



“POSAVINA” HOTEL BRCKO

Project title	Revitalization and reconstruction of "Posavina" Hotel in Brcko District
Sector	Tourism sector
Location	Brcko District, BiH
Location description	The hotel is located in the narrower part of the urban core. The location is within the "Historic City Center of Brcko" - pedestrian zone, near all administrative facilities.
Project background	<p>Why to invest in Brcko:</p> <ul style="list-style-type: none"> Favorable Position (border with the Republic of Croatia) - International first category border crossing and immediate proximity of the border with the Republic of Serbia - The international border crossing of Raca for the Republic of Serbia of the first category is about 60 km away from the Brcko District of BiH; Full competence over legislative, executive and judicial authorities; Well developed traffic and telecommunication infrastructure; Accessibility of locations in business zones suitable for investments; Qualified and motivated workforce and competitive labor costs; Fast and efficient administration that meets the needs of investors; Stable financial system; Attractive tax environment; Construction of highway Sarajevo - Tuzla - Brcko - Bijeljina – Beograd; The existence of incentive measures for entrepreneurs (subsidizing one percent interest on commercial loans of BAM 1.200.000 per year, granting the guarantee through the Development Fund (BAM 1.300.000 portfolio); Taxes in the Brcko District of BiH are stimulated in relation to the rest of BiH and the region - through the incentive law, income tax is returned to new investments; The existence of an active employment policy program such as a self employment program, senior employment programs, transformation programs, and by the requirements of the economy and public sector funding; <p>Incentives, deductions and workforce:</p> <p>1. Tax deductions</p> <p>Investments in fixed assets – For a taxpayer who invests in land, buildings, plants, equipment and vehicles in order to carry out the registered activity in the District,</p>



	<p>the tax base is reduced by the amount of investments made in that year, providing that the reduction of the tax base cannot exceed 50% of the taxable base. The tax base for manufacturing companies is reduced by the total amount of realized investments.</p> <p>For permanent employment – For taxpayers who hire new workers for an indefinite period of time during the tax year, the tax base is reduced by the amount of gross wages paid to newly hired workers.</p> <p>Tax exemption on the basis of portion of export income in the total profit - When a taxpayer, in the year for which the profit tax is assessed, generates from export certain percentage of total profit, then the taxpayer is exempted from paying certain amount profit tax.</p> <p>Entitlement to accelerated depreciation - For machines that are subject to depreciation, the taxpayer is allowed to use accelerated depreciation calculation.</p> <p>2. Financial Deductions</p> <p>Development-Guarantee Fund of the Brcko District of BiH (DGFBD of BiH) The Development-Guarantee Fund of the Brcko District of BiH was established in 2003 with a total portfolio of BAM 1.300.000. Guarantees are granted to small and medium sized enterprises (MSEs) and individual farmers. Loans have maximum guarantee set at BAM 50.000 (50%), repayment period is 60 months</p> <p>3. Subsidizing Interest Rates</p> <p>Through the DGFBD of BiH the program of subsidizing a part of the interest rate on loans to companies and entrepreneurs in the Brcko District of BiH is carried out. In the Budget of the Brcko District of BiH BAM 1.800.000 are allocated annually for these purposes.</p> <p>4. Subsidizing for New Employments</p> <p>The employer is granted: BAM 5.000 for each new employment of persons with high school education and lower qualifications; BAM 7.000 for each new employment of persons with college education and University degree.</p>	
Project status	In progress	
Project description	The project refers to the rehabilitation, revitalization and commissioning of Posavina Hotel in the center of the city of Brcko.	
Estimated total investment cost	10 KM/m ² according to the Rulebook on the procedure for disposing of public property through public bidding. For this project, it is planned to be leased on more favorable terms in terms of investment recognition.	
Inputs provided by local partner	Value	Description
Inputs required from foreign partner	Value	Description
Form of cooperation with foreign partner	Financial	Technical
Supporting information available	Lease or PPP	
Supporting information available	For additional information about the project please contact FIPA Agency either on the fipa@fipa.gov.ba or contact phone +387 33 278 080.	