpska and the second largest city in Bosnia and Herzegovina. Before the war Banja Luka municipality, region of 1.239 square meters, had about 195 thousand inhabitants. Nowadays, there are about 240 thousand inhabitants, of which 70.000 are refugees from other regions. Banja Luka city itself spreads over 150 square kilometers and is located at 44 degrees 46 minutes and 27 seconds of the North latitude and 17 degrees 11 minutes and 44 seconds of the Eastern longitude. The average level above sea is 164 meters.

Banja Luka is an important junction point of the highway traffic, as well as the intersection point of numerous railway directions. With its airport and the dock in Gradiska on the Sava, 50 kilometers far away from Banja Luka, it is a junction point connecting the Adriatic sea with Central Europe, and the Western part of the Republic of Srpska with Serbia and East Europe.

The climate is moderately continental with 143 days of rainfalls per year, 1.821 sunny hours and an aver-



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Клима је умјерено континентална са просјечно 143 дана годишње са падавинама, али и просјечно 1.821 сунчани сат годишње и средњом годишњом температуром од око 11 степени. Најнижа забиљежена температура у Бањалуци је -27,4 степена, а највиша 41,4 степена целзијуса. Клима и једна од најљепших планинских ријека на Балкану - ријека Врбас, која протиче кроз град, као и вриједни људи, чине да Бањалука има епитет "града зеленила". Јер, Бањалуку краси више од 2.400 хектара зелених површина (паркови, заштитно зеленило, шуме, парк-шуме, воћњаци, ...), од чега је око 1000 хектара урбаног зеленила. Оно можда сада не дјелује уређено и дотјерано, али ново вријеме каже да ће Бањалука поново процвјетати, пролистати и пробујати.

age temperature of 11 degrees Centigrade. The lowest registered temperature in Banja Luka reached -27,4 degrees Centigrade, while the maximum registered is 41,4 degrees Centigrade.

Its climate and one of the most beautiful mountain rivers in the Balkans - the Vrbas river, as well as its diligent people, make Banja Luka worth of bearing the epithet of the garden city. Banja Luka is decorated with 2.400 hectares of green surfaces (parks, tree-lined paths, woods, orchards...), of which about 1.000 hectares are urban greens. It may not look neat and taken care of these days, but Banja Luka will flourish, become covered with leaves, and grow rapidly again, in short time to come.



БИЛО ЈЕ.....

Град је ово бурне прошлости и садашњости, а чини се, и будућности. Због оног што има и што га окружује многи су њиме ходили и кроз њега свијет походили. Многи су били и отишли, многи трага оставили, многи са собом доста тога однијели. Прошли су овим просторима и Илири, Славени, Римљани, затим Византинци, Турци, а помно је забиљежено и раздобље аустроугарске владавине...

Зна се да се овај град први пут по имену Бања Лука спомиње у исправи угарског краља Владислава II, која датира од 6. фебруара 1494. године.

Старији је овај град од тих 500 званичних година. Остали су трагови, као што је тврђава *Castra* или Кастел, и многи други, што можете видјети и чути у Музеју Републике Српске, Институту за историју или Архиву Републике Српске.

Цијелу историју града Вам нећемо испричати. Рећи ћемо само оно што је повезано са садашњошћу и што ће трајати и у будућности, а зачето је у тим неким давним временима.

IT USED TO BE...

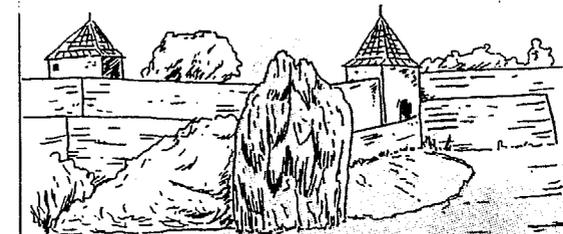
This is a city of stormy past, present and, most likely, the future as well. Owing to its properties and environmental conditions, many people were coming in and going out of the Banja Luka city. Many of them stayed, while others went away leaving a lot of traces behind, or taking a lot with themselves.

These areas were passed through by the Illyrians, Slavs, Romans, Byzantines, Turks...

The era of Austria-Hungary reign in this region was carefully notified.

It is known that this city was for the first time mentioned by the name of Banja Luka in the paper of Austro-Hungarian king Vladislav II, dated February 6, 1494. However, this city is older than those 500 years officially registered. The traces of the past like the castle *Castra* and many others still exist. You can see and here better, if you visit the Republic of Srpska Museum, the Institute of History, or the Republic of Srpska Archives.

We are not going to tell you the whole story of the city. We shall just mention some of the features originating from the past, but related to the present



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Зашто не рећи да је Бањалука 1871. године добила пивару, а 1878. године Фабрику вунених тканина, која је дио производње још тада извозила.

Железничку станицу и пругу до самог града Бањалука је имала 1891. године, као и директну везу са Бечом и Будимпештом, док је електричну енергију добила 1902. године.

Бањалука је одувijek имала развијену трговину, а 1907. године основано је и прво акционарско друштво, чији је зачетник Српска трговачка омладина. Овај град је 1888. године добио Фабрику дувана, а увелико је кориштен угаљ из рудника на Лаушу. Прва бањалучка штедионица основана је 1894. године, а Прва српска банка, уз велике потешкоће што је српска, основана је 1904. године.

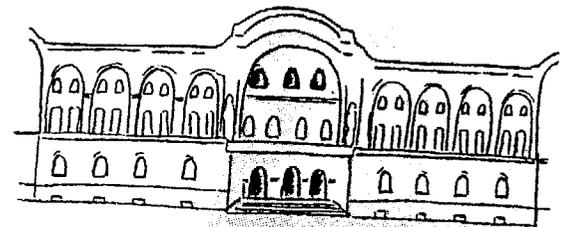
Бањалука данас у центру града поново гради православни храм, који је срушен на почетку II свјетског рата, након само десетак година постојања. Не заборавимо ни то да је у Бањалуци 1895. године отворена Државна велика реалка (гимназија), да је још 1937. године у граду инсталисана прва јавна телефонска говорница, те да су кориштени подземни телефонски каблови.

time, and will probably find their place in the future too.

Why not say that Banja Luka got its first brewery in 1871, and wool cloth-processing factory in 1878. The factory exported a part of its production even then. In 1891, Banja Luka got its railway and the station in the city center, connecting it directly to Vienna and Budapest. The electricity was provided in 1902. Banja Luka had well developed trade from the beginning. The first joint stock company was founded in 1907. by the Serbian Trade Youth Association. Tobacco industry was founded in 1888. and it used coal from the mine Laus. The first savings bank was established in 1894, while the first Serbian bank appeared in 1904. and it had to face a lot of difficulties for a simple reason that it was serbian.

These days, Banja Luka is trying hard to build the Orthodox Temple in the city center again. The former one was destroyed at the beginning of the World War II, after only 10 years of its existence.

We should not forget that the first secondary school in which modern languages and sciences were stressed, so called Realka, was founded in Banja Luka in 1895. The first public telephone-exchange box, with cables laid underground, was opened in 1937.



Етнографски музеј отворен је 1930. године, као и Народна позориште. Први модерни биоскоп отворен је 1911. године.

Бањалука је 1915. године добила Ортопедски завод, са радионицом за израду ортопедских помагала и обуће.

Први часопис се појавио 1922. године под називом "Крајишки дневник", прве улице су асфалтиране 1931. године, док је први туристички биро отворен 1932. године.

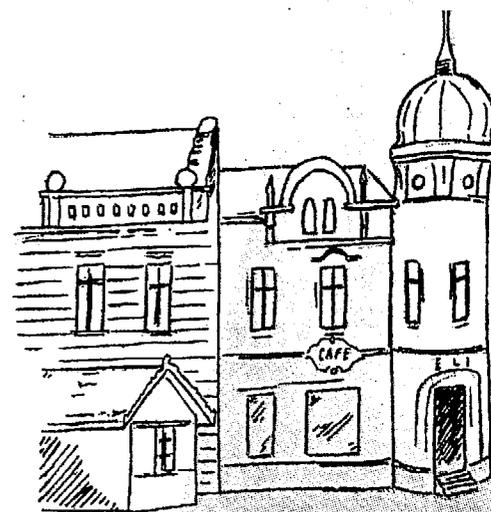
Град је ово дубоких коријена.

The Ethnographic Museum was opened in 1930, as well as the National Theater.

The first modern cinema appeared in 1911. In 1915, Banja Luka got the Orthopedic Institution with the workshop for manufacturing of orthopedic appliances and shoes.

The first magazine appeared in 1922, under the name of Krajiski Dnevnik -Krajina Journal. In 1931, first streets were paved with asphalt. In 1932, the first Tourist Agency was opened.

This is a city of deep roots.



ПРИВРЕДА

Бањалука је привредни центар западног дијела Републике Српске са развијеном привредном структуром.

Осим пољопривреде и сточарства, чију окосницу чине Пољопривредно добро "Младен Стојановић" и развијена мрежа земљорадничких задруга, рибарства и шумарства, као традиционалних привредних грана овог подручја, основа привредног развоја града су и савремене индустрије. У области електронске индустрије то су, прије свега, Холдинг "Чајавец", "Космос", Медицинска електроника, у области хемијске индустрије "Инцел", машиноградње "Јелшинград" и Фабрика хидрауличних уређаја "Универзал".

Осим тога, Бањалука располаже дрво-прерађивачким капацитетима (Дрвна индустрија "Врбас"), као и капацитетима из области индустрије грађевинског материјала. Не треба заборавити још два значајна производна капацитета који се налазе на истом локалитету у Рамићима. То су Ваљаоница хладно ваљане траке и "Синтетик".

ECONOMY

Banja Luka is an economic center of the Western part of Republic of Srpska with highly developed economic structure.

Beside agriculture and cattle-breeding (e.g. farming industry "Mladen Stojanovic" with its cooperative farms), growing of fish and forestry as traditional economic branches in this area, the basis of the city economic development are modern industries. In the field of electronic industry these are, first of all, Holding company "Cajavec", "Kosmos", Medicinska Elektronika; in the field of chemical industry "Incel", in production of machinery "Jelsingrad" and "Univerzal".

Besides, Banja Luka has outstanding wood-processing capacities (e.g. lumber industry "Vrbas"), as well as the capacities for production of building material. Two important industrial capacities located in Ramici should not be forgotten-the Rolling Mill and "Sintetik". Food industry is especially developed. Beside dairy products (Dairy Store "Mljekara"), processing of grains ("Zitoprodukt") and meat ("Stocar"), who by



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Посебно је развијена прехранбена индустрија гдје, осим производње млијека и млијечних производа ("Мљекара"), прераде житрица ("Житопродукт") и меса ("Сточар"), чијом се производњом покривају потребе регије за основним живежним намирницама, град располаже савременим капацитетима за хладну и топлу прераду свјежег воћа и поврћа ("Витаминка") и производњу алкохолних и безалкохолних пића ("Фруктона"). Значајно је рећи да се у саставу "Фруктоне" налази једина пунионица Пепси коле на просторима Босне и Херцеговине, која је у више наврата добијала награде као најбоља пунионица на Балкану.

Бањалучка пивара и Фабрика дувана, индустријски капацитети са традицијом производње дужом од 100 година, једини су капацитети ове врсте којима располаже Република Српска.

Слику индустријске структуре града допуњују производња и прерада коже (Кожара Лауш, "Јадранка"), производња обуће (Фабрика обуће "Босна"), те производња одјевних предмета ("Блик", "22. децембар"). У области одијевања споменимо још двије куће. То су "Наш дом" и "Нова радиност", у којима се можете снабдјевати

their production meet the demands for basic food supply in the region, the city disposes of modern capacities for cold and warm processing of fresh food and vegetables ("Vitaminska"), as well as for the production of alcoholic and non-alcoholic beverages ("Fruktona"). It should be noted that "Fruktona" is the only factory with "Pepsi Cola" filling facilities in Bosnia and Herzegovina and has been awarded the prize as the best filling company in the Balkans several times.

Banja Luka brewery and tobacco industry, the industrial facilities with tradition longer than 100 years, are the only capacities of that kind available in the Republic of Srpska.

The image of the cities industrial facilities will be completed by leather production and processing companies "Laus" and "Jadranka", footwear factory "Bosnia", as well as the production of ready-made clothing "Blik" and "22.Decembar".

There are two clothing firms. They are "Nas Dom" and "Nova Radinost", where in you can get the clothing and other articles which represent the style and the tradition of this region and may be considered to be souvenirs too.

Banja Luka has also significant capacities in the field of civil engineering, such as "Krajina", travel's and

одјевним и другим предметима који представљају сувенире овог подручја.

Осим индустријских капацитета Бањалука располаже и значајним капацитетима у области грађевинарства (Грађевинско предузеће "Крајина") и путничког и робног транспорта ("Аутопревоз", "Ротас"), те сервисно - ремонтним капацитетима ("Тргоремонт", Ауто-сервис "Центар", ...).

Развијена привредна структура града подржана је специјализованим организацијама и установама које пружају стручне и консалтинг услуге привредним организацијама у профилирању и усмјеравању њиховог развоја и развоја града и регије. Рецимо само неке: Урбанистички завод, Завод за изградњу, Пољопривредни институт, Економски институт, Институт за економику и организацију предузећа, "Еком", Пројектни заводи "План" и "Пројект", Ветеринарско - сточарски центар...

Прије рата привреда града је највећи дио производње и услуга пласирала на инострана тржишта. Сада је основни задатак покренути и модернизовати привреду, те подићи степен кориштености капацитета који је, са предратних 80% , пао на свега 8%.

goods exchange companies, "Autoprevoz" and "Rotas", as well as the facilities for servicing and overhaul, "Trgoremont", "Autoservis Centar"...

The developed economic structure of the city is supported by specialized organizations and institutions which render engineering and consulting services to the companies, whereby they take part in framing and directing of their development, as well as the development of the city and the whole region.

Let us mention just a few of them: Projecting and Planning Institution "Plan", Building and Construction Institution "Projekt", Institute of Agriculture, Veterinary-Cattle-Breeding Center, Institute of Economy and Business Management "Ekom"...

Before the war, the economy of this city found market for most of its products abroad. The major task now is to rebuild the economy, to modernize it, and to increase the degree of usability of capacities which fell down from 80% in the pre-war time to 8%.

Banja Luka is also a financial and banking center in which three major banks are situated: "Agroprom", "Banjalucka Banka" and "Jugobanka". By means of the SWIFT system, these banks are linked to the world banking and financial centers.

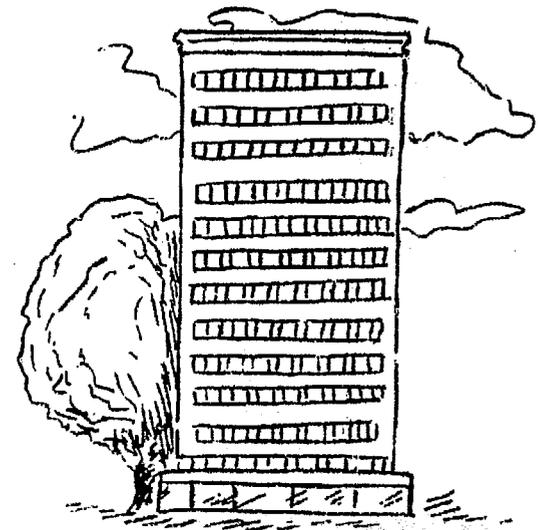
There are three insurance companies in the city: "Kosig", "Krajina", and "Krajina Kopaonik".

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Бањалука је и финансијски и банкарски центар у коме сједиште имају три банке (Бањалучка банка, Југобанка и Агропром банка), које су, путем SWIFT система, повезане са банкарским и финансијским центрима у свијету. Град је сједиште и три осигуравајућа друштва ("Крајина", "Косиг" и "Крајина Копаоник").

Развијене привредне дјелатности, поливалентна индустријска структура, сачувани производни капацитети и инфраструктура, обучена радна снага, развијена саобраћајна мрежа, као и дуга традиција у пословању са истоком и западом, чине Бањалуку најатрактивнијим подручјем за улагања у Републици Српској.

Highly developed economic activities, multiple industrial facilities, preserved production capacities and infrastructure, skilled manpower, developed traffic network, as well as the tradition in business management and trade with the East and the West, make Banja Luka the most attractive region for investments in the Republic of Srpska.



ТРГОВИНА, ТУРИЗАМ, УГОСТИТЕЉСТВО

Чини се да је традиција добрих трговаца стара колико и овај град. Данашње вријеме каже да је то и даље тако, како у друштвеном, тако и у приватном сектору. Бројне су специјализоване и мјешовите трговачке куће, од којих ћемо споменути само неке: "Велепрехрана", "Велетекстил", "Метал", "Меркур", "Матекс", "Малпрех".

Предлажемо да посјетите и три велике робне куће: "Боска", "Кастел" и "Београд".

Оно што овом граду недостаје је боља снабдјевеност њених трговина. Рат и блокада учинили су многе робе недоступним њеним становницима. Очекивати је да ће процват трговине бити брз, јер сигурно постоји заинтересованост и произвођача и купаца да се то и догоди.

Споменимо и занатство, које је било веома развијено у овом граду. Техничко-технолошким напредком, међутим, многи су занати нестали, а многи чекају боља времена.

Слично је и са туризмом. Могућности које овај град са околином пружа, уз мања улагања капитала, могли би дати изузетне резултате. Осим ловног и риболовног, нагласак је и на бањском

COMMERCE, TOURISM AND HOTEL MANAGEMENT

It seems that tradition of good merchants is as old as the city itself. The present time proves that the tradition is still preserved, in the public, as well as in the private sector. There are a lot of specialized and multi-purpose trade companies of which we shall mention only a few: "Veleprehrana", "Mateks", "Veletekstil", "Metal", "Merkur", "Malpreh"... We also suggest you to visit three big department stores: "Boska", "Kastel" and "Beograd".

The thing the city really falls short of is a better supply of versatile commodities in its stores. Due to the war circumstances and the sanctions, many commodities are not available to the citizens.

It is realistic to expect rapid growth of the trade what both, the manufacturers and the buyers, are interested in.

The handicraft which was also very developed in this city should not be forgotten. However, due to technical and technological progress, many handicraft skills disappeared and many are waiting for better times.

The situation is similar in tourism too. The city, with its environmental conditions and surrounding, could achieve great results in the field of tourism, if minor

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туризму. Извори термалне воде омогућили су изградњу бањских центара у Српским топлицама (3 км од града), Слатини (12 км), која је и љечилиште, као и у Лакташима, мјесту које се налази на само 18 км од Бањалуке.

Богатство овог града је и ријека Врбас, коју зову и крајишком љепотицом. Сваке године у Бањалуци, на обалама Врбаса, одржава се туристичко - спортска манифестација "Сусрети на Врбасу".

У самом граду можете бити гости хотела "Босна", који је прославио стогодишњицу постојања.

Након катастрофалног земљотреса, који је Бањалуку задесио 1969. године, на мјесту старог, тада порушеног хотела, изграђен је нови, савремени објекат.

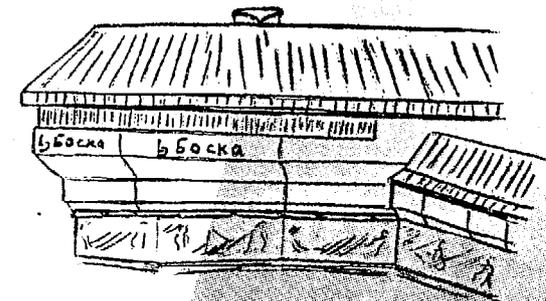
Очекују Вас и у хотелу "Славија", док хотел "Палас", који датира из тридесетих година овог вијека, још чека довршење санације.

Бањалука Вас дочекује и бројним другим угоститељским садржајима. Посјетите, на примјер, ресторане "Максим", "Сирано", "Бојчета", "Адриа"... Осим добре услуге и националних специјалитета, осјетићете колико је велико срце становника града и њихови гостопримљивост

investments were granted. Beside fishing and hunting tourism, the spar tourism is very interesting as well. Thermal springs with spa recreation centers are famous throughout the Republic of Srpska. They are: Srpske Toplice - three kilometers far away from the city, Slatina - 12 km far away from the city, and Laktasi, the place which is 18 kilometers far away from Banja Luka. The treasure of this city is the Vrbas river which is also called the beauty of Krajina... The traditional tourist-sport event, so called Meetings On The Vrbas ,takes place on the banks of the river every year.

You are also invited to be dear guest in the Hotel "Bosna" in the city center. The hotel has already celebrated its 100th anniversary. Actually, due to the consequences of the catastrophic earthquake which Banja Luka experienced in 1969, the old hotel building was destroyed and the new one was built.

You are also expected in the Hotel "Slavija". Unfortunately, the Hotel "Palas" which was built in the thirties, still waits for completion of reconstruction. Banja Luka will welcome you in numerous restaurants like "Maksim", "Sirano", "Bojceta", "Adria"... With delicious food and good service, you will also feel the warmth, hospitality and the great heart of the



ЗДРАВСТВЕНА ЗАШТИТА

За здравље Бањалучана и становника шире регије брину се специјализоване установе. Првенствено то је Клинички центар са 23 клинике и завода, те са више од хиљаду запослених, од којих је 275 љекара. Примарну и секундарну заштиту обезбјеђује Дом здравља са 618 запослених, од којих је чак 140 специјалиста, љекара опште праксе и стоматолога. Дом здравља има и двије хуманитарне амбуланте, а едукативно дјелује обезбјеђујући практични рад за ученике Медицинске школе и студенте Медицинског факултета у Бањалуци.

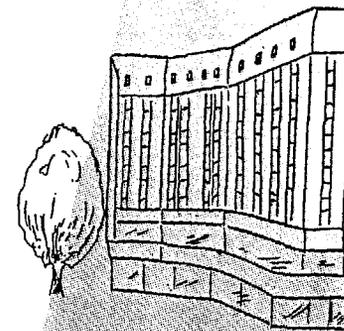
Још је једна специјализована медицинска установа значајна овом граду, али и цијелој Републици Српској. Ријеч је о Заводу за рехабилитацију "Др Мирослав Зотовић", који постоји од 1915. године, и у коме се свакодневно на лијечењу и рехабилитацији налази око 750 пацијената. Радионица за израду ортопедских помагала и ортопедске обуће, некада у склопу Завода, сада дјелује као посебно предузеће под називом Техничка ортопедија "Рехатехник".

HEALTH CARE

Specialized institutions take care of the health of the Banja Luka region inhabitants. The Clinic Center which comprises 23 clinics and institutions, employs more than 1.000 workers of which 275 are doctors. The primary and the secondary health care is provided by "Dom Zdravlja" which employs 618 worker, of which 140 are specialists, general practitioners and dentists... "Dom Zdravlja" also provides two humanitarian out-patient departments, as well as the training and practical education for the students of the Medical school and the Faculty of Medicine in Banja Luka.

There is one more specialized institution, significant both, for the city, and the entire Republic of Srpska. It is the rehabilitation center "Dr Miroslav Zotovic" which has been existing since 1915. It offers daily services to about 750 patients. The center is equipped with the workshop for manufacturing of orthopedic appliances and shoes named "Rehatehnik".

Pharmaceutical Institution which comprises several drugstores deals with provision of drugs and medi-

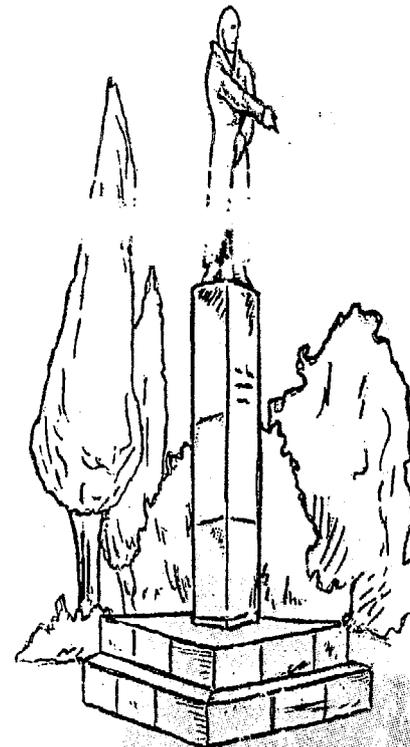


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За снабдијевање лијековима брине се Апотекарска установа, која обухвата већину апотека у граду. Снабдијевање лијековима, на велико, обављају предузећа као што су "Ветпром", "Крајиналијек" и друге.

За здравство у цјелини може се рећи да преживљава тешке дане. Квалитетног и изузетно стручног кадра не недостаје, али недостају опрема, дијелови, недостаје могућност стручног усавршавања, као и контакт са свијетом да би били у току свих збивања у области медицинских достигнућа и новина.

cines. Wholesale supply of medicines is provided by companies such as "Vetprom", "Krajinalijek", etc. It may be said that the health care as a whole has experienced very difficult times. As a matter of fact, there is no lack of highly specialized personnel, but there are shortages regarding medical equipment and spare parts provision, as well as the provision of specialized training and possibilities for making contacts with the world, in order to keep pace with current trends in the field of medical achievements and innovations.



КУЛТУРА И ОБРАЗОВАЊЕ

Бањалука је универзитетски град већ 20 година. Универзитет данас чини десет факултета (Економски, Правни, Електротехнички, Машински, Технолошки, Медицински, Филозофски, Пољо-привредни, Шумарски, Грађевинско-архитектонски), а у току је оснивање и Рударско-геолошког факултета са сједиштем у Приједору. На Универзитету ради 247 сталних наставника, као и 343 спољња сарадника, од којих је 70 посто доктора наука, а своје знање преносе на више од седам хиљада студената.

У Бањалуци је и 14 средњих школа, са више од 11 хиљада ученика. Подсјетимо само да је бањалучка Гимназија прославила стоти рођендан, а да и многе друге средње школе имају приближно исто тако дугу традицију. Подсјетимо и да више од 20 хиљада ученика похађа 28 основних школа.

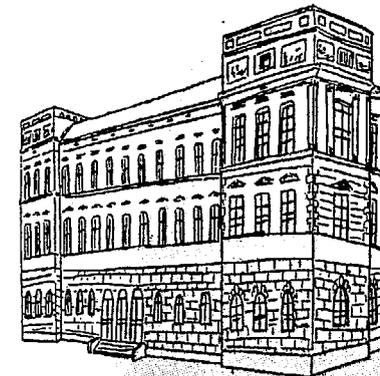
На услузи Универзитету, ученицима основних и средњих школа, као и свим љубитељима књиге је Народна и универзитетска библиотека "Петар Кочић", са књижним фондом од око 225 хиљада

CULTURE AND EDUCATION

The University of Banja Luka employs 247 permanent lecturers and 343 guest-lecturers of which 70% are doctors of science. They give lectures to more than 7.000 students. Banja Luka also has 14 secondary schools with more than 11.000 pupils. Lets just mention that Banja Luka high school "Gimnazija" celebrated its 100th anniversary, while the tradition of many others is almost that long. It is worth mentioning that more than 20.000 pupils attend 28 primary schools.

All the students and pupils, as well as all the other citizens who are fond of reading, can use the services offered by the National-University Library "Petar Kocic". The library's fund is about 225.000 books and more than 260.000 magazines and papers.

The city's cultural life has all prerequisites to be rich. First of all, there is a National Theater whose tradition is 65 years long. It employs 19 artists who even succeeded to establish an open stage and the children's stage, regardless of enormous efforts they



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књига и читаоницом у којој се може наћи више од 260 хиљада часописа и новина.

Културни живот града има све предиспозиције да буде богат. Ту је Народно позориште, са традицијом дугом 65 година, са тренутно 19 глумаца који су, у овим тешким временима, успјели да оспособе љетну позорницу, те малу и дјечију сцену. Са радом нису престајали ни Дјечије позориште и Позориште младих "ДИС"...

Многе су, међутим, културне установе и организације свој рад скоро зауставиле. Чекају се боља времена и бољи услови па да опет заиграју и запјевају цијелом свијету. Вјерујемо да ће међу првима то учинити КУД "Веселин Маслеша", али и многи други.

У Бањалуци можете посјетити и Музеј Републике Српске, који је обиљежио 65 - годишњи јубилеј, Архив, Умјетничку галерију, Галерију "Терзић", а у Културном центру "Бански двор" можете погледати изложбе, послушати добар концерт....

Посјетите и Спомен-кућу Владе Милошевића, академика, познатог музиколога.

У Бањалуци дјелују два Удружења - књижевника и ликовних умјетника Републике Српске, као и Завод за заштиту споменика културе и природе. Сваки дјелић овог града је историја и сваки дио има свој културни идентитет. Бањалучани су ту да то чувају и да Вам о томе причају.

had to make due to the war conditions. There are also minor theaters like "DIS", children's theater "Krajina", the Youth theater... They never ceased to give performances during the whole period of war.

However, great number of cultural institutions almost had to stop their work. They still have to wait for better circumstances to come, to be able to sing and dance to the whole world again.

We believe that one of the first who will reestablish its work and performances will be the cultural artistic society "Veselin Maslesa" and we can hope for the other to do so as well.

In Banja Luka you can also visit the Museum of the Republic of Srpska, which celebrated 65 years of its existence. Here are the Artistic Gallery, "Terzic" Gallery, the Cultural Center "Banski Dvor", where you can see an exhibition or listen to a concert...

Visit the memorial house of Vlado Milosevic, the academician and famous musicologist.

Associations of the Republic of Srpska writers and painters are also situated in Banja Luka, so is the Institute for Protection of Monuments and Nature too. Every single part of this city is also a part of its rich history with its own identity.

Banja Luka citizens are prepared to take care of the city's treasures and to tell you their story.



СПОРТ

Прве спортске организације и такмичења у Бањалуци су забиљежени још у прошлом вијеку. Бањалучани су се и тада клизали, скијали, јахали, играли тенис и шах, бавили се бициклизмом. Ипак је примат заузео фудбал. Фудбалски клуб "Борац" биљежи 70-годишњу традицију, а традицију одржавају и други клубови. Рукометаши истоименог клуба "Борац", освајачи бројних титула европског ранга, велику пажњу поклањају младим, талентованим играчима. Активне су у такмичењима и рукометашице "Младости". Кошаркаши и кошаркашице нашег града и данас су лигаши у оквиру југословенских такмичења (КК "Борац-Нектар" и КК "Млади Крајишник"). Изузетне резултате постижу и каратисти, џудисти, кајакаши, шахисти. Свој тренутак чекају боксери, бициклисти, ватерполисти, пливачи. Посебно популаран спорт међу млађима, али и старијим грађанима је тенис.

SPORTS

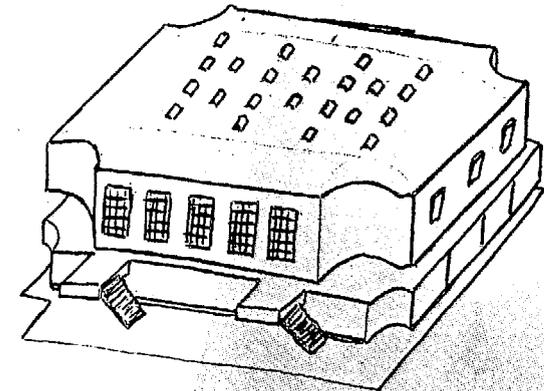
First sport organizations and competitions in Banja Luka were registered in the previous century. In that time, Banja Luka citizens went in for skating, skiing, riding, tennis, chess and cycling. However, football was the one that prevailed. The football club "Borac" has 70 years long tradition, but there are others too. Handball players of the club bearing the same name, "Borac", were winners of numerous cups and titles, highly recognized all Europe. They still give full attention and support to young generations and talented athletes.

Women's handball club "Mladost" is also worth mentioning...

Basketball players, men and women, have been continuously taking part in the Yugoslav Basketball League, namely the clubs "Borac - Nektar" and "Mladi Krajisnik".

Outstanding results have been achieved by karate, judo, kayak, and chess players...

The boxers, cyclers, swimmers and water polo players are still waiting for their time to come.



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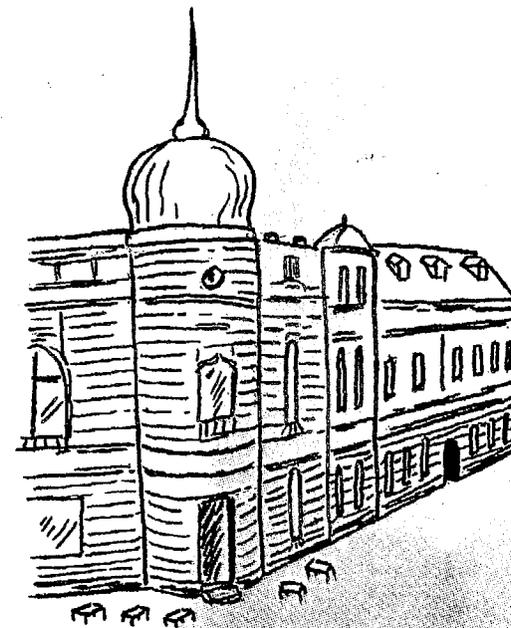
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Град је ово младих, што гарантује нове успјехе и нове побједе на спортским теренима. А њих је у овом граду много. Споменимо само неке: Градски стадион, Спортска дворана "Борик", Спортска дворана "Обилићево", тениски терени у парку "Младен Стојановић", Тениски клуб "Борац" који се налази у непосредној близини дворане "Борик", отворени терени за све спортове Студентског спортског центра, базени у Српским Топлицама и Лакташима и Инцелов базен.

Especially popular sport among junior and senior citizens of Banja Luka is tennis.

This is the city of young people what is the best guarantee for new achievements and victories on the sport playing grounds.

Lets mention some of the sport terrains: the city's hall "Borik", the sport hall "Obilicevo", the city stadium, tennis playing grounds in the park "Mladen Stojanovic", tennis club "Borac" in the vicinity of "Borik"...You can find open terrains for all sports in the Student Sport Center, and if you enjoy swimming, you can try one of the swimming pools in Srpske Toplice, Laktasi or "Incel".



Важни телефони

Скупштина општине	12-666
Полиција	92
Ватрогасци	93
Хитна помоћ	94
Војна полиција	34-745
Болница	33-725
	38-111
Аутобуска станица	45-355
Железничка станица	31-229
Такси	15-333
Водовод	12-316
Електро Бања Лука	41-810
Апотеке	
1. Мај	11-088
Централна Апотека	12-804
Змијање	35-576
Ветеринарска станица	33-113
Чистоћа	34-477
Метеоролошка станица	37-943
Кварови на телефонима	977
Хотели	
Басна	41-355
Славија	11-806
Мотел Интернационал	32-777
Банке	
Југобанка	12-930
Агрпром Банка	30-493
Бањалучка Банка	12-140
Ауто мото друштво	32-769
Информације	988,989
Универзитет	49-932
Библиотека "Петар Качић"	30-960
Културни центар Бански Двор	35-090
Музеј	35-290
Архив	35-022
Умјетничка галерија	34-090
Народно позориште	31-955
Галерија Терзић	11-413
Глас Српски	12-848
"Српски радио" Студио Бања Лука	12-183
"Српска Телевизија" Студио Бања Лука	11-741
БИГ Радио	12-700

Important Telephones

City Parliament	12-666
Police	92
Fire Brigade	93
Emergency Squad	94
Military Police	34-745
Hospital	33-725
	38-111
Bus Station	45-355
Railway Station	31-229
Taxi	15-333
Water Works	12-316
Electric Industry Banja Luka	41-810
Pharmacies	
1. Maj	11-088
Central chemist's shop	12-804
Zmijanje	35-576
Veterinary Station	33-113
Sanitarian Department	34-477
Meteorological Station	37-943
Post Office	977
Hotels	
Bosna	41-355
Slavija	11-806
Motel Internacional	32-777
Banks	
Jugobanka	12-930
Agroprom Banka	30-493
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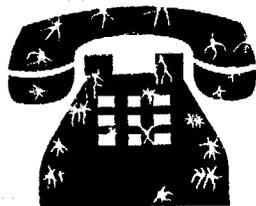
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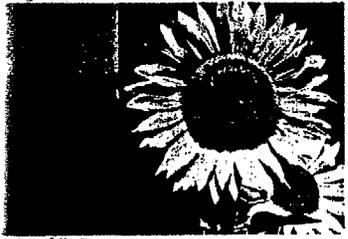
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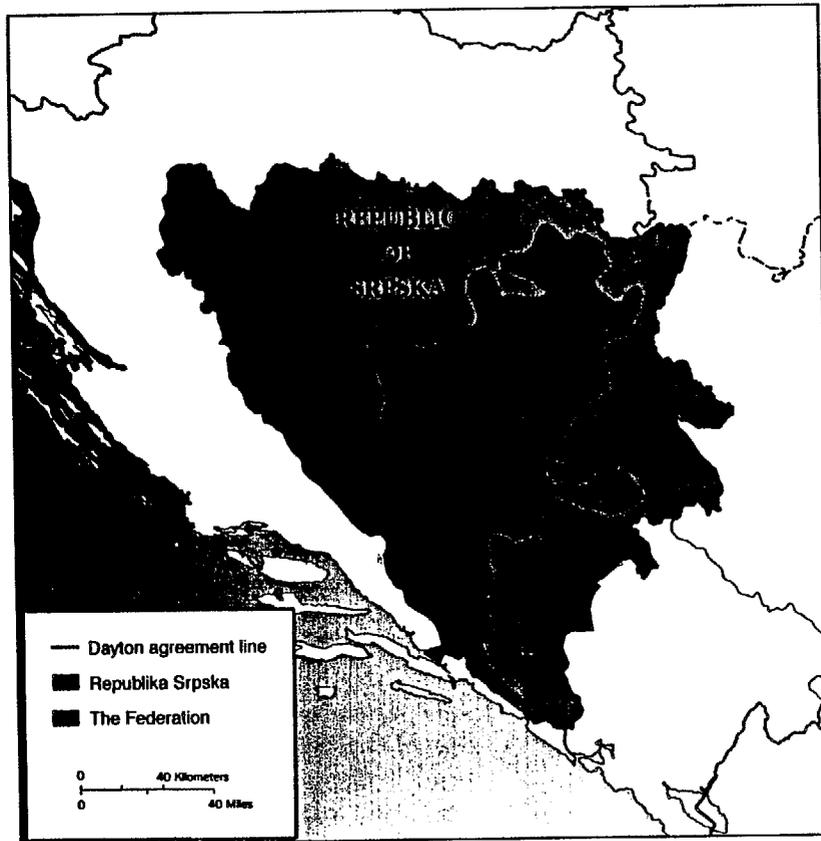
GEOGRAPHY

The Republic of Srpska is situated in the central part of Balkan Peninsula (South-East Europe) within the borders of ex-Yugoslavia. It covers an area of 25.053 sq. km. The territory is grouped in two main regions, North-Western part of Srpska (consisting of Banja Luka Krajina region and Posavina region), and Eastern part of Srpska (consisting of Semberija and Majevica region, Drina region, Sarajevo and Romanija region and Herzegovina region). Some 55% of its territory is covered by forest mountains, and the highest peak is Maglić (Herzegovina region) at the altitude of 2.350 m above sea level.

The climate in general is the continental one with long snowy winters and dry hot summers, with the exception to the Herzegovina region which enjoys the benefits of the Mediterranean climate.

The capital of the Republic is the city of Serb Sarajevo (Pale - pop. 95.000) the main administrative center and the seat of the Government. The main business center is Banja Luka (pop. 218.436) in the North-Western part of the country, with well developed agriculture, industry and services sector. The main airport is located there, and it is connected with the other parts of the country by rail and roads. Bijeljina (pop. 105.057) is situated in the North-East part of the country, only 8 km from the border with the Federal Republic of Yugoslavia (Serbia and Montenegro). It is a well-developed agricultural and trading center. Trebinje (pop. 30.154) is the main center for Herzegovina region, with developed Mediterranean agriculture and industry. The vicinity of Port of Bar in Montenegro makes it a good location for future development. The other important centers in the Republic are Prijedor, Dobo, Zvornik, Višegrad, Srbinje, Derventa and Brčko.

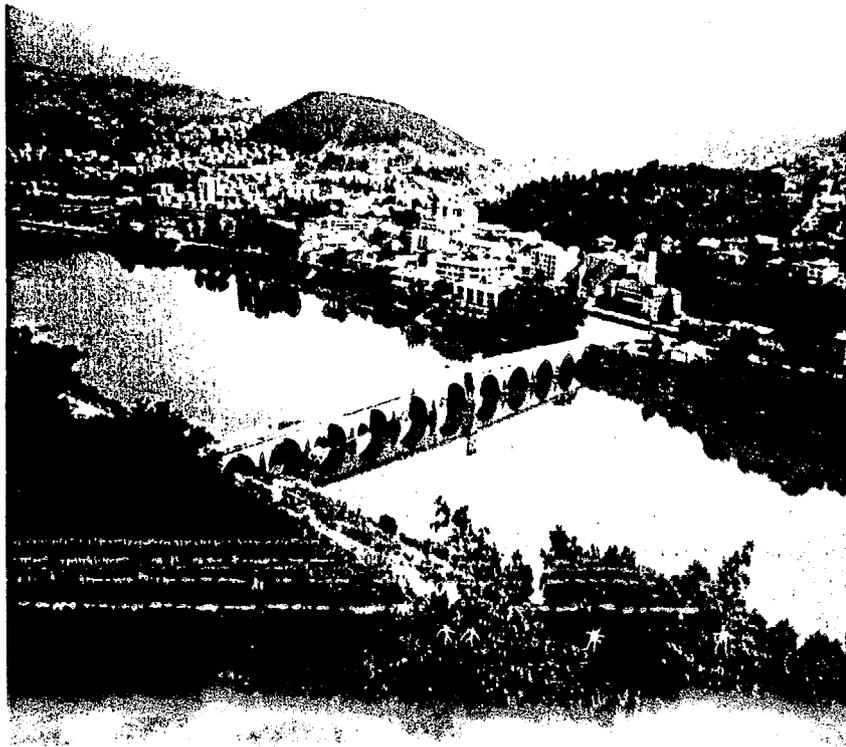
Formerly a part of the Kingdom of Yugoslavia and later on of the Socialist Federal Republic of Yugoslavia, this region had a specific status in development. The general direction was towards the development of energy exploitation, metallurgy and industry. However, the territory of the Republic has a very good potential for development, especially given its well-educated population and the structure of the economy in which all the sectors are represented. The natural beauty of the country can be compared to the one of Switzerland or Austria, and the natural resources provide a good basis for future development.



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REPUBLIC OF SRPSKA



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 A BRIEF HISTORY

The war in the former Yugoslav republic of Bosnia and Herzegovina began in April 1992. However, the origins of the the Republic of Srpska can be traced to 9 January 1992 when the Serb deputies from the old Bosnia assembly adopted a separate constitution and thereby created a new state. By 8 September 1995, in Geneva, the international community formally recognized the Republic of Srpska, a decision that was confirmed in November of that year during the peace negotiations in Dayton, Ohio, and subsequently enshrined in the Paris Peace Treaty on 14 December.

The Serbs, Christian Orthodox by religion, had lived for centuries in what is known as Bosnia and Herzegovina. Up to the fifteenth century they formed the overwhelming majority of the population. The Catholic Croats have, to this day, always constituted a minority. The medieval Bosnian state was headed by a Serb dynasty, with links to the Nemanjic dynasty in Serbia. A historic change occurred when the Ottoman Turks invaded and subjugated the Balkan peninsula in the course of the fourteenth and fifteenth centuries. A considerable part of the Bosnian population, predominantly Serb, but also some Croats, adopted Islam, the religion of the conquering Turks, after the fall of Bosnia and Herzegovina in 1463. The reasons for this conversion were pragmatic: to avoid the fate of the Serbs who had refused to identify with the invader, to escape persecution, harsh taxation, and otherwise unbearable conditions of life imposed by the Turks.

Over the centuries of Ottoman rule, the Muslims of Bosnia and Herzegovina failed to develop a sense of separate nationhood. They remained Slavs speaking Serb or Croat, their collective consciousness resting solely on Islam. Nor did they ever become the absolute majority of the population, the Serbs and Croats together comfortably making up a substantial Christian majority, which remains the case today. In the nineteenth century, after four hundred years of misrule, the Turks began their final withdrawal from the Balkans. In Serbia, a series of revolts against the Turks established a Serb principality. Between 1875 and 1878 the Serbs of Bosnia and Herzegovina also revolted. In 1878 the Congress of Berlin established the independence of Serbia and Montenegro, while Bosnia and Herzegovina was placed under the administration of Austria-Hungary.

In 1908 Austria-Hungary formally annexed Bosnia and Herzegovina, causing a major European crisis that narrowly avoided a general war. By this time the political aspirations of the Serbs of Bosnia and Herzegovina had been very clearly spelled out: union with Serbia, the mother country. Then, as today, the Serbs demanded merely that they be allowed to exercise their right to national self-determination. On 28 June 1914, in Sarajevo, a group of local Serb patriots carried out the assassination of the visiting Archduke Franz Ferdinand, an act which sparked off the First World War. During the war the Serb civilian population suffered terribly at the hands of the Austrians who had introduced concentration camps. Local Muslims gave them plenty of support, enlisting as volunteers in the Schutzcorps. From the ruins of the Habsburg Empire there emerged in 1918 several successor states, among them the Kingdom of the Serbs, Croats and Slovenes, to be renamed Yugoslavia ("The land of the South Slavs") in 1929. The Serbs had given up their state, as did the Montenegrins, in order to live together with the Croats and Slovenes in a bigger state, all on the assumption that different South Slav peoples were in fact tribes belonging to the same nation.

The first Yugoslavia was a short-lived state, its political life characterized by the growing rift between the Serbs and the Croats. By the spring of 1941 Hitler's Germany destroyed this experiment in living together and at the same time opened up the Pandora box of ancient hatred. There followed a genocide against the Serbs, taking place in Croatia and Bosnia and Herzegovina. Hundreds of thousands of Serbs were slaughtered, the exact figure will perhaps never be known. The main perpetrators were the Croats, allied to Hitler within the so-called "Independent State of Croatia", a grotesque Nazi puppet state run by the ultra-nationalist Ustashe. However, the Bosnian Muslims also played their part, being in collusion with the Ustashe and, indeed, with the Germans. Thus one of the SS divisions in Bosnia was the so-called Hanjar division, made up of the local Muslims, and notorious for the atrocities committed against the Serbs. To the latter, the Muslims became synonymous with the Ustashe.

Marshal Tito's communist partisans ended up as the victors in a series of Yugoslav civil wars that took place between 1941 and 1945. Significantly, most of the partisans were Serbs from Croatia and Bosnia who joined the communist-led resistance movement as the only available refuge from the genocidal onslaught by the Croats and the Muslims. There is a sense in which, therefore, communism in Yugoslavia was made possible by the Croat-Muslim wartime policies.

Postwar Yugoslavia, like the prewar one, failed to solve the problem of national rivalries and enmities. Tito ruled with iron hand, however, and there was a semblance of stability and even prosperity associated with the image of his regime. Neither was true. The communists manufactured prosperity by increasing and selling the country abroad

Yugoslavia, Tito attempted to maintain a balance by deliberately weakening the largest single nation: the Serbs. In Serbia, this was done, for example, by giving territorial and political autonomy to the Albanian minority living in the province of Kosovo. In Macedonia, the communists invented a new "Macedonian" nation, complete with its autocephalous church. In Bosnia and Herzegovina, a new "Muslim" nation likewise came into being, in 1966. The Yugoslav Constitution of 1974 established the country's six republics within a federation that was to all intents and purposes a confederation. All this was nation-building from above, an artificial injection of national consciousness among peoples with a poorly developed sense of constituting distinct communities. Still, Tito's policies worked.

The absolute majority living in Bosnia and Herzegovina, however, were the Serbs and the Croats. The Constitution of the Socialist Federal Republic of Bosnia and Herzegovina reflected this inescapable fact: the Serbs, the Muslims, and the Croats were equal under the Constitution, whilst all major decisions could only be taken by consensus of the three.

Following Tito's death in 1980, nationalist passions were predictably let loose throughout Yugoslavia. As communism collapsed in Eastern Europe, it likewise did so in Yugoslavia as Tito's successors were unable to stop the march of freedom. Increasingly, too, they were powerless to stop the process of Yugoslavia's disintegration. In the late 1980s and early 1990s in Yugoslavia, anti-communism and nationalism were two sides of the same coin. In the minds of most people, freedom and even prosperity became inextricably connected with the advancement of narrow national interest. In the course of 1990 free elections were held in each of the country's six federal republics. Nationalist policies triumphed everywhere, irrespective of whether they were advocated and led by openly nationalist parties, or by ex-communists who had adapted quickly to the prevailing atmosphere.

The November 1990 free elections in Bosnia and Herzegovina reproduced the general picture. The Croats had organized themselves round HDZ: Hrvatska Demokratska Zajednica (Croat Democratic Community); the Muslims round SDA: Stranka Demokratske Akcije (Party of Democratic Action); and the Serbs round SDS: Srpska Demokratska Stranka (Serb Democratic Party). The election results proved all the other parties to be marginal. Far from ignoring the nationalist parties for the sake of preserving some ostensible "multi-national", "multi-cultural" harmony in Bosnia and Herzegovina, which is a myth dreamt up by pro-Muslim propagandists in the West, the three nations extended overwhelming electoral support to the parties that promised to protect their national interests. Of the three, the SDS was the last to be established, the Serbs making that move only after it had become abundantly clear which way the wind was blowing among the other two nations in Bosnia and Herzegovina.

A power sharing experiment began following the elections of November 1990. Apart from the Assembly and the Government, a collective presidency of seven members was also established: two Serbs, two Muslims, two Croats and one "Yugoslav" - in fact a Muslim (Ejup Ganic). Alija Izetbegovic, another Muslim, was merely the president of of this collective presidency, he was never President of Bosnia and Herzegovina as he subsequently claimed.

Izetbegovic's background is interesting. A member of the "Young Muslims" movement during the Second World War, he is also the author of "Islamic Declaration", a widely circulated pamphlet packed with Muslim fundamentalist propaganda, drawing attention to the faithful that coexistence is impossible between Islamic and non-Islamic institutions. This position of Islamic intransigence and plain intolerance naturally alarmed the Serbs. Equally alarming to them was the overtly Islamic folklore during the SDA election campaign: Islamic flags, costumes, music, etc. These were not the manifestations of a culture that was merely alien to the Serbs, they conjured up images of centuries of Turkish occupation. Undoubtedly, with such a high degree of political polarisation in Bosnia and Herzegovina, it was not a promising situation. While Yugoslavia still existed, however, there remained hope.

Not for long. In June 1992 Slovenia and Croatia declared independence from Yugoslavia. A short phoney war in Slovenia was succeeded by an extended bloody conflict in Croatia. Yugoslavia was in the process of disintegration. The clouds of war, inevitably, began to gather over Bosnia-Herzegovina, too. The Muslim SDA party had already begun preparing for conflict, establishing an armed wing called "The Green Berets" as well as a similar organisation named "The Patriotic League". Some Muslims looked for ways to avoid an armed clash with the Serbs. In August, the liberal-leaning MBO Muslim party concluded with the Serbian president Slobodan Milosevic and, also with Radovan Karadzic, the leader of the SDS, the so-called "historic agreement", whereby the Muslims of Bosnia and Herzegovina would remain in a rump Yugoslavia. These negotiations had begun with Izetbegovic's blessing, but once the agreement was reached, he immediately withdrew his support. A genuine opportunity to preserve peace was thus destroyed.

It became increasingly apparent during the unfolding months what Izetbegovic and his SDA were after: an independent Bosnia and Herzegovina dominated by the Muslims. The fact that Slovenia and Croatia were at this time recognized by the European Community played its role in the calculations by the Muslims. Undoubtedly, they did not wish to live in a rump Yugoslavia run by Belgrade. But this strategic aim to attain independence began to be attractively packaged to a largely ignorant western audience as an attempt to save the "tradition of harmony and tolerance" in a "multi-ethnic", "multi-cultural" and "multi-religious" Bosnia and Herzegovina. At best a sick joke, this argument nevertheless fell on many receptive ears abroad, where a daily diet of propaganda in the media had already created a climate of unrestrained anti-Serb hysteria. The Serbs, for

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their part, had not the slightest desire to live as second-class citizens in a potentially Islamic Bosnia and Herzegovina, constitutionally separated from their ethnic brothers in Serbia and Montenegro.

The decision of the Bosnian Serb deputies to leave the joint assembly and declare a separate constitution, in January 1993, was made against this general background. The call by Izetbegovic for a referendum on independence on 1 March, provided further proof that the position of the Serbs in Bosnia and Herzegovina was seriously threatened: a Muslim-Croat alliance could always outvote the Serbs. Moreover, the decision to hold a referendum went directly against the constitutional principle of consensus among the three equal, constituent nations. The referendum was thus tantamount to a declaration of war. In the event, it was a farce as the Serbs predictably stayed away from it, while the Muslims and Croats came up with the expected majority. The Croats, of course, voted tactically. Much like the Serbs, even more perhaps, they feared a Muslim-ruled independent Bosnia and Herzegovina. Hence they had already set up their own state structure of Herzeg-Bosnia in western Herzegovina and Central Bosnia. However, voting in favour of independence ensured for them the first vital step of complete separation from the rump Yugoslavia - the next step would be to separate from Bosnia and Herzegovina itself.

The last chance for peace came later in March, in Lisbon, when on the 18th the Serbs, Muslims and Croats all accepted a European Community peace plan that would transform Bosnia and Herzegovina into three constituent units within an independent state. Izetbegovic had personally agreed to this. No sooner had he returned to Sarajevo, however, he flatly rejected the plan (known as the Cutilliero plan, because the Portuguese diplomat who had presided over the negotiations) after he had received US encouragement to persevere in his quest for independence without any concessions to the Serbs. This, in retrospect, represented a crime against peace. Peace was only possible through compromise. Izetbegovic and the Muslims chose to ignore this truth. The war broke out soon thereafter, the fate of Bosnia and Herzegovina definitely sealed by the act of formal international recognition on 7 April.

From April 1992 to November 1995 the country was at war: a classic civil war, fought along ethnic and religious divides. Like any civil war, it had its international backdrop. The Serbs received encouragement and help from Serbia and Montenegro, the Croats from Croatia, and the Muslims from the United States and the whole Islamic world. The myth that it was a "war of aggression" (i.e., the Serbs waging aggression from presumably across the border) was created by the Muslims and their fellow propagandists in the west precisely in order to cover up the fact that the fighting was a profoundly local affair.

The Republic of Bosnia and Herzegovina came into being because the Serbs, Croats and Muslims agreed to form a state in 1992. The Serbs, Croats and Muslims agreed to form a state in 1992. The Serbs, Croats and Muslims agreed to form a state in 1992.

led to their slaughter like sheep again. They demanded, and got, the protection and organisation of the state. The war itself took some time before it got organized. Thus the Serbs had no Army structure until May-June. Far from being a precisely planned "war of aggression", the first weeks and months were characterized by complete chaos. Thereafter the front lines established themselves, and changed little for most of the time. Large-scale offensives and counteroffensives took a long time to prepare. Most of the Serb actions were counteroffensive in character, initially successful, some hugely successful, but their effects were always reversed by the concerted action of an "international community" rooting for the Muslims. The major offensives by the Muslims, such as that at Bihac in 1994 or around Sarajevo in 1995, were invariably smashed. The Muslim military, despite considerable international aid, did not achieve a single important victory against the Serbs throughout the war.

The international community, having made monumental blunders in extending early recognition to Slovenia, Croatia, and Bosnia and Herzegovina, made repeated efforts to stop the conflict. One peace plan succeeded another: the Vance-Owen Plan; the Owen-Stoltenberg Plan; the Contact Group Plan. The Serbs, having already accepted the Cutilliero Plan, rejected the Vance-Owen Plan, accepted the Owen-Stoltenberg Plan, and vacillated over the Contact Group Plan, which was interpreted as a rejection. All these peace plans, however, had one feature in common, namely the acceptance of the obvious political reality that any peace project for Bosnia and Herzegovina would have to combine ethnic territorial separation within a new and fair constitutional deal. The Contact Group Plan went even further, in a sense, concentrating on territorial division at the expense of constitutional arrangements, thus recognizing the reality that people were dying in order not to live together in artificial constructions. There was a need, also, for a separate peace plan for the Muslims and the Croats, since a nasty war had erupted in Central Bosnia and around the city of Mostar between these erstwhile allies. In March 1994 the Washington Agreements established an uneasy Muslim-Croat peace in the shape of a "Federation" covering the Muslim-Croat territories - a constitutional device that to this day remains a dead letter.

Global peace had to wait until November 1995. Then, all the regional protagonists assembled at Dayton, Ohio, for several weeks of intensive negotiations. Preceding this gathering was a period when NATO air forces engaged in a sustained campaign of bombing targets in the Republic of Srpska, crippling its communications infrastructure and enabling its enemies to make advances, especially in the western region where regular troops of the Republic of Croatia led the way in ethnic cleansing of age-old Serb territories.

The result of the Ohio negotiations was the "General Framework Agreement", initialed at Dayton, Ohio, on 21 November 1995. It was signed in Paris on 14 December 1995 and the Dayton Accords were published in the Federal Official Gazette of Bosnia and Herzegovina on 14 December 1995.

"Federation", with 49% and 51% territory respectively. The two countries are called "entities" and the line separating them the "inter-entity boundary line". The Dayton constitution envisages the creation of joint bodies for the whole of Bosnia and Herzegovina (no longer the "Republic of Bosnia and Herzegovina", just "Bosnia and Herzegovina"): a Parliamentary Assembly, a Presidency, and a Council of Ministers. The business of these joint bodies relates mainly to foreign affairs. In every other respect, the two entities are de facto sovereign states: each has its own constitution, assembly, government, presidency, judiciary, police, army, and so on. The question of the joint currency was fudged. Dayton thus divided Bosnia whilst, on paper, it kept open the possibility of its reintegration. It is the supreme achievement of US constitutional lawyers: you can interpret it any way you like. If Dayton is cynical, it is at the same time a fair recognition of the political realities on the ground.

The Republic of Srpska is fully committed to the Dayton Peace Agreement. The Serbs went to war in the hope that they would be able to stay together with their fellow Serbs in Serbia and Montenegro in one state. This has not proved possible for the time being. Dayton, however, guarantees them a sufficiently high degree of statehood to feel secure in a traditionally hostile environment. Throughout the war, and in its aftermath, the Serbs in the Republic of Srpska have felt a deep sense of grievance at having been painted the villains of the peace in the international media. They have an excellent cause, recognized at last by world diplomacy if not by the world media. Their leaders, their government, are in favour of everything that is now accepted as the only way forward: democracy in the political field, and the mechanisms of the free market in the economic field. The Serbs are an industrious, entrepreneurial people. They are also a deeply democratic society. They can, as they have done in the past, make a contribution to European civilisation.

GOVERNMENT

The Constitution protects political pluralism, human rights and private property in the Republic. The Constitution provides Parliamentary form of government with a unicameral legislative assembly by which the executive, legislative and judicial powers are exercised by separate and independent bodies.

The Republic is represented, home and abroad, by the President of the Republic and the two vice-presidents. The President is the supreme commander of the armed forces and nominates the Prime Minister to the National Assembly. He is also authorized to raise any questions of national importance in the Assembly and to proclaim laws and regulations adopted by the Assembly. The President of the Republic is elected for a 5-year term in direct elections.

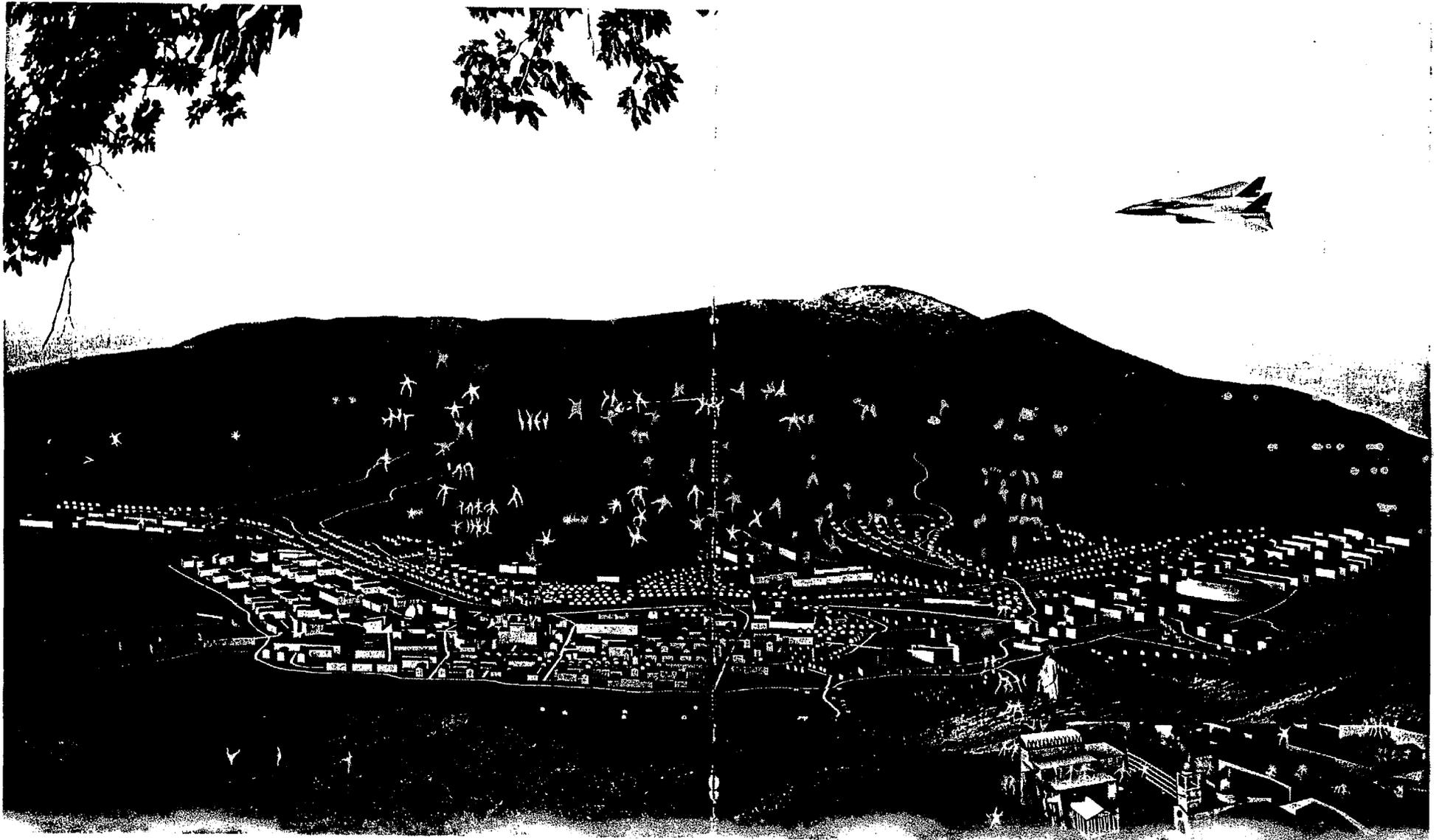
The executive branch consists of the Prime Minister and the Cabinet, appointed by the National Assembly out of the majority party or a coalition in the Assembly. There are 16 Ministries: Agriculture, Forestry and Waterworks, Commerce and Tourism, Civil Construction and Urban Planning, Defense, Energy and Industry, Education, Culture and Science, Finance, Foreign Affairs, Health, Welfare and Labour, Information, Interior, Justice, Religion, Transport and Telecommunication and War Veteran Protection.

The legislative branch is comprised of the House of Representatives (82 members), whose members are elected for a four-year term under the voting system of simple pro-



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portional representation. There is a multiparty system with a Serbian Democratic Party (center), Serbian Renewal Movement (right), Reformist Alliance (left) and the Party of Democratic Changes (left) represented at the moment in the Assembly. Recently several other political parties were established such as Radical Party (right) and Socialist Party (left). There are 28 political parties in the register of 1996.

The administration of justice is entrusted to a separate and independent judiciary consisting of the Basic and District Courts, Supreme Court and the Constitutional Court. The Constitutional court adjudicates exclusively on all constitutional law matters and recourse for the annulment of administrative acts. The Supreme court is the highest appeal court in the Republic.



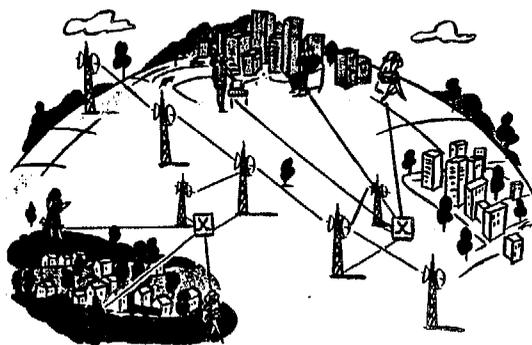
POPULATION AND LANGUAGE

The population of the Republic of Srpska is estimated to be in the region of 1.391.000 of which approximately 95% are of Serb ethnic origin and the remaining 5% are mainly Croats and Muslims. The population density is 55,5 persons per square kilometer. The official language is Serb, but the population is familiar with the German language due to the great number of people working in Germany, and with English which is the main foreign language taught in schools. Some 50.000 residents of the Republic work abroad, mainly in EU countries (Germany, France, Austria, Sweden).

TRANSPORT AND TELECOMMUNICATIONS

The Republic of Srpska is well connected with the major European routes running through Serbia to the Middle East and to the Mediterranean basin. The network of railroads and roads is good but it is important to upgrade it and maximize the communication potential of the Republic. When completed the network will secure cheap and efficient transport to the main routes as well as to the main sea-port of Bar in Montenegro.

The telecommunication system is integrated in the system of the Federal Republic of Yugoslavia. More than 100 countries in the world can be reached by direct dialing system. The development plan includes refurbishing of the network as well as the promotion of Mobtel and other wireless services.



CURRENCY

The currency of Srpska is Yugoslav dinar (1 Din=100 para). The exchange rate is 3.3YUD=1DM. Republic of Srpska decided to enter into monetary union with FR Yugoslavia and this process has been under way for more than 24 months. Yugoslav dinar has been stabilized under the Program of the Governor of the Yugoslav Central Bank, Mr. Avramović, and the government of the Republic is respecting it strictly in order to preserve the value of the currency. There is no plan at the moment to create the currency of the Republic itself.

WORLD TRADE ORIENTATION

The main foreign trade partners of the Republic (as per 1989. statistics) are EC countries, among them Germany as the main partner, Italy as the second, and ex-USSR where more than 40% of foreign trade was directed. It may be said that the economy of the Republic was capable of competing within the European markets and that it proved its supremacy within the COMECON countries market.

ECONOMY

The conditions in which the economy of the Republic of Srpska finds itself in are unfavorable in the extreme. Long-term weakening of economic performances has led to stagnation and recession of the economy which, in civil war conditions, has become depressed, this accompanied by enormous material and population losses (the deceased, the wounded and those displaced by warfare). The disintegration of the unified former SFRY economic zone was detrimental to economic activity, narrowed the markets and devastated normal production in the mutually dependent markets of the former Yugoslav republics. An additional problem that negatively influenced economic activity under civil war conditions was the imposition of the sanctions by the international community and the blockade which encompassed the former Yugoslavia as well. To this

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should be added the Yugoslav blockade of the Republic of Srpska, lasting for more than a year.

In 1990, GDP was \$3.06 bn and per capita income was \$1,801. Today, GDP has fallen to \$700m and per capita income is only \$500.

The economy structure includes all the sectors, but the relative importance of each is different. The dominant sectors are as follows:

Power generation (incl. coal mining)

Crude oil processing

Forestry and wood processing

Agriculture and food processing industry

Electrical equipment industry

Metal working and machinebuilding

Pulp and paper

Iron ore

Non-ferrous metals ores and products

Textiles and footwear industry

Armament and ordnance production

AGRICULTURE

Agriculture is an important sector of Srpska economy. It is capable of meeting basic needs in food for the population of the Republic in respect of the main agricultural products. Due to the geographical configuration of its soil the agricultural soil may be categorized in several regions: mountains, hills, plains, Mediterranean hills and plains. Out of a total 1,25 million hectares of agricultural land, 595,000 hectares belong to arable land, 54,000 hectares to orchards, 988 hectares to vineyards, and the remainder to meadows. Some 90% of land is privately owned.

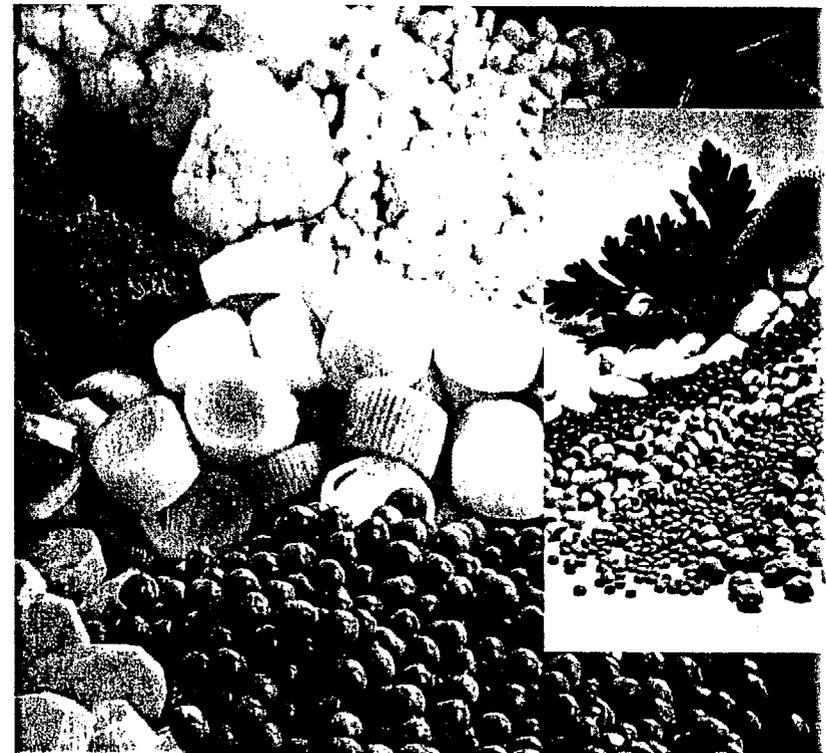
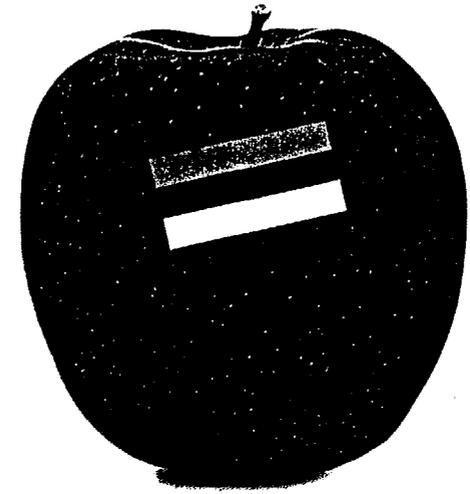


THE BASIC AGRICULTURAL CULTURES
GROWN IN THE REPUBLIC ARE:

- wheat*
- maize*
- various corn (rye, oats and barley)*
- potato*
- sugar beet*
- sunflower*
- tobacco*
- various vegetables (tomato, pepper, cabbage, carrot,
green peas, beans, onions, garlic, etc.)*
- grass mixtures, maize for fodder, leguminous plants*

In the autumn of 1994 and the spring of 1995 some 330.000 hectares were prepared for the said products, and the total output was some 1.300.000 tons of different products.

The fruit and grapes production is very well developed in some regions of the Republic. The fruits grown in the Republic are apple, plum, pear, apricot, raspberry and strawberry. Vineyards are located in Herzegovina region where the Mediterranean climate enables growing of specific grape varieties.



170 Cattle breeding is relatively well developed in the Republic and it provided following quantities of fresh meat in 1994:

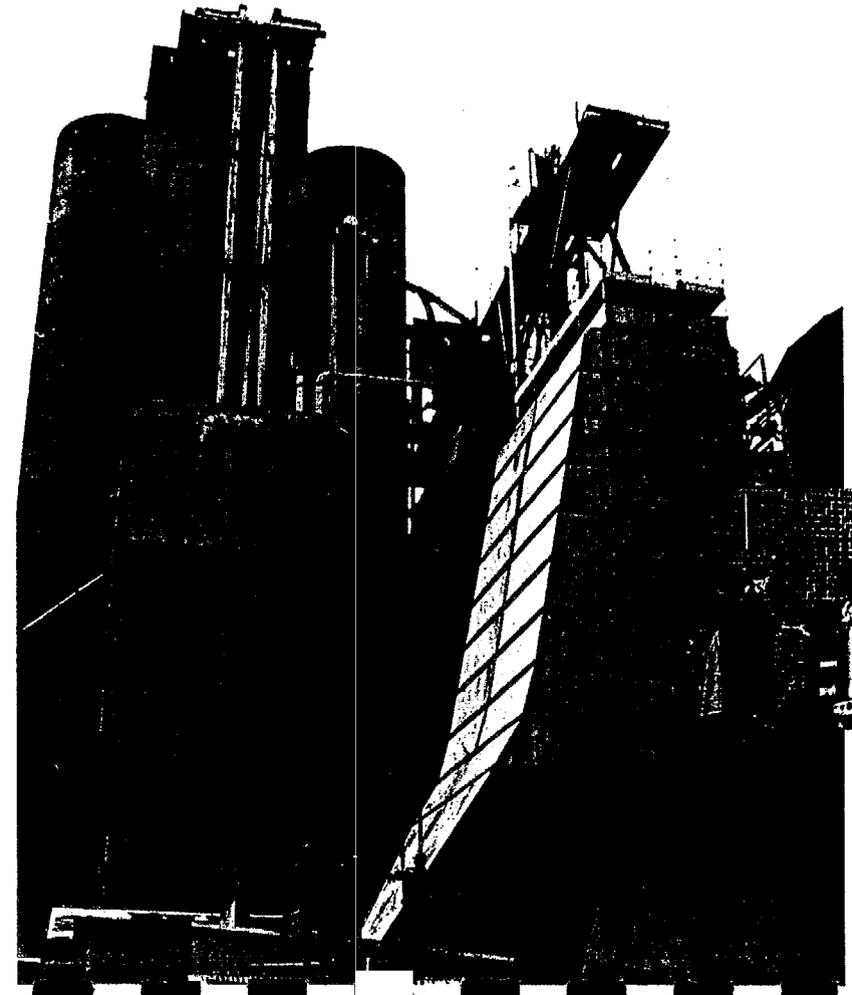
<i>beef</i>	<i>23.000 tons</i>
<i>lamb and mutton</i>	<i>6.300 tons</i>
<i>pork</i>	<i>22.000 tons</i>
<i>poultry</i>	<i>9.000 tons</i>

The production of milk at present is in the range of 370.000.000 liters per year in 2 major dairy facilities.



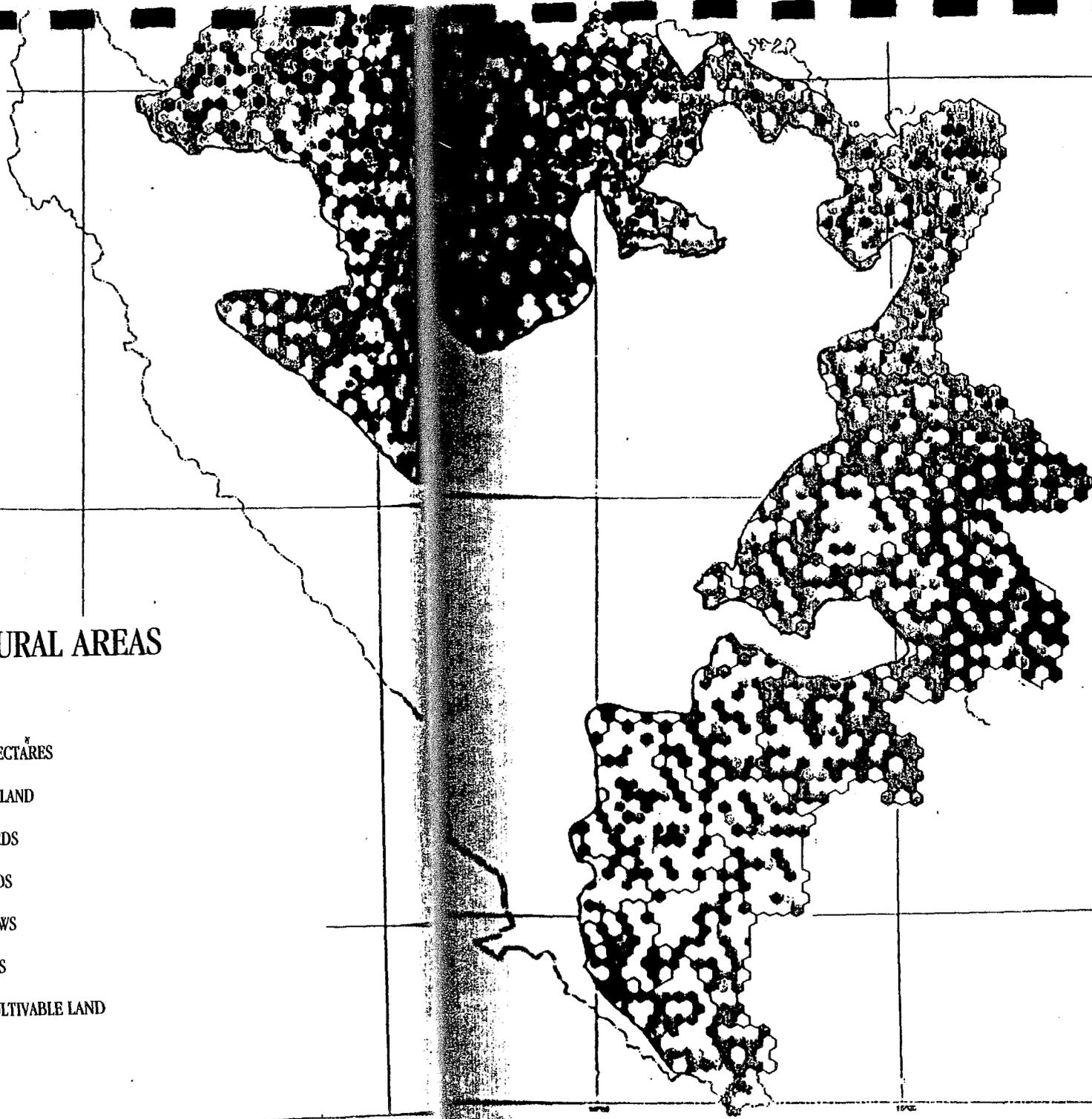
Fish-farming is well developed in the northern part of the Republic covering an area of 3,544 hectares, including the production of trout. Drina and Trebišnjica rivers represent a future location for high-quality fish-farming.

It is planned to improve the quality of arable land by irrigation projects. Semberija region has already carried out the first stage in providing watering system for a large area of arable land. Another irrigation project in Herzegovina "Gornji Horizonti" should provide watering for land to grow Mediterranean cultures. In the north-western part of the country there is a plan to plant new vineyards because the climate and altitude enable a production of popular European grape varieties. Further development of farming by education, providing incentives and a good cooperative network should double the performance of the agricultural sector.



AGRICULTURAL AREAS

- 1,000 HECTARES
- ARABLE LAND
- ORCHARDS
- VINYARDS
- MEADOWS
- FORESTS
- NON-CULTIVABLE LAND



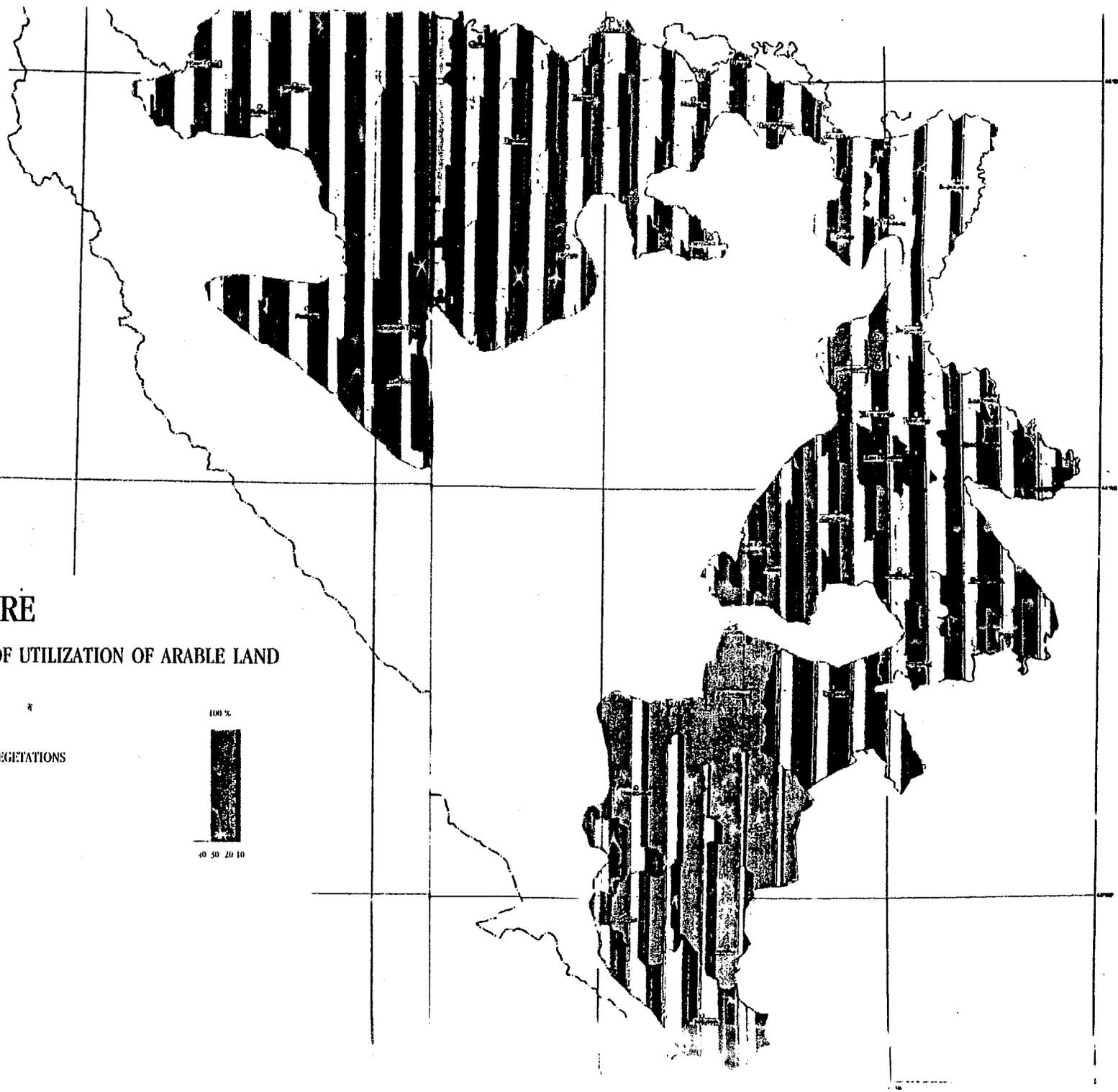
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AGRICULTURE

THE STRUCTURE OF UTILIZATION OF ARABLE LAND

-  CORNS
-  INDUSTRIAL VEGETATIONS
-  VEGETABLES
-  FODDER
-  OTHER



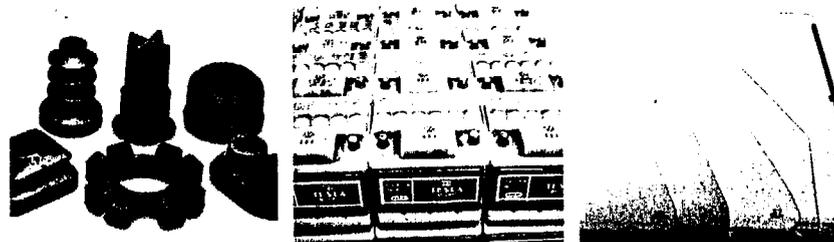
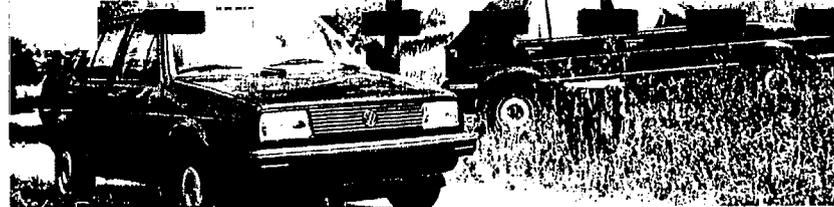
The Republic of Srpska industry structure contains all of the major industrial sectors. Most of the production plants were developed within large state-owned corporations that were controlling up to a 80% of the industry in the Republic. Although the management was not developed up to high standards, and the overall performance of the industry was modest in results, a large number of companies had developed its export orientation towards free market economies and gained a good position in some European countries, as well as in the markets of ex-USSR. The level of applied technology is higher compared to the ex-Yugoslav Republics of Slovenia and Croatia, and the plant and machinery are relatively new.

AUTOMOTIVE INDUSTRY

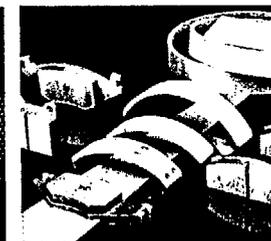
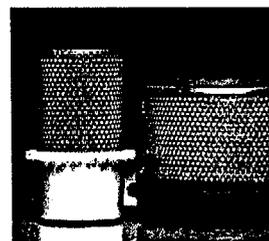
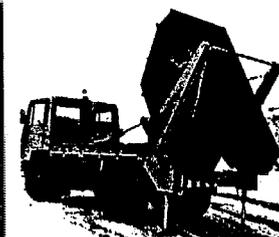
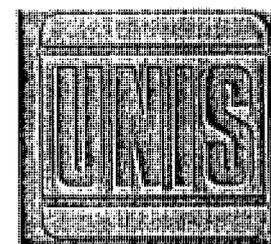
The sector of automotive industry is extensively developed due to well developed co-production and joint venture type relationships with the world leading manufacturers.

Complete range of truck diesel engines is produced in the Republic including the production of all the key engine components. The company "FAMOS" is capable of producing up to a maximum of 10.000 diesel engines per year within the range from 130 HP to 400 HP, as well as engines for heavy duty purposes up to a 1.200 HP. The production of key components includes: crank cases, cylinders, cylinder heads, pistons, crankshafts, camshafts. The engines are produced for trucks and buses as well as for marine purposes. The technology acquired is that of "Daimler-Benz" Germany, and the engines are both own construction or licensees. Full range of gear boxes is produced in the company under the license of world leader "ZF" (10.000 items per year). The company also produces complete transmission for heavy duty equipment. Together with truck and bus producers from the Federal Republic of Yugoslavia, FAMOS is capable not only to accommodate domestic market, but to export high class products in the world market. The exports record in the past shows that the quality of the products is at the European level.

Within the scope of pre-war co-production and joint venture agreement between company "UNIS" and Volkswagen Germany, the production of components for passenger cars was established in different parts of the Republic. The production included: wheels (incl. alu-



minum alloy), screws, ball bearings, wiring, seats, windshields and glass, rear axes, different plastic parts, pumps and filters, car batteries, flexible shafts, car electronics, etc. This production also served other car producers like "Zastava" in the Federal Republic of Yugoslavia. The output of the most of the plants was designed to provide up to a million parts per year in order to be competitive. Although the local production of VW has been stopped due to war activities, most of the facilities did not suffer damages. The production may commence soon after the peace is established and it may be aimed at any world car producer. The maximum export revenue reached before the war was in the range of 0,5 billion DM.



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The product line of "ENERGOINVEST" one of the world leading manufacturers and engineering companies within this scope of production, covers the entire range of electrical equipment. The product line consists of:

transformers and metering transformers

high-voltage pylons

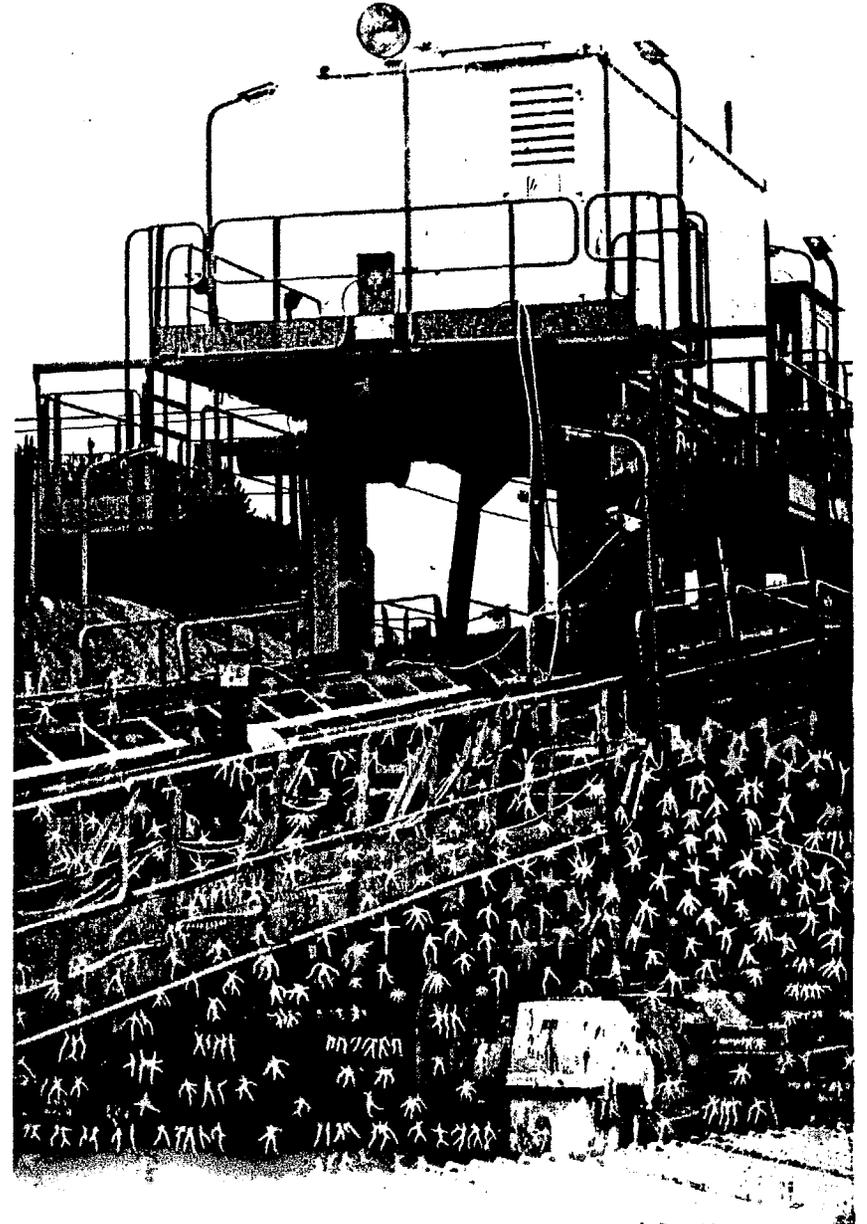
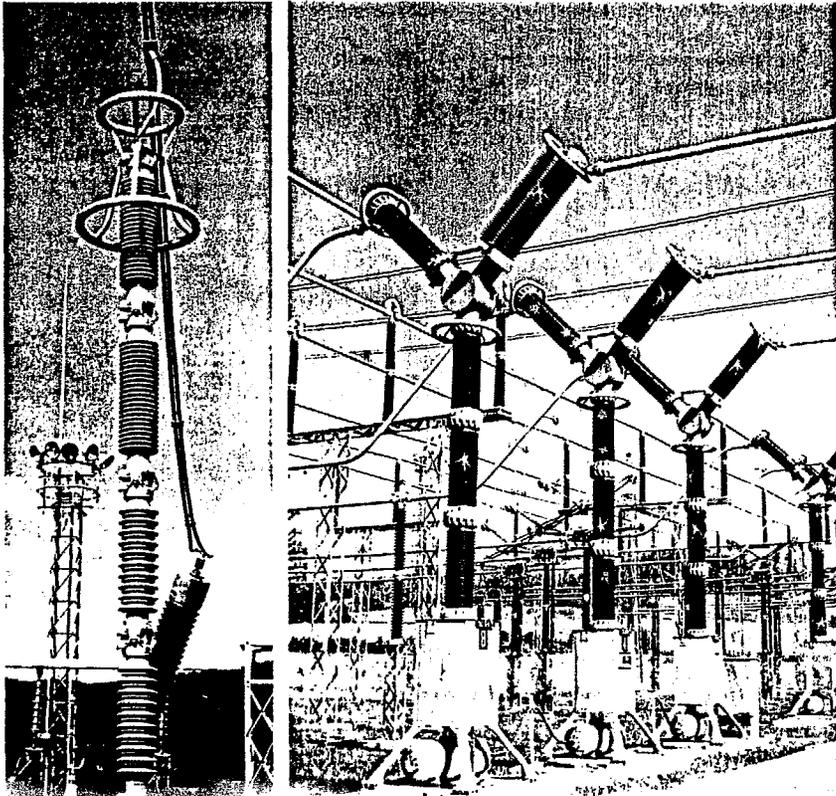
complete electrical plants

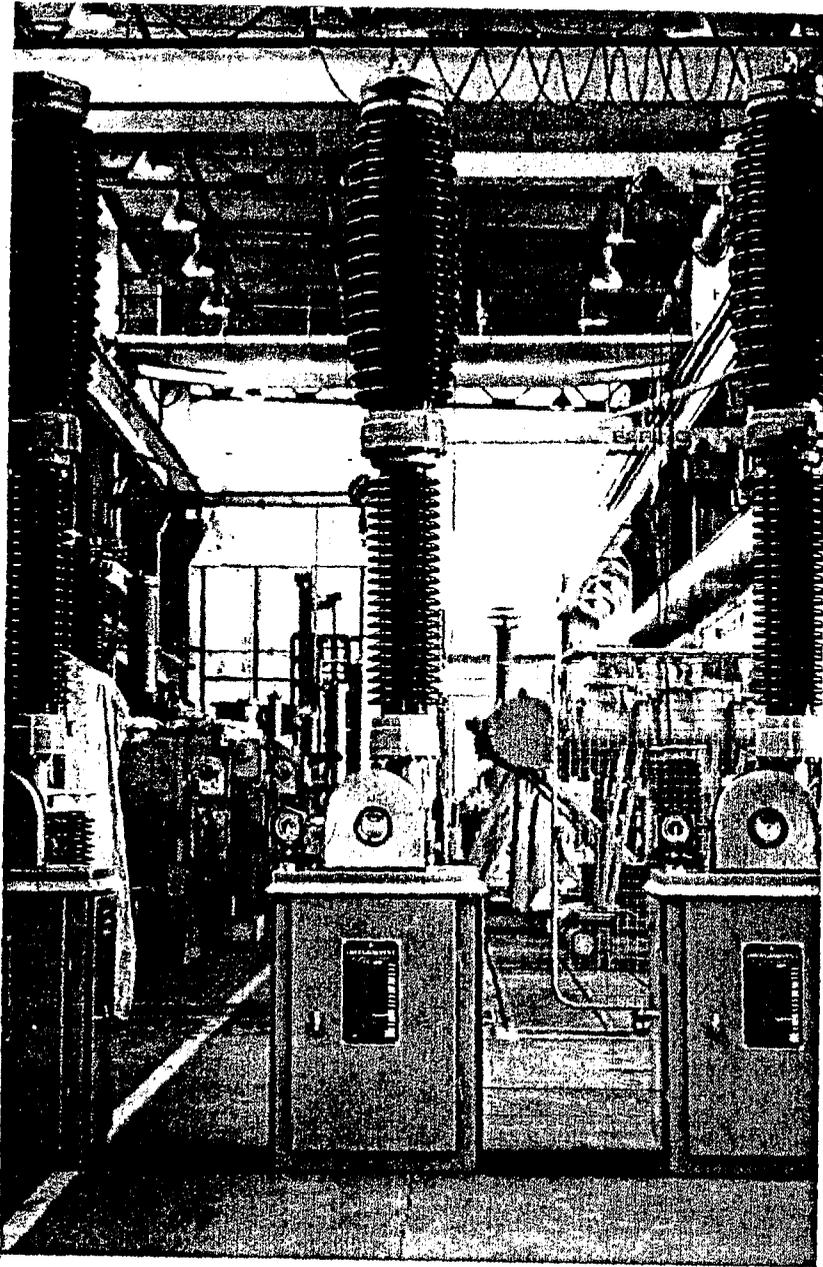
high voltage switches, fuses, insulators, circuit breakers

industrial automation elements

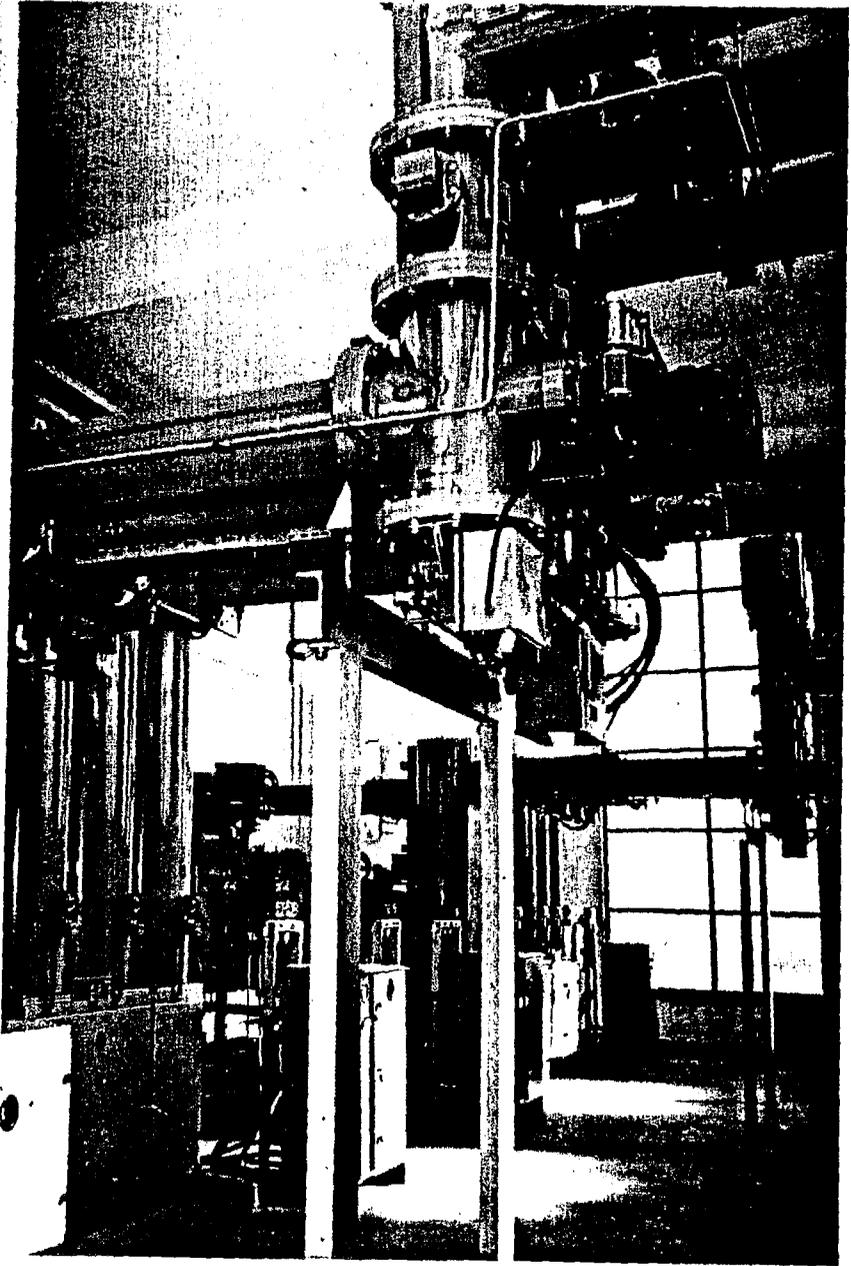
design and construction of the complete high voltage transmission lines

The plants are located in Sarajevo, Doboj, Bileća, Zvornik etc.





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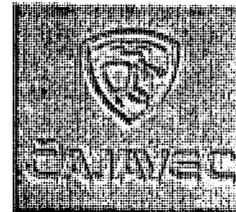
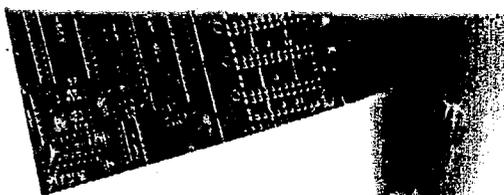
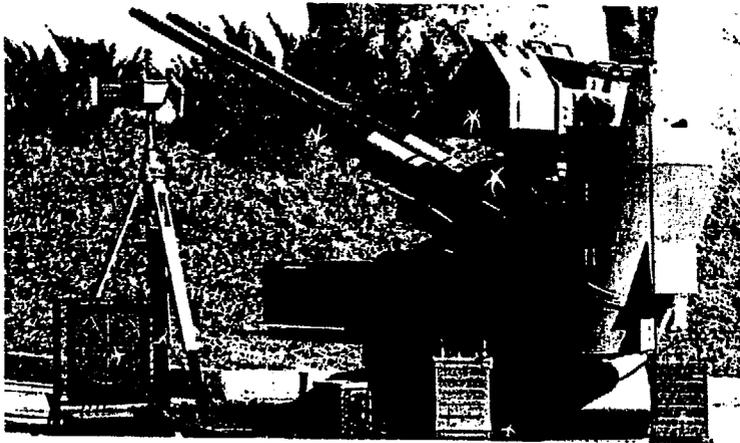


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The main producer engaged in electronics is the company "Rudi Čajavec" Banja Luka. Its product line consist of:

- TV sets (cabinet and portable)*
- parts for TV sets*
- car aerials*
- micro motors*
- car alternators and starters*
- VHF transceivers*
- electrical metering appliances*
- loudspeakers*
- hi-fi amplifiers and sound-systems*
- machinery for graphic industry*
- special purpose electronics*



In Zvornik there operates Alumina (Al_2O_3) plant processing bauxite for further production of aluminum, refractory materials, abrasive materials, ceramics, electro-insulation materials. Its annual capacity is 600.000 tons of alumina. The other products within its scope of activity are:

Hydrate $Al_2(OH)_3$ - 50.000 tons per year

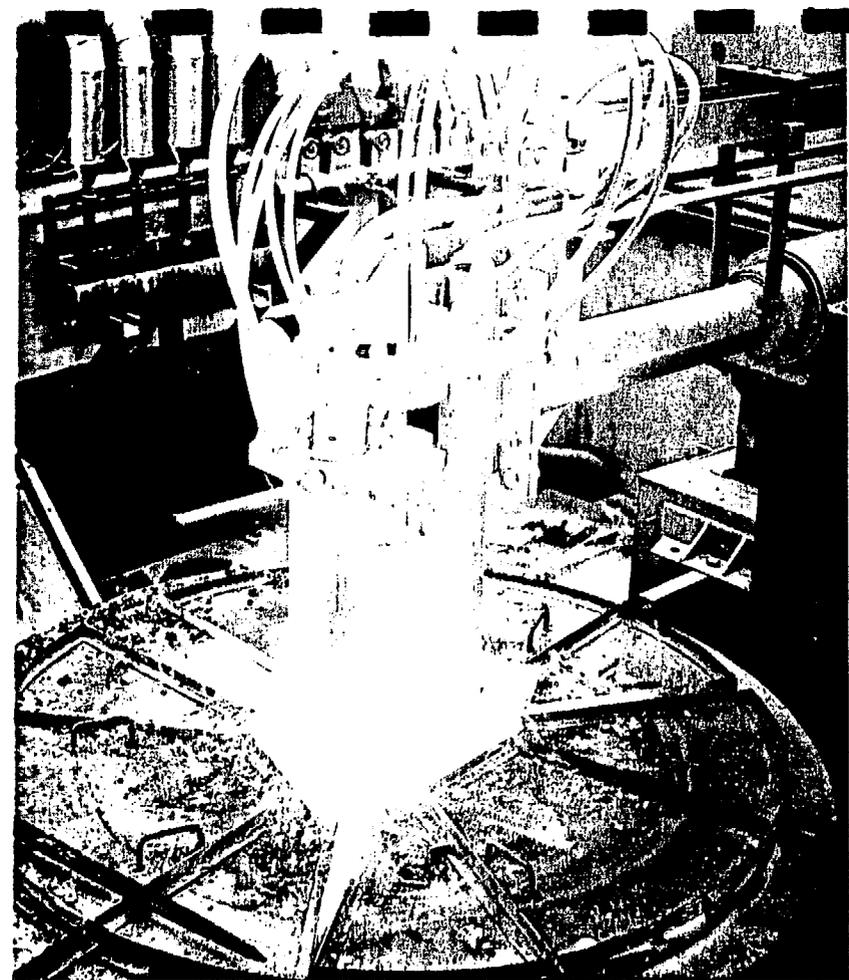
Zeolite, powder and suspension - 60.000 tons per year

Granulated zeolite - 1.000 tons per year

Water glass - 120.000 tons per year

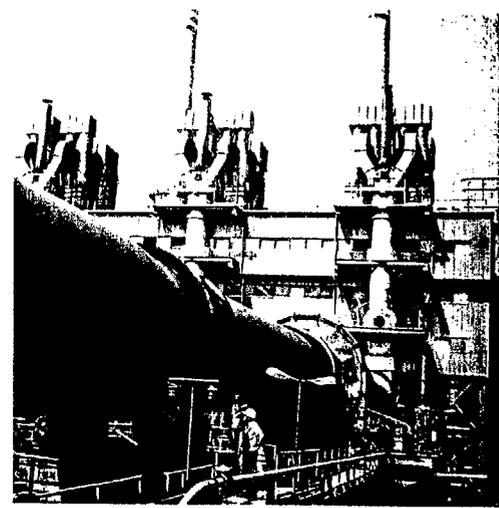
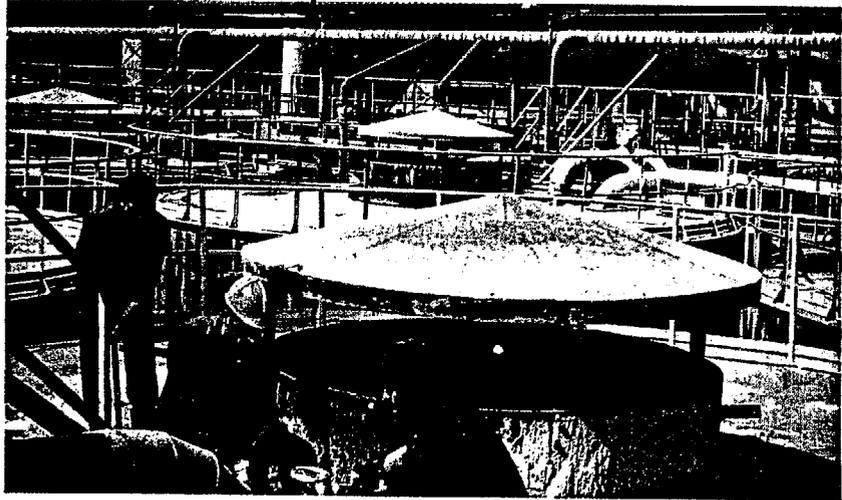
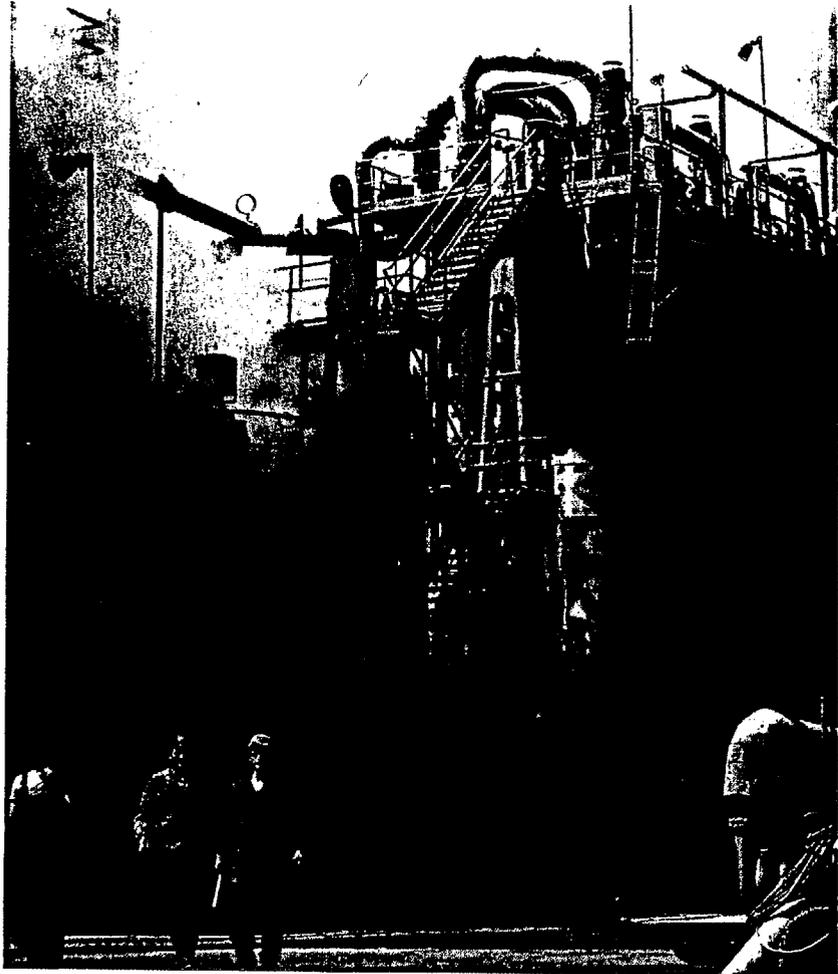
Ceramic fibers - 1.500 tons per year

The plant needs to be improved due to lack of maintenance during the war. Compared to its output these investments represent only a small fraction of the revenue.



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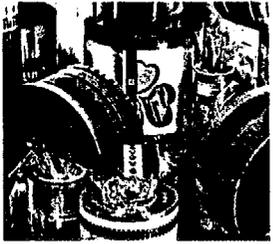
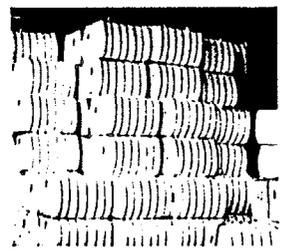
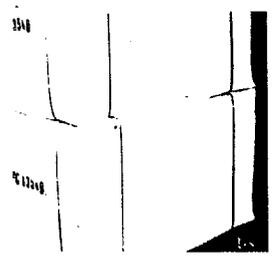
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The pulp and paper industry is well developed in the north-western part of the Republic. The company "INCEL" in Banja Luka is the main producer of pulp and paper as well as paper products. Its annual operation is as follows:

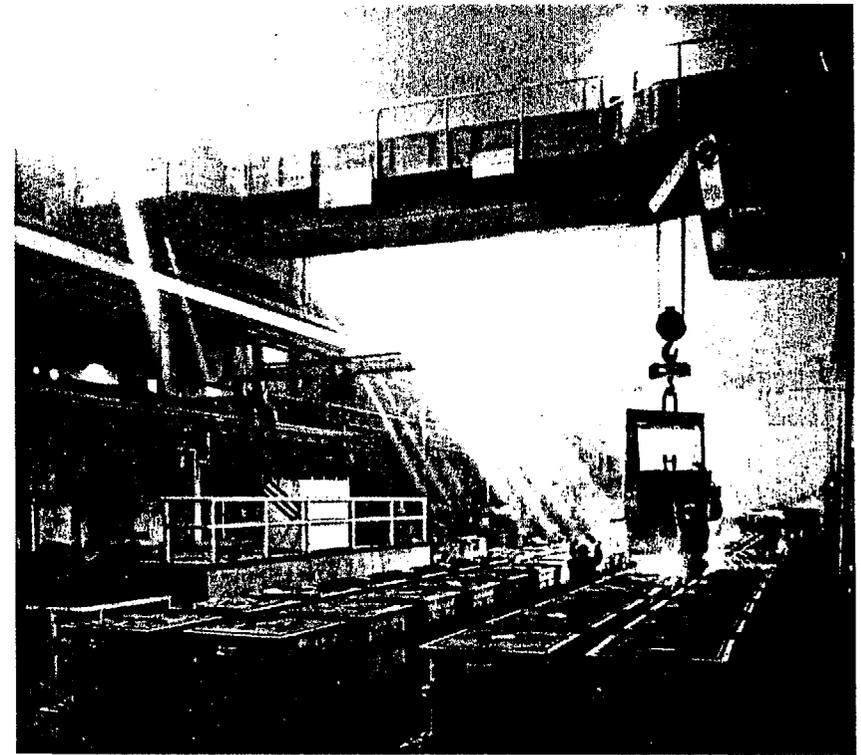
- 77.000 tons of white pulp*
- 24.000 tons of pulp fibers*
- 33.000 tons of tissue paper*
- 25.000 tons of paper confectionery*
- 3.000 tons of cellophane*
- 5.000 tons of polyester fillings*

Pulp and paper plant operates in Prijedor as well.



The machine building sector of industry is extensively developed in the Republic. All the big corporations developed a line of products mostly for their own purposes (special machinery) and some producers emerged to produce universal machinery.

Plants for production of process equipment were developed within "ENERGOINVEST" company in Serb Sarajevo. This includes the tailor made equipment in conformity with the highest standards (TUV, Lloyd) made of steel, stainless steel or aluminum. "UNIS"



developed the production of packing machinery and special vertical presses. All of the companies engaged in mining developed maintenance plants capable of producing spare parts for heavy duty equipment.

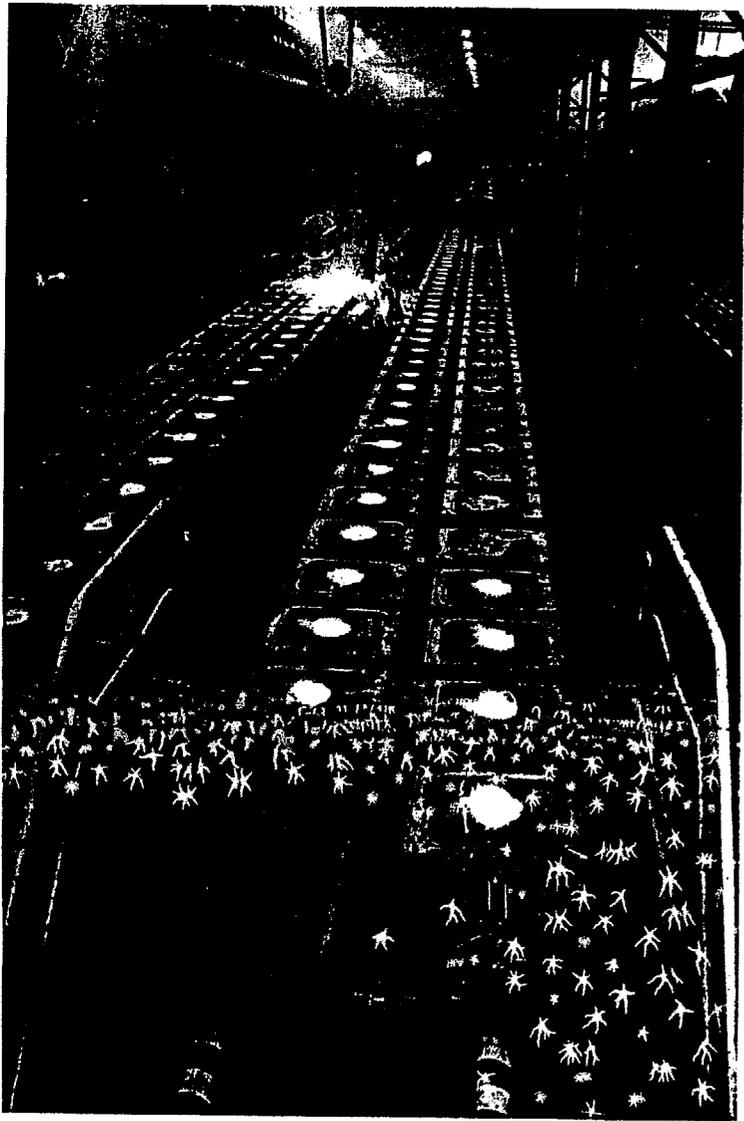
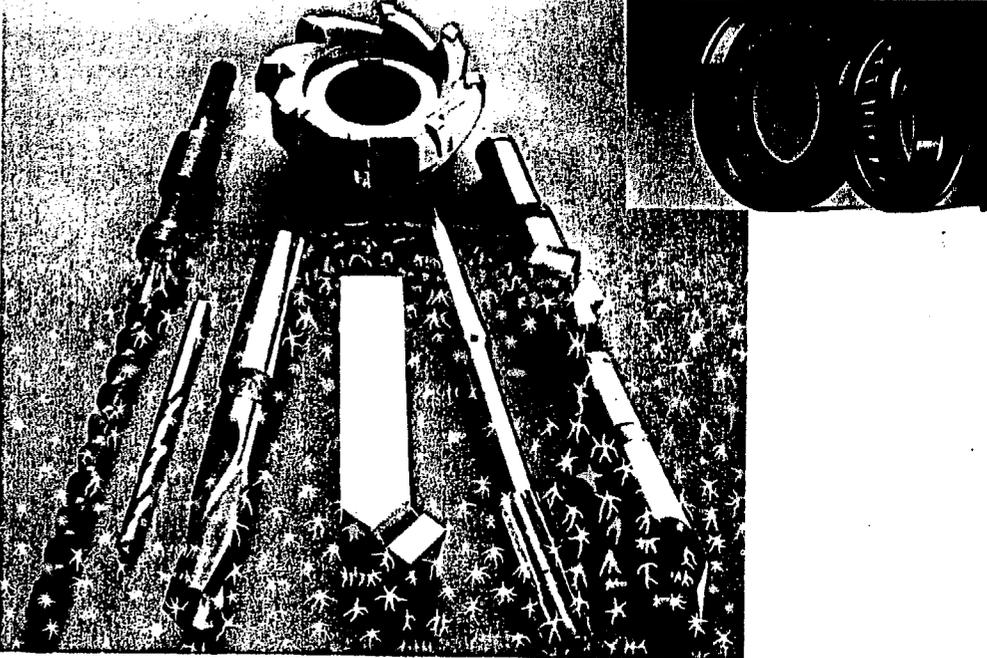
The largest machinery manufacturer in the Republic is company "Jelšingrad" of Banja Luka producing steel strip scissors, hydraulic and mechanical presses, followed by com-



pany "Univerzal" producing machinery and equipment for civil construction. The steel foundry shop operates within "Jelšingrad" with annual output of 14.000 tons of processed steel.

The company "INDUSTRIJA ALATA" from Trebinje is the biggest producer of tools and dyes in ex-Yugoslavia. Its annual output was 64 million pieces of tools and dyes, and out of it some 70% was exported.

Production of roller and ball bearings has a 25-year tradition. The annual output of "UNIS"-operated plants is up to a 4 million different bearings within two plants operating in Sokolac and Serb Sarajevo. This production is organized together with Swedish SKF, a 23% shareholder in both plants.

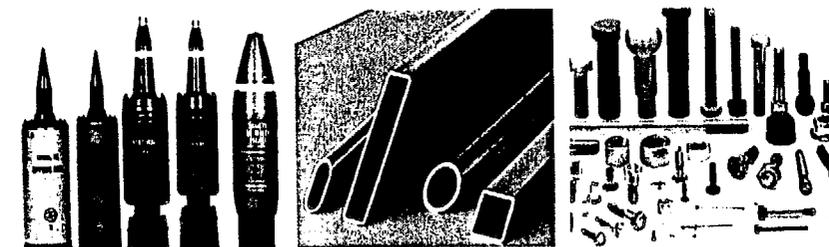


There are several important plants for metal processing in the Republic all equipped with up-to-date technology. In Banja Luka a cold rolled strip mill produced steel strips 0,30mm-4mm thick and up to 650 mm wide. In Kopači (Drina region) there is a drawn steel wire mill, further utilized in Višegrad in wire ropes mill and in Srbinja where a springs for furniture are produced. Precise cold-drawn pipes mill operates in Derвента. The whole group of companies is within "UNIS" corporation.

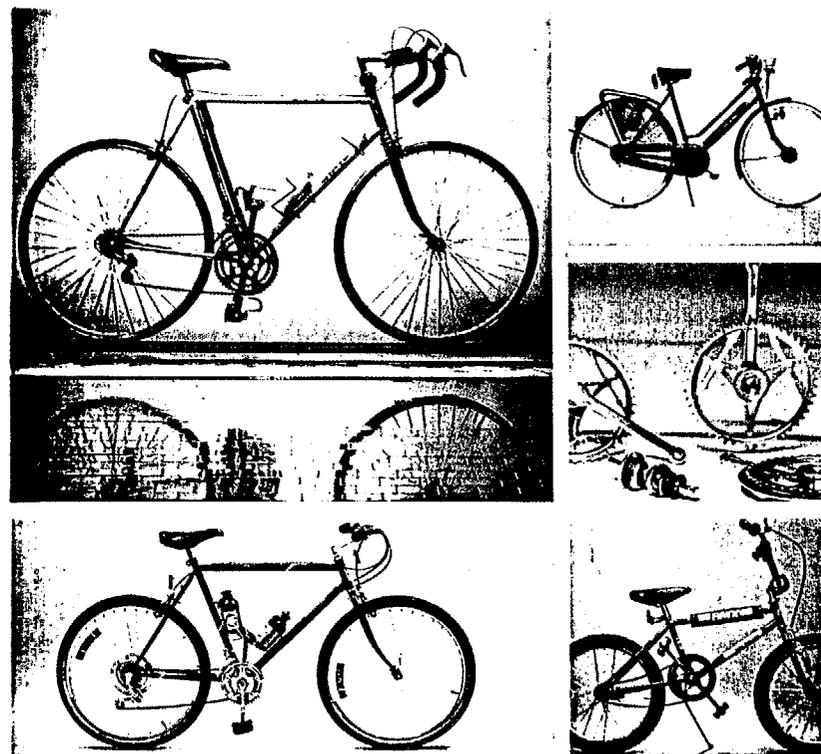
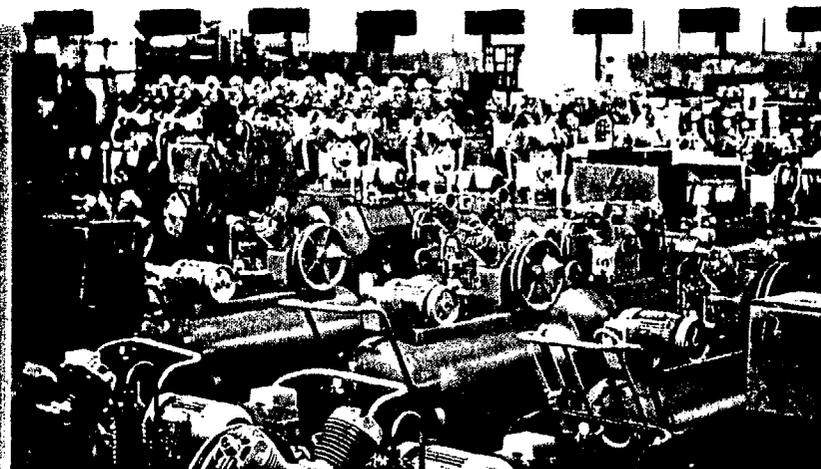


There is a large number of plants of small to middle scale where a number of different metal parts are produced by forging, cutting, welding or other related technologies. Many of them are capable of producing custom designed-products for any purchaser in Europe. Over the last decade a number of small companies was established for aluminum processing.

A number of companies produces consumer goods like bicycles, chains, agricultural equipment, sanitary and household equipment, etc.



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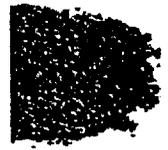
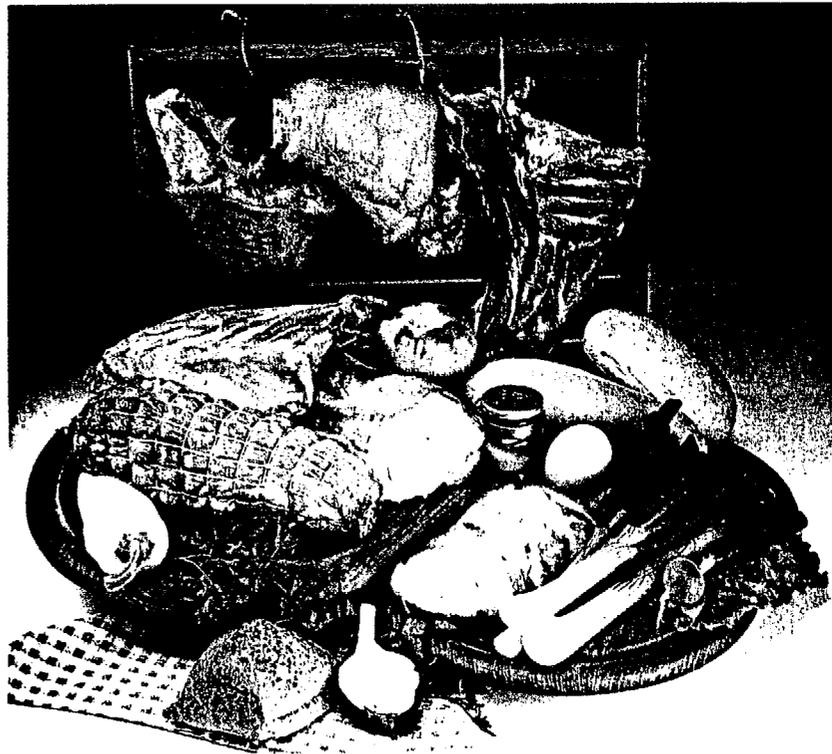
This sector of industry is widespread in the Republic. Some 50 textile companies (middle to large scale) and 5 major footwear producers are capable of producing almost any product within this sector. This export-oriented sector of industry (60% of the production was exported) contributed to the foreign currency balance of the Republic a major portion of hard currency (20%). Traditionally exposed to the impact of the world market, this sector is highly competitive in both pricing and quality of the products.

The big textile companies in the North-Western part of the country like "Sana" from Novi Grad and "ITRIS" from Srbac, have organized a full range production of textile including spinning, weaving and processing of the cotton (mercerizing, bleaching and dyeing). In the same region there is a big producer of silk cloth, as well as cloths made of polyester, cellulose, viscose and other artificial fibers "Svila" from Čelinac. The product line of this sector of industry starts with male, female and children's underwear, shirts, sportswear, trousers, suits, full range of knitwear and lace and lingerie, stockings to bed sheeting, blankets, thick drill fabrics, furniture cloth and carpets. All the major companies are capable of producing textiles according to the purchaser's specification thus being flexible to reach a high competitive edge.

The major footwear and other leather products companies are capable of producing all kinds of male, female and children's footwear. All of them cooperated with the leading European footwear companies and supplied them with high quality products. "Bosna" from Banja Luka, "Sloga" Prnjavor, "Demos" Derventa, "Izbor" Brčko and "Zenit" from Bijeljina are the names that mean quality not only in the market of ex-Yugoslavia, but throughout Europe.



Food processing industry is strong in Banja Luka, Brčko, Bijeljina, Prijedor, Doboj and Trebinje. All the major industrial processes are represented: meat processing, canned fruits and vegetables, jam and marmalade, sweets, cakes and biscuits, pasta, beer, strong liquors (plum brandy and pear brandy).



SBI

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ELECTRICITY

Production of electricity is one of the strategic sectors in Republic's economy. The installed production capacity of the power plants is 1.550 MW. Hydropower plants provide the cheapest and environment friendly energy, hence more than a half of production is located there. The following hydropower plants operate in the Republic:

- HPP "Trebinje 1" - 168 MW*
- HPP "Trebinje 2" - 7 MW*
- HPP "Dubrovnik" - 216 MW*
- HPP "Bočac" - 110 MW*
- HPP "Višegrad" - 315 MW*

It is worth mentioning that the HPP "Dubrovnik" located in the Republic of Croatia (216 MW) is providing 78% of the produced energy for the system of the Republic of Srpska, based on the equity share of the Republic. Additionally two small distribution PP "Bogatić" and "Tišća" provide another 6 MW of electricity. Future development of the exploitation of hydraulic energy leads in two directions. One being the construction of the "big" power plant "Buk Bijela" (450 MW) and HPP "DABAR" (160 MW) for which the preparatory works were carried out, and the other construction of so-called "mini" PP with installed production capacity of 3-6 MW each.

The potential for new construction is as follows:

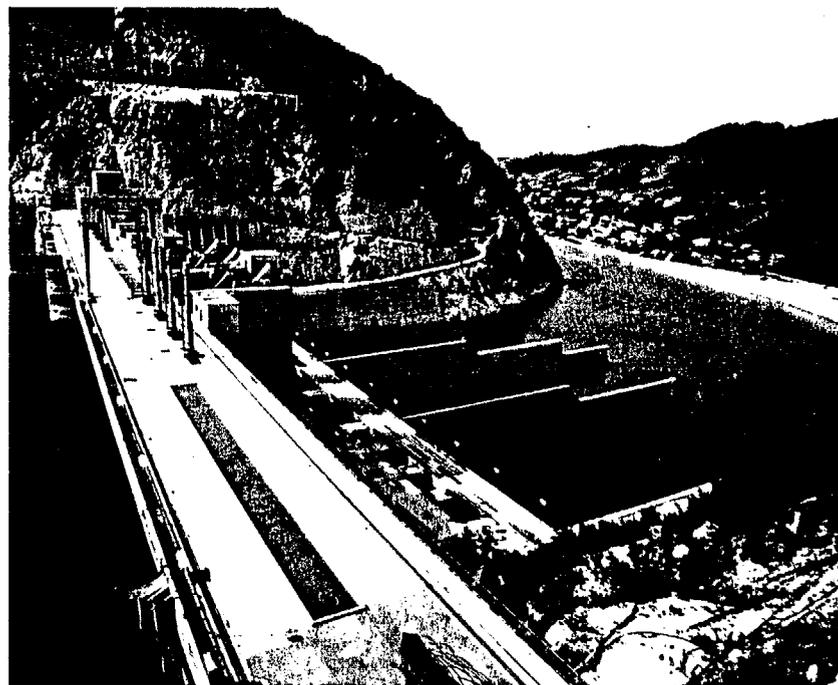
- River Drina 1,173 MW*
- River Vrbas 343 MW*
- River Bosna 51 MW*
- River Trebišnjica 558 MW*
- Small HPP 222 MW*
- Total 2,347 MW*

Coal-fired power plants utilize coal deposits in Gacko and Bijeljina and their installed capacity is as follows:

- CFPP "Gacko" - 300 MW*
- CFPP "Ugljevik" - 300 MW*

Banj Luka with installed capacity of (), total of 142 of power generation. Future development of coal fired power plants is based on coal deposits in Gacko and Bijeljina. CFPP "Ugljevik 2" is under construction, and it is planned to construct additional CFPP at the same location, each of them providing 300 MW of electricity. In Gacko it is planned to build two additional units at 300 MW each.

Production of energy fully covers the needs of the Republic's economy and the excess energy may be exported to other countries through the high-voltage distribution network. Due to the fact that ex-Yugoslavia had designed a single distribution network system that is practically out of order due to secession and war, it may be said that the rehabilitation and construction of high-voltage transmission lines would be a primary task in the post-war period.



VIŠEGRAD



TREBINJE

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ENERGY

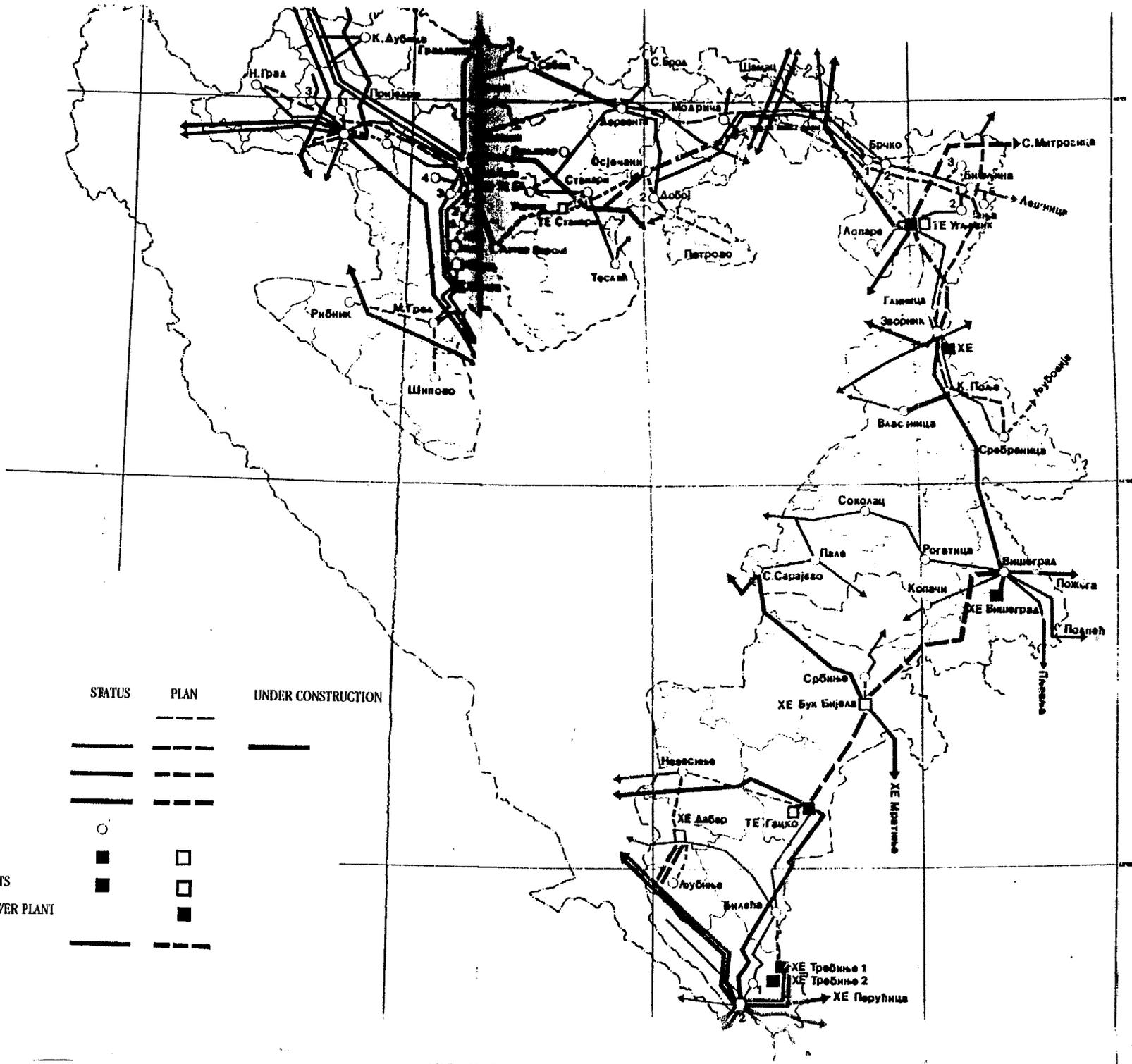
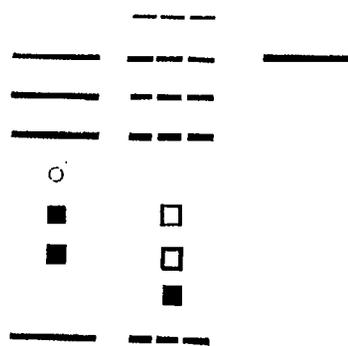
TRANSMISSION LINES

- 35
- 110
- 220
- 400

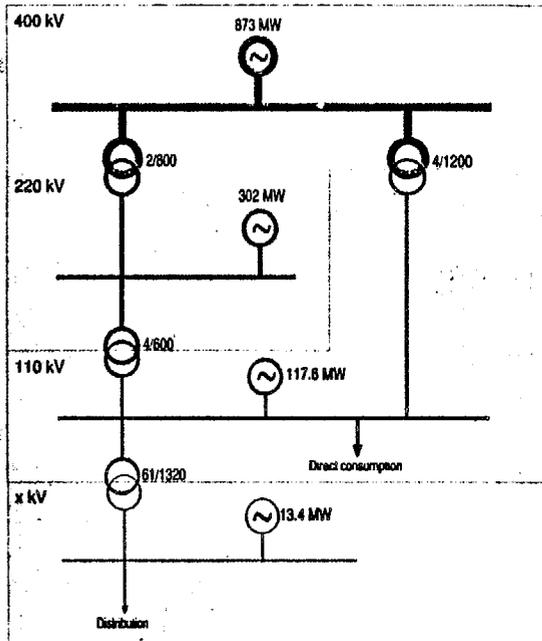
STATUS

PLAN

UNDER CONSTRUCTION



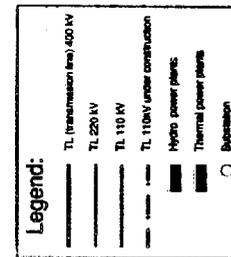
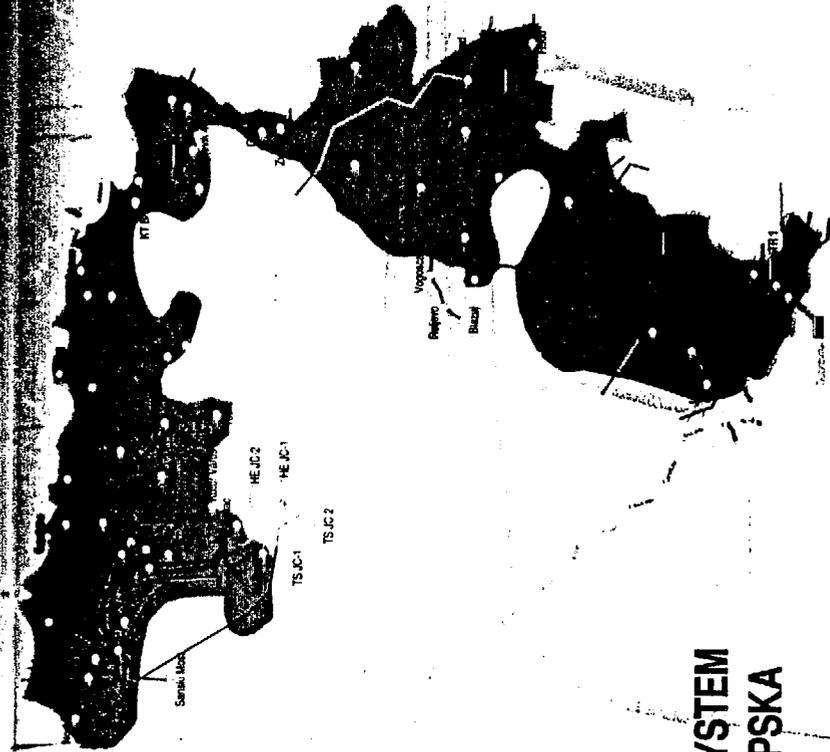
SYSTEM SCHEME



LEGEND: Transformers: pcs/MVA
Power plants: Disposed power on threshold

TRANSMISSION CAPACITY

TRANSMISSION NETWORK						
Voltage (kV)	400	220	110		Total	
Overhead lines (km)	474	315	1553		2342	
SUBSTATIONS						
Voltage (kV)	400/x	220/x	110/x	35/10	10/0.4	Total
No. of SS (pcs)	5	3	52	120	6581	6771
Rated power (MVA)	2300	600	1320	624	2505	7349
DISTRIBUTION SYSTEM						
Voltage (kV)	35	20	10	0.4	Total	
Overhead (km)	997	3597	5729	57561	67884	
Cables (km)	61	471	668	9114	10314	



**ELECTRIC POWER SYSTEM
OF REPUBLIC OF SRPSKA**

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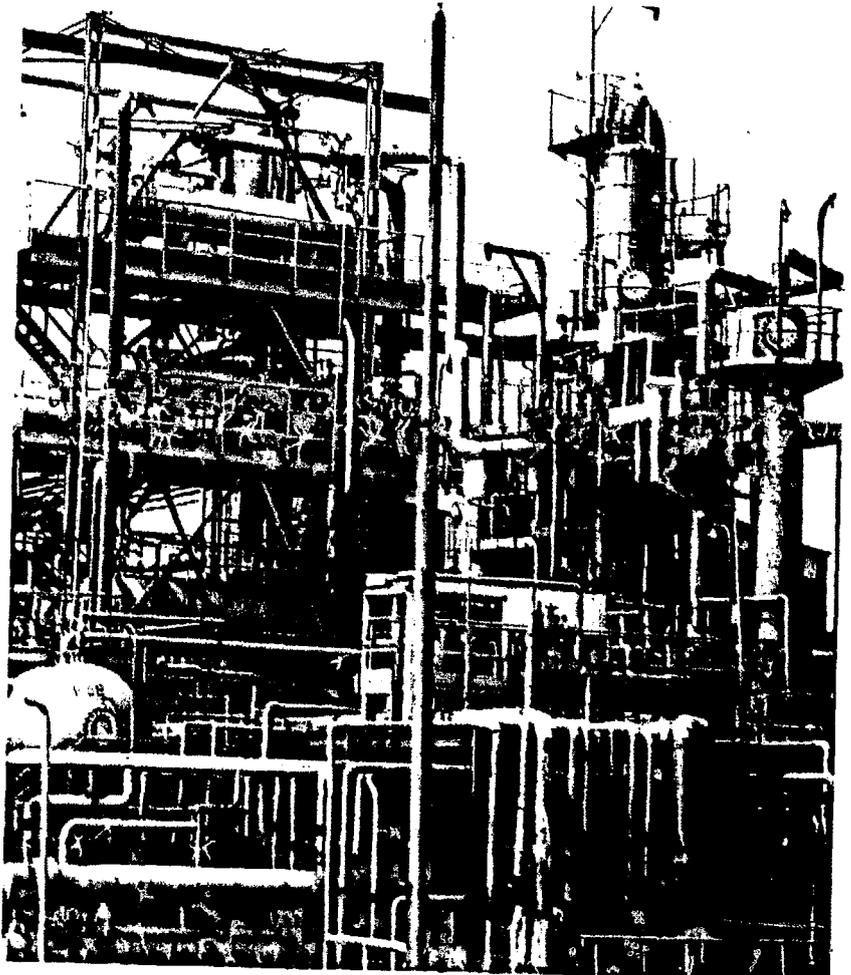
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There is no commercial exploitation of crude oil in the Republic. However the investigation works started in Posavina already in 1930, and in Herzegovina in 1963. The initial result of these investigations suggested that it would be possible to locate some 22,6 million tons of crude oil in geological reserves or 9.1 million of balance reserves. The natural gas was estimated at 5,4x109 nm³.

The crude oil processing is located in the oil refinery "Brod". It was established in 1892 by Joint Stock Company "Danica" from Budget Law of 1927 and nationalized and managed it until the outbreak of World War II. After the war the refinery was nationalized and run by the state. As of 1973 the refinery operates within Energoinvest Company.

Its annual capacity is 5 million tons of crude oil processed in two lines (2m + 3m tons). Both lines may operate independently. There is a storage facility of 680,000 m³. It is connected to the "Adriatic" oil pipe-line linking Adriatic coast and refineries alongside the river Sava (Sisak, Brod, Beograd) as well as planned access to Hungary. The transport of products is effected by road, rail and river Sava (Danube), and by product pipe-line Brod-Opatovac (Croatia). The product mix includes oil fuels, materials for chemical and petrochemical industries, base oil distillate, bitumen and related products. The market included both ex-Yugoslavia and exports.

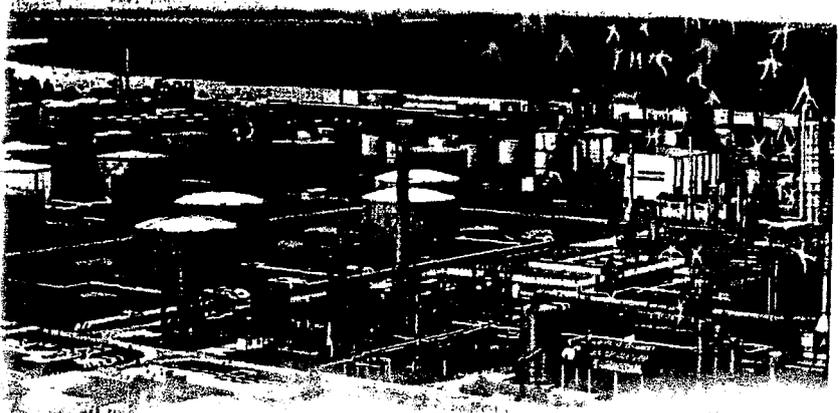
Due to outbreak of civil war in ex-Yugoslavia the refinery suffered serious damages, direct damages being assessed at 123 m US\$. The recovery plan is planned to be imple-



mented in 4 stages, enabling gradual growth of production and a full recovery on the parallel track.

The other specialized refinery is located in Modriča. Its product line consist of base oils, motor-oils, lubricants, paraffin, waxes and machinery grease in the quantity of 60.000 tons per year of motor-oils, 90,000 tons of base oil and paraffin. There is a used oils regeneration plant capable of processing 10.000 tons of waste. Refinery was co-operating with Castrol in producing the motor-oils. The plant suffered damages at the outbreak of the civil war. However no damages were recorded to the production facilities, and the production continued throughout the time of war. The recovery plan includes refurbishing of the packing line and a laboratory facilities that suffered the biggest damage.

The products of the refinery are produced in conformity with EC standards regulations,



The main pipe-line for natural gas exported from Russia connects Belgrade main junction with Zvornik and Sarajevo. It provides some 320 million nm³ of natural gas per year. It is planned to extend the pipe-line from Zvornik to the western part of the Republic through Bijeljina, Brčko, Derventa to Banja Luka and Prijedor.

MINING

COAL AND ORES

At present this sector of economy represents one of the most important for future development. The soil of Srpska is relatively rich with coal and different ores thus enabling extracting and processing industries to develop a strong basis for light industries, and rich source of energy for overall performance of industries.

Coal reserves are exploited in 4 major mines. The brown coal mines are as follows:

"*Miljevina*" near Srbinje - 200.000 tons per year with the deposits assessed at 43 million tons.

"*Ugljevik*" near Bijeljina - 1.500.000 tons per year with the deposits assessed at 258 million tons.

The lignite mines operating are as follows:

"*Gacko*" near Trebinje - 1.800.000 tons per year with the possible upgrade up to 4 million tons per year.

"*Stanari*" near Doboj - 600.000 tons per year with the deposits assessed at 140 million tons.

The total extracting capacity of the said mines is 4,1 million tons per year. The damages to the installed machinery due to war activities are minor, but there is a problem of maintenance lacking throughout the period of war. The largest quantity of coal is extracted in open pits using heavy duty excavation equipment thus providing the optimum utilisation of coal reserves.

One of the largest European iron ore mines "Ljubija", near Prijedor provides some 3,6 million tons of iron ore per year, with the reserves assessed at 500 million tons. It was the largest supplier of ex-Yugoslav steel works before the war. It is well equipped with all the necessary heavy duty equipment. No damages due to war activities were recorded, and the only damage is that it stopped production for the period of three years. The company exploiting the mine is well developed, having within its organisation the Institute for research and development. In the vicinity of Prijedor there are iron ore mines "Omarska" and "Tomašica" that offer almost the same quantity of iron ore. All of this creates the basis for possible construction of the steel works in the region. Iron ore mine "Ljubija" is connected to the main railroad Banja Luka - Doboj.

BAUXITE

The bauxite mines are located in three different locations, as follows:

Bauxite mine "*Milići*" near Zvornik - 1.500.000 tons per year

Bauxite mine "*Mrkonjić Grad*" south of Banja Luka 350.000 tons per year

Bauxite mine "*Berkovići*" near Stolac - 70.000 tons per year



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Damages to the outdoors fields in all mines were recorded due to war activities, and investments are required to rehabilitate the mines now that the war is over. The importance of bauxite mines for the economy of Srpska is high, because facilities for further processing operate in the Republic. Within the context of Yugoslavia's economy the whole range of aluminum production and by-products exists, as well as a number of important aluminum processing plants.

LEAD AND ZINC

The lead and zinc mine "Sase" near Skelani is the only mine of that kind in Srpska. Its annual production is 6.500 tons of lead, 4.000 tons of zinc and 8 tons of silver. Due to heavy fighting near the location of the mine, damages to the equipment are high. Serious investments will be necessary for recovery of the mine. On the other hand the problem of sales of the products does not exist, which might encourage investors to finance recovery project.

NON-METAL ORES

As for the large deposits of non-metals throughout the Republic a number of mines are operating in the following materials:

ASBESTOS

Asbestos mine in Petrovo (Mt. Ozren) is operative. Although the importance of asbestos is limited, it is still needed in production of fire-proof concrete elements.

LIMESTONE AND CONSTRUCTION STONE

There are 20 plants processing limestone throughout of the Republic. Its production meets the needs of construction industries and construction services

GYPSUM

There are two gypsum mines operating at present, and several locations where the exploitation may start soon. The gypsum mine Volari near Šipovo operates nowadays and the mining is followed by industrial processing of gypsum. Gypsum mine Petkovac near Novi Grad produces gypsum for cement industry. The development projects for extensive exploitation of gypsum were designed.

KAOLIN AND CERAMICS

In the region of Prijedor there is a large deposit of ceramics and fire-proof clay. The deposits are assessed at 50 million tons. The annual production in "Crna Dolina" mine is 100 thousand tons. It supplies different industrial plants in the region producing clay and fire-proof products.

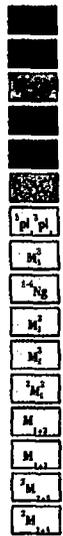
Kaolin mines are located in Kobaš near Srbac and in Bratunac. Both mines were saved from war damages. The quality of the kaolin is in the medium range.

ARCHITECTURAL STONE

There are two operating mines of architectural stone in the Republic. Both produce marble in form of blocks, plates and aggregate stone. Deposits of marble can be found in several other locations. The development plans require industrial processing of the marble that would enable export orientation of this sector.

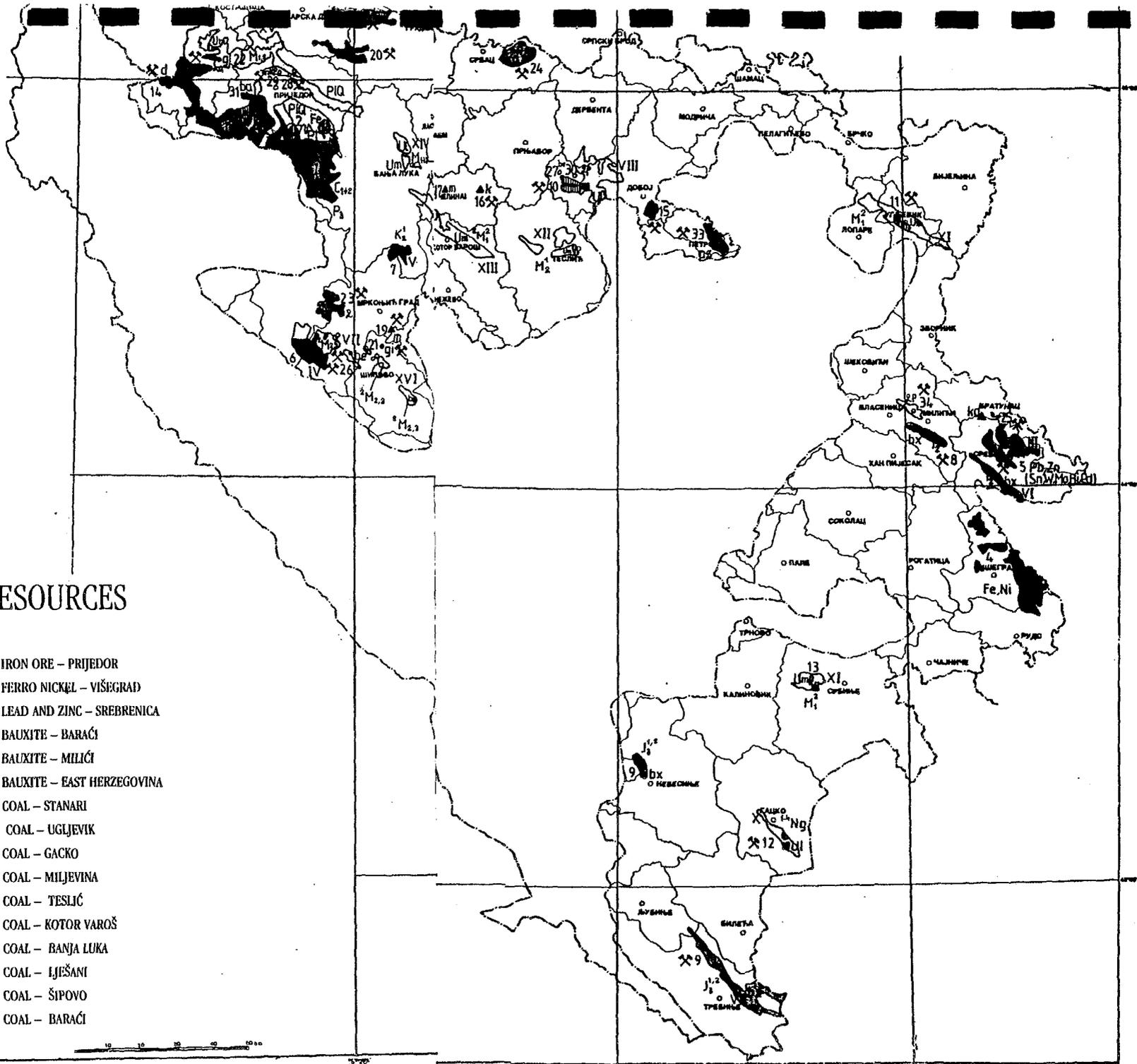


MINERAL RESOURCES



- I IRON ORE - PRIJEDOR
- II FERRO NICKEL - VIŠEGRAD
- III LEAD AND ZINC - SREBRENICA
- IV BAUXITE - BARAČI
- VI BAUXITE - MILIĆI
- VII BAUXITE - EAST HERZEGOVINA
- VIII COAL - STANARI
- IX COAL - UGLJEVIK
- X COAL - GACKO
- XI COAL - MILJEVINA
- XII COAL - TESLIĆ
- XIII COAL - KOTOR VAROŠ
- XIV COAL - BANJA LUKA
- XV COAL - IJEŠANI
- XVI COAL - ŠIPOVO
- XVII COAL - BARAČI

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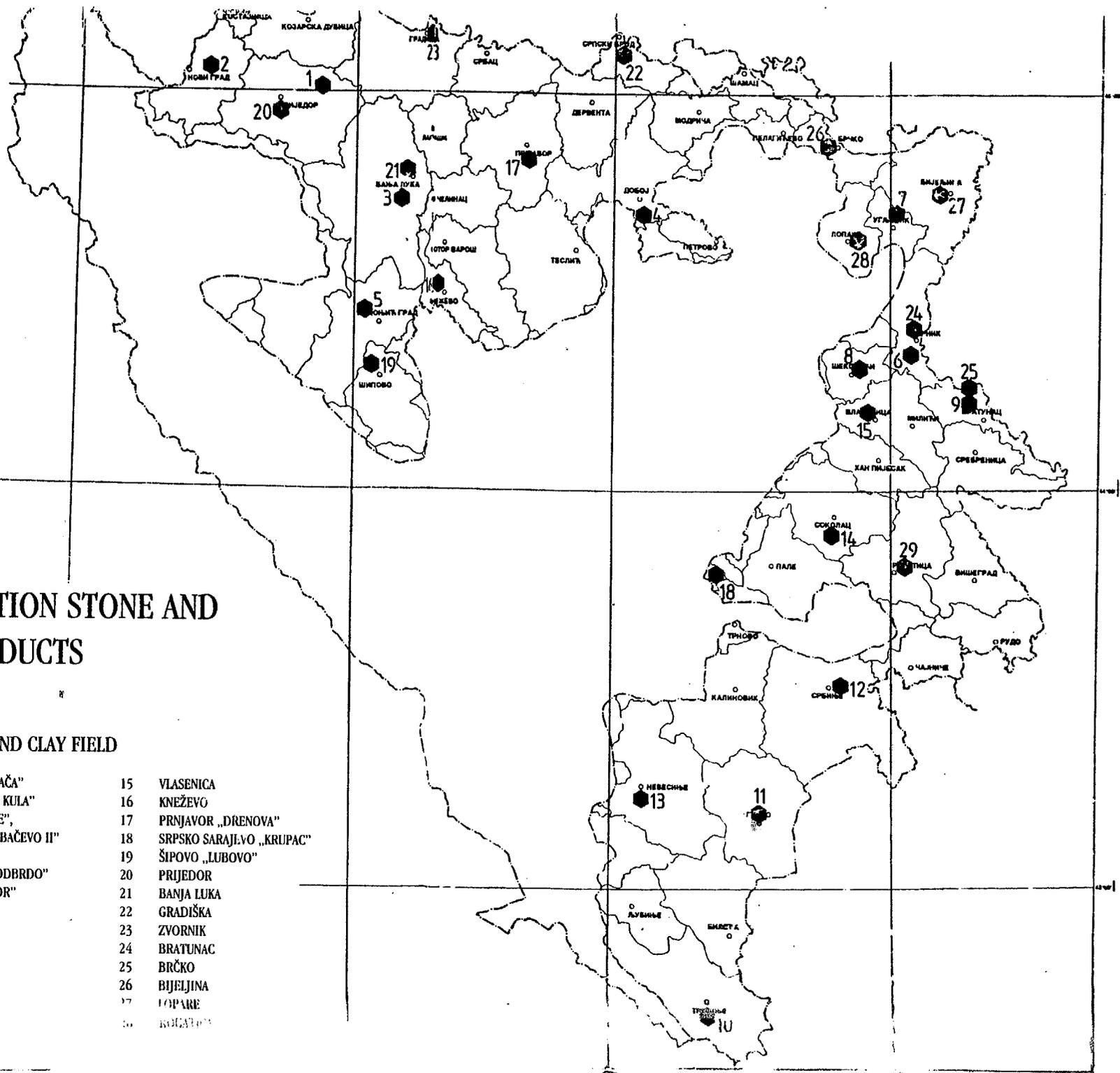


1981

CONSTRUCTION STONE AND BRICK PRODUCTS

- QUARRY
- BRICKYARD AND CLAY FIELD

- | | | | |
|----|---|----|--------------------------|
| 1 | PRIJEDOR „DRENOVAČA” | 15 | VLASENICA |
| 2 | NOVI GRAD „DERVIŠ KULA” | 16 | KNEŽEVO |
| 3 | BANJA LUKA „STIJENE”, „LJUBAČEVO I”, „LJUBAČEVO II” | 17 | PRNJAVOR „DRENOVA” |
| 4 | DOBOJ | 18 | SRPSKO SARAJEVO „KRUPAC” |
| 5 | MRKONJIĆ GRAD „PODBRDO” | 19 | ŠIPOVO „LUBOVO” |
| 6 | ZVORNİK „NOVI IZVOR” | 20 | PRIJEDOR |
| 7 | UGLJEVIK | 21 | BANJA LUKA |
| 8 | ŠEKOVIĆI | 22 | GRADIŠKA |
| 9 | BRATUNAC | 23 | ZVORNİK |
| 10 | TREBINJE | 24 | BRATUNAC |
| 11 | GACKO | 25 | BRČKO |
| 12 | | 26 | BIJE LJINA |
| 13 | | 27 | LOPARE |
| 14 | | 28 | KOZARSKA DUBIČA |



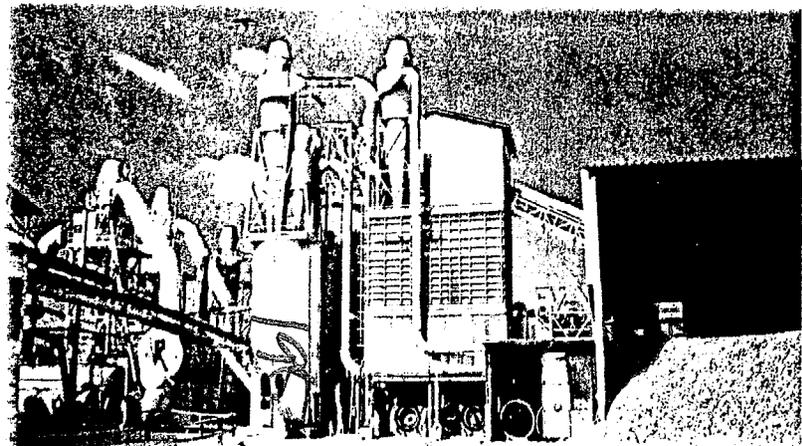
FORESTRY

Forestry of the Republic of Srpska supplies 28 different processing industrial activities with wood. Besides its strong impact in the Republic's economy it provides benefits in environment protection, water regulation, protection of soil, development of tourism and defense. It is managed by Public Corporation "Srpske šume" that is organized in 43 managing units and 14 companies.

Forests cover some 48% of the total territory of the Republic or 1.208.000 hectares. The estimated total deposits of wood are in the range of 170 million m³, and the annual growth mass is 3,30 million m³. Total net volume of exploitation is 3,12 million m³. 1/3 of the volume consists of conifer forests. Some 22% of the forests are privately owned and the rest is state owned.

It is worth mentioning that side-products in forestry may represent an important source of income for population. Medical herbs, etheric oils, forest fruits, mushrooms and snails are products that may be collected in significant quantities and exported to European markets.

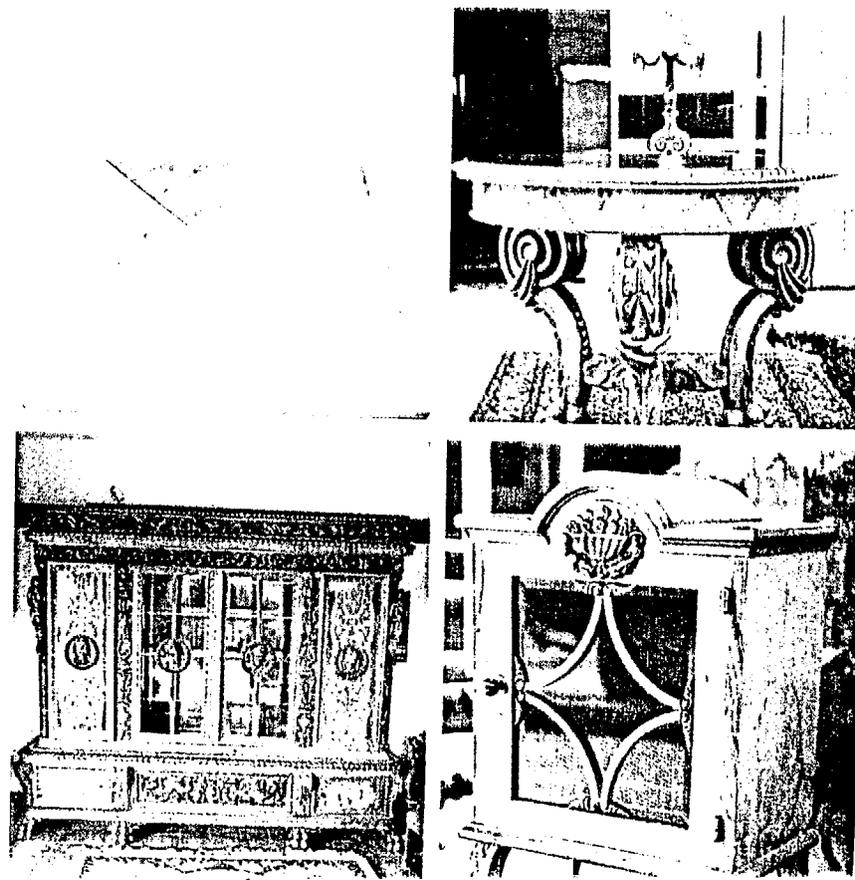
Such important resources enabled the development of both mechanical and chemical processing of wood. Since chemical processing has been described herein, the following text will provide basic information on mechanical processing plants in the Republic. Some 27 plants organized in 7 companies are engaged in wood processing industry with

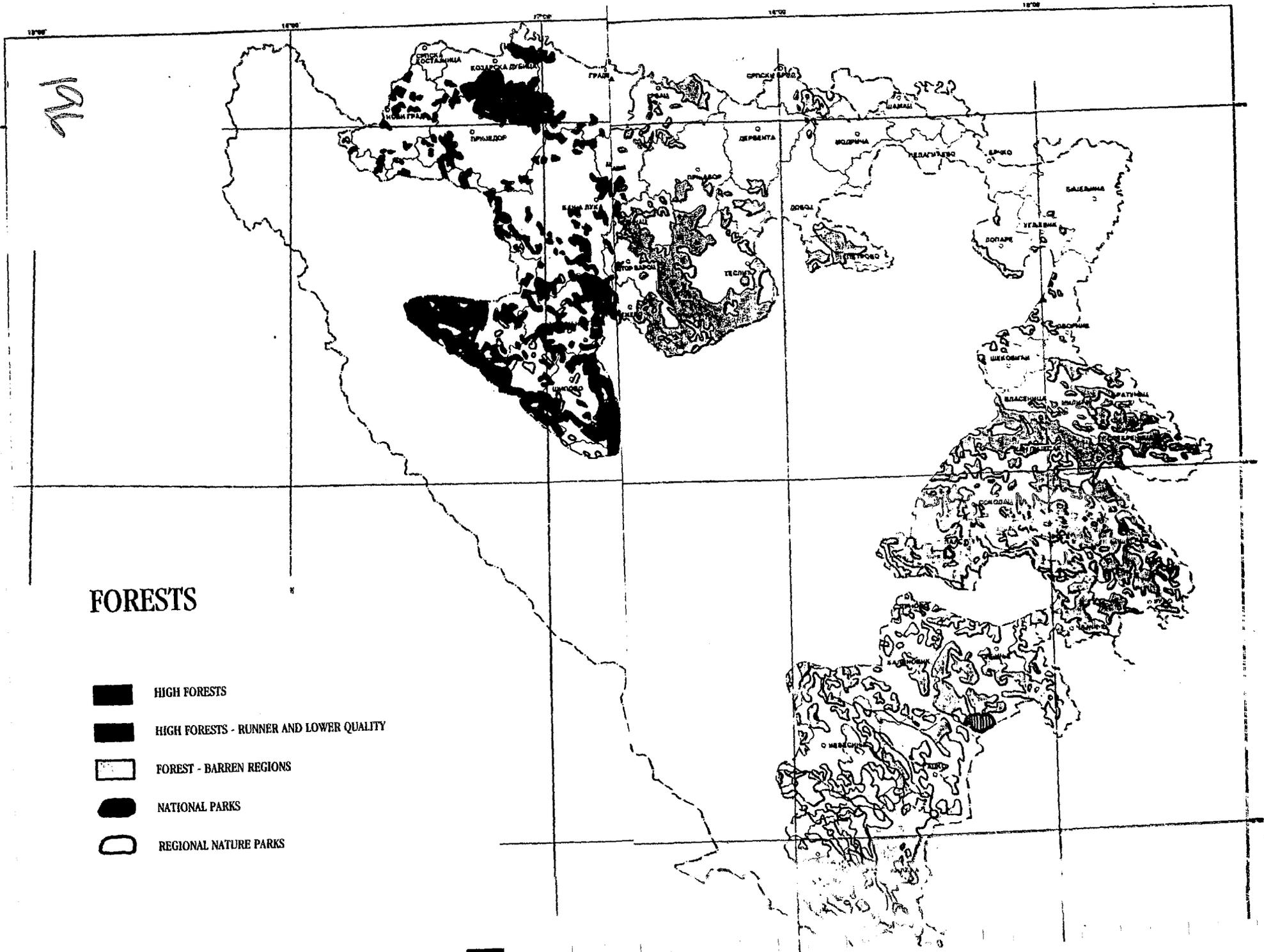


combined plants for production of different wood products. Most of the companies produce wood structure, beams and boards, plywood boards, splinter boards, veneer, material for house furnishing (parquetry, doors, windows, etc.). The products are mostly made of beech tree, oak, pine and fir, and some specialist companies produce walnut and maple furniture.

The mechanical plants process 1 million m³ of lumber and chemical plants process 340,000 m³ of wood.

A full range of household furniture is produced in number of plants. Important producers of hardwood furniture are companies: ŠIP Ključ, Vlasenica, Bratunac, Podgraci-Gradiška and Varda-Višegrad. This product line was successful in export operations. It is worth mentioning that 62% of net exports of wood were semi-final and final products. Intal-Milići produces pre-fab houses, and Lignošper-Novi Grad is a specialist in office furniture. Major producers of upholstered furniture are: Radnik-Gradiška, Javor-Prijedor, Standard-Banja Luka, etc.

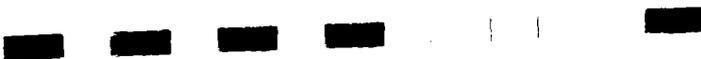




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FORESTS

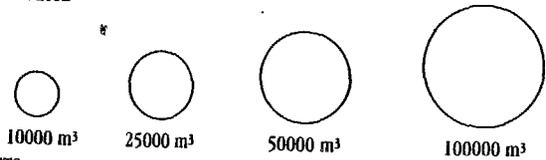
- HIGH FORESTS
- HIGH FORESTS - RUNNER AND LOWER QUALITY
- FOREST - BARREN REGIONS
- NATIONAL PARKS
- REGIONAL NATURE PARKS



WOOD PROCESSING INDUSTRY

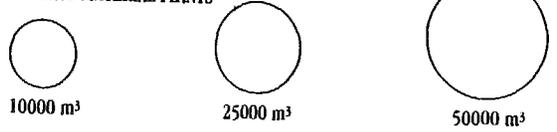
PRIMARY PROCESSING

-  EXISTING CAPACITY IN m³
-  PHYSICAL PRODUCTION IN m³
-  CONIFER
-  FOLIAGE

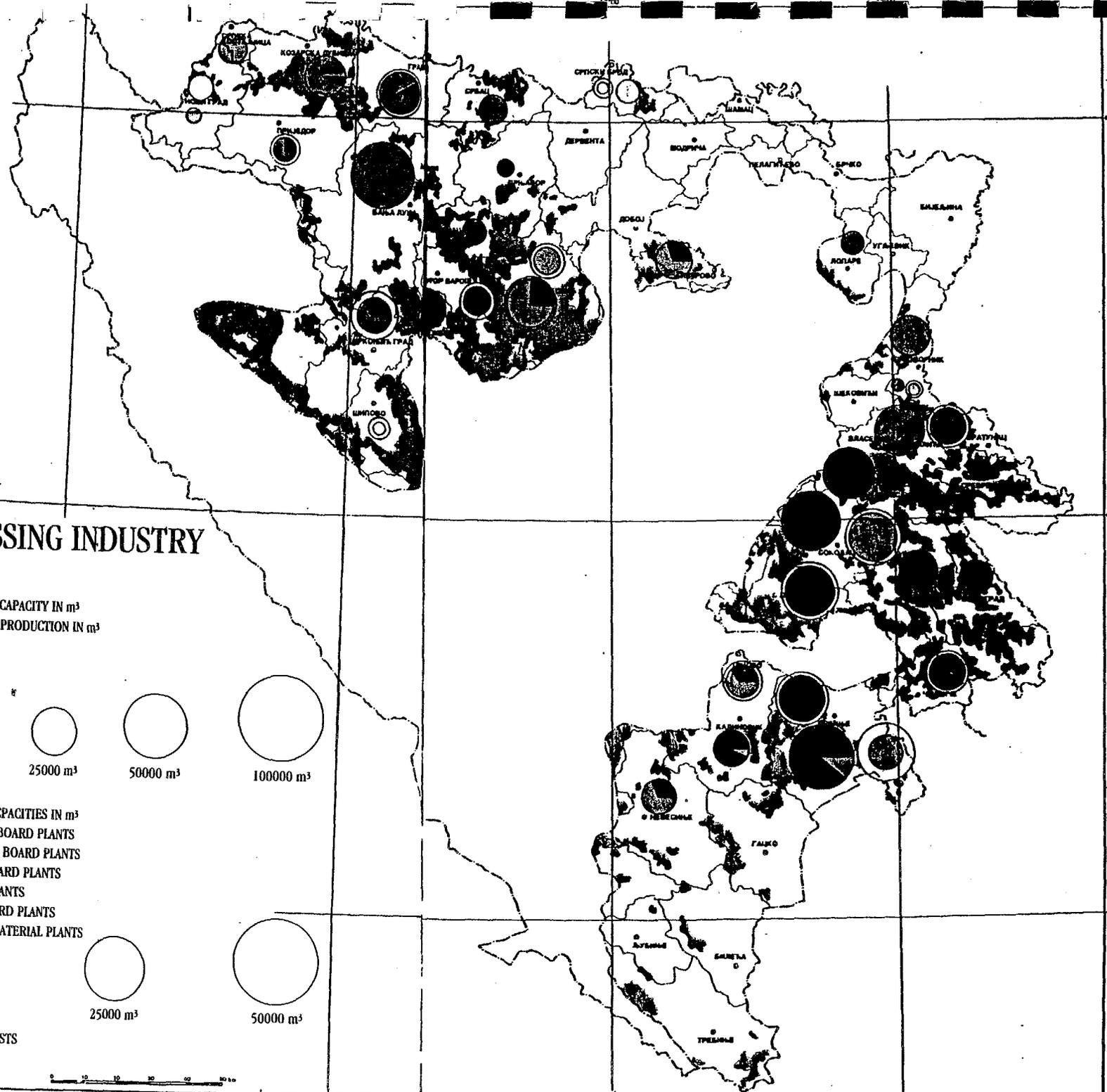


FINAL PRODUCTS

-  EXISTING CAPACITIES IN m³
-  SPLINTER BOARD PLANTS
-  PLYWOOD BOARD PLANTS
-  PANEL BOARD PLANTS
-  VENEER PLANTS
-  FIBER BOARD PLANTS
-  PACKING MATERIAL PLANTS



-  HIGH FORESTS



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CIVIL CONSTRUCTION

Several big companies in the Republic are capable of performing the most complex civil construction works and projects. The company "Hidrogradnja" is a specialist in construction works for hydropower projects with massive excavation works and designing and constructing dams and tunnels. Its reference list contains a number of works carried out at home and abroad. The companies "ŽGP" and "PUT" both from Serb Sarajevo, and "KRAJINA" from Banja Luka specialized in construction of roads, railroads, bridges and tunnels, home and abroad.

A whole range of small to medium scale construction companies operates in the housing sector. The whole sector of civil construction is followed by a production of construction materials: stone, gravel stone, bricks, cement blocks, prefab houses, ceramic tiles etc.



TOURISM

Tourism is an underdeveloped sector of economy. This is due to the Republic's past and its industry oriented development. Only in 1984 when Winter Olympic Games were organized in Sarajevo comprehensive approach to tourism was adopted. Srpska may develop tourism in three main directions:

1. Ski tourism, which is the most developed, with ski-center on mount Jahorina. All the facilities for providing high quality tourist services exist in those areas. A complete infrastructure, three star hotels, apartments for rent, ski lifts that can carry up to 10,000 skiers per hour. This sector of tourism will need some investments incommensurate with benefits they may bring on a short term basis.



2. Spa tourism, which may be combination of health care, recreation and sports. There are several locations operating already (Višegrad, Teslić, Bijeljina, Dubica, Laktaši and Srebrenica). Mineral springs contain different types of mineral water that may be used in a treatment of various diseases. Further investments into this sector are necessary in order to provide full service for the tourists.

3. Hunting and fishing tourism may be a best chance to provide exclusive and high end quality tourist offer. The forests of the Republic are intact considering the wild life. Both big and small game (wild goat, bear, wild boar, pheasants, wild duck) hunting may be organized in state-designated hunting areas. Those areas are maintained by Hunters associations of the Republic, thus providing guides to the tourists. There are two national parks in the Republic, Sutjeska and Kozara. Fishing in the rivers of the Republic can be an unforgettable experience. Most of the rivers are clean and contain a high volume of oxygen. The usual target is trout (spring and gold trout), and a special excitement is provided on the river Drina where the usual catch is "mladica" (giant kind of trout). In the upper part of the Tara and Drina rivers tourist companies organize "rafting" exciting adventure trip down the river.

SECTORAL OVERVIEW OF DAMAGES



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SECTOR: WATER AND SOLID WASTE TREATMENT

- Present Status:** WATER SUPPLY
- ◆ coverage 56% of the population
 - ◆ damages
 - ◆ lack of disinfection means
- Investment Needs:** DEM 330 M
- Urgent Needs:** DEM 145 M
- Goal:** Coverage of 80% of the population
- Present Status:** SEWERAGE AND WASTE WATER TREATMENT
- ◆ poor condition of systems
 - ◆ danger of epidemics
 - ◆ pollution problems
- Investment Needs:** DEM 800 M
- Urgent Needs:** DEM 230 M
- Goal:** provision of healthy environment
- Note:**
- ◆ co-operation with FBH necessary
 - ◆ excludes industry water treatment
- Present Status:** SOLID WASTE
- ◆ lack of municipal or regional depots
 - ◆ lack of recycling industries
 - ◆ pollution
 - ◆ damages to equipment and vehicles
- Investment Needs:** DEM 47 M
- Urgent Needs:** DEM 8 M
- Goal:**
- ◆ provision of healthy environment
 - ◆ job creation in recycling industries
- Present Status:** SEWERAGE AND WASTE WATER TREATMENT

Investment Needs: DEM 421 M

Urgent Needs: DEM 70 M

Goal: ♦ Full flood protection
♦ Reduce risk in Agriculture

Present Status: WATERING
♦ only 4,295 ha of land covered
♦ non or low operating systems
♦ damages

Investment Needs: DEM 69 M

Urgent Needs: DEM 15 M

Goal: ♦ spread watering to 20,000 ha of arable land
♦ long-term coverage 154,000 ha

SECTOR: ENERGY

Present Status: POWER GENERATION
♦ damages, war related and due to lack of maintenance

Investment Needs: DEM 56 M

Urgent Needs: DEM 56 M

Goal: Restoration of pre-war power generation performance

Present Status: TRANSMISSION
♦ severe damages due to war
♦ shortages in supply to regions

Investment Needs: DEM 112 M

Urgent Needs: DEM 112 M

Goal: ♦ Availability of sufficient electricity for industry and population

Present Status: DISTRIBUTION
♦ damages to dispatch centers
♦ damages to equipment and vehicles
♦ damages to local network

Urgent Needs: DEM 168 M

Goal: ♦ restoration of distribution near to pre-war condition

Present Status: DISTRICT HEATING
♦ damages
♦ lack of fuels
♦ lack of maintenance

Investment Needs: DEM 230 M

Urgent Needs: DEM 93 M

Goal: ♦ better living conditions
♦ reduction of electricity and wood consumption

Present Status: GAS
♦ lack of maintenance
♦ poorly developed secondary network

Investment Needs: DEM 80 M

Urgent Needs: DEM 55 M

Goals: ♦ reduction of electricity and wood consumption
♦ reduction of air pollution

SECTOR: TRANSPORT

Present Status: ROAD NETWORK
♦ 4,337 km of main and regional roads
♦ 6,048 km of local roads
♦ 1,692 km of streets
♦ damages due to war, intensive use by UNPROFOR and IFOR and lack of maintenance

Investment Needs: DEM 437 M

Urgent Needs: DEM 145 M

Goals: ♦ securing a normal traffic for goods and passengers

Present Status: RAILWAYS
♦ 370 km of railways

1001

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- ◆ lack of maintenance
- ◆ damages to rail carts

SECTOR: INDUSTRY



Investment Needs: DEM 357 M

Urgent Needs: DEM 102 M

Goal: ◆ securing a railway transport for industries and passengers

Present Status: RIVER TRANSPORT

- ◆ 343 km of River Sava
- ◆ poor condition of river bed
- ◆ poor condition of ports

Investment Needs: DEM 83 M

Urgent Needs: DEM 20 M

Goal: ◆ enabling river transport

Present Status: AIRPORTS

- ◆ damages and lack of maintenance

Investment Needs: DEM 8 M

Goal: ◆ Security of Air transport

Present Status:

- ◆ war related damages in war zones
- ◆ lack of maintenance
- ◆ loss of working capital
- ◆ low output
- ◆ loss of export markets

Urgent Needs:

- ◆ credit line in support to working capital for jump start of production
- ◆ financial and technical support for restructuring of small and medium sized companies
- ◆ financial and technical support to private sector
- ◆ support to privatisation process

Investment Needs: more than 2,000 projects outlines collected through Chamber of Commerce

Goal: ◆ Intensify production activity in order to support all infrastructure and social sectors

SECTOR: TELECOMMUNICATIONS



Present Status: PTT

- ◆ extreme damages due to actions of NATO

Investment Needs: DEM 164 M

Urgent Needs: DEM 45 M

Goal: ◆ re-establishment of normal telephone service

Present Status: BROADCASTING SYSTEM

- ◆ extreme damages due to actions of NATO

Investment Needs: DEM 11 M

Urgent Needs: DEM 1 M

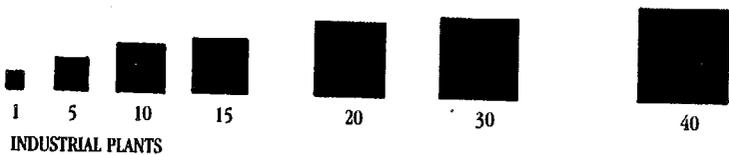
SECTOR: AGRICULTURE



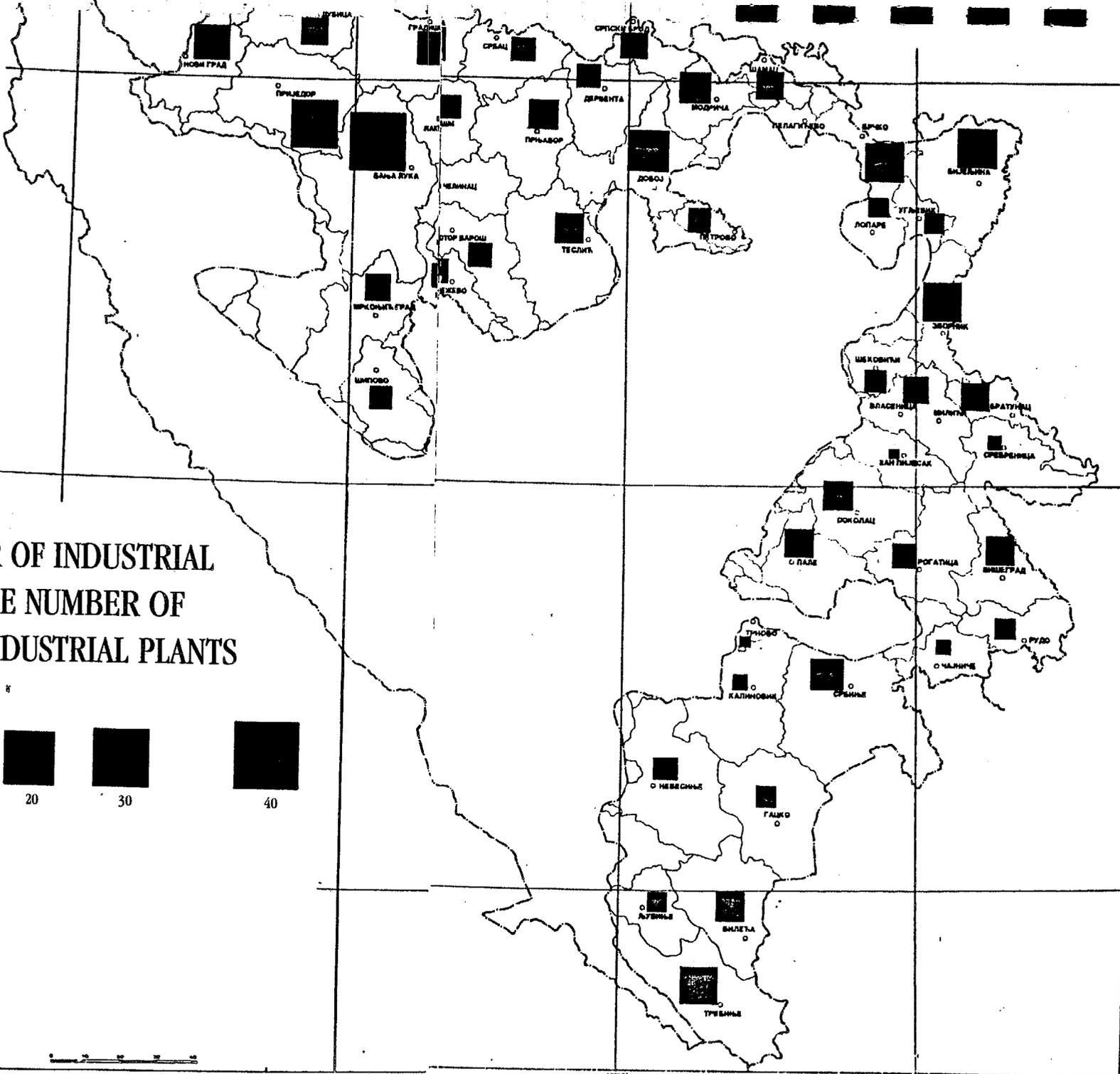
Present Status:

- ◆ damages to arable land by trenches and mines
- ◆ livestock decimated

TOTAL NUMBER OF INDUSTRIAL PLANTS AND THE NUMBER OF UNDAMAGED INDUSTRIAL PLANTS



 DAMAGED
 UNDAMAGED



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Urgent Needs:

- ◆ support in seeds, fertilizers and fuels to this year's production
- ◆ support in equipment
- ◆ technical assistance
- ◆ self sustained agricultural production
- ◆ enabling a good supply of food for population

Goal:

SECTOR: EDUCATION

Present Status:

- ◆ damages to school buildings due to war activities and due to lack of maintenance
- ◆ lack of teaching staff
- ◆ lack of equipment

Urgent Needs:

- ◆ full restoration of primary education level throughout the Republic (damage estimated at DEM 460 M)
- ◆ repair of buildings
- ◆ support for teaching staff salaries
- ◆ provision of minimum equipment
- ◆ technical support for secondary and university level

Goal:

- ◆ restoration of primary education system
- ◆ reforms of secondary and university education system

SECTOR: HEALTH CARE

Present Status:

- ◆ inherited bad structure
- ◆ damaged

Urgent Needs:

DEM 104 M

Goal:

- ◆ restoration of primary health care
- ◆ reform of health care system (familiar doctor)

SECTOR: HOUSING

Present Status:

- ◆ great level of damages due to war
- ◆ totally destroyed 15.5% of housing
- ◆ severely damaged 16% of housing
- ◆ a large population of displaced persons and refugees

Urgent Needs:

- ◆ a support to minimum rehabilitation of houses
- ◆ building of the houses for DPP and refugees
- ◆ support for local construction companies and construction material producers
- ◆ technical and financial assistance in urban and rural planning

SECTOR: MINE CLEARING

Present Status:

- ◆ enormous number of mines disseminated in war
- ◆ areas affected non-productive (e.g. agriculture, forestry)
- ◆ difficulties in implementation of infrastructure recovery
- ◆ permanent risk for population

Urgent Needs:

- ◆ establishing a center for mine clearance
- ◆ training of staff for mine clearance
- ◆ salaries for local staff
- ◆ equipment
- ◆ assistance

SECTOR: SUPPORT TO INSTITUTIONS

Present Status:

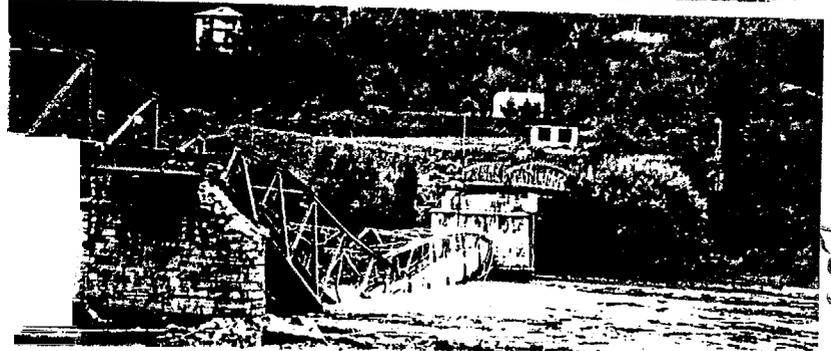
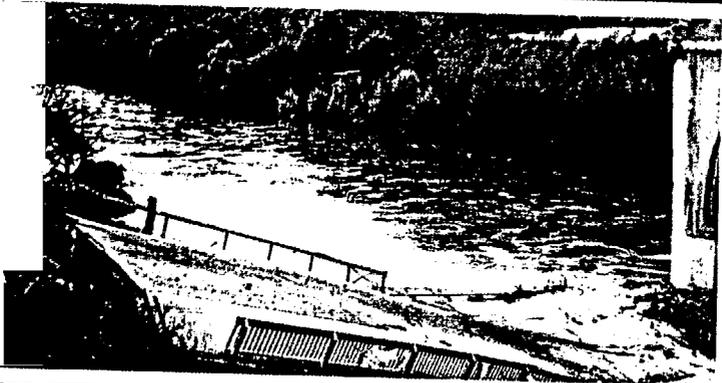
- ♦ lack of office equipment
- ♦ lack of experts (advisors in foreign exchange policy, fiscal and budget policy, in field of foreign investments)

Urgent needs:

DEM 30 M

Goal:

- ♦ the build-up small, but efficient administration, both on republic and municipal level



BUSINESS REGULATIONS

COMPANY LAW

Present company law was adopted in 1989 in the Federal Assembly of Yugoslavia in the course of reforms of Yugoslavia's economy towards market oriented economy. By the decision of National Assembly of the Republic this Law is still valid. In December 1994 the Assembly adopted State-owned Companies Act thus annulling the existence of so-called "social property".

The classification of companies adopted is according to the criteria of the character of property. Besides state-owned companies, this law provides the establishment of private-owned companies, cooperative property companies, mixed ownership companies and public companies that may be established in any form of property nominated in this law.

The usual forms of private-owned companies provided in this law are:

- Limited liability company*
- Joint stock company (share capital)*
- Holding company*

The Company law requires a minimum amount of share capital which is symbolical when company is established. The company needs to be registered with the Registrar of Companies held at District Courts. To obtain registration the following documents must be filed with the Registrar of companies:

- Articles of Association*
- Proof for paid-in capital*
- Authorisation for the director/s*
- Completed registration form*

The shares must have nominal (par) value. The issue of shares may be made for cash or for a consideration other than cash. Shares may be voting or non-voting, and they are issued at their nominal value. A register of members is required to be kept by every company.

The company may be wound up when its period of duration, provided for in the articles of association has expired or through court order following a petition to the court which may be presented by any creditor or by Control office within the Finance Ministry, ex officio.

The company may exercise any type of lawful business, and objects of the company are usually drafted in a maximum wide manner. However, if a foreign person is a majority shareholder restrictions exist in exploitation of natural resources as provided in Law on

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SECTOR: SUPPORT TO INSTITUTIONS

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Present Status:

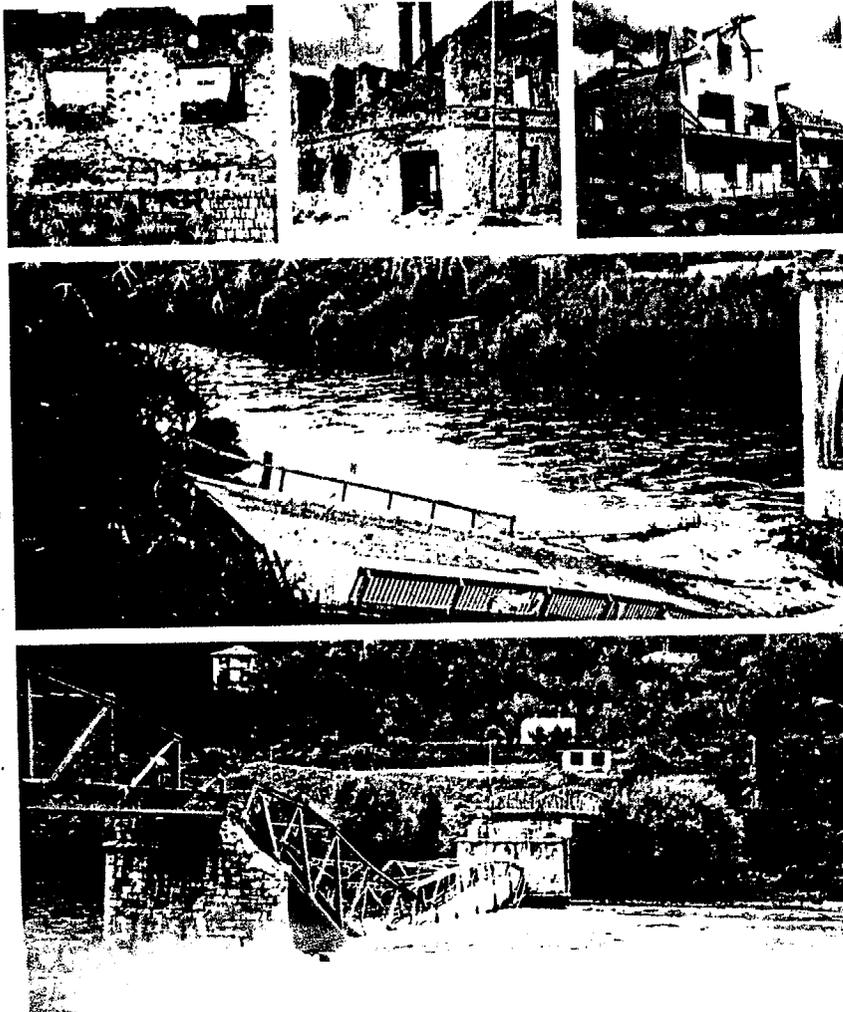
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shareholder, the company is excluded from exploitation of natural resources, as provided in Law on

The Privatisation Act was adopted on 2 July 1996. Being an important part of transition policies this law will enable establishment of the capital market and attract direct foreign investments.

The privatisation of state-owned companies shall be conducted as follows:

- a) 55% of the assets shall be transferred to 6 funds, namely: Fund of War Veterans, Invalids, and Families of Deceased - 20%, Fund for Protection of War Veterans - 8%, Retirement Fund - 7%, Education Fund - 5%, Family Planning Fund - 5%, Population Resettlement Fund - 5%, Restitution Fund - 5%. Funds do not participate in management of the companies. Within prescribed deadline all the funds have to be transformed into stock holding companies.
- b) Free distribution of 30% of the assets to the adult population of the Republic by system of vouchers. Voucher is a title issued to an individual to purchase stocks in the capital market.
- c) Remaining 15% of the assets will be offered to the market by the State-owned Capital Fund using two methods: 1) offering shares to the capital market; or, 2) by privatisation projects.

The large companies and public corporations shall be privatized by privatisation projects conducted through Public call for bids or through direct negotiations.

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Customs and Excise law was adopted in the National Assembly in 1993 and it is fully harmonized with the laws applicable in FR Yugoslavia. Custom duties with the Federal Republic of Yugoslavia were abolished by this law with the exception of obligation to report any goods originating from the Federal Republic of Yugoslavia crossing the border to the Customs Office.

The average rate of customs duty is 15%. Goods which carry high import duties are mainly in the group of so-called luxury goods (e.g. gold, jewelry, cosmetics, passenger cars over 1.600 c.c.). Excise taxes are imposed on a limited number of categories of goods, mainly cigarettes, petrol, passenger cars and alcohol.

It is provided that no payment of customs duty is applied in the following number of cases:

- when a foreign person investing in the Republic is importing new equipment except passenger cars or slot machines*
- when companies import the goods from abroad without payment or paid by humanitarian organisation in case of natural catastrophe (earthquake, flood, war etc.)*
- when companies import the equipment replacing the destroyed one in cases of natural catastrophe*
- when companies exercising scientific and research work are importing the equipment not available in the Republic*
- when medical equipment is imported because it is not produced in the country*
- when companies import the equipment for environment protection not available in the Republic*
- when foreign persons import goods for fairs held in the country*

No customs duty or any taxes are paid for goods or services exported.

Temporary import of raw materials or parts for export goods production is allowed, thus no duties apply in such a case.

A certain number of countries enjoys a preferential customs status if not less than 51% value added of the goods can be proved.

Free zones can be established under the present law (Customs Zones) in which customs formalities are minimal and no payment of customs duty is applied for equipment, machinery and raw materials imported into the zone. Company may establish a zone if it acquires the rights to use a land near river port, international airport or Goods Transit Center.

FOREIGN EXCHANGE

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The foreign exchange act was adopted by the National Assembly in 1993. In general it provides regulations on procedures for use of foreign exchange by nationals of the Republic as well as by foreign persons with or without residence in the Republic.

It is provided that the Dinar is a convertible currency and therefore all transactions in foreign currency abroad are liberalized. However, this is only a general remark and due to the constant shortage of foreign exchange various restrictions may be applied on a temporary basis.

All amounts of foreign exchange acquired by domestic company through exports of goods or services are subject to transfer into dinar amounts exercised by the Central bank. Company acquires the right to use the same amount of foreign currency for any payments abroad, or to transfer the said right to another company, provided that at the moment of payment it gives the bank the counter-amount of dinars. In order to enable a larger number of companies to participate in this procedure, the Foreign Exchange Market is established by law. Anyhow the procedure for acquiring the rights for payments abroad is usually exercised in direct negotiations between companies.

The company may effect payment abroad for goods imported or services rendered by foreign company, or in order to service loans acquired abroad.

There are specific cases when company may keep an account with the bank in foreign currency:

- ♦ when company is exercising investment works abroad (i.e. civil construction, equipment delivery)
- ♦ when company acts as a representative of a foreign company and sells goods from consignment stock (sold for foreign currency)

If a company enters into a long-term co-production contract with a foreign company it may effect the payments through an evidence account established with the Central bank thus making the cash-flow in international operations internalized. This option may be applied for the companies engaged in international transport, telecommunications and insurance.

Foreign persons may deposit foreign exchange and dinars with the authorized banks. Foreign currency amounts may be transferred abroad, and dinar amounts may be used for purchase of goods for export or for payment of services provided locally. Transfer of dividends or repatriation of assets is under no restrictions.

It may be said that the currency of a company operating in the Republic of Srpska is the Dinar. If a person is a legal partner in a company...

FOREIGN INVESTMENTS

FOREIGN PERSONS

The Foreign Investment Law (Article 2) cites two kinds of foreign persons:

- foreign legal persons residing abroad,
- foreign natural persons.

FIELDS IN WHICH FOREIGN PERSONS MAY INVEST

The Foreign Investment Law (Article 1) provides that "Foreign persons may invest resources for the purpose of pursuing economic and social activities in the Republic of Srpska, unless otherwise provided by Republic".

Article 21 of the Foreign Investment Law states the fields and zones in which foreign persons are not entitled to set up their own firms.

It is essential to note that foreign persons may also invest in social services (in accordance with regulations) which was not allowed by previous regulations in Republic.

According to the provisions of the Company Law (Article 138), Republic law may specify activities for which it is not possible to set up private enterprises, or fields where private enterprises may be set up. To this effect, Article 21 of the Foreign Investment Law sets forth that "a foreign investor is not entitled to set up wholly-owned enterprise on the territory of the Republic of Srpska for the manufacture and distribution of armaments and military equipment, in the fields telecommunications, mass media and water works. However, it is possible that a foreign investor form a joint venture with the local partner, whereby minority share is permitted. Neither may a foreign investor set up his own enterprise in any district in the territory of the Republic of Srpska which has been designated as a prohibited zone by legislation governing national defense."

SUBJECT OF INVESTMENT OF FOREIGN AND DOMESTIC PERSONS

The subjects of investment of both foreign and domestic persons are specified by Articles 2 and 3 of the Foreign Investment Law.

It may be said that the currency of a company operating in the Republic of Srpska is the Dinar. If a person is a legal partner in a company...

- ♦ *foreign exchange*
- ♦ *contributions in the kind*
- ♦ *rights*
- ♦ *dinars, which are transferable abroad under foreign exchange management regulations. Foreign investor may also invest dinars acquired by buying and converting obligations stemming from certain foreign credits and other forms, in conformity with the federal law governing foreign credit relations.*

Parties to agreements may directly convert external debts into an investment in an existing enterprise or bank under conditions which the partners themselves agree upon.

The above-mentioned forms of foreign investment belong to the category of innovative solutions.

Investments of domestic investors may consist of:

- ♦ *dinars*
- ♦ *contributions in the kind*
- ♦ *rights.*

PROTECTION OF THE RIGHTS OF FOREIGN PERSONS

The Foreign Investment Law strengthens the protection of foreign investors rights and states the most important ones: the right to manage (providing that foreign persons set up their own enterprise), or the right to take part in the management of the enterprise in proportion to the resources invested, the possibility to transfer contractual rights and obligations to other domestic or foreign investors; the right to share in profits and its free transfer abroad; to share in the net asset value and repatriation of such share upon dissolution of the enterprise or termination of the contract if the investment was made in a mixed enterprise; the right to increase the value of invested objects if this right has been explicitly reserved, as well as other rights. The investors have the right to access to the books of the enterprise into which they have invested in conformity with the manner foreseen by the investment contract and the by-laws. Investors also have the right to audit the annual financial statement themselves or through their authorized representatives.

The afore-mentioned rights, as well as the rights determined by a legally valid investment contract are subject to legal protection and cannot be diminished by the provisions of any other law or regulation.

Should the law under which the investment contract was made undergo changes after the effective date of the contract, the provisions of the contract and/or the by-laws (the rules of mixed company) and the law that was in force on the effective date of the con-

tract shall be applicable to the relations specified in the contract, should this be more favorable for the investor, or if the investors do not regulate certain matters by agreement in accordance with the changed provisions of the law.

THE RIGHT TO TRANSFER PROFITS AND TO REPATRIATE THE INVESTMENT OF A FOREIGN PERSON

The provisions of the Foreign Exchange Low provide that the transfer of resources abroad, based on the share in net profit gained by a foreign person from a joint venture with a domestic organisation, is effected in the way and under the conditions specified by the contract on the investment of the foreign person, in conformity with this contract and with the Foreign Investment Law.

The Foreign Investment Law provides a foreign person the right to transfer abroad the resources gained from a joint venture based on his share of the profit, in accordance with this Law and the contract.

A foreign person may decide to use the resources thus gained to increase his share in the resources of the joint venture, to conclude a contract on investing these resources into another domestic organisation or use them in any other way in Republic in accordance with regulations.

The resources which a foreign person gains in a joint venture on the basis of his share in the profit may be calculated and paid in dinars if so provided by the contract or if the foreign person subsequently assents to this way of settlement. Dinars thus acquired may be used by the foreign person to purchase products on the Republic market, to pay for services, for reinvestment in Republic via, transfer abroad in conformity with provisions, or transfer to another foreign person.

An investment contract may provide for the obligation of the domestic organisation towards the foreign person to be effected by delivery of part of the products manufactured in the joint venture.

The foreign person is entitled to freely transfer invested resources, or the remainder of the invested resources if the contract is terminated due to materialisation of the business goals, or upon expiration of the agreed upon time, or if the contract is canceled.

A foreign person is entitled to transfer invested resources if the domestic organisation in which the capital is invested ceases to exist.

FORMS OF FOREIGN INVESTMENT

REGULAR (GENERAL) FORMS OF FOREIGN INVESTMENT

Regular (general) forms of foreign investment are specified in Article 9 of the Foreign Investment Law which provides that a foreign investor may invest resources in a:

- ♦ *public enterprise*
- ♦ *joint company (joint-stock company, limited liability company, limited partnership and unlimited joint liability company)*
- ♦ *private enterprise and private shop*
- ♦ *contractual enterprise,*
- ♦ *bank and any other financial organisation,*
- ♦ *cooperative,*
- ♦ *insurance organisation,*
- ♦ *any other form of cooperation and joint business activity determined by law.*

INVESTMENT IN A JOINT COMPANY

THE NOTION OF A JOINT COMPANY

Foreign investment in joint companies is regulated by the Company Law (Articles 81 to 132). These provisions regulate the following: establishment and forms of joint companies and basic rules on managing bodies of the company. The notion of a joint company is not directly defined by law but may be derived from the introductory provisions of the Enterprise Law. This Law rules that an enterprise is a legal person having rights and responsibilities in relation to all resources it owns and uses, that it carries out its economic activity in order to gain income (i.e. profit) by selling its goods and services in the market and that it is liable for its obligations. This clearly means that an enterprise is a legal person carrying out an economic activity and that it has certain property (resources) at its disposal. A joint company has the same features since it has all the qualities of an enterprise, with the distinction that it operates using socially-owned and cooperative resources, as well as resources owned by natural legal persons and the resources of foreign persons. It is essential to note that in the case of joint companies there are two kinds of "joining" - one is joining the resources (property, capital) of different origin - domestic and foreign, and the other is joining property - public and private.

It is customary in most countries for permission to be required to set up a joint enterprise (for investing in the host country) for the sake of keeping records and for supervision. Two basic documents are usually needed to set up a joint company: a contract on establishing the company and its by-laws elaborated in conformity with the legal regulations valid in the host country.

As for acquiring the status of a legal person, there are three possibilities in the case of joint companies:

- ♦ *entering in the register kept by the competent government agency,*
- ♦ *acquiring approval from the competent government agency,*
- ♦ *elaborating a founding document.*

Provisions of the Enterprise Law (Article 83) envisage that "a joint company acquires legal and business status by entering the founding contract, or the decision of the founding assembly, into the court register."

TYPES OF JOINT COMPANIES

The Enterprise Law envisages four types of joint enterprise, as follows:

- ♦ *Joint-stock company*
- ♦ *Limited liability company*
- ♦ *Limited partnership*
- ♦ *Unlimited joint liability company.*

For all the above-mentioned forms of joint companies the Enterprise Law elaborates in detail all issues concerned, ranging from the establishment of a company, its activity and business field, to the rules governing its dissolution. Most of these provisions are of an imperative nature in order to ensure legal stability.

MANAGEMENT AND BUSINESS OPERATIONS IN JOINT COMPANIES

Issues related to bodies engaged in management and business operations in a joint company are regulated by the provisions in Articles 120 to 132 of Enterprise Law.

Bodies in a joint-stock company and in a limited liability company include: the assembly, the board of directors, the workers' council and the supervisory board.

A limited partnership and an unlimited joint liability company are managed by general partners or members of the company with unlimited joint liability, if the founding contract failed to stipulate that management is entrusted to one or several members or to a special body or person-manager.

The managing function in a joint-stock company and in a limited liability company is performed by the director or by the managing board, and in a limited partnership company by one of the persons mentioned in the above paragraph.

INVESTMENT CONTRACT AND FOUNDING CONTRACT

LEGAL FRAMEWORK FOR CONTRACTING

Laws directly governing the legal framework of foreign investment and the establishment of foreign persons' enterprises in Republic include:

- ♦ *the Foreign Investment Law and*
- ♦ *the Enterprise Law.*

However, giving foreign persons - investors national treatment means that they are subject to the overall Republic legal system in addition to the above laws (unless otherwise regulated by republic legal or other regulations or measures).

Considering that the present handbook deals in detail with the issues related to foreign investment and the establishment of enterprises owned exclusively by foreign persons in Republic in accordance with the above two laws, this chapter will be mostly devoted to contracts in these fields.

OBLIGATION TO CONCLUDE A WRITTEN CONTRACT

The investment of resources by foreign persons is regulated by an investment contract or by founding contract.

In conformity with the provisions of Article 12 of the Foreign Investment Law, the investment contract must be concluded in writing. If the contract is not made in writing (or if the Ministry of trade and supplies finds it to be inconsistent with the Constitution of Republic and republic Law) it has no legal effect.

CONTENTS OF THE CONTRACT

Provisions of Article 13 of the Foreign Investment Law specify that an investment contract must include the following:

- ♦ *parties to the contract,*
- ♦ *subject of the enterprise's business,*
- ♦ *amount of capital invested by each investor and method of determining the share of each investor in the total investment,*
- ♦ *form of the investment, i.e. what the investment consists of,*
- ♦ *designation of the enterprise in which the investment is made if the enterprise already exists, or the kind of enterprise to be established,*
- ♦ *method of profit distribution and ways to cover the enterprise's losses,*
- ♦ *method of investor's decision making,*

duration of the contract,
ways of restitution of the investment,
settlement of disputes.

According to Article 14 of this Law, if a joint company is involved, the founding contract must include the following:

parties to the contract,
subject of the company's business,
nominal capital of the company and the share of each party therein,
if the investment is made in a joint-stock company, the type of stock and the bank through which they are issued,
bodies of the company and the investors' representation in them,
duration of the company,
the possible commitment of the domestic investor to buy up the investment or the stocks,
settlement of disputes.

The above shows that there is no major distinction as regards the contents of the contracts.

It should be noted that Article 82 of the Enterprise Law also provides the obligation of a written founding contract for a joint company and that it should include the following elements: the title of the firm and its address, the activity of the joint company, the amount of capital needed for its operation and conditions and methods of collecting these financial resources, the rights and obligations of the founders, conditions and methods of determining and distributing profit as well as other issues related to its establishment.

DURATION OF THE CONTRACT

The Foreign Investment Law (Article 15) stipulates that an investment contract and a founding contract may be made for a definite or for an indefinite period of time.

A contract concluded for a definite period may envisage the automatic prolongation of its validity for a further definite period of time, should no contracting party cancels it before the expiration of the stipulated term.

Parties to the contract may cancel it for reasons stipulated by the contract or by the republic law governing these matters.

SETTLEMENT OF DISPUTES

Provisions of the Foreign Investment Law (Article 27) stipulate that any disputes that may arise between the investors shall be settled by the competent court of law in Republic, unless provisions have been made by the investment contract that such disputes shall be settled by the domestic or foreign arbitration.

Disputes that may arise in the execution or interpretation of a concession contract or any document based thereon, shall be settled by a competent Republic court, unless provisions have been made in the concession contract for such disputes to be settled by arbitration tribunals set up under the conditions provided by the Convention on the settlement of investment disputes between a country and the nationals of other countries, or by some other arbitration.

This procedure is customary in the world and the Republic legislation in this field is no different.

TAXATION SYSTEM

BUSINESS TAXATION

Companies are treated as taxable entities and are subject to company profit tax (under regulations of Company Profit Tax Act adopted in 1992). Entities liable to a profit tax are companies, banks, insurance companies and co-operatives registered with the Registrar of companies in the Republic of Srpska. Residents are liable to pay tax on all profits gained within or outside the Republic, whereas non-residents are liable to pay taxes on profits gained within the Republic.

Taxable profit is determined by the results shown by the annual accounts. Taxable profit is calculated by the following method: the income from all sources (except gains from dividends) is aggregated together and after deducting all allowable expenditures, capital allowances and any prior year allowable losses, the balance is charged to tax at prescribed rate. Allowable expenditure is generally all outgoings and expenses incurred wholly and exclusively in the production of income. Nominated expenses are as follows:

- ◆ *Material costs*
material costs

maximum of 0,5% of the total turnover

◆ *Donations for scientific work up to a maximum of 1% of the total turnover*

◆ *Paid interest rates*

◆ *Estate duty, stamp duties and other local taxes*

The losses from one source of income may be set off against profits from other sources of the next five year period with the exception to capital gains/losses account.

Company profit tax rate is fixed at 30%.

Tax rate on paid dividends is 15%.

Tax reductions are based on the following conditions:

- ◆ *newly established company 100% for the first year of operation, 70% for the second year and 30% for the third year*
- ◆ *newly established company in under-developed region (as deemed by law) 100% for the first three years of operation*
- ◆ *free zones and companies in the zones 100% in the first five-year period*
- ◆ *if a part of taxable profit is reinvested into the company up to a maximum of 15% of taxable profit*
- ◆ *companies in mixed ownership (foreign investment) 100% for consecutive five years, if the amount of the invested foreign capital is 20% minimum.*

Companies are required to submit their tax return 30 days after the balance was determined (end of the 1st quarter of the year following the fiscal year). The tax is paid monthly on the basis of assessment of the tax, on account of the final liability. If the assessment falls short the payment of the difference must be made in 8 days. Any refund of tax over-paid has to be effected within 15 days. If payment/refund occurs later the interest rate is paid on any due amounts. The interest rate is determined at double the discount rate with the Central bank at the time of due payment.

PERSONAL TAXATION

Personal taxation is regulated by the Personal Income Tax Act adopted in 1994. Residents are subject to personal income tax on the aggregate income accruing in, derived from, or received in the Republic from:

◆ *employment*

income from agriculture and forestry

◆ *a trade or business*

income from the sale of immovable property, and royalties or other income

- ♦ *income arising from property*
- ♦ *any other profit not specified*

Exempt incomes include: income based on rights of war veterans, salaries or wages of invalids, scholarships, death gratuities, interest on public loans, interest on deposited sums, vouchers and bonds etc.

The taxable personal income is deducted by both standard and non-standard deductions:

Standard deductions are:

- ♦ *personal deduction amounting up to a 25% of the average annual salary in the Republic*
- ♦ *dependent parents, wife and the first child 10% each of the average annual salary in the Republic, for the second child 12%, for the third child 15%*
- ♦ *elderly people deduction for those older than 65 8% of the average annual salary in the Republic*

Non-standard deductions are:

- ♦ *amounts for purchasing of the house or the apartment, and for the maintenance, if that is the only house or the apartment of the family*
- ♦ *any amounts invested in purchasing of the equipment for environment protection, energy saving and watering*
- ♦ *amounts spent on scholarships including related traveling and lodging costs for any type of education for each member of the family*
- ♦ *amounts spent on the purchase of the equipment, books and publications dealing with the science, culture, art and education*
- ♦ *fees paid for membership in professional associations or trade unions*
- ♦ *donations and contributions for humanitarian, cultural, religious, educational, sports and scientific purposes*
- ♦ *amounts paid for purchase of bonds of the residents*
- ♦ *paid premiums for life and social insurance*
- ♦ *amounts paid for health services including the purchase of medical equipment and medicines*
- ♦ *amounts paid for other taxes than personal income tax*

Total amount of the non-standard deductions is limited to a 15% of the taxable income reduced by standard deductions. The amounts for purchasing of the house may be extended to a 10 consecutive year period.

The personal income tax rates are graduated as follows:

*Taxable income Amount due up to a 2 M 24% from 2 M to 6 M 0,48*M + 29%*

*for amount over 2M from 6 M to 15 M 1,64*M +33% for amount over 6 M from 15 M to 30 M 4,61* M +37% for amount over 15 M over 30 M 10,16*M + 40% for amount over 30 M*

M is the average monthly brutto salary in the Republic in the fiscal year according to official statement of the National Statistics Bureau.

GOODS AND SERVICES TAX (GST)

This tax is regulated by law adopted in 1994. This tax represents main budget income for the Republic. Tax is levied on all goods produced or imported and all services rendered in the Republic with certain exemptions. Items which are exemptions are:

- ♦ *export of products*
- ♦ *all kinds of bread, milk, refined vegetable oil and fats*
- ♦ *imported products exempted of customs duties under provisions of law*
- ♦ *armament and military equipment for the Army and Interior Ministry*
- ♦ *medicines*
- ♦ *school books and appliances*
- ♦ *drinking water*

The law provides the Tax Tariff and general tax rate of 24+2+5%. The lower tax rate of 7+2+5% is applied to a certain number of products (17 items). Tax rate for services is 7+2+5%. (2% for railways, and 5% special purpose tax)

LABOUR AND SOCIAL LEGISLATION

Labour regulations in the Republic are at the stage of reforms. There was no labour market due to the extensive system of protection of workers' rights. This system was expensive, and though the wages were low in comparison to European countries, the costs of the system were high. Even nowadays the costs of social insurance (including payments for retirement fund) are high. They are calculated to within the gross salary which is 1.92 of net salary being 1. Contributions are paid out of individuals salary (50%) and at the expense of the company (50%). This is also consequence of the war having in mind that the aim is to reduce this cost to a usual level elsewhere in Europe.

The reforms in Health care schemes lead towards a system of minimum protection guaranteed to a employed person and members of his family, and a comprehensive system of

additional insurance schemes subject to negotiations with trade unions or subject to a voluntary choice of the worker himself. The system of collective agreements has been introduced recently, determining the minimum wage in the Republic and other labour conditions. The retirement fund operates under new legislation. The reduction of costs is expected through privatisation process of national economy whereby the Funds would be granted capital assets in state-owned companies.

Still, it may be said that after the inevitable reforms the labour costs in the Republic will be reasonably attractive for foreign investors.

BANKING AND FINANCE

Republic's banking system is an inherited one from Socialist Yugoslavia. Since there was no stock exchange operating under the laws of ex-Yugoslavia, 100% of external financing was provided by the banks. The power to issue a banking license rests with the Central bank, which is also empowered to inspect the books and carry out supervision of the banks established or operating in the Republic.

The Central bank of Srpska is vested with the normal functions and powers carried out by Central Banks. It regulates the supply of money and credit, exercises supervision over the banks operating in Srpska, administers foreign exchange and keeps the state reserves.

Commercial banks provide a range of banking services including local and foreign currency deposits, loans and overdrafts, documentary credits, mortgages and guarantees. The interest rate is not limited and it depends on the demand and supply. Due to the restrictive monetary policy of the Central bank and the Government the supply side is rather limited causing an increase in interest rates.

The Law on Commercial banks allows establishment of the mixed ownership banks, wholly-owned foreign banks and establishment of affiliate bank within the territory of the Republic. At present the minimum amount of assets is 1.5 million US\$, and the investment is permitted only in cash.

The following commercial banks now operate in the Republic:

Privredna banka Sarajevo

Privredna banka Prijedor
Privredna banka Doboj
Agroprom banka Banja Luka
Jugobanka Banja Luka
Privredna banka Gradiška
Export Banka Bijeljina
Privredna banka Brčko
West Banka Laktaši

Insurance companies provide a full range of insurance services. This includes the insurance of property, plant and a machinery, stocks for cases of fires, floods and other natural disasters, risk insurance, comprehensive and compulsory vehicles insurance, life insurance, etc.

The following insurance companies now operate in the Republic:

"Juborina" insurance company Serb Sarajevo
"Krajina-Kopaonik" insurance company Banja Luka
"KOSIG" insurance company Banja Luka
"Krajina" insurance company Banja Luka
"Bobar" insurance company Bijeljina

OBJECTIVES AND PRIORITIES

The basic objective of the strategy and policies for the Republic of Srpska development is economic reconstruction as the first phase, and economic revitalisation as the second phase, which entails halting the recession and creating conditions necessary for lasting growth. Having in mind the nature of the present economic system and corporations, the RS economy is in the process of being transformed into a market economy. The process of transition has already been initiated, though the climate of war had slowed it down considerably. The second part of this process is the implementation of structural adaptations, this entailing an open economic strategy with export promotion, on the macro-economic level, while on the microeconomic level it entails the structural adaptation of existing corporations and banks and economic expansion so as to enable lasting growth. A healthy basis for lasting growth will be secured only to the degree that the transition process on the macro and micro-economic levels is secured

Institutional reform implies the adaptation of the economic system to market characteristics. Systemic changes should contribute to the development of the goods and services market, the capital and labour market, as well as to adapt state functioning to the needs of the market economy.

The aim of openness and export promotion is integration and the inclusion of RS into the world economy, this making it essential to achieve system and structural/developmental compatibility. Openness calls for placing production for the export and the domestic markets on an equal footing, as well as doing away with incentives for domestic market production only. Key measures for implementing an openness policy are: a realistic domestic currency exchange policy; an openness policy respecting foreign investment, especially direct foreign investment; an antidumping policy and a policy of realistic/positive interest rates.

Macro-economic stabilisation is a prerequisite for achieving lasting and sustainable growth, steps for which have already been undertaken with the adoption and implementation of the Federal Republic of Yugoslavia anti-inflationary programme. Macro-economic stabilisation and liberalisation complete the macroeconomic environment and create the incentives needed for export promotion. Sector policies create the basis for changes in the economic structure, leading to a higher degree of participation of small and medium size concerns amenable to change. To secure unitary approach to the transition process, it is necessary to implement adaptations to corporations as well. This

entails privatisation and ownership transformation, as well as a restructuring of corporations in their organisational, financial and production aspects. The purpose of micro-economic restructuring - the most difficult phase of transition - is the creation of corporations successfully functioning within firm financial discipline.

Implementation of macro-economic policies would serve stabilisation, this at once implying an initial step in the economic transition of Republika Srpska. This phase would be followed by institutional reform, the restructuring of corporations and banks, the liberalisation of foreign commercial relations and, as part of the last phase, the liberalisation of capital flow.

MACRO-ECONOMIC POLICIES

MONETARY POLICY

With an economy entering a transitional phase, a healthy currency policy must prevail. A strict financial discipline policy would lead to hard budget constraints, beginning with corporations and ending with the state. The central bank should have full monetary authority, i.e., it should faithfully and independently execute a hard monetary policy.

The creation of money should be founded on hard currency transactions and on the bond trade (so-called open market trading). Balancing the budget is essential in this regard.

The key to banking transformation is the creation of banking and other financial organisations as profit-oriented money institutions. With minor modifications, the present institutions can serve in the future period as well. Encumbering the financial system at present are past losses: savings, suspect and unredeemable demands, loss of capital due to hyper-inflation, as well as doing business in the old manner where the role of the state and mayor debtors were instrumental in making business decisions.

Having in mind the dubiousness of the former decision-making process, the reform of banking and financing as a whole shall be conducted on the macroeconomic level. It should be kept in mind that the consolidation of the financial sector is closely linked with the restructuring of corporations and that both processes should be conducted simultaneously.

FISCAL POLICY

In planning budget expenditures, the pertinent principle is their equation with revenues. This would prevent fiscal deficits. This question is of key importance to an economy in transition, since it has been empirically proved that a fiscal deficit is the basic cause of internal and external imbalances among numerous development countries. Republic management of public expenditures should lead to unified economic conditions. As part of income, one might expect that shall be derived from privatisation. An expansion of the taxation base will gain in importance as shall more efficient tax collection which should be facilitated by the formation, of professional financial police and the strict enforcement of the law.

The initial task of implementing fiscal stabilisation policies is the elimination or minimisation of fiscal deficits which was during the blockade the main generator of hyperinflation, since the state deficit was covered by printing money. This is possible by limiting the budget at a level commensurate with the decreased GNP during the civil war and recession. Income should be adapted to increased needs. Having in mind the difficulties caused by the decreased expenditures, the increase in primary budget revenues has all the greater significance.

An increase in the taxation level would be counterproductive since, in a recession, it may lead to further decreasing the production, which would not lead to increased income. That is why the philosophy of increasing the taxation base and decreasing rates of taxation is an approach ensuring increased income through the revitalisation of production. Widening the taxation base largely entails a larger degree of participation by the "grey economy" in the normal economy which allows the taxation of this group as well. System changes conducted since the beginning of the Programme in Republika Srpska are a good basis for changes to taxation law aimed at stabilisation.

Having in mind the aims of taxation reform in an economy in transition (securing the neutrality and efficiency in allocation, transparency, simplicity, justice in the division of taxation burden), which should be in the next phase transformed by the taxation system so as to encompass the taxation of added value, a decrease in the rate of taxation and the overall taxation burden, a decrease of the taxation of producers, increased possibilities of tax incentives for development – taking into account foreign investment also – as well as changes to the basic philosophy of taxation, aimed at a change from advance taxation to the taxation of the result.

Since the situation in the public sector is just bearable, then the direction shall be one towards increasing the public expenditure in the public sector. For

vidual funds in this field - pensions, disability insurance and unemployment insurance - shall be formed as funds/institutional investors, thus contributing to their lasting stability and on the other hand contributing to financial markets. Economisation in the public sector could also be secured by the increased participation of services consumers by contracting services, while the dispersion of institutions would enable the securing of varying quality services according to participation levels. Privatisation of health care and education institutions will reduce the pressure on welfare funds.

FOREIGN ECONOMIC RELATIONS POLICY

A crucial factor in revitalizing production (above levels possible in a closed economy) is the renewal of transportation, scientific/technic and foreign trade exchange. This includes the renewal of cooperation with the former Yugoslav republics. However, it should be foreseen that cooperation will be on a level lower than desirable or possible, in consideration of the overall situation. In the initial stages, the renewal of relations will be regulated through bilateral agreements, while steps towards higher forms of multilateral cooperation can only be expected later. In the close future, a free trade zone could be created as a maximum level of integration within the former Yugoslavia region, while payments could be made through private clearing houses. As far as multilateral economic cooperation is concerned, it is necessary to develop projects for integration within the Balkans.

The basic implication regarding economic development is export stimulation. The strategy of opening of our markets to form competition create conditions for halting the drop in production in exports, followed by their lasting growth under stable conditions. The use of cheapest resources, regardless of their source, enables the improvement of consumption efficiency and the creation of conditions for competitiveness on international markets.

An open market strategy is secured through a realistic currency exchange policy, openness respecting foreign investment, and through appropriate anti-dumping policies. A realistic currency exchange policy creates conditions for revitalizing the foreign exchange market and restoring confidence in the financial system. Opening up the economy is accomplished through incremental introduction of a high degree of commercial liberalisation in the first phase, while the second phase will also deal with the liberalisation of capital. Liberalisation is accompanied by the creation of appropriate anti-dumping measures, in accordance with a commitment to development and international trade norms. Restrictive measures and import health, as well as customs procedures will not be introduced. The process of liberalisation will be gradual and

The existing legislation is friendly to foreign investment. Therefore, a relatively attractive foreign investment environment already exists compared to the one of the neighboring countries so that foreign inflow may be expected during the first steps in economic renewal. By Constitution amendment LII full safeguards to foreign investments are provided.

PRICING POLICY

One of the basic tasks of the transition in the economy is the liberalisation of the goods and services market. The creation of missing market institutions - laws dealing with monopolies - the organisation of goods reserves and the liberalisation of foreign trade would create conditions enabling unhindered market supply and demand and the free determination of prices without the generation of unwarranted inflation. Domestic economic research has shown that price rises of over 14% per month cease to be stabilising and make economic controls impossible. A stabilising macro-economic framework - a necessary and first step in the transition phase - will be secured through a restrictive monetary policy, a restrictive fiscal policy, the appropriate revenue policy and a fixed foreign exchange.

Thus, prices are formed freely in response to market supply and demand. Policies dealing with monopolies and free importation prevent the occurrence of monopoly market positions.

Of great importance, especially in the period of the renewal and rehabilitation of Republika Srpska's economy and because of decreased supply, will be the creation of contemporary goods reserves programme. The essential aim here is to secure the stability of markets, production and export, hand-in-hand with the decreased participation of capital for these ends. A new concept regarding goods reserves implies financial reserves from the budget, but, such reserves will by their participation in the market also secure primary revenue. Of special significance for inclusion in international trade, is the use of goods reserves for reaching planned export goals. Replenishing goods reserves would be done through domestic and foreign markets and contract production. They would be in the form of goods and money and would contain - in addition to industrial raw materials, production materials, fuel, medicine and sanitary supplies - essential agricultural products.

In those sectors of the economy with limited market participation because of natural and lasting monopolies, prices would be determined according to criteria developed by the Republic of Srpska Government.

In the sector of the economy with majority state ownership (state corporations), the state

will determine prices. The essential principle governing this, other than the Programme, is "cost plus", which, in this phase of stabilisation, encompasses only reproduction costs, and not development. One should keep in mind that the essential principle governing the determination of prices must be modified, but in such a way so as not to be detrimental to the functioning of the large systems as well as not to lower the living standard. Therefore, the determination of prices for state corporations entails the economisation of the functioning of all state corporations. The state should take into account that some state corporations, by the nature of their enterprise, must for sometime to come continue to generate losses, while on the other hand are corporations which can even at present enjoy an income. The role of the state is to "iron out" losses and income between state corporations.

An important part of pricing policy is the formulation of protective prices for agricultural products of interest to Republika Srpska - wheat, corn sugar beets, oil-bearing plants, meat, milk.

INCOME POLICY

For the unhindered functioning of the labour market it is necessary to establish all market institutions and elements accompanied by deregulation of contractual agreements as regards the welfare aspects of corporations. Thus, income should be the result of supply and demand through the contract mechanism, while at the same time not creating inflationary pressure.

The income policy has three essential goals: establishing a competitive labour market which implies low unemployment and negligible differences in the prices of labour of the same kind and intensity throughout, the elimination of indexed incomes under generally stable production conditions and the removal of existing disadvantages (protection of place of employment and limitations to contractual arrangements). Together with the above it is necessary to create contemporary welfare mechanisms so that the state would take upon itself welfare concerns and remove this obligation from the corporations, the same inhibiting them to a sizable degree. First of all, a minimum level of protection would be determined - that is, the rights of the needy population in accordance the abilities of the state to care for the unemployed and others. While developing a welfare protection system, work would also be done on the development of a new concept for private and public financial institutions within which the problem of providing more than the minimum of care provided by law would be dealt with. A separate segment of welfare policy during the economic recovery and transition will be welfare programmes as support for structural adaptations in the economy.

DEVELOPMENT POLICIES

INVESTMENT POLICY

Because of the economic crisis and the structural inadequacies, Republika Srpska's economy found itself financially impoverished and technologically backward in the war and at the time the blockade was imposed. Development policies shall provide incentives to development to the degree possible, primarily in those areas which will support the restructuring of the economy. Investment policy is aimed at: a) structural adaptation and incentives provision for enterprise; b) activation and more efficient value determination of available natural and created resources and production capacities; c) offering incentives to exports.

In a situation with extreme shortages on the one hand, and enormous needs, on the other, the revitalisation of the war-devastated economy requires the determination of potential sources of available funds and divert them towards development. Healthy commercial concerns are in possession of such funds - largely private and mixed ownership - as are emigrants and foreign capital interested in Republika Srpska. Primary leverage for the stimulation of investment is to be found in the rehabilitation of corporations and the banking system. The second would be the engagement of the state through the provision of initial funding or direct investment. A policy of openness respecting foreign capital - especially direct investment - has an enhanced importance.

INDUSTRIAL POLICY

Industrial development should tend towards restructuring. With this in mind, the macro-economy should tend towards increasing supply, keeping in mind that revitalisation should be achieved in a restructured economy. At the sector level it is necessary to revitalise, redirect and do away with traditional, centralised and pointless production, on the one hand, while on the other hand it is necessary to support production and create the appropriate infrastructure of new, expansive, decentralized sectors (offensive restructuring). With existing concerns, the tendency will be towards restructuring which will achieve greater utilisation of facilities, decreased energy and resources consumption per unit of product. This entails investment aimed at enlarging production facilities or redirecting them, investment in improving management and organisation. A second and parallel development, which should be dominant, is the foundation of new small and medium sized corporations, for which an attractive business climate should be created.

it is necessary to develop long-term energy saving programmer as well as the conversion of energy sources. One of the bases for renewal will be the construction industry.

AGRICULTURAL DEVELOPMENT POLICY

Agricultural production in Republika Srpska will be developed along lines which will provide, as far as circumstances allow, food supply security for the population, an appropriate living standard at the village level, a stable market for agricultural products at reasonable prices.

Republika Srpska must enable agricultural producers to secure an income which will provide them with an acceptable living standard. This will maintain a healthy population on the land, will maintain the village as a vital social component, while the production of food will be maintained.

One may suppose that Republika Srpska will not in the next few years have the necessary funds for the large-scale, direct financing of agricultural policies. This makes it necessary to use other means to secure favorable conditions for the development of agriculture.

State intervention through direct monetary grants may only be resorted to in undeveloped areas where conditions for agricultural production are below the average.

The state of agriculture as inherited, must be changed. There is enough room for improvement through a strictly applied long-term agricultural policy. In earlier periods, village house holds derived only 13 per cent of their income from their agricultural activities, which bespeaks the lack of development prevailing and the derivation of income through other means. Through an increase in productivity, with an emphasis on the utilisation of relative advantages, the income derived must be increased so as to fully satisfy the requirements of all members of the household. The state can help with direct financial grants (through subsidies and the like), through the education of agricultural producers, familiarising them with new techniques, through the provision of veterinary clinics, the provision of credit, as well as the use of other ways aimed at increasing production.

Regional development policy through institutional and other measures will provide incentives aimed at securing necessary material and personnel conditions for the rational allocation of space and reallocation of investments, an increased level of investment efficiency, and the complementary development of the economy infrastructure and public works.

FOREIGN BUSINESS VISITORS

HOW TO GET TO THE REPUBLIC OF SRPSKA

AIR

Belgrade Airport (the Federal Republic of Yugoslavia) is the closest International airport with frequent daily flights to all the major European capitals. It is 320 km away from Banja Luka, 300 km from Serb Sarajevo or 140 km from Bijeljina. Podgorica and Tivat airports are only 100 km away from Trebinje, with two or more flights per day to Belgrade. It is also possible to arrange business flights with the Republic's fleet consisting of 5 seater planes. Opening of Banja Luka airport for civilian and commercial flights is expected by the autumn 1996.

ROAD

There are two principal routes to the Republic: via Belgrade to Bijeljina or Zvornik, or southern route through Podgorica to Trebinje. The roads are regularly maintained. However drivers are warned that, unless they have experience in driving through winter period, they should not start without a prior information on status of the road network. The drive is smooth and takes 4 hours from Belgrade to Serb Sarajevo and 5 hours to Banja Luka. A standard car is sufficient for the journey; a 4WD would be a sensible choice in the winter.

All the principal hire companies are based in the Federal Republic of Yugoslavia. There is a regular bus service from Belgrade to all the major cities in the Republic. The supply of fuels is regular and it can be bought in every petrol station.

DOCUMENTATION

Foreign visitors should hold a valid passport. Those invited by the Government need not obtain a visa. Private visits require visa which is issued by border police and paid on spot in cash. There are no limits in bringing the foreign currency. However, in order to take it out of the country it is advisable to report amounts brought in to customs officers and require a receipt issued accordingly.

ACCOMMODATION

Hotel accommodation is available throughout the country. The standard of hotels differs. Hotel "Bosna" Banja Luka, Hotel "Banja Dvorovi" Bijeljina and Hotels "Bistrica" and "Rajski Do" in Serb Sarajevo, are of adequate standards for foreign visitors. Booking in advance is advisable. The rates for hotels are in the range of 70 to 100 \$.

MONEY

Local currency is accepted for all kinds of goods and services with the exception for hotel accommodation and fuels. It is advisable to bring German Marks that are common throughout the country.

INTERPRETERS

Many senior politicians and company directors speak English. Interpreters could be engaged at rates ranging from 100-200 DEM per day.

SECURITY

Security situation has dramatically improved since the cessation of hostilities. It is, however wise to exercise caution particularly with regard to mines.

USEFUL TELEPHONE NUMBERS

MINISTRY OF TRADE

TEL.: 071/783-305
FAX: 071 783-274

DETACHMENT IN BANJA LUKA

TEL.: 078/42-465, 42-809, 11-133
FAX: 078/41-298

REPUBLIC DIRECTORATE OF GOODS RESERVES PALE

TEL.: 071/783-395
FAX: 071/786-260

REPUBLIC INSTITUTE FOR PRICES PALE

TEL.: 071/786-594

REPUBLIC MARKET INSPECTION

TEL.: 071/783-305
FAX: 071/783-274

Dept. TREBINJE

TEL.: 089/25-088
FAX: 089/23-181

Dept. PALE

TEL.: 071/783-138

Dept. BIJE LJINA

TEL.: 076/471-872
FAX: 076/471-890

Dept. DOBOJ

TEL.: 074/41-585

Dept. PRIJEDOR

TEL.: 079/22-784

Dept. BANJA LUKA

TEL.: 078/11-400
FAX: 078/11-620

FOREIGN EXCHANGE BANK BANJA LUKA

TEL.: 078/11-400
FAX: 078/11-620

MINISTRY OF REFUGEES AND DISPLACED PERSONS

TEL.: 071/783-553
FAX: 071/783-248

REVENUE DIRECTORATE PALE

TEL.: 071/786-45298
FAX: 071/786-462

SANITARY INSPECTION PALE

TEL.: 071/783-106

GOVERNMENT 71420 PALE

TEL.: 071/783-409
FAX: 071/783-449

MINISTRY OF JUSTICE

TEL.: 071/783-110
FAX: 071/783-930

MINISTRY OF FINANCE

TEL.: 071/783-705
FAX: 071/783-984

MINISTRY OF INFORMATION

TEL.: 071/783-501
FAX: 071/783-566

MINISTRY OF FOREIGN AFFAIRS

TEL.: 071/783-981
FAX: 071/786-339

MINISTRY OF DEFENSE

TEL.: 071/783-498
FAX: 071/783-497

MINISTRY OF INTERNAL AFFAIRS

TEL.: 071/783-480
FAX: 071/783-481

MINISTRY OF TRANSPORT AND TELECOM.

TEL.: 071/783-713
FAX: 071/783-093

MINISTRY OF EDUCATION, SCIENCE AND CULTURE

TEL.: 071/783-034
FAX: 071/783-351

MINISTRY OF URBAN PLANNING, HOUSING AND CIV. CONSTR.

TEL.: 071/783-158

MINISTRY OF AGRICULTURE, WATER WORKS AND FORESTRY

TEL.: 071/786-659
FAX: 071/783-693

MINISTRY OF HEALTH, LABOUR AND WELFARE

TEL.: 071/783-106
FAX: 071/783-129

HOTELS

OLYMPIC CENTER JAHORINA PALE

TEL.: 071/783-968
FAX: 071/783-968

HOTEL LEOTAR TREBINJE

TEL.: 089/20-416
FAX: 089/23-030

BANJA DVOROVI BIJE LJINA

TEL.: 076/550-502
FAX: 076/550-616

HOTEL PANORAMA PALE

COUNTRY CODE: +381

MINISTRY OF RELIGION

TEL.: 071/783-127
FAX: 071/783-950

MINISTRY OF WAR VETERANS AND WAR VICTIMS

TEL.: 071/786-066
FAX: 071/783-166

FINANCIAL POLICE PALE

TEL.: 071/786-108
FAX: 071/786-108

OFFICIAL GAZETTE R.S. PALE

TEL.: 071/783-527
FAX: 071/783-147

TEL.: 071/783-308

HOTEL BOSNA BANJA LUKA

TEL.: 078/41-521
FAX: 078/44-536

HOTEL RAJSKI DO JAHORINA

TEL.: 071/800-088
FAX: 071/800-088

HOTEL SLAVIJA BANJA LUKA

TEL.: 078/ 11 954
FAX: 078/11-806

Republic of Srpska

1. A Brief Survey

Geography

Republic of Srpska is situated in the central part of Balkan Peninsula (South-East Europe) within the borders of ex-Yugoslavia. It covers an area of 29.000 sq. km. The territory is grouped in two main regions, Northern Srpska (consisting of Banja Luka Krajina region, Posavina region, and Semberija and Majevisa region) and Eastern Srpska (consisting of Drina Region, Sarajevo and Romanija region and Herzegovina region). Its borders are approximately 2.500 km long. Some 55% of its territory is covered by forest mountains, and the highest peak is Maglić (Herzegovina region) at the altitude of 2.350 m above sea level.

The climate in general is the continental one with long snowy winters and dry hot summers, with the exception to the Herzegovina region which enjoys the benefits of the Mediterranean climate.

The capital of the Republic is Serb Sarajevo (pop.170.000), but due to war activities the city of Pale (pop. 25.000) became for the time being the main administrative center and the seat of the

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Government. The main business center is Banja Luka (pop. 200.000) in the North-Western part of the country, with well developed agriculture, industry and services sector. The main airport is located there, and it is connected with the other parts of the country by rail and roads. Bijeljina (pop. 45.000) is situated in the North-East part of the country, only 8 km from the border with FR Yugoslavia. It is a well-developed agricultural and trading center. Trebinje (pop.40.000) is the main center for Herzegovina region, with developed Mediterranean agriculture and industry. The vicinity of Port of Bar in Montenegro makes it a good location for future development. The other important centers in the Republic are Prijedor, Doboj, Zvornik, Višegrad and Srbinje.

Formerly a part of the Kingdom of Yugoslavia and later on of the Socialist Federal Republic of Yugoslavia this region had a specific status in development. The general direction was towards the development of energy exploitation and metallurgy and industry. However, the territory of the Republic has a very good potential for development, especially given its well-educated population and the structure of the economy in which all the sectors are represented. The natural beauty of the country can be compared to the one of Switzerland or Austria, and the natural resources provide a good basis for future development.

History

Republic of Srpska was established on 9 January 1992 by the unanimous vote of Serb parliamentary representatives in the Parliament of Socialist Republic of Bosnia and Herzegovina. The session of the Assembly of Serb People of Bosnia and Herzegovina in which this decision was taken and the Constitution of the Republic adopted was a response to the decision of the Muslim-Croat coalition to put the Republic on a road to secession from Yugoslav federation. However, this decision came into effect only after the EC countries and USA extended international recognition to the Muslim-Croat government, thus encouraging them to renege on their commitment to transform Bosnia-Herzegovina into a confederate state of three constituent nations. This led to an armed conflict that lasts to this very date. During the war the National Assembly of the Republic of Srpska adopted an impressive number of regulations providing the country with all the necessary legislation for its normal functioning. Over short period of time the Republic became fully sovereign and independent in its territory *via facti*, and it is expected that the peace process will end with its formal international recognition.

The Serbs to began to exercise their right to national self-determination, once the same right was granted to the other two major groups - Muslims and Croats. The history of Yugoslav lands is the history of the struggle for freedom of not only the Serbs but the other Slavic neighbors. The medieval times were characterized by constant effort of Catholic Hungary to push

Eastern-Orthodox Serb nobility further south the Balkan Peninsula. Subsequently, in XV century, the Turkish Ottoman domination was established and lasted to the very end of XIX century. Even though deprived of the self-rule the Serbs survived throughout these centuries and represented absolute majority of the population at the end of the Turkish rule. Austrian occupation in 1878 and annexation of Bosnia in the Austro-Hungarian Empire in 1908 represented further attempt to spread Catholic influence in the area. Finally, freedom came after World War I in which Serbia was victorious. It was only then that all the Serbs lived in a single state called the Kingdom of Serbs, Croats and Slovenes (re-named Yugoslavia in 1929). The World War II brought the worst genocide over the Serbs ever seen in history. The Independent Croatia and its Ustashi movement killed approximately one million Serbs in death camps and on the spot. After the war Communist Federal Yugoslavia was established and this genocide was officially forgotten. That was ideal ground for spreading anti-Serb influence throughout the country. New nations were invented in order to oppose Serb influence (Macedonians, Muslims). All this finally burst in a triumph of nationalism, secessionist movements of non-Serbs and the dismemberment of Yugoslavia. The Serbs had no choice but to claim their rights on territories where they represented absolute or relative majority, and where they were decimated in World War II. That represents the territory of the Republic of Srpska.

Government

The Constitution protects political pluralism, human rights and private property in the Republic. The constitution provides Parliamentary form of government with a unicameral legislative assembly by which the executive, legislative and judicial powers are exercised by separate and independent bodies.

The Republic is represented, home and abroad, by the President of the Republic and the two vice-presidents. The President is the supreme commander of the armed forces and nominates the Prime minister to the National Assembly. He is also authorized to raise any questions of national importance in the Assembly and to proclaim laws and regulations adopted by the Assembly. The President of the Republic is elected for a 4-year term in direct elections.

The executive branch consists of the Prime-minister and the Cabinet, appointed by the National Assembly out of the majority party or a coalition in the Assembly. There are 15 Ministries: Agriculture, Forestry and Waterworks, Commerce and Tourism, Civil Construction and Urban Planning, Defense, Energy and Industry, Education, Culture and Science, Finance, Foreign Affairs, Health, Welfare and Labour, Information, Interior, Justice, Religion, Transport and Telecommunication and War veteran protection.

The legislative branch comprises of the House of Representatives (120 members), whose members are elected for

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a four-year term under the voting system of simple proportional representation. There is a multiparty system with a Serbian Democratic Party (center), Serbian Renewal Movement (right), Reformist Alliance (left) and the Party of Democratic Changes (left) represented at the moment in the Assembly. Recently several other political parties were established such as Radical Party (right) and Socialist Party (left).

The administration of justice is entrusted to a separate and independent judiciary consisting of the Basic and District Courts, Supreme Court and the Constitutional Court. The Constitutional court adjudicates exclusively on all constitutional law matters and recourse for the annulment of administrative acts. The Supreme court is the highest appellation court in the Republic.

Population and Language

The population of the Republic of Srpska is estimated to be in the region of 1.300.000 of which approximately 95% are of Serb ethnic origin and 5% of the others, mainly Croats and Muslims. The population density is 44 persons per square kilometre. The official language is Serb, but the population is familiar with the German language due to the great number of people working in Germany, and with English which is the main language taught in schools. Some 50.000 residents of the Republic works abroad, mainly in EC countries (Germany, France, Austria, Sweden).

Transport and Telecommunications

Republic of Srpska is well connected with the major European routes running through Serbia to the Middle East and to the Mediterranean basin. The network of railroads and roads is good but it is important to upgrade it maximize the communication potential of the Republic. When completed the network will secure cheap and efficient transport to the main routes as well as to the main sea-port of Bar in Montenegro.

The telecommunication system is integrated in the system of FR Yugoslavia. More than 100 countries in the world could be reached by direct dialing system. The development plan includes the promotion of Mobitel and Paging systems.

Currency

The currency of Srpska is Yugoslav dinar (1 Din=100 para). The exchange rate is 1YUD=1DM. Republic of Srpska decided to enter into monetary union with FR Yugoslavia and this process has been under way for more than 12 months. Yugoslav dinar has been stabilized under the Program of the Governor of the Yugoslav Central Bank, Mr. Avramović, and the government of the Republic is respecting it strictly in order to preserve the value of the currency. There is no plan at the moment to create the currency of the Republic itself.

World Trade Orientation

The main foreign trade partners of the Republic (as per 1989. statistics) are EC countries, among them Germany as the main partner, Italy as the second, and ex-USSR where more than 40% of foreign trade was directed. It may be said that the economy of the Republic was capable of competing within the European markets and that it proved its supremacy within the COMECON countries market.

2. Economy

Mines and Energetic

COAL AND ORES

At present this sector of economy represents one of the most important for future development. The soil of Srpska is relatively rich with coal and different ores thus enabling extracting and processing industries to develop a strong basis for light industries, and rich source of energy for overall performance of industries.

Coal reserves are exploited in 5 major mines. The brown coal mines are as follows:

- "Kamengrad" near Sanski Most - 300.000 tons per year
- "Miljevina" near Srbinje - 200.000 tons
- "Ugljevik" near Bijeljina - 1.800.000 tons per year

The lignite mines operating are as follows:

- "Gacko" near Trebinje - 1.800.000 tons per year
- "Stanari" near Doboj - 600.000 tons per year

The total extracting capacity of the said mines is 4,7 million tons per year. The damages to the installed machinery due to war activities are minor. The largest quantity of coal is extracted

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outdoors using heavy duty excavation equipment thus providing the optimum utilization of coal reserves.

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The largest European iron ore mine "Ljubija", near Prijedor provides some 3,6 million tons of iron ore per year. It was the largest supplier of ex-Yugoslav steel works before the war. It is well equipped with all the necessary heavy duty equipment. No damages due to war activities were recorded, and the only damage is that it stopped production for the period of three years. The company exploiting the mine is well developed, having within its organization the Institute for research and development. In the vicinity of Prijedor there is iron ore mine "Omarska" which offers almost the same quantity of iron ore. All of this creates the basis for possible construction of the steel works in the region. Iron ore mine "Ljubija" is connected to the main railroad Banja Luka - Doboj.

The bauxite mines are located in four different locations, as follows:

- Bauxite mine "Milići" near Zvornik - 1.500.000 tons per year
- Bauxite mine "Jajce" near Jajce
- Bauxite mine "Mrkonjić Grad" near Jajce - both 350.000 tons per year
- Bauxite mine "Berkovići" near Stolac - 70.000 tons per year

Damages to the outdoors fields in "Milići" and "Jajce" mines were recorded due to war activities, and it will need investments to rehabilitate the mines after the war is over. The importance

of bauxite mines for the economy of Srpska is high, because facilities for further processing operate in the Republic. Within the context of Yugoslavia's economy the whole range of aluminum production and by-products exists, as well as a number of important aluminum processing plants.

The lead and zinc mine "Sase" near Skelani is the only mine of that kind in Srpska. Its annual production is 6.500 tons of lead, 4.000 tons of zinc and 8 tons of silver. Due to heavy fighting near the location of the mine damages to the equipment are high. Serious investments will be necessary for recovery of the mine. On the other hand the problem of sales of the products does not exist, which might encourage investors to finance recovery project.

As for the large deposits of non-metals throughout the Republic a number of mines are operating in the following materials:

- Asbestos
- Limestone and construction stone
- Gypsum
- Kaolin
- Architectural stone
- Dolomite

ELECTRICITY

Production of electricity is one of the strategic sectors in Republic's economy. The installed production capacity of the power plants is 1.291 MW. Hydropower plants provide the cheapest and environment friendly energy, thus more than a half of production is located there. The following hydropower plants operate in the Republic:

- HPP "Trebinje 1" - 180 MW
- HPP "Trebinje 2" - 8 MW
- HPP "Jajce 1" - 50 MW
- HPP "Jajce 2" - 28 MW
- HPP "Bočac" - 110 MW
- HPP "Višegrad" - 315 MW

It is worth mentioning that the HPP "Dubrovnik" located in the Republic of Croatia (210 MW) is providing 78% of the produced energy for the system of the Republic of Srpska, based on the equity share of the Republic. Additionally two small distribution PP "Bogatić" and "Tišća" provide another 6 MW of electricity. Future development of the exploitation of hydraulic energy leads in two directions. One being the construction of the "big" power plant "Buk Bijela" (450 MW) for which the preparatory works were carried out, and the other construction of so-called "mini" HPP with installed production capacity of 3-6 MW each.

Coal-fired power plants utilize coal deposits in Gacko and Bijeljina and their installed capacity is as follows:

- CFPP "Gacko" - 300 MW
- CFPP "Ugljevik" - 300 MW

Additional CFPP is installed in the paper mill "INCEL" Banja Luka with installed capacity of 20 MW. Future development of coal fired power plants is based on coal deposits in Gacko and Bijeljina. CFPP "Ugljevik 2" is under construction, and it is planned to construct additional CFPP at the same location, each of them providing 300 MW of electricity. In Gacko it is planned to build two additional units at 300 MW each.

Production of energy fully covers the needs of the Republic's economy and the excess energy may be exported to other countries through the high-voltage distribution network. Due to the fact that ex-Yugoslavia had designed a single distribution network system that is practically out of order due to secession and war, it may be said that the rehabilitation and construction of high-voltage lines would be a primary task in the post-war period.

CRUDE OIL

The crude oil processing is located in the oil refinery "Brod". Its annual capacity is 5 million tons of crude oil processed in two lines (2m + 3m tons). It is connected to the "Adriatic" oil pipeline linking Adriatic coast and refineries alongside the river Sava

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(Sisak, Brod, Beograd) as well as planned access to Hungary. There are damages to the refinery due to war activities.

The other specialized refinery is located in Modriča. Its product line consist of base oils, engine-oils, lubricants, waxes and machinery grease in the quantity of 60.000 tons per year. No damages were recorded to the plant. The products of the refinery are produced in conformity with EC standards regulations.

NATURAL GAS

The main pipe-line for natural gas exported from Russia connects Belgrade main junction with Zvornik and Sarajevo. It provides some 320 million nm³ of natural gas per year.

Industry

Republic of Srpska industry structure contains all of the major industrial sectors. Most of the production plants were developed within large state-owned corporations that were controlling up to a 80% of the industry in the Republic. Although the management was poor and the overall performance of the industry was modest in results, a large number of companies had developed its export orientation towards free market economies and gained a good position in some European countries, as well as in markets of ex-USSR. The level of applied technology is higher compared to ex-Yugoslav Republics - Slovenia and Croatia, and the plant and machinery are relatively new.

AUTOMOTIVE INDUSTRY

The sector of automotive industry is extensively developed due to well developed co-production and joint venture type relationship with the world leading manufacturers.

Complete range of truck diesel engines is produced in the Republic including the production of all the key engine components. The company "FAMOS" is capable of producing up to a maximum of 10.000 diesel engines within the range from 130 HP to 400 HP, as well as engines for heavy duty purposes up to a 1.200 HP. The production of key components includes: crank cases, cylinders, cylinder heads, pistons, crankshafts, camshafts. The engines are produced for trucks and

buses as well as for marine purposes. The technology acquired is that of "Daimler-Benz" Germany, and the engines are both own construction or licensees. Full range of gear boxes is produced in the company under the license of world leader "ZF" (10.000 items per year). The company also produces complete transmission for heavy duty equipment. Together with truck and bus producers from FRY, FAMOS is capable not only to accommodate domestic market, but to export high class products in the world market. The exports record in the past shows that the quality of the products is at the European level.

Within the scope of pre-war co-production and joint venture agreement between company "UNIS" and Volkswagen Germany, the production of components for passenger cars was established in different parts of the Republic, including the assembly line for VW most popular model "Golf". The production included: wheels (incl. aluminum alloy), screws, ball bearings, wiring, seats, windshields and glass, rear axes, different plastic parts, pumps and filters, car batteries, flexible shafts, car electronics, etc. This production also served other car producers like "Zastava" . The output of the most of the plants was designed to provide up to a million parts per year in order to be competitive. Although the local production of VW has been stopped due to war activities, most of the facilities did not suffer damages. The production may commence soon after the peace is established and it may be aimed at any world car producer. The maximum export revenue reached before the war was in the range of 0,5 billion DM.

ELECTRICAL INDUSTRY

The product line of "ENERGOINVEST" one of the world leading manufacturers and engineering companies within this scope of production, covers the entire range of electrical equipment. The product line consists of:

- transformers
- high-voltage pylons
- complete electrical plants
- high voltage switches, fuses, insulators, circuit breakers
- industrial automation elements
- design and construction of the complete high voltage distribution lines

The plants are located in Sarajevo, Doboj, Bileća, Zvornik etc.

The main producer engaged in electronics is the company "Rudi Čajavec" Banja Luka. Its product line consist of:

- TV sets (cabinet and portable)
- parts for TV sets
- car aeriels
- micro motors
- car alternators and starters
- VHF transcievers
- electrical metering appliances
- loudspeakers
- hi-fi amplifiers and sound-systems

- machinery for graphic industry
- special purpose electronics

METALLURGY

In Jajce there operates a mill for production of ferro-alloys on the basis of silicon and chrome. Its annual output is 10,000 tons of low-carbon ferrochrome (LCFeCr) at 6,5 MW drive power, 50,000 tons of ferrosilicon at 63 MW drive power and 10,000 tons of silicon metal at 17,5 MW drive power. The "Elektrobosna" company also produces several other by-products like: compositions on the chrome basis, sodium sulfide, sodium dichromate, sodium oxide, etc.

NON-FERROUS METALLURGY

In Zvornik there operates Alumina (Al_2O_3) plant processing bauxite for further production of aluminum, refractory materials, abrasive materials, ceramics, electro-insulation materials. Its annual capacity is 600.000 tons of alumina. The other products within its scope of activity are:

- Hydrate Al_2OH_3 - 50.000 tons per year
- Zeolite, powder and suspension - 60.000 tons per year
- Granulated zeolite - 1.000 tons per year
- Water glass - 120.000 tons per year
- Ceramic fibers - 1.500 tons per year

PULP AND PAPER

The pulp and paper industry is well developed in the north-western part of the Republic. The company "INCEL" in Banja Luka is the main producer of pulp and paper as well as paper products. Its annual operation is as follows:

- 77.000 tons of white pulp
- 24.000 tons of pulp fibers
- 33.000 tons of tissue paper
- 25.000 tons of paper confectionery
- 3.000 tons of cellophane
- 5.000 tons of polyester fillings

Pulp and paper plants operate in Prijedor and Drvar.

MACHINE BUILDING

The machine building sector of industry is extensively developed in the Republic. All the big corporations developed a line of products mostly for their own purposes (special machinery) and some producers emerged to produce universal machinery. Plants for production of process equipment were developed within "ENERGOINVEST" company in Jajce and Sarajevo. This includes the tailor made equipment in conformity with the highest standards (TUV, Lloyd) made of steel, stainless steel or aluminum. "UNIS" developed the production of packing machinery, gears and cog-wheels, industrial pneumatics, special

vertical presses. All of the companies engaged in mines developed maintenance plants capable of producing spare parts for heavy duty equipment.

The largest machinery manufacturer in the Republic is company "Jelšingrad" of Banja Luka producing steel strip scissors, hydraulic and mechanical presses, followed by company "Univerzal" producing machinery and equipment for civil construction. The steel foundry shop operates within "Jelšingrad" with annual output of 14.000 tons of processed steel.

The company "INDUSTRIJA ALATA" from Trebinje is the biggest producer of tools and dyes in ex-Yugoslavia. Its annual output was 64 million pieces of tools and dyes, and out of it some 70% was exported.

Production of roller and ball bearings has a 25-year tradition. The annual output of "UNIS"-operated plants is up to a 4 million different bearings within two plants operating in Sokolac and Sarajevo. This production is organized together with Swedish SKF, a 23% shareholder in both plants.

METAL WORKING INDUSTRY

There are several important plants for metal processing in the Republic all equipped with up-to-date technology. In Banja Luka a cold rolled strip mill produced steel strips 0,30mm-4mm thick and up to 650 mm wide. In Kopači (Drina region) there is a drawn steel wire mill, further utilized in Višegrad in wire ropes mill and in Srbinje where a springs for furniture are produced.

Precise cold-drawn pipes mill operates in Derventa. The whole group of companies is within "UNIS" corporation.

There is a large number of plants of small to middle scale where a number of different metal parts is produced by forging, welding or other related technologies. Many of them are capable of producing custom designed-products for any purchaser in Europe.

Over the last decade a number of small companies was established for aluminum processing.

A number of companies produces consumer goods like bicycles, chains, agricultural equipment, sanitary and household equipment, etc.

TEXTILES AND FOOTWEAR

This sector of industry is widespread in the Republic. Some 40 textile companies (middle to big scale) and 5 major footwear producers are capable of producing almost any product within this sector. This export-oriented sector of industry (60% of the production was exported) contributed to the foreign currency balance of the Republic a major portion of hard currency (20%). Traditionally exposed to the impact of the world markets, this sector is highly competitive in both pricing and quality of the products.

The big textile companies in the North-Western part of the country like "Sana" from Novi Grad and "ITRIS" from Srbac, have organized a full range production of textile including spinning, weaving and processing of the cotton (mercerizing, bleaching and dyeing). In the same region there is a big

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producer of silk cloth, as well as cloths made of polyester, cellulose, viscose and other artificial fibers "Svila" from Čelinac. The product line of this sector of industry starts with male, female and childrens underwear, shirts, sportswear, trousers, suits, full range of knitwear and lace and lingerie, stockings to bed sheeting, blankets, thick drill fabrics, furniture cloth and carpets. All the major companies are capable of producing textiles according to the purchaser's specification thus being flexible to reach a high competitive edge.

The major footwear and other leather products companies are capable of producing all kinds of male, female and childrens footwear. All of them cooperated with the leading European footwear companies and supplied them with high quality products. "Bosna" from Banja Luka, "Sloga" Prnjavor, "Demos" Derventa, "Izbor" Brčko and "Zenit" from Bijeljina are the names that mean quality not only in the market of ex-Yugoslavia, but throughout Europe.

Agriculture And Food Industry

Agriculture is an important sector of Srpska economy. It is capable of meeting basic needs in food for the population of the Republic in respect of the main agricultural products. Due to the geographical configuration of its soil the agricultural soil may be categorized in several regions: mountainous, hills, plains, Mediterranean hills and plains. Out of a total 1,5 million hectares of agricultural land, 650.000 hectares belong to arable

land and the remainder to meadows. Some 90% of land is privately owned.

The basic agricultural cultures grown in the Republic are:

- wheat
- maize
- various corn (rye, oats and barley)
- potato
- sugar beet
- sunflower
- tobacco
- various vegetables (tomato, pepper, cabbage, carrot, green peas, onions, garlic, etc.)
- grass mixtures, maize for breeding kettle, leguminous plants

In the autumn of 1994 and the spring of 1995 some 330.000 hectares were prepared for the said products, and the total output expected would be some 1.300.000 tons of different products.

The fruit and grapes production is very well developed in some regions of the Republic. The fruits grown in the Republic are apple, plum, pear, apricot, raspberry and strawberry. Vineyards are located in Herzegovina region where Mediterranean climate enables growing of specific grape varieties.

Cattle breeding is relatively developed in the Republic and it provided following quantities of fresh meat in 1994:

- beef 23.000 tons
- lamb and mutton 6.300 tons
- pork 22.000 tons
- poultry 9.000 tons

The production of milk at present is in the range of 370.000.000 liters per year in 2 major dairy facilities.

Fish-farming is well developed in the northern part of the Republic including the production of trout. Drina river represents a future location for high-quality fish-farming.

Food processing industry is strong in Banja Luka, Brčko, Bijeljina, Prijedor, Doboj and Trebinje. All the major industrial processes are represented: meat processing, canned fruits and vegetables, jam and marmalade, sweets, cakes and biscuits, pasta, beer, strong liquors (plum brandy and pear brandy).

It is planned to improve the quality of arable land by irrigation projects. Semberija region has already carried out the first stage in providing watering system for a large area of arable land. Another irrigation project in Herzegovina "Gornji Horizonti" should provide watering for land to grow Mediterranean cultures. In the north-western part of the country there is a plan to plant new vineyards because the climate and altitude enable a production of popular European grape varieties. Further

development of farming by education, providing incentives and a good cooperative network should double the performance of the agricultural sector.

Forestry and wood processing

Forestry of the Republic of Srpska supplies 28 different processing industrial activities with wood. Besides its strong impact in the Republic's economy it provides benefits in environment protection, water regulation, protection of soil, development of tourism and defense.

Forests cover some 55% of the total territory of the Republic or 1.500.000 hectares. The estimated total deposits of wood are in the range of 158 million m³, and the annual growth mass is 4,45 million m³. Total net volume of exploitation is 3,86 million m³. 1/3 of the volume consists of conifer forests. Some 15% of the forests are privately owned and the rest is state owned.

Such important resources enabled the development of both mechanical and chemical processing of wood. Since chemical processing has been described above, the following text will provide basic information on mechanical processing plants in the Republic. Some 35 companies are engaged in wood processing industry with combined plants for production of different wood products. Most of the companies produce wood structure, beams and boards, plywood boards, splinter boards, veneer, material for house furnishing (parquetry, doors, windows, etc.). The products

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are mostly made of beech tree, oak, pine and fir, and some specialist companies produce walnut and maple furniture.

A full range of household furniture is produced in number of plants. Important producers of hardwood furniture are companies: ŠIP Ključ, Vlasenica, Bratunac, Podgraci-Gradiška, Jadovnik-Grahovo and Varda-Višegrad. This product line was successful in export operations. It is worth mentioning that 62% of net exports of wood were semi-final and final products. Janj-Srbobran and Intal-Ilijaš produce pre-fab houses, and Lignošper-Novi Grad is a specialist in office furniture. Major producers of upholstered furniture are: Radnik-Gradiška, Javor-Prijedor, Standard-Banja Luka, etc. The only producer of water resistant beech plywood in ex-Yugoslavia is the "Bosanka" company in Sarajevo.

Civil Construction

Several big companies in the Republic are capable of performing the most complex civil construction works and projects. The company "Hidrogradnja" is a specialist in construction works for hydropower projects with massive excavation works and designing and constructing dams and tunnels. Its reference list contains a number of works carried out at home and abroad. The companies "ŽGP" and "PUT" both from Sarajevo specialized in construction of roads, railroads, bridges and related tunnels, home and abroad.

A whole range of small to medium scale construction companies operates in the housing sector. The whole sector of civil construction is followed by a production of construction materials: stone, gravel stone, bricks, cement blocks, prefab houses, ceramic tiles etc.

Banking and Insurance

Republic's banking system is an inherited one from Socialist Yugoslavia. Since there was no stock exchange operating under the laws of ex-Yugoslavia, 100% of external financing was provided by the banks. The power to issue a banking license rests with the Central bank, which is also empowered to inspect the books and carry out supervision of the banks established or operating in the Republic.

The Central bank of Srpska is vested with the normal functions and powers carried out by Central Banks. It regulates the supply of money and credit, exercises supervision over the banks operating in Srpska, administers foreign exchange and keeps the state reserves.

Commercial banks provide a range of banking services including local and foreign currency deposits, loans and overdrafts, documentary credits, mortgages and guarantees. The interest rate is limited to the maximum of 12% p.a. due to the restrictive monetary policy of the Central bank and the Government.

The following commercial banks now operate in the Republic:

- Privredna banka Sarajevo
- Banjalučka banka Banja Luka
- Zvornička banka Zvornik
- Semberska banka Bijeljina
- Privredna banka Prijedor
- Privredna banka Doboj
- Agroprom banka Banja Luka
- Jugobanka Banja Luka
- Privredna banka Gradiška
- Eximbanka Bijeljina
- Privredna banka Trebinje
- Privredna banka Srbinje
- ~~Privredna banka Drvar~~
- ~~Kredisan banka Sanski Most~~
- Privredna banka Brčko

Insurance companies provide a full range of insurance services. This includes the insurance of property, plant and a machinery, stocks for cases of fires, floods and other natural disasters, risk insurance, comprehensive and compulsory vehicles insurance, life insurance, etc.

The following insurance companies now operate in the Republic:

- "Jahorina" insurance company Sarajevo
- "Krajina-Kopaonik" insurance company Banja Luka

- "KOSIG" insurance company Banja Luka
- "Krajina" insurance company Banja Luka
- "Bobar" insurance company Bijeljina

Tourism

Tourism is an underdeveloped sector of economy. This is due to the Republic's past and its industry oriented development. Only in 1984 when Winter Olympic Games were organized in Sarajevo comprehensive approach to tourism was adopted. Srpska may develop tourism in three main directions:

1. Ski tourism, which is the most developed, with ski-centers on mount Jahorina, Vlašić and in Kupres. All the facilities for providing high quality tourist services exist in those areas. A complete infrastructure, three star hotels, apartments for rent, ski lifts that can facilitate up to 10,000 skiers per hour. This sector of tourism will need some investments incomensurate with benefits they may bring on a short term basis.

2. Spa tourism, which may be combination of health care, recreation and sports. There are several locations operating already (Ilidža, Teslić, Bijeljina, Dubica, Laktaši). Mineral springs contain different types of mineral water that may be used in a treatment of various diseases. Further investments into this sector are necessary in order to provide full service for the tourists.

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3. Hunting and fishing tourism may be a best chance to provide exclusive and high end quality tourist offer. The forests of the Republic are intact considering the wild life. Both big and small game (wild goat, bear, wild boar, pheasants, wild duck) hunting may be organized in state-designated hunting areas. Those areas are maintained by Hunters' association of the Republic, thus providing guides to the tourists. There are two national parks in the Republic, Sutjeska and Kozara. Fishing in the rivers of the Republic can be an unforgettable experience. Most of the rivers are clean and contain a high volume of oxygen. The usual target is trout (spring and gold trout), and a special excitement is provided on the river Drina where the usual catch is "mladica" (giant kind of trout). In the upper part of the Tara and Drina rivers tourist companies organize "rafting" exciting adventure trip down the river.

3. Business conditions

Company law

Present Company law was adopted in 1989 in the Federal Assembly of Yugoslavia in the course of reforms of Yugoslavia's economy towards market oriented economy. By the decision of National Assembly of the Republic this Law is still valid. In December 1994 the Assembly adopted State-owned Companies Act thus annulling the existence of so-called "social property".

The classification of companies adopted is according to the criteria of the character of property. Besides state-owned companies, this law provides the establishment of private-owned companies, cooperative property companies, mixed ownership companies and public companies that may be established in any form of property nominated in this law.

The usual forms of private-owned companies provided in this law are:

- Limited liability company
- Joint stock company (share capital)
- Holding company

The Company law requires a minimum amount of share capital which is symbolical when company is established. The company

needs to be registered with the Registrar of Companies held at District Courts. To obtain registration the following documents must be filed with the Registrar of companies:

- Articles of Association
- Proof for paid-in capital
- Authorization for the director/s
- Registration form completed

The shares must have nominal (par) value. The issue of shares may be made for cash or for a consideration other than cash. Shares may be voting or non-voting, and they are issued at their nominal value. A register of members is required to be kept by every company.

The company may be wound up when its period of duration, provided for in the articles of association has expired or through court order following a petition to the court which may be presented by any creditor or by Control office within the Finance Ministry, *ex officio*.

The company may exercise any type of lawful business, and objects of the company are usually drafted in a maximum wide manner. However, if a foreign person is a majority shareholder restrictions exist in exploitation of natural resources as provided in Law on Foreign Investments. (see the chapter on Foreign Investments).

Customs and Excise

Customs and Excise law was adopted in a National Assembly in 1993 and it is fully harmonized with the laws applicable in FR Yugoslavia. Custom duties with FR Yugoslavia were abolished by this law with the exception of obligation to report any goods originating from FR Yugoslavia crossing the border to the Customs Office.

The average rate of customs duty is 15%. Goods which carry high import duties are mainly in the group of so-called luxury goods (e.g. gold, jewelry, cosmetics, passenger cars over 1.600 c.c.). Excise taxes are imposed on a limited number of categories of goods, mainly cigarettes, petrol, passenger cars and alcohol.

It is provided that no payment of customs duty is applied in the following number of cases:

- when a foreign person investing in the Republic is importing new equipment except passenger cars or slot machines
- when companies import the goods from abroad without payment or paid by humanitarian organization in case of natural catastrophe (earthquake, flood, war etc.)
- when companies import the equipment replacing the destroyed one in cases of natural catastrophe
- when companies exercising scientific and research work are importing the equipment not available in the Republic

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- when medical equipment is imported because it is not produced in the country
 - when companies import the equipment for environment protection not available in the Republic
 - when foreign persons import goods for fairs held in the country

No customs duty or any taxes are paid for goods or services exported.

Temporary import of raw materials or parts for export goods production is allowed, thus no duties apply in such a case.

A certain number of countries enjoys a preferential customs status if not less than 51% value added of the goods can be proved.

Free zones can be established under the present law (Customs Zones) in which customs formalities are minimal and no payment of customs duty is applied for equipment, machinery and raw materials imported into the zone. Company may establish a zone if it acquires the rights to use a land near river port, international airport or Goods Transit Center.

Foreign Exchange

The foreign exchange act was adopted by National Assembly in 1993. In general it provides regulations on procedures for use of

foreign exchange by nationals of the Republic as well as by foreign persons with or without residence in the Republic.

It is provided that Dinar is a convertible currency and therefore all transactions in foreign currency abroad are liberalized. However, this is only a general remark and due to the constant shortage of foreign exchange, various restrictions may be applied on a temporary basis.

All amounts of foreign exchange acquired by domestic company through exports of goods or services are subject to transfer into dinar amounts exercised by the Central bank. Company acquires the right to use the same amount of foreign currency for any payments abroad, or to transfer the said right to another company, provided that at the moment of payment it gives the bank the counter-amount of dinars. In order to enable a larger number of companies to participate in this procedure, the Foreign Exchange Market is established by law. Anyhow the procedure for acquiring the rights for payments abroad is usually exercised in direct negotiations between companies.

The company may effect payment abroad for goods imported or services rendered by foreign company, or in order to service loans acquired abroad.

There are specific cases when company may keep an account with the bank in foreign currency:

- when company is exercising Investment works abroad (i.e. civil construction, equipment delivery)
- when company acts as a representative of a foreign company and sells goods from consignment stock (sold for foreign currency)

If a company enters into a long-term co-production contract with a foreign company it may effect the payments through an evidence account established with the Central bank thus making the cash-flow in international operations internalized. This option may be applied for the companies engaged in international transport, telecommunications and insurance.

Foreign persons may deposit foreign exchange and dinars with the authorized banks. Foreign currency amounts may be transferred abroad, and dinar amounts may be used for purchase of goods for export or for payment of services provided locally. Transfer of dividends or repatriation of assets is under no restrictions.

It may be said that foreign currency operations are rather complicated and for a foreign person it is advisable to have a local partner in all foreign trade operations.

Taxation

BUSINESS TAXATION

Companies are treated as taxable entities and are subject to company profit tax (under regulations of Company Profit Tax Act adopted in 1992). Entities liable to a profit tax are companies, banks, insurance companies and co-operatives registered with the Registrar of companies in the Republic of Srpska. Residents are liable to pay tax on all profits gained within or outside the Republic, whereas non-residents are liable to pay taxes on profits gained within the Republic.

Taxable profit is determined by the results shown by the annual accounts. Taxable profit is calculated by the following method: the income from all sources (except gains from dividends) is aggregated together and after deducting all allowable expenditures, capital allowances and any prior year allowable losses, the balance is charged to tax at prescribed rate. Allowable expenditure is generally all outgoings and expenses incurred wholly and exclusively in the production of income. Nominated expenses are as follows:

- Material costs
- Labour costs
- Depreciation
- Donations for humanitarian, cultural and sporting funds up to a maximum of 0,5% of the total turnover

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- Donations for scientific work up to a maximum of 1% of the total turnover
 - Paid interest rates
 - Estate duty, stamp duties and other local taxes

The losses from one source of income may be set off against profits from other sources of the next five year period with the exception to capital gains/losses account.

Company profit tax rate is fixed at 30%.
Tax rate on paid dividends is 15%.

Tax reductions are based on the following conditions:

- newly established company 100% for the first year of operation, 70% for the second year and 30% for the third year
- newly established company in under-developed region (as deemed by law) 100% for the first three years of operation
- Free zones and companies in the zones 100% in the first five-year period
- if a part of taxable profit is reinvested into the company up to a maximum of 15% of taxable profit
- Companies in mixed ownership (foreign investment) up to a ratio of the invested foreign capital for consecutive five years, if the amount of the invested foreign capital is 20% minimum.

Companies are required to submit their tax return 30 days after the balance was determined (end of the 1st quarter of the year following the fiscal year). The tax is paid monthly on the basis of assessment of the tax, on account of the final liability. If the assessment falls short the payment of the difference must be made in 8 days. Any refund of tax over-paid has to be effected within 15 days. If payment/refund occurs later the interest rate is paid on any due amounts. The interest rate is determined at double the discount rate with the Central bank at the time of due payment.

PERSONAL TAXATION

Personal taxation is regulated by the Personal Income Tax Act adopted in 1994. Residents are subject to personal income tax on the aggregate income accruing in, derived from, or received in the Republic from:

- employment
- income from agriculture and forestry
- a trade or business
- any sums received on the sale of patents or patent rights, and royalties or other income received in respect of such patents
- dividends
- income arising from property
- any other profit not specified

Exempt incomes include: income based on rights of war veterans, salaries or wages of invalids, scholarships, death

gratuities, interest on public loans, interest on deposited sums, vouchers and bonds etc.

The taxable personal income is deducted by both standard and non-standard deductions:

Standard deductions are:

- personal deduction amounting up to a 25% of the average annual salary in the Republic
- dependent parents, wife and the first child 10% each of the average annual salary in the Republic, for the second child 12%, for the third child 15%
- elderly people deduction for those older than 65 8% of the average annual salary in the Republic

Non-standard deductions are:

- amounts for purchasing of the house or the apartment, and for the maintenance, if that is the only house or the apartment of the family
- any amounts invested in purchasing of the equipment for environment protection, energy saving and watering
- amounts spent on scholarships including related traveling and lodging costs for any type of education for each member of the family
- amounts spent on the purchase of the equipment, books and publications dealing with the science, culture, art and education
- fees paid for membership in professional associations or trade unions

- donations and contributions for humanitarian, cultural, religious, educational, sports and scientific purposes
- amounts paid for purchase of bonds of the residents
- paid premiums for life and social insurance
- amounts paid for health services including the purchase of medical equipment and medicines
- amounts paid for other taxes than personal income tax

Total amount of the non-standard deductions is limited to a 15% of the taxable income reduced by standard deductions. The amounts for purchasing of the house may be extended to a 10 consecutive year period.

The personal income tax rates are graduated as follows:

Taxable income	Amount due
from 2M to 6M	$0,48 * M + 29%$ for amount over 2M
from 6 M to 15 M	$1,64 * M + 33%$ for amount over 6M
from 15M to 30M	$4,61 * M + 37%$ for amount over 15M
over 30M	$10,16 * M + 40%$ for amount over 30M

M is the average monthly brutto salary in the Republic in the fiscal year according to official statement of the National Statistics Bureau.

TAX ON TRAFFIC OF GOODS AND SERVICES

This tax is regulated by law adopted in 1994. This tax represents main budget income for the Republic. Tax is levied

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on all goods produced or imported and all services rendered in the Republic with certain exemptions. Items which are exemptions are:

- export of products
- all kinds of bread, milk, refined vegetable oil and fats
- imported products exempted of customs duties under provisions of law
- armament and military equipment for the Army and Interior Ministry
- medicines
- school books and appliances
- drinking water

The law provides the Tax Tariff and general tax rate of 25%. The lower tax rate of 7% is applied to a certain number of products (17 items). Tax rate for services is 7%.

Labour Regulations

Labour regulations in the Republic are at the stage of reforms. There was no labour market due to the extensive system of protection of workers' rights. This system was expensive, and though the wages were low in comparison to European countries, the costs of the system were high. Even nowadays the costs of social insurance (including payments for retirement fund) are high. They are calculated to 75% of the net salary, and they are paid by companies. This is also consequence of the war having in mind that the aim is to reduce this cost at the level of 35% of the net salary.

The reforms in Health care schemes lead towards a system of minimum protection guaranteed to a employed person and members of his family, and a comprehensive system of additional insurance schemes subject to negotiations with trade unions or subject to a voluntary choice of the worker himself. The system of collective agreements has been introduced recently, determining the minimum wage in the Republic and other labour conditions. The retirement fund operates under new legislation. The reduction of costs is expected through privatization process of national economy whereby the Fund would be granted capital assets in state-owned companies.

Still, it may be said that after the inevitable reforms the labour costs in the Republic will be reasonably attractive for foreign investors.

Standards

The Republic of Srpska adopted Yugoslav standards regulations (JUS). These standards provide equal requirements for the large number of goods just the same as those of German standards (DIN). Large number of companies was introduced to ISO 9000 standards and a number of them already apply them in production.

Foreign Investments

Foreign investments are regulated by Foreign Investments Act from 1988, adopted by Federal Assembly of Yugoslavia. This

act was fully adopted and integrated in legislation of the Republic.

Foreign person, according to this law, is a foreign legal or physical person, and a national of the Republic if having permanent residence abroad. Deemed as a foreign person is a non-resident having a wholly-owned company registered in the Republic.

Contributions may be effected in foreign currency or in a kind as well as in dinars if they were acquired by a foreign person in accordance with Foreign exchange law. Debt to equity swap is also recognized by this law.

Foreign investor is guaranteed a free transfer of profits and a full repatriation of invested funds in accordance with the contract or articles of association. The contract has to be prepared in writing and registered with the Registrar held at the Energy and Industry Ministry.

Foreign investor may establish a wholly-owned company as per regulations provided in the Company Law. However, these companies are not allowed for the following activities:

- production of armament and military equipment
- rail and air transport
- telecommunications
- insurance
- publishing

- public information (media)

Foreign investor (bank or insurance company) may invest in domestic banks or insurance companies, or establish a mixed-ownership bank or insurance company with the local partner. Foreign investor may be granted a concession to exploit natural resources. This is subject to a contract with the government and it is regulated by special regulations in each case.

Foreign investors are granted incentives in terms of profit tax reductions at the start-up period, and tax reductions for any amounts re-invested or deposited in the Republic.

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**4. Major Recovery and Reconstruction Projects
for post-war period**

1. Determination of Restructuring and Development Strategy of the Republic of Srpska
2. Privatization of the state owned sectors of economy
3. Development of incentives for foreign investments, including the incentives for residents working abroad
4. Reform of the Taxation system
5. Reform of legislation regulating business
6. Restructuring of the banks
7. Rehabilitation of the railroads network and construction of railroad Bijeljina-Miloševac
8. Rehabilitation of the roads network and construction of motor-way Bijeljina-Miloševac
9. Rehabilitation of the Electrical High Voltage Distribution System

10. Modernization of Telecommunication System
11. Hydro-power projects for use of mountain waters
12. Intensification of forestry growing and cutting

* The number of development projects in different sectors of economy is displayed in the text

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Sources:

- Ministry of Energy and Industry
- Ministry of Finance
- Ministry of Agriculture, Forestry and Waters
- RS Department of Plan
- Institute of Economy Belgrade

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ANNEX 5.

- Republika Srpska Bank Law

M. Zanello
RS

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LAW
ON BANKS AND OTHER FINANCIAL ORGANIZATIONS

January 1996

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**LAW
ON BANKS AND OTHER FINANCIAL ORGANIZATIONS**

BASIC PROVISIONS

Article 1.

The founding, organization, business operation and system of management of banks and other financial organizations shall be regulated by this Law.

For the purpose of this Law, "other financial organization" refers to the Postal Savings Bank, savings banks, savings and credit organizations, and savings and credit cooperatives.

Article 2.

A bank shall be organized as a joint-stock company in articles of association and by furnishing funds for capital stock unless this Law provides otherwise.

Article 3.

The bank and other financial organization shall be legal entities.

Article 4.

The provisions of the Law on Enterprises shall apply to banks and other financial organizations unless this Law provides otherwise.

I. THE BANK

1.1. Establishment of a Bank

Article 5.

Domestic and foreign legal entities and individuals may establish a bank under the conditions set forth in this Law.

Foreigners may establish a bank under provision of reciprocity.

At least two founders are required to establish a bank.

Article 6.

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The articles of association of a bank shall specifically state the following:

- 1) the name and address of the bank's founders;
- 2) the bank's name and address;
- 3) the amount of the bank's total capital stock in money and nonmonetary form and also each founder's share in that capital;
- 4) the date by which the bank's founders must pay in the money and transfer the nonmonetary assets to the bank's capital stock;
- 5) rights and obligations of the bank's founders and their liabilities for the bank's obligations;
- 6) conditions for acquisition and termination of founders' rights;
- 7) the bank's lines of business;
- 8) the scheme for distribution of a portion of profit among the bank's founders;
- 9) the method of bearing risk and covering the bank's losses;
- 10) conditions and manner of increasing the bank's capital stock and reserves;
- 11) procedure for resolving disputes among the bank's founders;
- 12) conditions for termination of the bank's operation - if there is no economic interest in the bank's further operation;
- 13) decision-making procedure to change the bank's status and rights of the bank's founders in case of changes in the bank's status.

Article 7.

The bank shall have bylaws.

The bank's bylaws shall specifically state the following:

- 1) the bank's organization and its system of operation and the powers of the organizational components in legal transactions;
- 2) issues decided by the bank's assembly;

- 3) measures and responsibility of the bank's bodies and officer for ensuring the bank's liquidity;
- 4) issues decided by the bank's other bodies and officer, composition and decision-making procedure of those bodies;
- 5) rights, obligations and responsibilities of the managing director and other individuals with special authority and responsibilities as set forth in the bank's bylaws;
- 6) authority to sign for the bank and act as its agent;
- 7) the method of exercising internal oversight of the bank;
- 8) data and documents considered a business secret of the bank and procedure for handling the bank's business secrets;
- 9) procedure for adoption of the bank's official acts;
- 10) other matters related to the bank's business operation.

Article 8.

The bank's founders shall submit to the National Bank of the Srpska Republic applications for issuance of the bank's operating license, to which they shall append:

- 1) the bank's articles of association;
- 2) statement of the founders that they will pay in funds as capital stock into the temporary account of the Payments Department and statement of a foreigner that he will pay foreign exchange into a separate account of the National Bank of the Srpska Republic;
- 3) evidence that the bank's founder has transferred assets in nonmonetary form to the bank's capital stock;
- 4) proof of the origin of the foreign contribution to capital and of the existence of reciprocity, which the foreign founder of the bank shall submit;
- 5) proposed version of the bank's bylaws;
- 6) proposed version of the decision on issuance of the bank's first stock issue;
- 7) data necessary to establishing the soundness of the founders and data on their mutual property relations and management relations;

8) names and references of persons nominated for members of the bank's board of directors and oversight committee and also for the persons proposed for positions with special authority and responsibility in the bank;

9) the bank's operational program for a period of five years and a proposed version of the foundations of the bank's business policy for the year in which the bank is being founded;

10) data on the adequacy of the bank's personnel and equipment for conducting the business stated in the articles of association and documents on the bank's business policy.

Article 9.

On the basis of the application referred to in Article 8 of this Law, the National Bank of the Srpska Republic shall be required within 60 days from the date the application is filed to evaluate compliance with the legal conditions and the justifiability of the bank's establishment.

The governor of the National Bank of the Srpska Republic shall make the decision on the application referred to in Article 8 of this Law.

The decision of the governor of the National Bank of the Srpska Republic shall be final.

Article 10.

The bank shall acquire the status of a legal entity upon its entry in the court register.

Application for entry in the court register shall be filed within 45 days from the date of receipt of the decision issuing the operating license.

Accompanying the application for entry in the court register shall be filed within 45 days from the date of receipt of the decision issuing the operating license. [sic]

The following shall be appended to the application for entry in the court register:

- 1) the articles of association;
- 2) the bank's bylaws;

3) evidence that the bank's founders have paid money funds as capital stock into the temporary account in the Department for Payments and evidence that a foreigner has paid foreign exchange into the special account in the National Bank of the Srpska Republic;

4) evidence that the bank's founders have conveyed assets in nonmonetary form to the bank's capital stock;

5) decision of the National Bank of the Srpska Republic issuing the operating license and consent of the National Bank of the Srpska Republic to the articles of incorporation and the bank's bylaws;

6) other documents in compliance with regulations on entry in the court register.

Components of the bank shall also be entered in the court register in compliance with regulations on entry in the court register.

A legal entity may not be entered in the court register with the name of a bank unless it has been organized as a bank in conformity with this Law.

Article 11.

The bank shall have the right in legal transactions to conclude contracts and conduct other legal transactions and acts within the limits of its line of business.

The bank shall be liable for its obligations to the extent of its property.

The bank's founders shall also be liable for the bank's obligation to the extent of funds invested in the bank's capital stock.

Article 12.

A bank must have approval of the National Bank of the Srpska Republic to sell shares of stock whereby the purchaser acquires more than 15 percent of the capital stock, thereby acquiring management rights, for the purpose of identification and evaluation of the purchaser's soundness.

The National Bank of the Srpska Republic shall issue the approval referred to in Paragraph 1 of this article if it favorably evaluates the purchaser's soundness on the basis of the documentation submitted by the bank.

The National Bank of the Srpska Republic shall prescribe the basic elements and documentation to serve as the basis for establishing the purchaser's soundness.

The National Bank of the Srpska Republic shall be required to decide on the application for sale of stock as referred to in Paragraph 1 of this article within 15 days from the day when the bank's application was filed.

If the National Bank of the Srpska Republic does not decide within the period stated in Paragraph 4 of this article, it shall be assumed that approval has been granted.

Article 13.

The bank's founding assembly may not be held before receipt of the National Bank of the Srpska Republic's decision issuing the bank's operating license.

The bank's founding assembly must be held no later than 30 days from the date of receipt of the decision referred to in Paragraph 1 of this article.

Article 14.

The bank's founding assembly shall by a two-thirds majority of the votes of all the founders adopt the bank's bylaws, elect the board of directors, appoint the bank's acting director and approve the business policy.

Article 15.

The National Bank of the Srpska Republic shall issue the decision on issuance of an operating license for a branch of a foreign bank with the status of a legal entity (affiliation) on the territory of the Srpska Republic under the conditions prescribed by this Law for issuing a bank's operating license.

The provisions of this Law on the business operation, management and organization of a bank shall also apply to branches of a foreign bank as referred to in Paragraph 1 of this article.

Article 16.

The National Bank of the Srpska Republic shall render a decision on issuing a permit to open a representative office of a foreign bank on the territory of the Srpska Republic pursuant to the law regulating foreign commerce.

The foreign bank's representative office may not engage in depository, credit and other transactions established by this Law. ✓ ?

Article 17.

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A bank's founders shall furnish capital for the bank's capital stock, which may be in money or nonmonetary form (buildings, equipment and other assets serving the bank's operation).

Article 18.

The money portion of the bank's capital stock may not be less than the dinar equivalent of US\$1,500,000 at the exchange rate on the day these funds are paid in.

If the money portion of the bank's capital stock is larger [sic] than the amount stated in Paragraph 1 of this article, the bank's founders shall in the articles of incorporation fix the date by which they must pay in the difference in money, which may not be longer than one year from the date of the bank's entry in the court register.

Article 19.

In exchange for money paid into the bank's capital stock or nonmonetary assets which the founders have transferred to capital stock, the bank's founders shall receive stock, in conformity with the law regulating securities and the bank's articles of incorporation.

The bank's founders may not withdraw assets invested in the bank's capital stock. // ✓

1.3. Business Operation of a Bank

Article 20.

A bank shall conduct its business independently in order to realize profit.

Article 21.

A bank may engage in depository, credit and other banking transactions in the country, specifically:

- 1) by accepting all types of money deposits (depository function);
- 2) by granting and taking loans (the lending function);
- 3) foreign-exchange, foreign-currency and exchange-office transactions;
- 4) by issuing securities and debit cards (issuing function); ✓
- 5) by keeping assets and securities safe and by managing them (depository function);

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- 6) by purchasing and selling securities (securities function);
- 7) by issuing warranties, guaranties, endorsements and other forms of suretyship (surety function);
- 8) and payments, in conformity with law.

Legal entities shall be prohibited from performing the functions enumerated in Paragraph 1 of this article, excepting the functions set forth in Subparagraphs 4 and 6 of this article, unless they possess an operating license of the National Bank of the Srpska Republic.

Article 22.

In addition to the functions enumerated in Article 21 of this Law, a bank may also engage in other business such as:

- 1) mediation in the securities trade;
- 2) buying and collection of receivables; and
- 3) the offering of other financial services.

Article 23.

A bank may handle international payments, credit transactions with foreign countries, foreign-exchange and foreign-currency and exchange-office transactions in the country if it obtains the relevant authorization under the law regulating foreign-exchange transactions.

Article 24.

In its business policy documents the bank shall set forth in more detail the conditions and manner of performance of the functions and business enumerated in Articles 21 and 22 of this Law.

Article 25.

Data on the money deposits of individuals in the bank shall constitute a business secret of the bank and may be divulged only on the written request of a court, if judicial proceedings have been instituted against the individual.

Article 26.

A bank shall be required to adjust the scope of its business so as to:

- 1) maintain the ratio between capital and the total amount of assets and off-balance asset items weighted as to risk;
- 2) maintain relations between the different types of liabilities;
- 3) maintain relations between the different types of assets and different types of liabilities;
- 4) abide by provisions concerning large loans, maximum credit to one borrower and the total amount of large loans;
- 5) the permanent investments of the bank's capital in the stock of enterprises does not exceed 15 percent, and investments in other banks 51 percent, of the bank's capital;
- 6) investments of the bank's capital in the bank's fixed assets does not exceed 20 percent of the bank's capital;
- 7) and other prescribed rules of business operation are observed.

For the purpose of Paragraph 1, Subparagraph 4, of this article, "large loan" means a loan or other claim and guaranty given to one borrower which is greater than 20 percent of the bank's capital.

For the purpose of Paragraph 1, Subparagraph 4, of this article, "maximum credit to one borrower" means loans, other claims or guaranties totaling as much as 30 percent of the bank's capital.

The total amount of large loans and maximum credit may not be greater than 90 percent of capital.

The National Bank of the Srpska Republic shall prescribe the manner of computing the bank's capital and more detailed conditions for application of the provisions of Paragraph 1, Subparagraphs 1 through 4, of this article.

Article 27.

A bank shall be required to maintain the volume and structure of its risky loans within the ratios prescribed by the National Bank of the Srpska Republic.

Article 28.

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The bank shall be required to request consent of the National Bank of the Srpska Republic to:

- 1) the bank's articles of association and bylaws as well as their amendments;
- 2) establishment of a bank abroad, opening a branch, business unit or representative office abroad;
- 3) changing the bank's name and domicile.

The National Bank of the Srpska Republic must rule on the application for consent within 30 days from the filing date of the request.

If the National Bank of the Srpska Republic does not decide within the period stated in Paragraph 2 of this article, it shall be assumed that consent has been granted.

The bank must request the opinion of the National Bank of the Srpska Republic on a decision to appoint a director of the bank.

If the National Bank of the Srpska Republic does not render an opinion within 30 days from the date the request was filed, it shall be assumed that the opinion is favorable.

Article 29.

The bank shall be required to notify the National Bank of the Srpska Republic of:

- 1) an increase of the bank's capital stock or new stock issue;
- 2) permanent investment of the bank's capital in the stock of an enterprise or other bank or a permanent investment in the bank's fixed assets;
- 3) every approval of a large loan and the maximum credit;
- 4) every sale of the bank's stock whereby a person acquires more than 10 percent of the capital stock;
- 5) the opening of branches, business units and representative offices within the country;
- 6) a change in the membership of the bank's board of directors or oversight committee.

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The bank is required to notify the National Bank of the Srpska Republic of the actions enumerated in Paragraph 1 of this article within five days from the day they are undertaken.

Article 30.

The National Bank of the Srpska Republic shall withdraw the operating license of a bank by decision of the governor of the National Bank of the Srpska Republic if it finds:

- 1) that the operating license was issued on the basis of false information of the founders;
- 2) that the bank has not filed application for entry in the court register within the prescribed period;
- 3) that the bank has not commenced business within 60 days from the date of entry in the court register;
- 4) that the money portion of the bank's capital stock is less than prescribed by this Law;
- 5) that the number of founders is fewer than prescribed by this Law;
- 6) that the bank has not made it possible for the National Bank of the Srpska Republic or other authorized auditor to monitor the conduct of its business.

The National Bank of the Srpska Republic may withdraw the operating license of a bank if it finds that the bank is not operating in accordance with law and has not been submitting the prescribed reports and information on its business to the National Bank of the Srpska Republic.

An appeal may be filed with the Board of the National Bank of the Srpska Republic against the decision referred to in Paragraphs 1 and 2 of this article.

Within 30 days from the date of receipt of the appeal referred to in Paragraph 3 of this article, the Board of the National Bank of the Srpska Republic must issue a ruling.

If the National Bank of the Srpska Republic withdraws a bank's operating license, it shall institute proceedings for its liquidation or bankruptcy in conformity with law.

Article 31.

A bank shall be required to insure the deposits of individuals and to pay the insurance premium.

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The bank shall insure the deposits referred to in Paragraph 1 of this article with the Deposit Insurance and Bank Rehabilitation Agency or with an insurance organization.

The amount of the premium referred to in Paragraph 1 of this article and the intervals of its payment shall be established by the legal entities referred to in Paragraph 2 of this article, mindful of the financial condition of the particular bank and the level of risk to which those legal entities are exposed.

A bank may not insure deposits with the legal entity referred to in Paragraph 2 of this article if it is one of its founders or stands in other property and management relations with that legal entity.

Article 32.

The legal entities referred to in Article 31, Paragraph 2, of this Law may perform the functions referred to in that paragraph if they furnish funds in a separate deposit insurance fund in an amount which may not be less than 20 percent of the amount of the deposit being insured.

Article 33.

The legal entities referred to in Article 31, Paragraph 2, of this Law must in their business books provide separate recordkeeping of funds collected on the basis of premiums for insuring deposits of individuals.

Article 34.

The National Bank of the Srpska Republic shall also issue an evaluation of the soundness of the legal entities referred to in Article 31, Paragraph 2, of this Law and shall ascertain whether conditions have been met with respect to the amount of funds in the separate deposit insurance fund referred to in Article 32 of this Law.

If the National Bank of the Srpska Republic judges that the legal entities referred to in Article 31, Paragraph 2, of this Law do not meet the conditions stated in Paragraph 1 of this article or issues an unfavorable assessment of their soundness, those entities may not engage in the business of insuring the deposits of individuals.

Article 35.

Legal entities engaged in insuring the deposits of individuals shall be liable for obligations arising from the insurance contract to the extent of their property.

Article 36.

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A bank shall be required to obtain an audit of its year-end statement within six months from the end of the calendar year, pursuant to law.

Article 37.

The person who does the audit referred to in Article 36 of this Law must submit the auditor's report to the bank's board of directors.

Article 38.

A bank shall be required to publish its year-end statements, along with the auditor's opinion of the audit of the year-end statement, in the manner set forth in the bylaws in accordance with law.

1.4. Organization of the Bank and Its Officer and Bodies

Article 39.

The bank's organization shall be set forth in the bank's bylaws.

The bank's bylaws shall establish those components of the bank which have particular authority in legal transactions and the scope of their authority.

The components of the bank referred to in Paragraph 2 of this article shall conduct money transactions through a separate account in the form of the bank's giro account.

The components of the bank in Paragraph 2 of this article shall not have the status of a legal entity.

Article 40.

A bank shall be managed by the founders depending on the amount of their capital stock, in keeping with the articles of incorporation and the bank's bylaws.

The bank's founders may enter into association and thus realize managerial rights on the basis of the total number of shares of stock which they possess, provided they deliver to the bank a written contract on association, which must contain the authorization granted to one individual to act on behalf of all of the associated founders.

Article 41.

The bodies of the bank shall be the assembly, the board of directors and the oversight committee, and the bank's officer shall be the managing director.

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The managing director and employees of the bank may not be members of the board of directors and oversight committee.

The bank's bylaws may call for the formation of other bodies and establish their jurisdiction and responsibility.

Article 42.

The bank's assembly shall consist of the bank's founders with management rights.

The founders shall exercise the right of management directly or through their representatives.

The bank's bylaws may set a minimum number of shares as a condition for membership in the bank's assembly.

Article 43.

The bank's assembly shall:

- 1) adopt the bank's business policy documents;
- 2) adopt the bank's bylaws;
- 3) examine and accept the annual reports of the board of directors, oversight committee and director of the bank;
- 4) adopt the bank's year-end statement and decide on the use and distribution of the profit realized for coverage of losses;
- 5) decide on increasing the bank's capital stock, on investments of the capital stock in an enterprise or another bank and also on the amount of investment in the bank's capital assets;
- 6) appoint and dismiss members of the board of directors, oversight committee and the bank's managing director;
- 7) decide on changes of status and termination of the bank's operation, if there is no economic interest in the bank's continued operation;
- 8) appoint and dismiss the auditor, pursuant to law.

The bank's assembly may not delegate the decisions referred to in Paragraph 1 of this article to another body or officer of the bank, except the decisions under Subparagraph 1 of that article between two meetings of the bank's assembly.

The bank's bylaws may assign other rights and obligations to the assembly.

Article 44.

The board of directors shall be the bank's management body.

The members of the bank's board of directors shall be elected from among the bank's founders with management rights.

Article 45.

The bank's board of directors shall:

- 1) convene meetings of the bank's assembly;
- 2) prepare proposals for the bank's assembly and execute its decisions;
- 3) examine and accept reports on the bank's operation during the year;
- 4) submit to the assembly and the oversight committee of the bank a report on business operation;
- 5) perform other functions in keeping with the bank's bylaws.

Article 46.

Members of the bank's oversight committee shall be elected from among the bank's founders and other banking experts, in keeping with the bylaws.

A member of a bank's oversight committee from among banking experts may be the member of only one bank's oversight committee.

Members of a bank's oversight committee may not be elected from among the bank's board of directors, nor may they be individuals convicted of a crime making them unfit to perform that office.

A member of an oversight committee elected from among the bank's founders shall cease to be a member of the oversight committee when he or the legal entity which he represents ceases to be a founder of the bank with management rights or when his employment terminates in the legal entity which is a founder of the bank.

Article 47.

The bank's oversight committee shall:

- 1) monitor and oversee the work of the board of directors, the managing director and personnel in the bank;
- 2) examine decisions of the bank's bodies and officer;
- 3) examine the auditor's report;
- 4) inform the bank's assembly and, if necessary, the bank's board of directors of the results of supervision;
- 5) issue an opinion of decisions and other acts of the bank's bodies and officer altering the amount and structure of the bank's capital stock or the position and rights of the bank's founders;
- 6) participate in the work of the bank's assembly, and it may propose that certain matters be placed on the agenda of the assembly's meeting;
- 7) perform other tasks in keeping with the bank's bylaws.

Article 48.

If the oversight committee judges that the bank is operating contrary to law, other statute, bylaws or the bank's other documents, or if this follows from the auditor's report, or if it finds other irregularities in the bank's operation, it is required to take the following steps:

- 1) propose to the bank's bodies and officer that they correct the irregularities found;
- 2) call an extraordinary meeting of the bank's assembly; ✓
- 3) inform the National Bank of the Srpska Republic and other competent authorities of the irregularities established.

Article 49.

The bank's managing director shall be nominated by the bank's board of directors and appointed by the bank's assembly.

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The bank's assembly may appoint to the position of managing director of the bank a candidate who has held business, banking and financial positions and who has not been sentenced to imprisonment for any crime against the economy or official duty.

Article 50.

The bank's managing director shall:

- 1) represent the bank and act as its agent;
- 2) execute decisions of the assembly, the board of directors and the bank's oversight committee;
- 3) organize and manage the bank's operation;
- 4) decide all matters which are not in the jurisdiction of the assembly, the board of directors or the bank's oversight committee.

Article 51.

The bank's managing director shall be accountable to the bank's assembly for his own work and for the bank's operation.

Article 52.

The managing director and persons with special authority and responsibility in the bank, while they are employed and within two years after termination of the employment relation in the bank, may not be the founder of a bank or other financial organization either directly or through a legal entity of which they are one of the founders.

1.5. Establishing the Bank's Revenues and Profit

Article 53.

The bank shall establish its revenues, expenditures and profit pursuant to law.

The bank shall indicate as undistributed profit the portion of revenues from the bank's operation which in the year-end statement is left after the bank's expenditures and meeting other legal obligations are covered.

The profit referred to in Paragraph 2 of this article shall be distributed as follows on the basis of a decision of the bank's assembly:

- 1) the bank's reserves;

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- 2) the bank's founders in proportion to capital invested in the bank's capital stock;
- 3) other purposes in conformity with law.

Article 54.

In order to guarantee the safety of business operation, the bank shall be required to form from income a special reserve to ensure against potential losses and relative to assets and off-balance items of a certain level of collectibility.

The National Bank of the Srpska Republic shall prescribe the criteria to be used in classifying assets and off-balance items by degree of collectibility and the amount of the special reserve referred to in Paragraph 1 of this article.

Article 55.

Reserves shall be formed to cover risks in the bank's operation.

The bank's reserves shall be formed on the basis of a decision of the bank's assembly from a portion of the profit, which the bank realizes in its operation.

The bank's founders shall not receive stock on the basis of the investments referred to in Paragraph 2 of this article.

Reserves shall be assets of the bank and shall be used for writing off uncollectible claims and to cover the bank's losses.

Article 56.

If the bank's income on the year-end statement is not sufficient to cover its expenses and other legal obligations, the bank shall show a loss.

The bank's reserves shall be reduced by the amount of the bank's loss, and if they are not sufficient, the bank's capital stock shall be reduced.

1.6. Liquidity of the Bank

Article 57.

A bank shall be insolvent if it does not have sufficient money to meet its due obligations by the established dates.

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An insolvent bank may not approve or release credit, issue guaranties, open letters of credit or make other payments from its giro account.

II. OTHER FINANCIAL ORGANIZATIONS

Article 58.

Other financial organizations shall acquire the status of a legal entity by entry in the court register.

The application to enter another financial organization in a court register shall be filed in the manner and under the conditions prescribed for the bank by this Law.

Article 59.

The provisions of this Law, which pertain to establishment, operation, enactments, the capital stock and reserves of the bank, the bank's bodies and officer, establishing income and profit, the bank's liquidity and monitoring the bank's operation, shall also apply to other financial organizations unless this Law provides otherwise.

Other financial organizations must insure deposits which they collect from individuals with the legal entities referred to in Article 31 of this Law in the manner and under the conditions which this Law prescribes for banks.

1. The Postal Savings Bank

Article 60.

The Postal Savings Bank shall be established and shall operate on the territory of the Srpska Republic.

The Postal Savings Bank may be established if the founders furnish the money part of the capital stock, which may not be less than the dinar equivalent of US\$1,500,000 at the exchange rate on the day those funds are paid in.

Article 61.

The Postal Savings Bank shall be established by enterprises in PTT [postal-telephone-telegraph] communications.

The founders of the Postal Savings Bank may also be the state and legal entities whose activity has importance for the operation of the PTT system.

Article 62.

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The Postal Savings Bank shall perform the following functions:

- 1) accept dinar and foreign-exchange savings deposits of individuals, administer current accounts, giro accounts and foreign-exchange accounts of individuals and handle payments for individuals, pursuant to law;
- 2) issue loans;
- 3) issue securities and debit cards (issuing function);
- 4) hold in safekeeping funds and securities and manage them (depository function);
- 5) purchase and sell securities;
- 6) accounting and monitoring of the purchase and redemption of postal and telegraph money orders in domestic money transfers;
- 7) handle international remittances, postal checks, postal savings and purchases;
- 8) purchase bank checks and traveler's checks and checks issued by the National Bank of the Srpska Republic;
- 9) purchase foreign bank notes, in keeping with law;
- 10) redeem securities (documents) in other countries, in keeping with the act of the World Postal Union on redemption of securities;
- 11) handle international payments in keeping with law;
- 12) perform other transactions in the name and on the account of enterprises in PTT communications and other legal entities, its founders.

Aside from the functions enumerated in Paragraph 1 of this article, the Postal Savings Bank may also perform the functions enumerated in Article 22 of this Law.

Article 63.

The Postal Savings Bank shall perform the functions enumerated in Article 62 of this Law within its organizational units and through enterprises in PTT communications or their postal units.

The organizational components of the Postal Savings Bank referred to in Paragraph 1 of this article shall not have the status of legal entities.

2. The Savings Bank

Article 64.

A savings bank may be established if the founders furnish the money part of the capital stock, which may not be less than the dinar equivalent of US\$600,000 at the exchange rate on the day when these funds are paid in.

Article 65.

A savings bank may be established by a republic, city, or opština or by domestic legal entities and individuals.

Article 66.

A savings bank may have branches, branch offices and other organizational components. The organizational components of the savings bank shall not have the status of legal entities.

A savings bank may have organizational components only on the territory or domicile or place of residence of its founders.

Article 67.

The savings bank shall perform the following functions:

- 1) collection of dinar savings shares and deposits of individuals;
- 2) granting of loans to individuals;
- 3) the handling of payments in accordance with law;
- 4) and other banking operations to meet the needs of individuals, in keeping with law.

The funds used to extend loans to individual savings depositors may be used in keeping with the decision of its founders and to extend loans to legal entities for the purposes of improving housing construction, municipal services and to develop entrepreneurship.

The savings bank may use funds not used for extending credit as referred to in Paragraph 2 of this article to extend credits to legal entities through banks, pursuant to a decision of the competent body of the savings bank.

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3. Savings and Credit Organizations

Article 68.

A savings and credit organization may be established if the founders furnish the money portion of capital stock, which may not be less than the dinar equivalent of US\$400,000 at the exchange rate on the date when these funds are paid in.

Article 69.

A savings and credit organization may be established by legal entities organized to do business and render services and are related to one another in the conduct of their business.

Article 70.

The savings and credit organization may have branches, branch offices and other organizational components. The organizational components of a savings and credit organization shall not have the status of legal entity.

Article 71.

A savings and credit organization shall perform the following functions:

- 1) collect funds to finance sales of certain goods and services within the scope of the business of its founders;
- 2) collect dinar savings deposits of workers employed in the legal entities which established it;
- 3) extend and take loans to meet the needs of its founders;
- 4) handle payments in conformity with law;
- 5) other banking functions to meet the needs of employees in the legal entities which founded it.

4. Savings and Credit cooperatives

Article 72.

A savings and credit cooperative may be established if the founders furnish the money portion of capital stock, which may not be less than the dinar equivalent of US\$50,000 at the exchange rate on the day those funds are paid in.

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Article 73.

Agricultural, craft, housing and other cooperatives and also legal entities and individuals who are members of those cooperatives may establish a savings and credit cooperative.

A savings and credit cooperative shall be established in articles of association if founded by two or more founders or by a decision on establishment if a single legal entity is the founder.

Article 74.

A savings and credit cooperative may have branches, branch offices and other organizational components. The organizational components of the savings and credit cooperative shall not have the status of a legal entity.

Article 75.

The savings and credit cooperative shall perform the following functions:

- 1) solicit earmarked dinar savings deposits and other deposits of individuals;
- 2) grant and take loans within the limits of the activity of its founders;
- 3) payments in conformity with law;
- 4) other banking functions to meet the needs of individuals in conformity with law.

III. THE ASSOCIATION OF BANKS AND OTHER FINANCIAL ORGANIZATIONS

Article 76.

Banks and other financial organizations may establish their trade association in order to improve their own business operation and coordinate their activities.

The rights of members of the trade association may not be expressed in terms of securities.

The trade association shall have the status of a legal entity.

The trade association shall be entered in the court register.

In legal transactions, a trade association shall act in its own name and on the account of its members.

The articles of association establishing the association shall establish the name, date of establishment, activity, location, method of management, agency, responsibility and representation in legal transactions, termination of operation and also other matters of importance to establishing the association.

Article 77.

The National Bank of the Srpska Republic shall be required to report to the Ministry of Finance data on the following every six months:

- 1) decisions granting operating licenses for banks and other financial organizations;
- 2) decisions refusing operating licenses for banks and other financial organizations;
- 3) decisions withdrawing operating licenses for banks and other financial organizations;
- 4) decisions issuing operating licenses for branches of a foreign bank with the status of a legal entity on the territory of the Srpska Republic;
- 5) decisions granting permits for the opening of a representative office of a foreign bank on the territory of the Srpska Republic;
- 6) oversight of the business operation of banks and other financial organizations and measures taken towards banks and other financial organizations.

Article 78.

A bank or other financial organization shall be required to file a report on the audit of its year-end statement for the previous year with the National Bank of the Srpska Republic and the Ministry of Finance no later than July 15th of the current year.

IV. PUNITIVE PROVISIONS

1. Economic Violations

Article 79.

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A bank shall be subject to a fine of not less than 30,000 and not more than 150,000 new dinars for an economic violation:

- 1) if it concludes a contract or conducts other legal transactions or other actions outside the limits of its line of business (Article 11, Paragraph 1);
- 2) if without approval of the National Bank of the Srpska Republic it sells stock whereby the purchaser acquires more than 15 percent of capital stock according the right of management (Article 12, Paragraph 1);
- 3) if it performs depository, credit or other banking functions without an operating license of the National Bank of the Srpska Republic (Article 21, Paragraph 2);
- 4) if it handles international payments, credit transactions with foreign countries, foreign exchange and foreign currency or exchange-office transactions in the country without authorization pursuant to the law governing foreign-exchange transactions (Article 23);
- 5) if it does not adjust the volume of its business operation pursuant to the provisions of Article 26 of this Law;
- 6) if it does not maintain the volume and structure of its risky lendings within the ratios prescribed by the National Bank of the Srpska Republic (Article 27);
- 7) if it does not seek consent of the National Bank of the Srpska Republic for amendment of the articles of association and bylaws of the bank; establishment of a bank abroad, opening of a branch, business unit or representative office abroad; or for altering the name and domicile of the bank (Article 28, Paragraph 1);
- 8) if it does not seek the opinion of the National Bank of the Srpska Republic on a decision to appoint a managing director of the bank (Article 28, Paragraph 4);
- 9) if it does not notify the National Bank of the Srpska Republic of: an increase of the capital stock of the bank or new stock issue; permanent investment of the bank's capital in the stock of an enterprise or another bank or permanent investment in the bank's capital assets; any granting of a large loan and maximum credit; every sale of the bank's stock whereby any person acquires more than 10 percent of the capital stock; the opening of branches, business units and representative offices within the country; and a change in the membership of the bank's board of directors and oversight committee (Article 29, Paragraph 1);
- 10) if it does not insure the deposits of individuals and does not pay the insurance premium (Article 31, Paragraph 1);

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- 11) if it insures deposits with the Deposit Insurance and Bank Rehabilitation Agency or with the insurance organizations in which it is a founder or stands in other property relations and management relations with those legal entities (Article 31, Paragraph 3);
- 12) if it does not arrange an audit of the year-end statement within six months from the end of the calendar year (Article 36);
- 13) if it does not publish its year-end statements in the manner envisaged by the bylaws, together with the auditor's opinion of the audit, pursuant to law (Article 38);
- 14) if at the expense of income it does not form a special reserve as security against potential losses (Article 54, Paragraph 1);
- 15) if during a period when it is insolvent it extends and releases credit, issues guaranties, opens letters of credit or makes other payments from its giro account (Article 57, Paragraph 2);
- 16) if it does not file a report on the audit of its year-end statement for the previous year with the National Bank of the Srpska Republic and Ministry of Finance no later than July 15th of the current year (Article 77).

The bank's managing director or person with particular authority and responsibility in the bank shall be subject to a fine of not less than 1,000 and not more than 10,000 new dinars for an economic violation under Paragraph 1 of this article.

Article 80.

A nonbank financial organization shall be subject to a fine of not less than 30,000 and not more than 150,000 dinars for an act under Article 78, Paragraph 1, of this Law.

The managing director or person with special authority and responsibility in the nonbank financial organization shall be subject to a fine of not less than 1,000 and not more than 10,000 dinars for acts under Paragraph 1 of this article.

Article 81.

The protective measure of prohibition against holding a supervisory position in a bank or other financial organization for a period of three years from the date when the verdict becomes final shall also be pronounced for the economic violation referred to in Article 78, Paragraph 1, and Article 79, Paragraph 1, of this Law against the managing director of the bank or person with special authority and responsibility in the bank, or the managing director of a nonbank financial organization, or person with special authority and responsibility in a nonbank financial organization, in addition to the fine.

Article 82.

The Deposit Insurance and Bank Rehabilitation Agency and insurance organization shall be subject to a fine of not less than 30,000 and not more than 150,000 dinars for an economic violation if in its business books it does not keep separate record of the funds collected on the basis of premiums for insuring deposits of individuals (Article 33).

The managing director or person with special authority and responsibility in the Deposit Insurance and Bank Rehabilitation Agency shall also be subject to a fine of not less than 1,000 and not more than 10,000 dinars for the economic violation referred to in Paragraph 1 of this article.

2. Misdemeanors

Article 83.

The governor of the National Bank of the Srpska Republic shall be subject to a fine of not less than 150 and not more than 1,500 dinars for a misdemeanor if, within 60 days from the filing date of a bank's application, he does not issue a decision to issue the bank an operating license or a decision to reject the application (Article 9, Paragraph 1).

Article 84.

The managing director or person with special authority and responsibility shall be subject to a fine of not less than 150 and not more than 1,500 dinars if, while he is employed or during the period prescribed by this Law, he establishes a bank or other financial organization either directly or through a legal entity of which he is one of the founders (Article 52, Paragraph 1).

V. TRANSITIONAL AND FINAL PROVISIONS

Article 85.

Banks and mixed banks established under the Law on Banks and Other Financial Organizations (SLUŽBENI GLASNIK REPUBLIKE SRPSKE, Nos. 15, 1992 and 8, 1994) must bring their operation, organization and enactments into conformity with the provisions of this Law by June 30, 1997.

Existing banks which have a share in the capital of other banks and banks established by other banks must bring their operation and mutual relations into conformity with the provisions of this Law no later than two years from the date when this Law takes effect.

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Other financial organizations established under the Law on Banks and Other Financial Organizations (SLUŽBENI GLASNIK REPUBLIKE SRPSKE, Nos. 15, 1992 and 8, 1994) shall be required to bring their business, organization and enactments into conformity with the provisions of this Law no later than six months from the day when this Law takes effect.

Banks, mixed banks and other financial organizations, as referred to in Paragraphs 1, 2 and 3 of this article, must furnish the money amount of capital stock established by this Law within a period of six months from the date when this Law take effect.

At the end of the period stated in Paragraphs 1 through 4 of this article, existing banks, mixed banks and other financial organizations which do not comply with the provision of Paragraphs 1 through 4 of this article shall cease to operate.

Article 86.

Legal entities engaged in depository, credit and other banking functions which were not established under the Law on Banks and Other Financial Organizations (SLUŽBENI GLASNIK REPUBLIKE SRPSKE, Nos. 15, 1992 and 8, 1994) must bring their operation into conformity with the provisions of this Law no later than six months from the date when this Law takes effect.

A legal entity which does not bring its operation into conformity with the provisions of this Law before the end of the period stated in Paragraph 1 of this article shall terminate operation and shall be deleted from the court register.

Article 87.

Within six months from the date when this Law takes effect, banks, mixed banks and other financial organizations shall submit evidence to the National Bank of the Srpska Republic that the managing director of the bank, mixed bank or other financial organization meets the conditions stated in Article 49, Paragraph 2, of this Law.

On the basis of the evidence referred to in Paragraph 1 of this article, the National Bank of the Srpska Republic shall within 30 days from the date the evidence is presented issue consent for the appointed director to continue to hold that position.

Article 88.

Banks which under Article 32, Paragraph 2 of the Law on Banks and Other Financial Organizations (SLUŽBENI GLASNIK REPUBLIKE SRPSKE, Nos. 15, 1992 and 8, 1994) formed other funds on the basis of the bank's assembly may decide to include those funds in the bank's capital stock or the bank's reserves.

Article 89.

Proceedings for issuance of an operating license of a bank initiated before the day when this Law takes effect, but not completed, shall be completed under the provisions of this Law.

Article 90.

Within 60 days from the date when this Law takes effect, the National Bank of the Srpska Republic shall enact or bring into conformity regulations for which it is authorized under this Law in accordance with the provisions of this Law.

Article 91.

On the day when this Law takes effect, the Law on Banks and Other Financial Organizations (SLUŽBENI GLASNIK REPUBLIKE SRPSKE, Nos. 15, 1992 and 8, 1994) shall cease to be valid.

Article 92.

This Law shall take effect on the eighth day after publication in SLUŽBENI GLASNIK REPUBLIKE SRPSKE.

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ANNEX 6.

- Action Plan

Step by Step Action Plan for BRFF Lending in the RS

Per the requirements of the feasibility study scope, the following are the suggested steps for the initial establishment and implementation of a BRFF lending office and program in the RS.

Republica Srpska BRFF Office Time Table

The following time table has been completed under the assumption that the relevant policy issues regarding compliance with the Dayton Peace Accord have been resolved. It further assumes that USAID will have a free hand in choosing the location for the office in the RS. It is believed that these actions can be completed in four to six weeks with exception of the hiring of lenders. This process will add a level of uncertainty to the process. Preliminary identification of potential staff should commence immediately.

Phase I.

1. Meet with the Central Bank in Sarajevo to announce the intention of establishing an office in the RS and get their formal sponsorship and support.
2. Meet with the Central Bank in Sarajevo and the National Bank of the RS and any other appropriate government bodies (Deputy Prime Minister of Business and Finance, the Ministry of Finance, and the Payments Bureau), to announce the intention of opening an office. It is important in this meeting that USAID extract from the Central Bank and the RS National Bank a commitment for very good communication lines (telephone, fax, e-mail) so that the BRFF office in the RS can communicate well with its Sarajevo office. This will be a critical commitment for the success of the office. In addition USAID should negotiate for free space from the National Bank in the RS similar to the arrangement for BRFF in Sarajevo.
3. Seek an indication of the potential banks that will meet the standards for agent bank selection in the RS. These banks should have an ability to receive funds from an off-shore account in Germany and receive deposits in the accounts of their customers.
4. Make a final decision on the location city for the main BRFF RS office. (Assume for this purpose Banja Luka)

Phase II.

5. Meet with University of Banja Luka Economics Faculty Dean to discuss the use of the facility for training of bankers, companies, and other consultants or local trainers as are appropriate. Training curriculum should be discussed in this meeting in coordination with the BRFF training Coordinator and BBAC.
6. These next steps should occur simultaneously. A team should be sent to complete tasks.
 - i. Look for office space if National Bank of RS space is unsuitable

- ii. Commence Search and interviewing for local staff (potential counterparts and other staff positions)
 - iii. Secure housing for expatriate staff
 - iv. Order vehicles, equipment and supplies for the office (locally if appropriate)
- 5 Stage a road show with RS banks that have been approved by the Central Bank and the National Bank of the RS to explain the BRFF program in detail and in particular the agent bank role. Meeting should be lead by the BRFF-OMU Chief of Operations, BRFF Operations Manager, Environmental Manager, Lenders from the Sarajevo office and USAID personnel. Meeting for all banks should be held at the National Bank of the RS in Banja Luka.

Phase III.

- 6 Commence training of banks, consultants and selected companies.
- 7. Hire local staff.
- 8. Complete the following simultaneously
 - a) Close lease on location for office and housing for lenders/ex-pats
 - b) Arrange for phone system to be installed
 - c) Delivery of vehicles for the office
 - d) Arrange for delivery of supplies and equipment
- 7. Bring staff to Sarajevo for orientation (1 week)
- 8. Arrange a meeting with the BRFF staff in the RS with the National Bank of the RS.
- 9. Stage a road show for potential borrowers and have agent banks send representatives.

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Estimated Office Start-Up Expenses

The following are estimated expenses for equipping one office in the Republika Srpska. The information was constructed from discussions and estimates received from the BRFF office in Sarajevo. Estimates for additional offices will be a derivative of these expenses driven principally by the number of lenders and required support staff in the office. The table with the recommended computer equipment is based on an office in the RS with eleven (11) full time staff.

REPUBLIKA SRPSKA OFFICE:

- 3 Expatriate Credit Officers**
- 3 Counterparts**
- 2 Translators**
- 1 Secretary/receptionist**
- 2 Drivers**
- 1 Person who maintains computer equipment on call**

FURNITURE FOR 11 OCCUPANTS:

- 11 Desks with file cabinets 3 drawers
- 11 Computer desks
- 11 Chairs
- 11-12 Guest chairs
- 11 File cabinets with drawers
- Estimated costs 17.985 DM**

COMPUTERS:

- 10 Computer work stations
- 1 Laptop
- Server
- Instruction to the above mentioned are attached on the 2nd page
- Printer
- Copy machine
- Estimated costs 100.000 DM**

Telephones*:

- Panasonic Switchboard with 3 lines and 8 extensions
- 11 telephones/ 5 analogue lines and 6 digital line/
- Fax machine
- Estimated costs 2.580 DM**

Office stationary:

Could be ordered in Sarajevo or from supplier in RS.

Vehicles:

2 four wheel drive vehicles

Estimated Costs \$50,000 (@\$25,000 per vehicle)

* In the event that adequate phone lines are not available, then the use of a satellite phone may be considered.

Estimated Costs \$18,000-25,000 per unit (Operating costs of approximately

	Description	Quantity
1.	Workstation DELL or COMPAQ (Pentium 133, 1.6 Gb HD, 16 Mb RAM, 15"color monitor, Ethernet adapter, Windows 95)	10
2.	Laptop DELL or COMPAQ (Pentium 133, 1.6 Gb HD, 16Mb RAM, 800x600 256 color display, 3COM PCMCIA Ethernet modem card, Windows 95)	1
3.	Server COMPAQ Proliant 800 (Pentium 200, 4Gb SCSI HD, 128 Mb RAM, 14"color monitor, DAT, Windows NT 4.0 server & ARCserve 6.0 with COMPAQ's activation key)	1
4.	16 port HUB	1
5.	UTP Cable	TBD*
6.	UTP Connector RJ45	100
7.	Lotus Notes 4.5 workstation **	11
8.	Lotus Notes 4.5 Domino server **	1
9.	Word Perfect suite 7.0 **	11
7.	Lotus 1.2.3 **	11
8.	NAV 95 **	11
9.	NAV NT **	1
10.	Microsoft Office 97 **	1
11.	If possible international phone line	1
12.	Modem Motorola Premier 33.600 **	2

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13.	HP Laserjet 5M Printer	1
14.	HP DeskJet 870 cxi	1

*Can not specify quantity of cable before checking office and distance between computers.

** Cheapest way of purchasing is from U.S. - all other equipment could be purchased locally.

Additional RS Office Expenses

- Office Space will rent for DM 15- 30 per square meter
- Housing (2 bedroom) DM 2000-2200 per month
- Apartment (1 bedroom) DM 1500- 1700 per month
- Car Rental DM 90 per day plus gasoline
- Salaries for local staff approximately DM 2500 per month per individual
- Salaries for expatriate lenders as negotiated

Other Office Related Matters

- Visa and Work papers: Currently there are no Bosnian Visa requirements pr work papers required. Expatriates have longterm Croatian visas to facilitate travel through Zagreb. Foreign visitors should hold a valid passport. Those invited by the government need not obtain a visa.
- Money Transfers: Transfers from the BRFF office in Sarajevo to an office in the RS for normal office related expenses can be done. There are transfers and inter-entity settlements being made on a small scale once a wek. This will need to be explored and discussed with the appropriate parties from the National Bank of the RS and the Central Bank in BiH and their respective payments bureaus to assure smooth money transfers.

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ANNEX 7.

- Scope of Work for Feasibility Study Team

BOSNIA RECONSTRUCTION FINANCE FACILITY PROJECT

BRFF Technical Assistance Approval Form
Bosnia Reconstruction Finance Facility
Contract No. EPE-0005-I-00-5049-3523

Proposed Personnel:	Lionel Knight	Commercial Banker Level I	30 days
	Lendell Foan	Financial Analyst Level III	10 days
	George Lajsic	Local Professional	24 days
	Charles Twyman	Commercial Banker Level I	5 days

Period of Performance: March 1, 1997 to April 15, 1997

LT: ST: (YES)

SCOPE OF WORK

BACKGROUND:

The international community has invested in a major military effort in Bosnia Herzegovina (BiH) so that the economic and political fabric of the territory of BiH can be not only healed but created in the multi-ethnic image laid down in the Dayton Accords. Creating a viable and integrated economic structure for BiH is necessary as a way to give everyone a stake in peaceful nation building.

The economic model for the rebuilding effort is a market economy. This model is based on allowing the creation of private enterprises as the principal engines of economic growth. One of the many missing components in the process of building private sector business is the finance component.

The principal US funded Project that is designed to enable this process is the Bosnian Reconstruction Finance Facility (BRFF). Its purpose is to lend to private and privatizing business in its market area (principally the US SFOR area) with the intent of creating jobs and sustainable business entities in the BiH. Lending is on a commercial basis and is ethnically blind. In the current circumstances the Republika Srpska (RS), which encompasses a large portion of the US SFOR area and has significant industrial and other resources (including the second largest industrial city in the region -after Tuzla- Banja Luka) has not been able to participate in the BRFF thus far due to the absence of a US policy decision to proceed with lending in the area. This is a partial consequence of lack of full cooperation by the RS authorities with certain aspects of the Dayton Accords.

CURRENT SITUATION:

The U.S. would like to be able to move forward quickly with a BRFF lending program in the RS

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once a policy decision is reached in this regard. The conduct of their study will, in itself, send an important message to the RS in that the U.S. is serious in wanting to assist in the economic recovery of the area once adequate compliance with Dayton has been achieved and other elements are in place. This could happen with very little advance warning. Thus the need for this exercise now as an important contingency planning measure.

BRFF IMPLEMENTATION PLANNING EFFORT FOR THE RS

Summary: A finance and banking team, led by a US banking specialist, will conduct a review of the steps required to implement the BRFF in the RS. The substantive areas covered will include:

1. The necessary external coordination points in the process of implementing the BRFF in the RS:
 - a. USAID in Washington, Sarajevo, Tuzla, and Banja Luka and the IMF and WB in Washington, Sarajevo and Banja Luka as appropriate under the guidance of USAID
 - b. The National Bank of BiH in Sarajevo
 - c. Closely related efforts

2. The coordination points in the RS to include, at a minimum, but to be expanded as increased information dictates:
 - a. The Ministry of Industry in Banja Luka and Pale
 - b. The Ministry of Finance and the National Bank of the RS
 - c. The USAID office
 - d. The WB representative
 - e. The Payments Bureau
 - f. The principal Socially-owned banks in the RS and the private banks.
 - g. A selection of enterprises to include the timber industry and other middle market private sector or privatizing companies
 - h. Local business associations as appropriate
 - j. Others as identified

3. A review of the pertinent regulatory, legal, and actual practice of banking in the RS with the objective of identifying the differences between the RS and the BiH that will require adjustments in the practices of the BRFF in RS. The review would include a review of:
 - a. The banking regulations
 - b. Bank clearing and related procedures
 - c. Property laws, particularly relating to the taking of collateral by banks
 - d. Guarantee procedures
 - e. Any court or other clearances required prior to a borrower undertaking a loan

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- f. The ability of RS banks to enter into Agency agreements of the type utilized by the BRFF
- g. Requirement for RS official entity approval of the BRFF's activities
- h. Others as identified.

4. A summary review of:

- a. The regulations governing the employment of local citizens by the BRFF
- b. Wage parameters
- c. The availability and cost (if any) of office space i.e. will the National Bank host? etc.
- d. Communications facility availability, particularly to BiH
- e. Transportation realities
- f. Visa and related issues for foreign technicians
- g. Safety of non-RS staff working for the project, documentation etc.
- I. Others as identified.

5. Recommendations and findings

COURSE OF THE EFFORT

1. DAI will identify a suitable US individual with banking experience to undertake the study. He will be paired with a local consultant with extensive operating knowledge in the RS.
2. The US consultant will initiate a suitable series of calls in the US e.g. DAI, USAID, IMF, WB, IFC, read background materials on the BRFF, the Dayton Accords, etc.
3. The US consultant and DAI will dialog with the local consultant to agree on a schedule for a visit to RS and proposed parties to call on. This list will be refined by inputs from the IMF, WB, USAID, the Industry Task Force, and others and from the extensive knowledge of the local consultant.
4. The US consultant will travel to Sarajevo for meetings with the BRFF, USAID, and other Sarajevo-based individuals and entities to understand the BRFF and its practices, procedures and needs.
5. The US consultant will join the local consultant (possibly in Beograd) to travel from there to the RS.
6. The local consultant will help locate a suitable lawyer in RS, translation, transport, accommodations, and related assistance.
7. The local consultant will be asked to advise on and help make some of the RS calls.

8. The USAID office and WB offices in RS will be asked to assist as appropriate in setting up appointments in order to achieve the desired impact.

9. Upon completion of the on the ground research the team will prepare its report and recommendations and present them orally and in written form to USAID and such other audiences as shall be defined.

DELIVERABLES

Written:

The consulting team's final deliverable will consist of a final report which will detail the practical realities of setting up the BRFF in the RS to include an identification and analysis of problems and opportunities, recommendations on suitable Agent Banks, best market sectors for activity, ways to identify staff, necessary coordination points and approvals required, etc. The report will further provide a proposed step-by-step action plan for expeditious initiation of BRFF lending in the RS.

The annexes provided by the team will include:

1. A detailed list of contacts, title, and contact instructions and a brief description of how they relate to the effort.
2. A detailed list of the possible Agent Banks with contact information and such financial information as may be made available.
3. A list with as much detail as is readily available of projects suitable for consideration by the BRFF in the RS drawn from existing data bases.
4. An annex on the practical realities of setting up an office in the RS; office space, staff availability, salaries, money transfer procedures, housing, visa requirements, transport arrangement, communications (E mail access, courier services, local maps, local phone books, etc.)
5. An annex attaching copies of the relevant laws and regulations with such translations as are felt necessary.
6. Action plan for rapid initiation.

Oral:

The consulting team will make presentations of their findings to the USAID Mission in Sarajevo, the BRFF, USAID/Washington, and such others as the National Bank that may be appropriate.

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Please indicate your approval of the above referenced technical assistance by signing below and returning via fax to Jean Gilson @ 301-718-7968.

Bryan Kurtz/Task Manager

Date