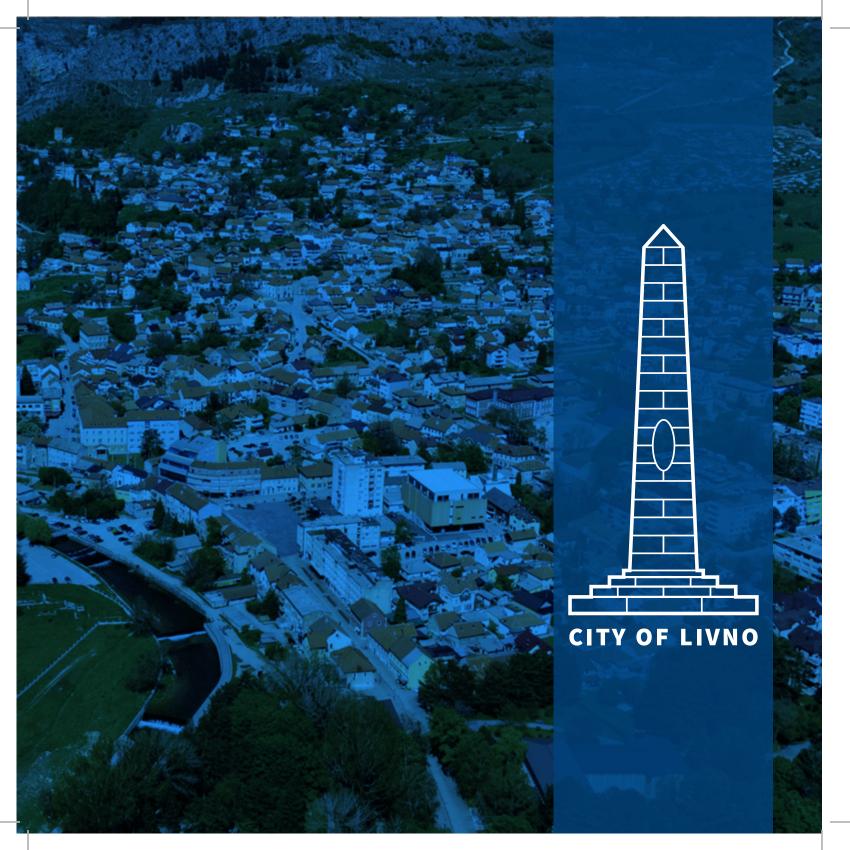
INVESTMENT GUIDE

LET'S BUILD LIVNO TOGETHER







FOREWORD

Dear Sir/Madam,

You are looking at the Investment Guide of the City of Livno comprising basic information about the city in the southwestern part of Bosnia and Herzegovina, its potential, strengths and opportunities for accomplishing business success. It is a city with three rivers, a plain, ample wind and abundant sunshine, lakes, rich cultural heritage and great tourism potential.

Owing to intensive and committed efforts over the past period, investments in capital projects and thoughtful and sound decisions, we have created an enabling business environment. Through the city and settlement design, spatial and urban planning measures, we provide all existing and future investors with the necessary prerequisites for prosperous business, thus contributing to the strengthening of economic development.

The key direction of Livno's development is a sustainable economy based on natural and cultural resources. We place special emphasis on productionand export-oriented entrepreneurship as well as on the development of agriculture and tourism.

Our priority is to work, build and develop Livno, and you can play a role in that too. Be our partners on the path of openness, equal accessibility and success.

Welcome to Livno!

City Mayor Darko Čondrić



- Livno's position in terms of geography and communications
- Quick access to markets with affordable transport costs
- Continuous economic growth
- Continuous export growth
- Competitive costs of doing business
- Rich in natural resources and tradition in the production of milk, meat and cheese
- Developed business infrastructureEffective city administration
- Linnovate Business Park business incubator
- Quality of life



FAVORABLE GEOSTRATEGIC POSITION

The city of Livno is located in the southwestern part of Bosnia and Herzegovina and borders the municipalities of Tomislavgrad, Bosansko Grahovo, Glamoč and Kupres. Due to its location, Livno has always had a significant geostrategic implication as well as great traffic importance for communication between the middle Adriatic and the interior of Bosnia and Herzegovina.







Road Distance of the City of Livno from Regional and European Cities (in km)		Nearest International Airports (in km)	
LONDON	2.087	SARAJEVO (BiH)	190
LONDON	2.001	TUZLA (BiH)	245
FRANKFURT	1.340	SPLIT (CRO)	100
VIENNA	820	ZAGREB (CRO)	338
BUDAPEST	591	BEOGRAD (RS)	448
LJUBLJANA	481	MOSTAR (BiH)	140
ZAGREB	343		
BELGRADE	485		
SARAJEVO	181		

International Border Crossings

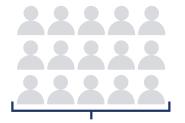
The Kamensko-Livno border crossing is at a distance of 34 km from Livno. International traffic of passengers, vehicles and goods takes place through this border crossing, regardless of their origin, i.e. the country from which they come, unless otherwise regulated by international treaties and with the exception of goods that are subject to inspection.

The Vaganj – Livno border crossing is at a distance of 28 km from Livno. The international traffic of passengers, passenger vehicles and passenger-carrying vehicles is carried out through this border crossing.

The Prisika – Livno border crossing is at a distance of 30 km from Livno. The international traffic of passengers, passenger vehicles and passenger-carrying vehicles is carried out through this border crossing.



ENABLING BUSINESS ENVIRONMENT AND CONDITIONS FOR INVESTMENTS





Surface area	994 km²
Population	34,133 (according to the 2013 Census)
Population	32,078 (estimated in 2022)
Altitude	724 m a.s.l.
Currency BAM (fixed exchange rate guaranteeing monetary stability)	1€=1.95583 BAM
Budget	19,240,240.00 BAM (in 2024)
Number of employees	4,614 (in 2022)

Employment trends



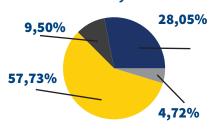
Average salary (in BAM)



Source: FBiH Statistics Institute

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Cost share of salary

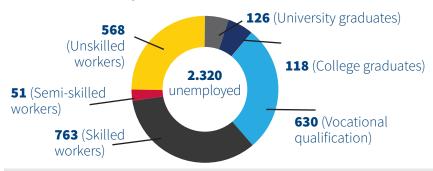


- Contributions at the expense of the employee
- Tax
- Net salary
- Contributions borne by the employer

WHY INVEST IN THE CITY OF LIVNO?

Average salary	1,135.00 BAM (580.32 €)
Gross salary	1,779.00 BAM
Contributions at the expense of the employee	551,50 BAM
Tax	92,75 BAM
Net salary	1,135.00 BAM
Contributions borne by the employer	186.80 BAM
Total salary cost	1,966.05 BAM
Number of unemployed	2,320 (in 2022)
Unemployment rate	33.50%

Available workforce by education level



Source: FBiH Statistics Institute

Taxes

Value added tax – VAT	17%
Personal Income tax	10%
Profit tax	10%





INFORMATION ON FOREIGN INVESTMENTS

Foreign investors:

- have the right to open bank accounts in the territory of Bosnia and Herzegovina in a commercial bank, in the local or freely convertible currency.
- have the right to freely employ foreign nationals, unless otherwise stipulated by the labor or immigration laws applicable in Bosnia and Herzegovina.
- are protected against nationalization, expropriation, requisition or any measures having equivalent effect;
- have the same property rights over real estate as legal entities operating in Bosnia and Herzegovina.
- have the right to transfer profits arising as a result of their investment in Bosnia and Herzegovina, abroad, freely and without delay and in freely convertible currency.





PROCEDURE FOR BUYING AND SELLING LAND OWNED BY THE CITY OF LIVNO IN BUSINESS ZONES

- Potential investors start the process by collecting information at the Department for Property and Legal Affairs, Geodetic Affairs and Real Estate Cadaster and by submitting a request for the purchase of land, including the supporting documentation.
- Following the procedure, the Department publishes a bid advertisement that contains all the essential elements related to the sale.
- After completing the bidding procedure, a sales contract is concluded with the best bidder. In addition to paying the purchase price, the buyer also bears the costs of the notary, the costs of registration in the public books, as well as real estate sales tax if the sale is subject to tax.
- After making the payment of the land price in full, the buyer takes possession of the real estate, which makes the sale process complete.

*Foreign investors have the option of buying real estate in Bosnia and Herzegovina if there is reciprocity between the investor's country and BiH.





ISSUING PERMITS IN THE CONSTRUCTION PROCESS

Applications for obtaining permits, including any supporting documentation, are to be submitted in the Front Office of the Department for Construction, Spatial Planning and Housing and Communal Affairs, within the Center for issuing permits and it is assisted by an officer in charge of working with clients.

Construction Site Permit and Site Information

Method of submission: By request Time limit for issuance: 30 days

Validity period: 2 years from the date that the permit becomes final and

effective, with the possibility of extension for another 2 years.

Construction Permit

Method of submission: By request Time limit for issuance: 30 days

Validity period: 2 years from the date that the permit becomes final and

effective.

Occupational/Operating permit:

Method of submission: By request Time limit for issuance: 30 days

Validity period: indefinite validity period

Technical Inspection of the Building

Within 30 days from the date of receipt of the request, the Department appoints a Committee that will carry out a technical inspection of the building, and the investor is obliged to provide the supporting documentation to the Technical Inspection Committee for their review.



REGISTRATION OF BUSINESSES

Crafts and Related Business Activities

STEP 1: Submitting an application to the competent city office

STEP 2: Decision on performance of business activities

STEP 3: Making the seal

STEP 4: Registration with the tax authority

STEP 5: Opening a bank account

STEP 6: Registration of employment status

STEP 7: Request for initial fiscalization

Limited Liability Company

STEP 1: Company name

STEP 2: Instrument of incorporation

STEP 3: Payment of the founder's capital contribution

STEP 4: Registration of the company in court

STEP 5: Making the seal

STEP 6: Registration with the tax authority

STEP 7: Opening a bank account

STEP 8: Drafting of employment contracts and employee registration

STEP 9: Registration in the VAT system

STEP 10: Fiscalization

STEP 11: Permit to perform business activities

STEP 12: Notification of commencement of operations





EDUCATION



Preschool Education.

There are five preschool institutions in the City of Livno: Kindergarten "Pčelice", Kindergarten "Mali Princ", Kindergarten "Sunčani Most II", Kindergarten "Sestra Nada" and Kindergarten "Bambi".



Elementary Education.

There are two elementary schools (Ivan Goran Kovačić Elementary School and Fra Lovro Karaula Elementary School) with their branches, and the "Franjo S. Vilhar" Elementary School of Music. In 2022, 1,444 students enrolled in 134 classes distributed among 21 schools.



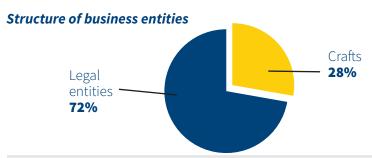
Secondary Education.

There are 3 secondary schools in Livno, namely Livno Grammar School (Gimnazija Livno), Vocational High School "Silvije Strahimir Kranjčević" and High School of Economics. In 2022, 818 high-school students enrolled in 52 classes.



The largest share of Livno's economy is accounted for by crafts, micro and small businesses and several medium-sized enterprises. The largest number of companies are registered in the following sectors: retail and wholesale trade, manufacturing industry, agricultural sector and other service activities.





Source: FBiH Statistics Institute

Overview of Businesses (2022 data)

Number of registered legal entities (businesses, associations)	908	
Business units within business entities	418	
Number of sole proprietorship businesses	520	
Number of active businesses	252	
Value of total assets	218,864,456.00 BAM	
Total value of income	263,245,268.00 BAM	
Number of employees	2,110	
Total number of businesses generating profit	148	
Total profit	15,305,855.00 BAM	
Export	28,401,690.00 BAM	
Import	30,614,655.00 BAM	
Export/Import Coverage Ratio	92.77%	



INVESTMENT SECTORS



Manufacturing industry (wood and metal processing industry)



Tourism and Hospitality Industry



Agro-Food Industries



Energy sector - Renewable Sources of Energy



MANUFACTURING INDUSTRY (WOOD AND METAL PROCESSING INDUSTRY)

One of the highly promising export-oriented industries in Livno is the window and door manufacturing industry and the wood processing sector. In the Livno's forest management area, there is a total of 20,568.6 ha of forested area, which makes up 15% of the total forested area in the Canton.

Companies producing PVC window/door frames and related products are the largest exporters in the city of Livno. Approximately 70% of the total income of this sector is generated from exports.

The most prominent company in this sector is B-Krug, employing 73 workers and generating most of its income from exports.

Business opportunities: Investment in production facilities with environmentally-sound manufacturing methods in processing industries.



B-krug d.o.o.







AGRO-FOOD INDUSTRIES

Livno is a livestock region where the meat and milk production is predominate. Business opportunities: Livanjsko polje covers the surface area of 405 km², 48,117 ha of pastureland and it is characterized by ecologically preserved nature, and areas and locations suitable for the production of meat in an environmentally friendly manner.

In the area of Livno City, there are four registered dairies: Livno Dairy, Puđa Dairy, Suša Dairy and Orman Dairy, whose main source of income is the production of the famous Livno cheese. The Livno Dairy and the Puđa Dairy are export-oriented, and Livno cheese is exported to 15 different countries. Livno cheese is a national brand for which the BiH Food Safety Agency issued a decision on protected designation of origin and protected geographical indication.

The largest company in the food processing sector is the company Pavić d.o.o. which deals with the production of meat products and wholesale and retail trade.



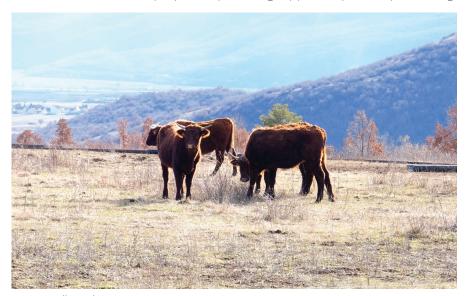
Mljekara Livno d.o.o.



Land category	Total (ha)
Arable land and gardens	11,953
Orchards	40
Meadows	19,189
Total arable land	31,182
Pastures	48,117
Ukupno poljoprivredno zemljište	79,299
Šumsko tlo	17,422
Neplodno tlo	2,684
Ukupno:	99,405

Farms that produce red meat using the cow-calf systems have a significant growth trend, and the major ones are Troglav d.o.o. and Farma Podhum d.o.o.

Livno has always been a livestock region, where family farms played a major role and therefore, aiming to satisfy the needs of such farms, the Agricultural Centerwas built with the purpose of providing support for product processing.



Farma Podhum d.o.o.



12.6% the total business sector 144 craftsmanship businesses 36 legal entities 5,012 arrivals 6,790 overnight stays

TOURISM AND HOSPITALITY INDUSTRY

Livno is a city with a rich history, which abounds in cultural and historical attractions of great significance, as well as unsurpassed sceneries, where the largest karst field in Europe - Livanjsko polje - is distinguished, being more than attractive to visit, especially when we add to that a herd of wild beauty - Livno's "wild horses" that have chosen this habitat and make it unique on the entire continent.

Business opportunities: Improvement and construction of accommodation and hospitality facilities and various entertainment and service facilities aimed at active tourism.

The Tourist Office of the City of Livno provides visitors with all the necessary information about tourist attractions, events, accommodation and other curiosities that this City has to offer.

Livno is said to be the city of cheese and honey. One of the most famous products of Livno is Livno cheese, and the tradition of producing top quality cheese began in late 19th century.















Wild horses on Kruzi

Various activities that may be of interest for the visitors:

- Mountain climbing,
- Kuk and Duman climbing areas,
- horse riding,
- quad riding
- sailing and paragliding
- wild horse tours,
- canoe safaris on the Sturba River,
- cycling,
- hunting and fishing.





ENERGY SECTOR - RENEWABLE SOURCES OF ENERGY

One of the potentials that Livno holds is the possibility of investing in renewable energy sources, such as the construction of wind and solar farms. Investments in the energy sector are on the rise, promoting the idea of green development and clean energy.

Business opportunities: Due to the strength and rose of the wind and 2,250 hours of sunshine per year, this area is suitable for the use of wind energy, as a renewable energy source, and the development of wind farms or for the use of sun energy for the development of solar farms.

The use of wind energy is progressing rapidly throughout the world, including in Livno, as evidenced by the construction of the largest wind farm, Ivovik. Annual electricity production will be 260 GWh, which will be enough to supply more than 100,000 households.

The Solar Park company is building a solar power plant the total installed power of which will be 100 MW. It will generate 158,000 MWh of electricity annually, which is approximately equal to the annual electricity consumption of 22,000 households.



Ivovik Wind Farm



INVESTMENT SITES

The City of Livno strives to encourage the development of entrepreneurship through four business zones covering a total of 1.391.000 square meters, of which 282,704 square meters are available for investment. All zones are "greenfield" zones intended for commercial activities.

Business Zone Name	Zone Type	Total Surface Area	Unoccupied Surface Area	Infrastructure
Business Zone "Jug"	greenfield	214,000	2,963	Yes
Business Zone "Begovača"	greenfield	358,000	109,957	partially
Business Zone "Rasadnik"	greenfield	319,000	101,631	partially
Agricultural Production Zone "Brda"	greenfield	500,000	68,153	partially

Source: The city of Livno



Business Zone "Jug"

The Business Zone "Jug" is located in the southwestern part of the City of Livno, next to the Livno-Split (CRO) main road. It is located 800 meters from the city center. It is a greenfield zone intended for commercial, service and production activities. There are currently 26 businesses with around 250 employees operating in the Business Zone "Jug".



Business Zone "Jug"



Business Zone "Begovača"

The Business Zone "Begovača" is located northeast of the City of Livno along the Livno – Sarajevo main road and it is 3 kilometers from the city center. It is a greenfield zone intended for production and service activities. In terms of infrastructure, there is an electric power network and a primary water supply line in the Zone.



Business Zone "Begovača"

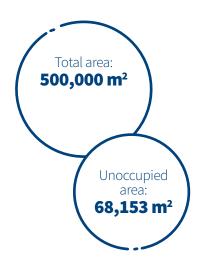


Agricultural and Production Zone "Brda"

The Agricultural Production Zone "Brda" is located 10 kilometers southwest of the City of Livno. Regional road R416 runs from the northwest edge of the agricultural production zone. It is a greenfield zone, intended for agricultural, manufacturing and commercial activities. The "Stipe Krišto" airport is located in the area of the Business Zone. The "Stipe Krišto" airport has the status of an airfield indented for aircrafts weighing up to 5700 kg and it is registered with the BiH Directorate of Civil Aviation (BHDCA) under the designation LQLV. In terms of infrastructure, there is a power grid and a primary water supply line in the Zone.



Agricultural and Production Zone "Brda"



Business Zone "Rasadnik"

The business zone "Rasadnik" is located one kilometer southwest of the City of Livno. The Livno – Split main road (M16) passes along the south edge of the Business Zone, and it is also the access road for the Zone. It is a newly established greenfield zone, intended for production, trade and service activities. In terms of infrastructure, there is a power grid, a primary water supply line and a primary sewage line in the zone.



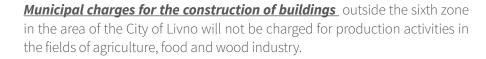
Business Zone "Rasadnik"





CITY INCENTIVES AND FACILITIES





Exemption from the obligation to pay the charges for the development of construction land in the area covered by the Master Plan for "Rasadnik"; which is charged 58.00 BAM per square meter of the usable area of the building: the first 5 (five) future investors/owners of the construction land will be exempt from these charges.

Decision on Aid Measures for Agriculture and Rural Development includes measures aimed at increasing productivity, strengthening the competitiveness of agricultural holdings and rural development in the area of the City of Livno.

Decision on providing financial support to investors on undeveloped construction land, specifying financial support to investors in the area of the City of Livno depending on the number of employed persons. The amount of such financial support will be determined based on the paid sales price for undeveloped construction land, whereby the amount thereof will be 20% up to a maximum of 90% of the sales price paid for the construction land.

Measures and support for the development of entrepreneurship and craftsmanship businesses. These measures are aimed at support for the establishment of craftsmanship businesses and enterprises, startups development, investments by craftsmanship businesses and enterprises, and support for women entrepreneurs.





BUSINESS OFFICE

Investors and other entrepreneurs are provided with the possibility to receive information, support and counseling through administrative and legal procedures.

Investors are offered advice on business opportunities, business registration procedures, sectors that have potential for investment, locations available for investment, as well as incentives or concessions at hand.

The Office ensures that investors and businessmen receive all the necessary information and support in one place, and enables them to proceed quickly and efficiently through administrative procedures and advises them on legal procedures.



years of experience 5 startups launched

LINNOVATE BUSINESS PARK

In addition to the four Business Zones, the "Linnovate" Technology Park was established in the City of Livno in 2018, which was re-registered as Linnovate Business Park. The founders of the Foundation are Bernardin Ćenan, Božo Perić, Marin Jozić and Mate Rimac, the latter being also the founder of the investment fund "Linnovate Loan Fund", which helps launch startups.

Founded with the aim of developing entrepreneurship and improving the business environment, Linnovate Business Park is focused on the development of innovative business ideas, assistance in launching new companies through startup academies, improvement of existing companies, launch of spin-off companies.

Linnovate Business Park offers the following services:

- **Startup Academy (education),** which includes lectures, workshops and trainings covering various fields of entrepreneurship, development of entrepreneurial ideas and starting a business.
- **Mentoring** by experienced mentors who will regularly monitor and support (future) entrepreneurs in their own entrepreneurial development.
- **Consulting and information** in various areas of entrepreneurship, business operations, obtaining financial resources and incentives, opportunities and novelties.
- **Networking** through events and activities aimed at getting to know each other, exchanging experiences, establishing partnerships and learning about good practices from the world of entrepreneurship.
- Promotion of success stories of women and men entrepreneurs, promoting them on social networks, website, in the media and at various events.
- **Financial support** or co-financing for the implementation of selected business ideas and starting a business through the Linnovate Loan Fund.





THE CITY OF LIVNO DIASPORA

Developing cooperation between the City of Livno and the diaspora has great potential for the improvement of the local community and economy. A large number of Livno people living abroad are organized into Livno communities that operate in the diaspora:

- 1. Livno Community Zürich
- 2. Livno Community of Osijek-Baranja County
- 3. Livno Community of Vukovar-Srijem County
- 4. Livno Community Zagreb,
- 5. Livno Community Frankfurt
- 6. Livno Community Kaštela
- 7. Croatian Society of Southern Ontario "Livno 892".

The city of Livno organizes meetings with the diaspora as a key driver of development and strives to create new business contacts that can result in successful partnerships and new jobs in Livno.

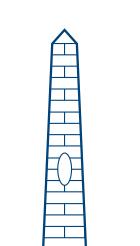
Sustainable Livno communities and organizations abroad and their initiatives can contribute to the development of social, economic and cultural processes in Livno.

It is often said that another Livno is situated in the diaspora because there is a large number of people originating from Livno currently living in the following countries:

- Croatia
- Germany
- Switzerland
- Australia
- Austria



THE CITY OF LIVNO DIASPORA



The main activities pursued by the communities to date:

The Livno Community of Zurich helps various institutions with its donations, of which it is important to mention the one granted to the County Hospital "Dr. fra Mihovil Sučić" and the "Health Center Livno" in the fight against the Covid-19 pandemic. With the motto "By caring for children, we care for the future", they secured sufficient funds for the "Sunčani Most II" Kindergarten in Livno, to enable it to engage four professionals to work with children with developmental disabilities. (Community's official Facebook page).

The Livno Community of Frankfurt organizes various humanitarian events and collects funds to help various associations, children, families in need, sports clubs, firefighters, the County Hospital "Dr. Fra Mihovil Sučić" during the Covid-19 pandemic. (Community's official website).

The Livno Community of Zagreb contributes with its funds to assist many in need, such as the County Hospital "Dr.fra Mihovil Sučić" during the Covid-19 pandemic. (Community's official website)

The Livno Community of Kaštela helps families in need with donations, as well as in the reconstruction of a Livno family house affected by fire. (Community's official Facebook page)

The Croatian Society of Southern Ontario "Livno 892" takes part in various humanitarian actions, the significant one being their assistance to the "Path to Life" Association for equipping the Association's premises. (Community's official Facebook page)





QUALITY OF LIFE

Livno is well known for its rich natural beauty, of which the rivers Bistrica, Sturba and Žabljak, two lakes - Lake Buško with its rich fish stock and Lake Mandek are the most distinguishable. The city is located in a valley between mountain massifs, and the surrounding mountains Cincar, Kamešnica and Tušnica, Staretina and Golija have always been favorite destinations for mountaineers. In the city of Livno, there are 23 sites that are listed as protected national monuments of BiH, and 14 sites that are on the provisional list of national monuments of BiH, while one monument is on the list of endangered ones.

Franciscan Museum of Gorica

A key institution of importance for culture in the City of Livno is the Franciscan Museum and Gallery of Gorica, which for decades has been collecting, preserving and taking care of the Livno's rich cultural heritage.



6

QUALITY OF LIFE









Livno National University

The city library operates as part of this cultural institution. The institution also has a cinema hall where, in addition to cinema screenings, theater performances, concerts, promotions and other events are held.





QUALITY OF LIFE



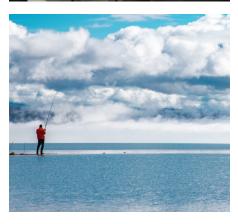
"Livno's Cultural Summer" is an event organized by the City of Livno administration. The program includes photo exhibitions, book fairs, theater performances, educational programs, poetry readings, painting exhibitions, literary readings and pop music concerts.

Advent in Livno, is an event featuring a wonderful atmosphere and decorated city, accompanied by diverse New Year's happenings suitable for all generations. These include an ice skating rink, a visit to Advent booths offering a variety of drinks and food, and a New Year's Eve concert.





Sports. There are around 25 registered sports clubs operating in the area of the City of Livno, gathering about 1,250 members annually. The sports hall "Dalibor Perković – Dali", four school halls, four football stadiums, over 20 school playgrounds, a tennis court, mountain lodges, the sports center "Fair Play", and soon to be launched Teakwondo Center, the construction of which has already started, are the most important sports infrastructure facilities in the area of the City of Livno.





USAID "DIASPORA INVEST" PROJECT

USAID Diaspora Invest and the association "Naša perspektiva" participate in the program for the development of local self-government units with respect to their cooperation with the diaspora. In 2023, the City of Livno expressed its willingness to participate as co-financier in the Local Investment Fund to support diaspora investments in the City.

Local Diaspora Investment Fund of the City of Livno: The fund provides grants for small and medium-sized enterprises that are in the process of being established or have been established in the last three years and that are (co-)owned by a member of BiH diaspora, or that can prove their business relationship with BiH diaspora. Grants are allocated for the purpose of cofinancing the purchase of equipment (investment in fixed assets), in the maximum amount of up to BAM 70,000.00.

Technical Assistance Program for Companies: The program offers business consulting, support in digitalization, marketing support, support in sales and communications, introduction of international standards and certificates, and workforce training courses to diaspora members who intend to start a business in the City of Livno or have started a company in the meantime.

Diaspora-Experts Assistance Program: The program offers support to BiH companies through establishing business contacts, providing information on foreign markets, identifying new business opportunities and sales channels, and assistance in establishing business relations with foreign partners.







CITY OF LIVNO

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