



from an **idea**



to a **business**



from an idea  to a **business**

Foreword

To tomorrow's businessmen and women,

Starting your own enterprise will not be easy. In any country in the world, it is difficult to produce a product or to deliver a service that can compete successfully with what is already available on the market, and to find your way to your consumers. Here, it's also still difficult to get a loan from a bank, to register an enterprise or to distribute goods effectively.

But it can be done. Many people have done it before you, often without an economic degree or previous experience. What they had, and what you need, is a good idea and the energy and persistence to pursue that idea. If you combine this with careful planning and know where to go for support, then you have what you need to make a business succeed.

Take a look at this booklet. I hope it will help you to become an entrepreneur.

Good luck.

Wolfgang Petritsch



High Representative

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Introduction

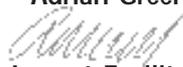
This handbook has information on how to start and operate a business in BiH today. It is aimed at people who would like to start or develop a micro, small or medium-sized private company. It is meant to be simple, clear and useful to everybody.

Starting a business entails quite a lot. You need to think about exactly what you want to do. You need to arrange the money to get started, register the business, and find markets for your products or services and ways to get your products or services to those markets. Once all this has been done - you can actually start your activities. This handbook is meant to help you with simple advice.

At the back of the handbook there is a list of contacts and addresses for all BiH areas, from where you can get further information and business advice. If you have any questions or need more information than is provided in this brochure, you might try the economic department or the business officer of your municipality. Otherwise, use the contact addresses listed in the handbook. If you are unemployed, a returnee or a displaced person, it is sometimes more difficult to access business-related advice. All organisations listed in this handbook should provide information, advice and support, without bias.

Regardless of your location or background, if you already run a business or wish to set one up you are important to the future of BiH. You will secure the future by creating jobs and income for the community you live in.

Tell your friends and colleagues about this handbook and about the support that is available for small businesses. And tell us if you need more information and advice.

Adrian Green

EU - Quick Impact Facility



A business plan

Writing a business plan sounds much more difficult than it really is. For a small company, your business plan is nothing more than a few pages in which you say what you want to do and how you want to do it.

Writing a business plan is worth the effort. If you start with a good plan you are more likely to succeed in developing a profitable business because:

- ♦ A plan forces you to think through all the choices you make and steps you take.
- ♦ A plan forces you to focus on the core issues. When implementing your plan, you are less likely to get sidetracked by small difficulties and concerns, and more likely to focus on the things that, at the end of the day, make the business profitable.
- ♦ A plan provides you with a track to follow, with periodic checks and benchmarks that tell you if your business is developing the way you meant it to develop.
- ♦ While writing your plan, you will foresee potential problems - and solve them before they actually appear.
- ♦ A plan identifies what exactly your strengths are - and makes sure you utilise these strengths to the full.
- ♦ If you have a good plan, banks and investors are more likely to provide you with the money you need to implement that plan.

Annex One is an example of a business plan. If you take a few minutes to read it, you will see that a plan should be:

- ♦ Complete - once you have read the plan, you have a good idea of what this business will look like.
- ♦ Precise - the plan avoids using vague terms such as 'a lot' or 'considerable'.
- ♦ Concise - the plan is not longer than strictly necessary.
- ♦ Well presented - it is typed and the spelling and language have been checked thoroughly.

The plan must include:

- ◆ What you are going to do
- ◆ Why you are going to do it
- ◆ For whom you are going to do it
- ◆ Where you are going to do it
- ◆ When you are going to do it
- ◆ How you are going to do it
- ◆ With what means you are going to do it (i.e. how much money you need in the upcoming period)
- ◆ What inputs you are going to need and where you are going to get them from
- ◆ How many workers you are going to need, if any, what they are going to do and what skills they have
- ◆ How you are going to market and sell your products or services
- ◆ At what costs you are going to produce your products or services
- ◆ For what price you are going to sell your products or services
- ◆ Who your competitors are, what they produce and how they sell it
- ◆ What advantages you are going to have over your competitors (e.g. your costs, your prices, your distribution mechanism, your image)
- ◆ How much you will have to sell before you start making a profit and how long this is going to take you
- ◆ What you expect the results will be (i.e. what your profit will be)
- ◆ What you expect might happen in your 'sector' (big or small!) in the near future
- ◆ What problems you expect and how you are going to deal with them.

Are all these questions answered? Then your business plan is ready!

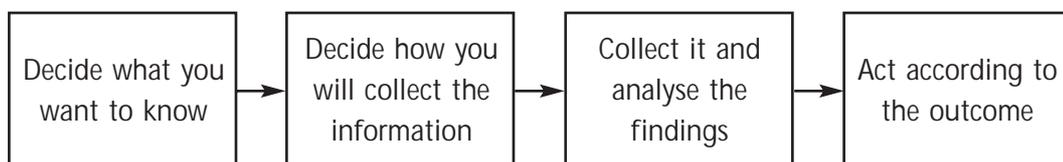




Market research

Too many businesses go bust because their owners haven't thought about their market carefully enough. The simple truth is that there is no point in making excellent products or providing great services if nobody wants to buy them.

Market research doesn't have to be expensive. Often, it doesn't even cost anything. There are four steps that you need to take in order to do - and benefit from - your own market research:



Look at the following example. It is not more than an example and the type of research that would be suitable for your type of business may well be very different - but it may give you some ideas.

Sanja used to be a hairdresser before the war. She has just returned to her home and wants to open a hairdresser's shop again. Her research might look something like this:

She wants to know:

- How many people would use her hairdresser's shop?
- What would these people be willing to pay for her services?

She collects the information by:

- Asking a few people in the street where they currently get their hair cut, if they would be happy with a hairdresser's shop in this neighbourhood, what they would be willing to pay for their haircut, and what related services they would be interested in (manicures, for example, or skin treatment). In the beginning she is too

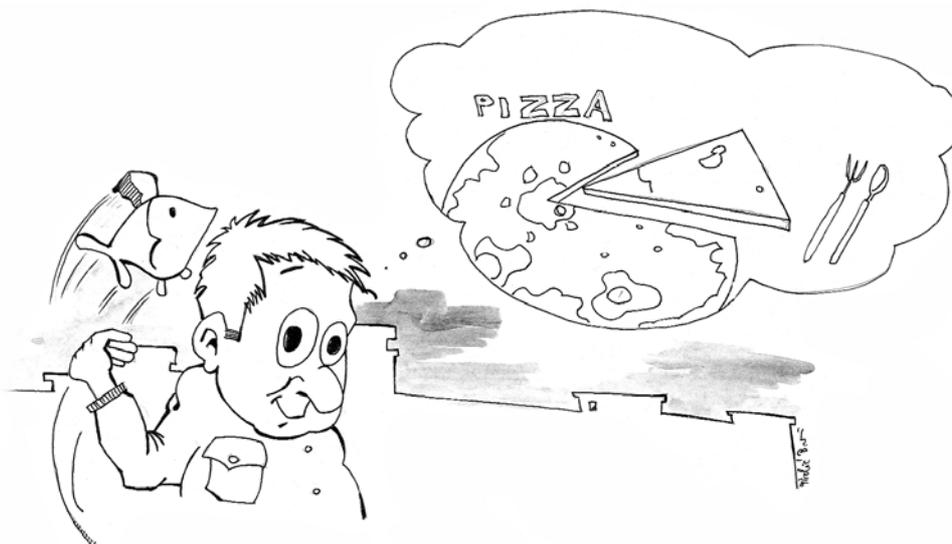
embarrassed to ask these kinds of questions to people she doesn't know - but she summons up her courage and does it anyway.

- Looking at similar businesses in her own and other areas. How many clients do they have and what prices do they ask?
- Visiting the municipality to check how many people live in her neighbourhood.
- Visiting the Chamber of Commerce to find out how many hairdresser's shops there are in her town, and if any support is given to start-up enterprises.
- Visiting the employment bureau to check if there are skilled hairdressers available, in case she cannot cope all by herself.

If Sanja had wanted to start a business that produced more sophisticated products or services than haircuts, she would have surfed the Internet and she would have gone to universities and the Chamber of Commerce for studies and information about her products. She would also have looked at product requirements and potential export markets. She doesn't do that now, as a hairdresser doesn't require such research. Instead, Sanja reads fashion magazines for the latest trends.

She analyses the data and finds that in her town, there are not enough customers for yet another hairdresser. The competition is already very strong, and offering any additional services will not help her much.

This information is useful, and it did not cost her anything to gather it. Sanja does not ignore the findings and does not open a hairdresser's shop. Instead, and only after doing new market research, Sanja starts another business. She continues to do research regularly, as she needs to know if her products continue to be up-to-date, and if competitors offer similar products or services at a lower price.



Business registration

This section covers business registration. As the procedures are not yet standardised across the country, you will have to find out for yourself exactly what the various steps entail. Other contacts with public authorities - necessary for, among other things, employees' registration in pension and health funds, for tax payments and for meeting the demands of the various business inspectors - all involve considerable red tape, but are beyond the scope of this booklet.

Your business may best fit in any of the following categories of economic activities (or perhaps in one of the many possible combinations of them):

Home activities are activities that can be completed, with or without other people, at home. The production of toys or sugar cubes, the provision of care to elderly people or the development of websites could all potentially fit of this category.

Agricultural activities.

Craft activities. People such as plumbers, locksmiths and carpenters can generally register under this category.

Additional activities are activities you undertake in addition to your 'normal work'. They do not require business premises.

Small business activities include, for example, running a small shop and providing transport or catering services.

All these activities need to be registered at the municipality if you undertake them by yourself or at the municipality and in court if you undertake them in a cooperative setting (the latter is not possible in the case of small business activities).¹

If your business does not fit any of these categories because of its size or ownership structure, you may have to register it as 'a company' instead of as 'activities'. Like cooperatives, companies need to be registered in court and at the municipality.

Registering economic activities at the municipality

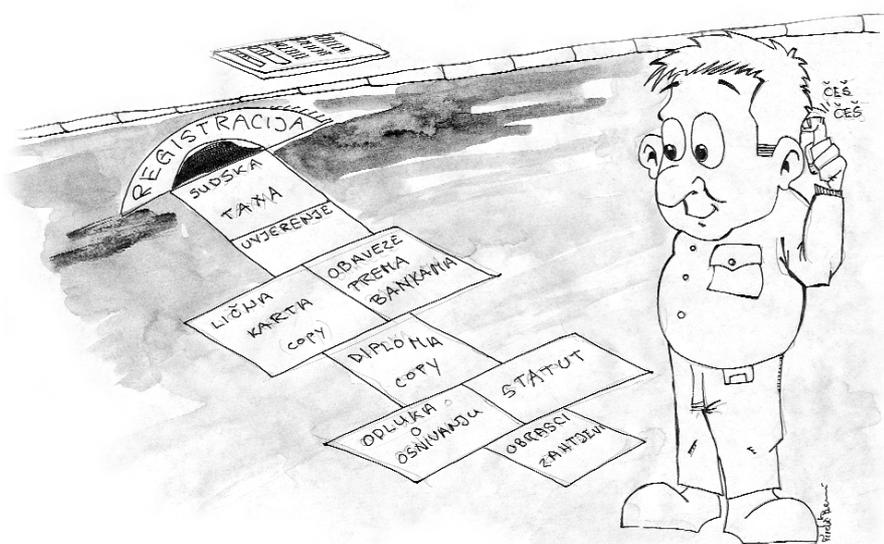
As the registration procedures are not yet standardised across the country, it is best to talk to the responsible officer in your municipality before you start the collection of documents. Usually you will need most of the documents listed in table 1.

¹ Cooperatives are voluntary organisations in which each member participates directly and all members have equal rights. In the RS it takes at least ten persons to establish a cooperative. A cooperative in the Federation only requires three persons (or 30 for a housing cooperative).

Table 1 - Forms required to register at a municipality, where to collect them and how much they cost

Form	Where or what	Price
(a) Request form	Any stationary or municipal office	1 - 2 KM
(b) Certification of business ability	Centre for social welfare	5 - 35 KM
(c) Certification that you are not prohibited to undertake activity	Court or local police station	5 - 20 KM
(d) Proof of skills/abilities	Diploma or similar document	-
(e) Health certificate	Outpatient clinic	25 - 100 KM
(f) Certification of business premise usability	Urban Planning Department of Municipality	35 - 1.500 KM
(g) Certificate of citizenship	Municipality	5 - 20 KM
(h) Municipal administrative tax	Municipality	30 - 200 KM
(i) Proof of no outstanding tax obligations	Tax Department of Municipality	5-15 KM
(j) For any activity including transportation	Photocopy of driving and vehicle license	-
(k) Proof of employment (if you register additional activity)	The company you work for	-

Once you have submitted all the required documents to the responsible municipal officer, your request should be decided upon within a week.



Registering a company or cooperative

Cooperatives and companies need to be registered both in court and at the municipality. The registration process for cooperatives and companies is complex and we suggest that you consult a lawyer before starting that process. If you are unable to engage a lawyer we recommend you to get advice from the court and the municipality before you start. Although the exact requirements depend on the region in which you register your cooperative or company, table 2 and 3 may give you an idea of what is needed.

Table 2 - Documentation and steps for company or cooperative registration

What	Where	Documentation required and estimated costs
(l) Court registration	District or cantonal court	See table 3
(m) Stamp	Stamp maker	Copy of Court Registration Certificate and 20 - 80 KM
(n) Statistical number	Institute for Statistics - for RS in Banja Luka - for FBiH in the nearest branch of the institute	Use your Court Registration Certificate to collect a form from the Institute for Statistics (3 KM), complete it and seal it with your stamp, pay the fee (50-100 KM)
(o) Bank account	Any bank	Copy of Court Registration Certificate, certificate with statistical number, ID card
(p) Permission from Municipality	Responsible municipal office	You have to submit: Court Registration Certificate, Copy of ID card, Certification of fee payment, Statistical number, Certification on usability of business premises

Table 3 - Documentation and steps for company or cooperative registration in court

What	Where	Company	Cooperative
(q) Forms	Stationary shop	6,5 - 14 KM	
(r) Decision on establishment	You or a lawyer	Decision on establishment by founder	Contract on establishment by Founders
(s) Statute	You or a lawyer	Required	Decision on Statute and Manager, by Cooperative Founders' Assembly
(t) Confirmation of deposit (receipt)	Any bank	2000 KM - FBiH 5000 KM - RS (Possibility to pay in portions)	No legal requirement regarding the amount
(u) Copy of director's diploma, copy of ID	-	Required	Not Required
(v) Court Statement on not having obligations toward banks	You simply write it yourself	Required	Not Required
(w) Certificate on not having tax obligations	Responsible municipal office	Required	Required (All Founders)
(x) Court fee	Court	405 - 600 KM	
(y) Announcement in Official Gazette	Court	30-500 KM in FBiH (depends on announcement size) 3,5 KM for one row of text in RS	

Example 1

How I registered a Limited Liability Company in Canton 10.

I decided to register a Limited Liability Company (d.o.o.) using advice from the 'responsible officers' at the court and in the municipality.

First I went to the cantonal court and was informed by their registration experts about all the documents required for court registration. Using this information, I started collecting all the necessary documents. I used examples from other registered companies to prepare the official documents (decisions, statute etc.)

1. I wrote the **Decision on Establishment** (in accordance with the Law on Companies, Official Gazette of F BiH 23/99). Refer to Table 3, (r).
2. I bought a **set of forms** in a stationary shop (various forms that serve as applications, statements etc.) and I filled them in carefully. Refer to Table 3, (q).
3. I went to the bank and **deposited** 2,000 KM and got a receipt for this. Refer to Table 3, (t).
4. I photocopied my **diploma and ID** and took copies to the municipality. Refer to Table 3, (u).
5. I obtained a **Certificate proving that I have no outstanding tax obligations**, from the municipal tax office. Refer to Table 3, (w).
6. I wrote a **statement** that I do not have any obligations towards banks. Refer to Table 3, (v).
7. I submitted all of these documents to the cantonal court and paid the court tax (Refer to Table 3, (x)) and announcement costs (300 KM) (Refer to Table 3, (y)). My registration was ready in 7 days (Refer to Table 2, (l)). I received my court registration certification with a note that stated that I had to write a **Statute of the Company** (Refer to Table 3, (s)) and submit it to the court within a month. I wrote it using the statute that my friend had used for his company.
8. I had a **stamp** made for the company. I showed the stamp maker my Court Registration Certificate and paid 20 KM. Refer to Table 2, (m).
9. At a branch of the Statistical Institute I obtained a **statistical number** for my company. I was asked to submit a request, Court Registration Certificate and 100 KM fee. Refer to Table 2, (n).
10. Then I went to the bank where I had already deposited money and opened **an account**. I did not have to pay any extra money but I had to submit a copy of my ID, Court Registration Certificate, and the Statistical Number Certificate. Refer to Table 2, (o).
11. My company is registered for foreign trade business so I had to submit a request to a Customs Administration Office in order to obtain a **Customs Number**. In Sarajevo you can normally get this in one day (although you may have to wait up to 15 days), so I decided to do this in Sarajevo. I wrote a request and submitted my court decision, statistical number certification (stamped copy) and a copy of my bank account details (stamped). I paid a fee of 100 KM.
12. One more thing to do - get **permission from the municipality**. Refer to Table 2, (p).
 - a. I wrote a request, attached the Court Registration Certificate, a copy of my ID and certificate confirming that I had paid the fee of 150 KM.
 - b. The Municipality inspected my business premises and I got this permission.

With this permission I reported to the Municipal Tax Office and registered my employees in the pension and health care funds.

Example 2

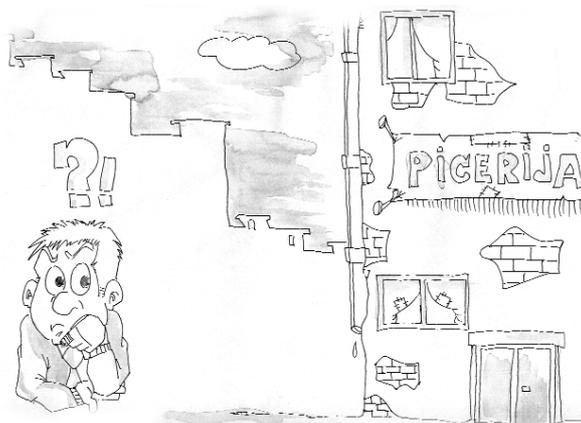
How I registered a small grocery shop in Prnjavor

I decided to register a small grocery shop. I knew I needed permission to do so from the municipality.

1. I bought the **request form** in the municipal office. Refer to Table 1, (a).
2. Then I went to the Centre for Social Welfare and got a **certificate confirming my ability** to run a business. Refer to Table 1, (b).
3. I obtained **Proof** of not being prohibited to run a business from my local police station. Refer to Table 1, (c).
4. I copied my **diploma**. Refer to Table 1, (d).
5. I got a **health certificate** in the local outpatients' clinic. Refer to Table 1, (e).
6. In order to obtain a written decision on the **usability of my business premises** (Refer to Table 1 (f)) from the Municipality, I submitted a request and a number of documents related to the technical aspects of the premises at the Municipality Reception Desk. The documents required included an urban compliance, a copy of the construction permit, an electrical compliance report (issued by the Institute for Protection or an authorised private company), a report about the water quality for new installations (from the Hygiene Bureau), a sanitation permit (from the Municipality), a fire protection permit (from the Fire Department in Prnjavor), and proof of having paid an administrative fee of 20.5 KM. Obtaining the necessary documents and permits cost me more than 500 KM. For the actual inspection of my premises I had to pay 150 KM into a municipal account and a 5.5 KM fee to the municipality.
7. I paid the municipality fee to get my citizenship certificate. Refer to Table 1 (g).
8. I paid the administrative tax of 2.5 KM and 200 KM into the account of Prnjavor Municipality. Refer to Table 1, (h).
9. I paid the fee for the certificate to prove I had no outstanding tax obligations. Refer to Table 1, (i).

I submitted all this documentation to the responsible municipal office and after seven days I received the permission to start operating my business. With this written decision I opened a bank account and registered all my employees in the pension and health care funds.





Loans

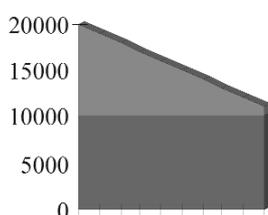
You generally need money to set up a business. If you don't have this money yourself, you may be able to get a loan from a bank. The interest you pay on this loan will amount to a significant sum of money. How large this sum of money is depends on the size and the type of loan. Shop around: some banks offer cheaper loans than others.

Terminology	
	<ul style="list-style-type: none"> ◆ Repayment: you pay the borrowed money back to the bank. ◆ Interest rate: you pay an additional percentage of the loan to the bank. Payments will be either monthly or yearly. ◆ Grace period: the period before you start to repay the loan. ◆ Loan maturity: how long it takes before you have repaid the entire loan and its interest. ◆ Collateral: something of value (usually land or a house) that the bank can confiscate if you do not repay your loan. ◆ Guarantor: a person who formally takes the responsibility of repaying your loans if you fail to do so yourself.

Options	
	There are three types of loan. Each is described below, using the example of a 100,000 KM loan that is repaid in a period of ten years. The interest rate in this example is 10 percent per year. In the graphs, the lower part represents the repayment and the upper part represents the interest payments.

Option 1: decreasing payments

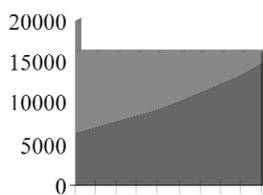
You pay back 10,000 KM each year. In addition, you pay interest. As the loan gets smaller, your interest payments get smaller too. The advantage is that you pay relatively little interest because you repay the loan quickly. The disadvantage is that you have to pay back a lot of money soon after the opening of your business: 20,000 KM in the first year. This is only possible if your business generates a lot of money right away. For example, if you sell something that has an immediate and high demand, such as football shirts just before an international football match, or ice cream in mid-summer.



Total interest payment on 100,000KM loan
after 10 years at 10% = 55,000 KM

Option 2: constant payments

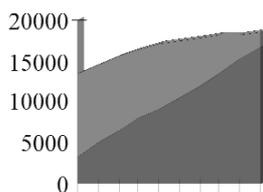
You pay the bank 16,275 KM each year. Part of this money repays the loan and part of it is the interest you have to pay over this period. Over time, you pay less interest and do more repayments - but the overall amount is always 16,275 KM. The bank uses a formula to calculate how much of the borrowed money plus interest you will pay each year so that these payments are equal although the interest rate remains at a steady 10 percent. You could choose this option if your business generates a constant amount of money from the very beginning. This may be the case if you buy a company that is already fully operational, or if you produce something that does not require customers' loyalty.



Total interest payment on 100,000KM loan
after 10 years at 10% = 62,746 KM

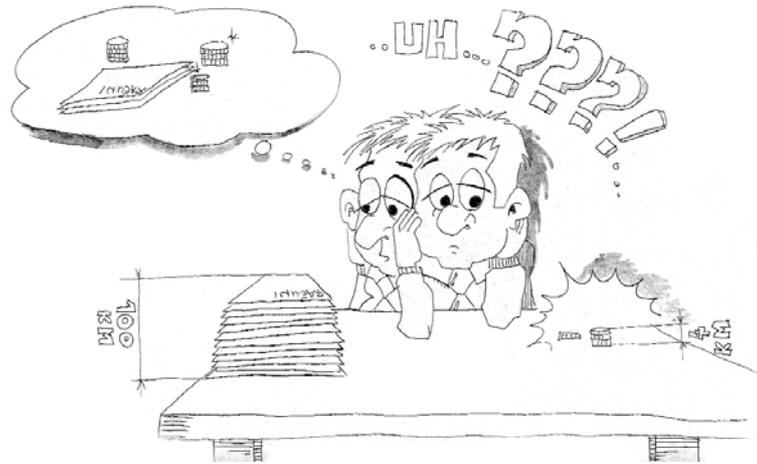
Option 3: increasing payments

As a new enterprise does not always generate much income right away, you may prefer to pay a small amount in the beginning and a large amount towards the end. This means that for this type of loan the overall interest payments are high, as you don't pay back much in the first few years. You could choose this if your business needs to 'get going', and does not generate much income in the beginning. If you buy animals to fatten and produce meat, for example, you have to wait a few years before they are big enough to be slaughtered.



Total interest payment on 100,000KM loan
after 10 years at 10% = 66,940 KM





Finances

A business is a machine for making money. No matter what you do, this is the reason for spending your time running a business.

Ensuring that you are aware of the financial situation of your business at all times is key to its success. That is why keeping careful financial records is so important. At the end of the day 'Cash is King': you may have a brilliant business that could bring you huge profits in the future, but your business will not survive if you don't have enough cash to pay your bills today. It is the same with profit margins and sales: if they are not high enough, your business will be at risk.

Complete a 'cash flow forecast' for the next 12 months that forecasts the money that you expect will come into and go out of your business. This will show you whether there will be a period when you do not have enough cash to operate. You may have to get a loan to cover this period. The cash flow forecast will show the following pattern:

Cash flow forecast

	JANUARY	FEBRUARY	MARCH
Cash at start of month	5000	4200	-300
Expenditure 1	250	3000	
Expenditure 2	250	1000	
Expenditure 3	300	500	
Cash at close of month	4200	-300	

This company projects that it will run out of cash by March. It needs to either reduce expenditure or arrange a loan. If the company had not completed a cash flow forecast, it would be too late to do anything by the time it ran out of cash.

You should use the cash flow projection to report actual cash records. Then you can adjust your financial plans according to reality. As an example:

Cash actual expenditure against forecast

	Jan budget	Jan actual	Feb budget	Feb actual	March budget	March actual
Cash at start of month	5.000	5.000	4.200	3.150	-300	-1100
Expenditure 1	250	250	3.000	3.000		
Expenditure 2	250	600	1.000	1.000		
Expenditure 3	300	1.000	500	250		
Cash at close of month	4.200	3150	-300	-1100		

If this company had only arranged for a loan of 300 KM, it would now be in serious trouble. However, if the company had recorded actual against budget, it would have been warned in January that it needed a bigger loan, and could have arranged it in time to avoid a disaster.

The foundation of good accounting is a good bookkeeping system, in which you log all your transactions - sales, expenditure, cash payments etc. If you do not have too many transactions, simply recording them in a ledger book (i.e. keeping paper records) may be sufficient. If you have many transactions or want to analyse the progress of your business more closely, then it may make sense to use a computer with appropriate accounting software.

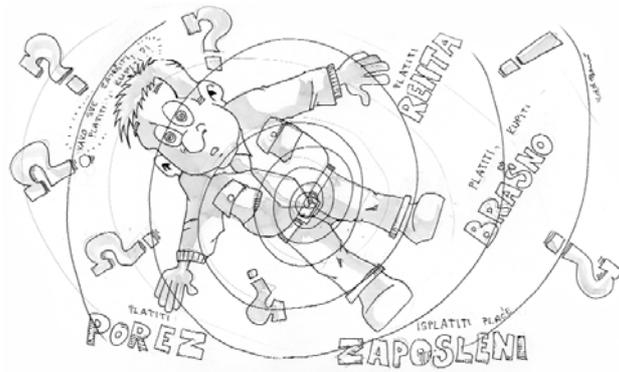
At the end of every year, you should be able to report your profits or losses using the information you have collected during the year. You need this for yourself and for the tax office. It is not easy to turn your day-to-day transactions into a balance sheet, and you might want to get professional help to do so.



Balance sheets are important. They give you a 'snapshot' of the financial situation of your business. Even if an accountant helps you it is important that you understand these forms. One of your accountant's tasks is to explain anything you do not understand.

An example of a profit and loss account

COMPANY						DATE
SALES						
Less cost of goods sold						
GROSS PROFIT						
Gross Margin %						
OPERATING EXPENSES						
Salaries/wages						
Payroll taxes						
Marketing/sales						
Transportation						
Legal/Accounting						
Bad Debts						
Rent						
Repairs/Maintenance						
Utilities						
Licenses/Insurance						
Depreciation						
Interest						
Other						
TOTAL OPERATING EXPENSES						
PROFIT/LOSS BEFORE TAX						
Tax						
PROFIT AFTER TAX						A
Net margin %						
RETURN ON EQUITY %						
REPAYMENT OF LOAN						B
NET PROFIT						



Costs

For planning, taxation and pricing purposes, you need to know what your costs are. Try to have a complete picture before starting your operations! Producing a product or delivering a service might cost a lot more than you think and you might, after all, not be able to sell your products or services at a profit.

Cost components

When planning for your enterprise, you should not ignore any of the following seven types of costs (with Sanja and her hairdresser's shop as an example):

1. **Cost of materials** - Gel, razors, and shampoo i.e. all 'inputs' that Sanja uses to 'produce her product'.
2. **Cost of land** - Sanja owns her own hairdressers' shop, but as she could have rented this shop to somebody else for 500 KM per month, she counts these 500 KM per month as costs.
3. **Cost of equipment** - Chairs, hairdryers, and mirrors. Sanja's chairs, bought in 2001 for 1000 KM per chair, will last for ten years. This means that the costs of these chairs are 100 KM per chair per year.
4. **Cost of labour** - Sanja's assistant earns a net monthly income of 400 KM. As a number of taxes and contributions need to be paid, this assistant costs Sanja a total of 704 KM in the RS, or 682 KM in the Federation.
5. **Cost of services** - Sanja takes the bus to work, takes on an accountancy firm to do her books and offers her clients coffee that she gets from the coffee shop around the corner.
6. **Taxes** - There are lots of them! Please refer to the separate section on taxes, page 32.
7. **Interest payments** - Sanja borrowed 10,000 KM from a bank and pays 10 percent interest on what remains of that loan. The interest she pays is a cost. The loan itself is not a cost (as the cost is what she used that loan for - her chairs, for example).

Cost per product produced or service delivered

Sanja would like to know what a haircut, a makeover and a manicure costs her. This helps her to decide what prices to set, and it tells her if some activities are more profitable than others. But she finds it difficult. Shampoo is easy: twice as many clients need twice as much shampoo. 100 KM worth of shampoo, spent on 1000 clients, means that the costs per client are 0.1 KM.

But how should Sanja divide her 500 KM rent, or her transport costs, between all her customers? She cannot just divide the 500 KM rent between her 250 customers in that

month, because these customers came in for services ranging from a 5 KM haircut to a 75 KM bride's makeover. There are no easy answers. Creativity is needed - and the help of an accountant - as some of these costing issues may have implications for the level of taxes that need to be paid.

Cost and volume of production

In general, the cost of production depends on the volume of production. In most cases the cost per item decreases if the total volume of production increases, because:

- ◆ You can spread costs that do not relate to the volume of production over more products (e.g. Sanja's transport costs and her rent do not depend on the number of customers she gets);
- ◆ Costs related to production capacity do not increase proportionately. One chair will cost Sanja 1,000 KM - but if she bought ten chairs she would probably get a discount and get them all for 8,000 KM instead of 10,000 KM. The same principle applies to advanced technology: an advanced photocopier, that makes ten times as many copies per day as a simple one, probably doesn't cost ten times as much.

But there is no sense in producing more than you can sell. Many businesses in BiH could produce more than they do without buying additional equipment - and that certainly doesn't help to bring the costs down! If the fourth chair in Sanja's hairdresser's shop is always empty, buying that fourth chair has been a waste of money. Avoiding such wastage while at the same time producing as much as the market can absorb in order to produce at the lowest costs possible is a good reason to do some market research before you start your operations (see the section on market research)!

Note that:

There is a difference between costs and expenses. Because of the discount she gets, Sanja always buys her supplies (shampoo, razors etc.) all at once. The costs of these supplies are spread equally over the year, as the costs are made when shampoo and razors are actually used, but the expenses are all made at once and may therefore create temporary shortages in cash (i.e. no money in her wallet - see the section on finances).

It is unavoidable to waste some money. Shampoo spills, an advertisement in the newspaper may be completely useless, and some customers may refuse payment because their haircuts do not look good (check the section on selling for the best attitude towards this type of problem!). When planning your production, keep in mind this unavoidable wastage. The good news is that wastage is likely to go down as experience builds up.

Do not forget to consider all costs. Marketing, cleaning, travelling, insurance, maintenance of equipment: all this costs money. And even if you really thought you had included everything, you will be disappointed. There are always unexpected additional costs. Therefore, put a safety margin in your budget.



Prices

If your prices are so low that they do not cover your costs, or so high that nobody buys your products or services, you will go bankrupt. If your prices are exactly right, you will maximise your profits. 'Pricing exactly right' depends on the context in which you operate. Once again, Sanja's hairdresser's shop illustrates the options.

Fixed prices Sanja established her first hairdresser's shop in a town where a haircut always costs 5 KM. She respected that. Sanja figured correctly that nobody would come to her shop if she charged more than 5 KM. She did not want to charge less than 5 KM, as she was afraid of starting a price war with the other hairdressers. If she only charged 4 KM, everybody else would have changed his or her prices. All profits would have gone down and some hairdressers could have gone bankrupt.¹ Sanja realises that she does not compete on the basis of prices - those are the same everywhere - but on the basis of the quality of her services. Therefore, she makes sure that her haircuts are good and that her hairdresser's shop looks appealing. She has up-to-date magazines, serves her customers coffee and employs people who are extremely polite.

Flexible prices If you operate in a market where prices are not fixed, it is important to know:

- ◆ what competitors ask for their products and services, and how these products and services differ from yours;
- ◆ how large the market is;
- ◆ how clients react to price differences.²

The way clients react to price differences has implications for your price setting. It also has implications for the image that you want your products or services to have. If price is the most important criterion, you want your products to be 'a really good bargain'. If price is not that important to your client, you may want to offer products or services of 'exceptional quality'. And in most cases, you offer something in between. The following examples illustrate the different options.

¹ Sometimes, businesses follow this scenario deliberately. Their intention is to force other shops out of business so that, after some time, they face less competition and can increase their prices. Following that scenario is risky, expensive, and, according to many, unethical.

² It is also important to know at what cost you can produce different quantities of your products. This issue is addressed in the section on costs.

Price 'sensitive' goods

Sanja opens another shop in a village. It will be the first and only hairdresser's shop there. The villagers are relatively poor, and indicated, when she did her market research, that they would only use her hairdresser's shop if the services were cheap. Sanja realises that she competes on the basis of price (not with other hairdressers but with mothers cutting their families' hair themselves!) and therefore only charges 3 KM for a haircut. As the price is the customers' most important criterion, her shop in the village does not look as nice as her shop in the town: her equipment and decorations are all relatively cheap.

Price 'insensitive' goods

Sanja opens another shop in a small town. There are a few hairdressers already. They all charge 2.5 KM for a haircut. Sanja realises that she will not be able to make any profits with such a low price, and decides to focus on a special group of customers: brides. Marriage is a once-in-a-lifetime experience, and Sanja makes sure that her services become part of that experience. Sanja realises that she competes with similar services in the big city, and offers the best possible product: for a four full hours, the bride receives all the possible attention and luxury. As it is not the price but the quality of the experience that is the main criterion of the bride's makeover, Sanja makes sure that she makes a generous profit on any bride that visits her - and that she provides a most exquisite service in return.

Note that

- ◆ It is not enough just 'to make a profit'. You need to earn more money than you would have earned with your money in the bank and with another job.
 - ◆ The price that competitors ask is not necessarily what you can ask for your products or services. A well-established brand can ask a higher price than you can (until you become equally famous). In general, people choose on the basis of price and quality, and image is part of the perceived quality.
 - ◆ Do not forget that the retail price is not the price you will fetch. There is the shop's profit margin (and perhaps the profit margins of middlemen), and there is sales tax. This price does not represent real profit.
 - ◆ Most businesses choose a price that they believe will maximise their profits from the very beginning. If you have more time before you need to see profits, you could try to first build up a large group of customers by keeping your prices very low. Once you have built up your clientele, you can gradually increase your prices. A third option is to ask relatively high prices, even if this means very few customers in the immediate future, in order to give your products an exclusive image from which you may be able to benefit in the future.
-



Promotion

It is not enough to offer a good product for a good price. You must also make sure that potential customers know about these products and their quality. You should not be thinking about whether to promote your business, you should be thinking about how to promote it. Depending on your type of business, a budget is needed for one or more of the following promotion methods.

1. **Advertising:** any form of presentation of your products or services that you pay for and that does not target customers individually. Examples are billboards or signs and advertisements in newspapers or on television or radio.
2. **Personal selling:** any form of presentation of your products or services that entails face-to-face communication. Examples are visits to factories that might want to buy your products as inputs for theirs, or meetings in which you show potential buyers your products.
3. **Sales promotion:** encouraging customers to buy your products or services by temporarily offering them something extra. Examples are '2 for the price of 1' offers or a free 'trial pack'. Make sure you only offer things you can afford!
4. **Public relations:** building up good relations, not only with your potential customers but also with, for example, local journalists or newspapers. They may write something nice when you open your business or have your first anniversary.
5. **Direct marketing:** even if you have not yet met your customers it is possible to give them 'personal attention', for example, by sending letters to all local factories that might be interested in using your products or services.
6. **Marketing agencies or cooperatives:** these might be able to help you to target and promote your products to markets in BiH or abroad. There are not many marketing agencies in BiH yet.

Let us look at Sanja again. She reopens her pre-war hairdresser's shop and uses:

- ◆ Public relations - Before the war, Sanja was a well-known hairdresser. When she re-opened her shop she invited local media, rightly assuming that they were happy to write articles with titles such as 'Sanja is back!'

- ♦ Advertising - In addition to the free radio coverage she received, Sanja paid for a few commercial announcements on two local radio stations.
- ♦ Sales promotion - Haircuts in Sanja's town cost 5 KM, and Sanja does not want to start a price war. But she gives a discount-in-disguise: her customers receive a stamp on a card every time they come in for a haircut. After having collected five stamps, the customer receives a bottle of shampoo.
- ♦ Direct marketing - Sanja wrote to some of the larger companies in the area that 'Sanja is back in town and happy to serve you again!'

Three out of the four methods Sanja used did not cost her anything. This is unusual. In most cases, you should budget a sum of money for your promotional activities. And then check if these activities increase your sales. Sanja asked her customers how they had found their way to her hairdresser's shop. When she noticed that almost nobody had visited her because of her radio announcements, she cancelled them: they were not worth a penny.

Distribution

Suppose that you successfully promoted really good products or services at very reasonable prices. Many customers order from you - and then you fail to deliver your products or services in time. Your customers are angry and move to your competitors. You go bankrupt. The simple message is that if you do not have a well-functioning distribution system there is no point in producing anything at all.



There are five distribution methods.

1. Direct selling: you sell your products or services yourself. This means you either need a well sign-posted shop in a convenient location, or at least one vehicle that can deliver your goods to customers.
2. Transport companies: if you don't want to buy expensive vehicles and you don't want to worry about maintenance, you could deliver your goods through transport companies. An added advantage is that these firms have more experience in fast and safe deliveries. But it will cost you.
3. Wholesalers or retailers: the range of customers you reach often depends on

whether or not you use wholesalers or retailers. Wholesalers and retailers make a profit by buying and reselling goods that others produce. The volume of your sales is likely to be higher, but of course the price you receive is lower than if you sell directly. If you are a small producer you might want to form a producers' association. This would give you more bargaining power vis-a-vis wholesalers, as they may otherwise offer you very low prices.

4. Marketing services agencies: they might be able to help you to target and promote your products to markets abroad. There are not many such agencies in BiH yet.
5. Cooperatives: in agriculture in particular, cooperatives often help farmers to find markets for their products. Cooperatives may also be able to negotiate better prices than individual producers could get.

You need to consider your distribution methods carefully before you start a new business. And don't set up the business in a location that does not lend itself to efficient distribution!

Selling

Today's producers face fierce competition from many other producers in BiH and abroad. Mediocre businesses go bust. Previous sections covered the promotion and distribution of products and services. This section is about the final step: serving your customers.



Serving customers is an art. The aim of this art is not just to make a sale. The aim of this art is to keep customers happy. Happy customers are important, as:

- ♦ They will come back to you. This is crucial. Most businesses sell most of their products or services to regular clients. Just imagine: once, in Sanja's hairdresser's shop, one of the assistants was rude to one of the customers. He never came back. With six haircuts per year for 5 KM per haircut, Sanja lost 300 KM in the coming decade because of one rude remark. An apology and a free haircut would have avoided this loss.

- ◆ They will tell their friends, and their friends may become your new customers. Conversely, dissatisfied customers are not only lost customers themselves, as their friends are unlikely to ever become your customers.

Keeping your customers happy is not easy, but sticking to the following principles goes a long way:

- ◆ Offer help, but don't be pushy;
- ◆ Know your products and give good advice;
- ◆ Never ignore a waiting customer;
- ◆ Apologise if you make a mistake, try to correct it and offer a little extra - 'This is on the house';
- ◆ Be honest;
- ◆ If you don't have a certain product or you have run out of stock, advise on alternatives or other suppliers (even if it's a competitor's shop!);
- ◆ Don't close exactly on time if the customer needs a few more minutes;
- ◆ Look professional in your appearance and the appearance of your premises;
- ◆ Only make promises that you can fulfil;
- ◆ Answer the phone promptly or offer to phone back - don't put customers on hold.

These principles apply to all businesses at any time. To meet the specific demands of your customers, you should:

- ◆ Ask your workers for ideas. Those who deal with customers directly know best what these customers want.
- ◆ Regularly talk to your customers. Ask them for suggestions on how you could improve your services.

Remember - the customer is always right.





Employees

Your workers are the core of your business. And they are not cheap. Before you recruit them, you should make sure you really need them - all of them. If you decide you do, then recruit them carefully and invest in their skills, safety and job satisfaction. All of these things are necessary to keep your employees healthy, loyal and productive.

Recruitment Your staff need to be the best match to the job. They should neither be overqualified (as that would be very frustrating) nor underqualified (as they would be unable to perform well). Careful, skill-based recruitment is essential. To ensure that you recruit the most appropriate people for the job, you have to look around, perhaps place an advertisement, and interview people. Do not judge on the basis of gender or ethnicity. It is not only unwise, it is also illegal. And your work does not end with recruitment. Training, either in-house or outside, may be required to improve your workers' productivity.

Team building An advantage of a small enterprise is that its structure is relatively simple. That keeps the business flexible. Utilising this advantage is only possible if people feel loyal towards one another and towards you and the company. That's why team building is essential.

Rights and obligations vis-a-vis your employees

In pre-war Yugoslavia people who had a contract somewhere could often stay there forever. Nowadays employment is not quite so secure. For you as an employer, this has big advantages. The increased flexibility to hire and fire workers increases your company's cost effectiveness - which in turn increases the company's viability. But the new rules could turn against you, as, if you do not invest in your workers, they may not feel very loyal to you. Before recruiting people, you should realise that:

- ◆ Unlike pre-war contracts, a contract can be for any period you like (but a contract for more than two years automatically becomes permanent);
- ◆ You are not obliged to register with the Employment Bureau if you are looking for a new employee (but they might be able to help you find the one you need);
- ◆ Labour laws define only the limits (the minimum or the maximum) of issues such as working hours, leave days, severance pay, etc. In the contract that you conclude with your employees, the number of days off may be higher, but cannot be lower than is stipulated in the law;



- ♦ The new labour laws allow you to hire part-time employees for all kinds of jobs. This option may save costs, as not every job is a full week's work;
- ♦ Because of a number of taxes and contributions, 1 KM in net salary will cost you 1.70 KM in total in the FBiH, and 1.76 KM in the RS. There's mandatory maternity leave for 42 days after birth in the FBiH and for 60 days in the RS;
- ♦ You may cancel an employment contract for economic, technical, or organisational reasons, or when you feel that a worker is no longer able to perform his or her job or does not fulfil obligations as specified in the employment contract;
- ♦ In such cases, the minimum cancellation period is 14 days in the FBiH and 30 days in the RS;
- ♦ If you terminate a worker's contracts after this worker has been with you for more than two years, you are obliged to pay redundancy pay of at least a third of a monthly salary for each year employed. This does not apply if the worker involved loses his or her job because he or she did not perform in accordance with the contract.

Health and safety

Failure to create safe working conditions may prove very expensive. Your costs may go up because of wages paid to sick employees, payment to clinics and doctors, interruptions in production, reduction of productivity due to reduced worker trust, etc. Ensuring that the workplace is safe is well worth the attention - and possibly the investment - it needs. Attempts to transform an unsafe working environment into a safe one should be guided by a hierarchy of interventions:

1. Ideally, you should eliminate the source of danger (e.g. replace a dangerous chemical with a safe one, or adjusting a noisy machine);
2. If it is not possible to eliminate the source of danger, perhaps you can reduce the hazard (e.g. process a dangerous chemical in a closed-circuit system or in lower concentrations, or absorb part of the noise of the noisy machine);
3. If it is not possible to reduce the hazard, you could perhaps provide collective protection (e.g. a ventilation system, a first aid kit);
4. If no collective protection can be provided, you should ensure individual protection (e.g. masks, ear plugs).

Taxes

All business enterprises are required to register and to pay taxes. The details depend on the entity in which you operate. Note that the BiH tax system is changing rapidly and this information may be superseded by new tax legislation over the course of 2002.



Tax rates

Tax rates in the Republika Srpska

Tax	Rate
Corporate profit tax (for legal persons)	10% (see next page for possible deductions)
Personal income tax (for natural persons)	Profit is not taxed until it reaches four times the average income in the RS. Beyond that, 10% is taxed.
Sales tax on goods	◆ 18% or 8%, depending on the type of goods
Sales tax on services	◆ 8%
Railroad tax	◆ 2%, paid along with sales taxes (so the sales tax effectively becomes 10 percent for services and 10 or 20 percent for goods)
Labour costs	10% wage tax, 24% pensions and disability insurance, 15% health insurance, 1% unemployment insurance and 2% child protection together add approximately 52% to the net wage
Customs	0%, 5%, 10% or 15%, depending on the goods
Excise	Levied on a specific (per unit) basis, paid along with customs duty

Tax rates in the Federation

Tax	Rate
Corporate income tax (for legal persons)	30% (see next page for possible deductions)
Person income tax (for natural persons)	This is covered in cantonal laws. The rates differ.
Sales tax on goods	20% or 10%, depending on type of goods
Sales tax on services	10%
Labour costs	5% wage tax, 24% pensions and disability insurance, 18% health insurance and 3% unemployment insurance together add approximately 50% to the net wage
Customs	0%, 5%, 10% or 15%, depending on the goods
Excise	Levied on a specific (per unit) basis, paid along with customs duty

Corporate income tax

This is a tax on profit. Profit is the difference between the gross income and a number of deductions. These deductions include:

In the Republika Srpska

- ◆ Material costs
- ◆ Labour costs
- ◆ Depreciation
- ◆ Paid interest rates
- ◆ Estate duty, stamp duties and other local taxes
- ◆ Donations for humanitarian, cultural and sporting funds and for scientific work.

In addition, reductions in the corporate income tax ('tax incentives') are available for:

- ◆ Start-up companies: 100% for the first year of operation, 70% for the second, and 30% for the third year;
- ◆ Start-up companies in an under-developed region (as determined by law): 100% for the first three years of operation;
- ◆ Free zones and companies in the free zones: 100% for the first five year period;
- ◆ If part of the taxable profit is reinvested into the company: up to a maximum of 15% of taxable profit.

The corporate income tax is paid in advance every three months, except during the first year when payment is made at the end of the year.

In the Federation

Deductions are more or less the same as in the Republika Srpska. In addition, reductions in the corporate income tax are available for:

- ◆ Start-up companies: 100% for the first year of operations, 75% for the second, and 30% for the third year.
- ◆ Depending on what you invest it in, you can deduct 75% or even 100% of your investment from your taxable income. The 100% deduction applies to investments in production capacity (such as buying a new wood saw). The 75% deduction applies to all other investments (such as refurbishing your office).
- ◆ 'Loss Carry Forward'. Losses made in the previous five years can be deducted from profits.
- ◆ 'Group Consolidation'. If a group of companies have 90% common ownership and all companies are resident in the Federation, losses in one company can be deducted / surrendered to profits of such a related company.

Just as in the Republika Srpska, during the first year of operations, the corporate income tax is paid at the end of the year. After that, you pay a monthly profit tax in advance.

Sales tax on goods and services

The sales tax is collected at the point where the final consumer buys the product (the supermarket, the fashion shop etc.). A company that purchases goods as manufacturing inputs does not have to pay sales tax.

In the Republika Srpska

- ◆ You do not pay sales tax on export products and services, medicines and medical equipment, bread, milk, certain products for agriculture, agricultural equipment, and second-hand goods (except cars).
- ◆ You pay 8% on food, basic agricultural products, electricity, coal, firewood, natural gas, construction materials, soaps, paper and natural juices.
- ◆ You pay 18% on everything else.
- ◆ The service tax is 8%.
- ◆ An additional 2% must be paid with any of the taxes of goods and services for the development of railways.

Sales tax must be paid twice a month on the 5th and the 20th day for the preceding 15 days. A separate payment order must be prepared for goods under different tax brackets.

In the Federation

- ◆ You do not pay sales tax on certain food products, export products and services, medicines and medical equipment, products imported and prescribed for customs duty exemption and products sold in duty free shops, and agriculture equipment.
- ◆ Goods with a 10% rate include tourist promotional material, electric power, basic agricultural and fish products, and various construction-related materials.
- ◆ The 20% rate includes almost all other products used for final consumption (unless otherwise exempted)
- ◆ The service tax is 10%.

Sales tax must be paid within 5 days of the end of the month during which the sales were made. A separate payment order must be prepared for goods under different tax brackets.

Labour costs

After all taxes, insurance premiums and contributions have been paid, a person who earns a net income of 500 KM will cost you 760KM in the Republika Srpska and 750KM in the Federation.

Excise goods

An excise tax is an extra tax for goods like cigarettes and petrol. Different rates apply depending on the nature of the product or its packaging. These rates are specified in

the RS law on excise and sales tax and the Federation set of special tax laws. Excise taxes on imported goods are collected upon import.

Excise taxes on domestically produced goods are collected at the manufacturing stage.

Customs tariffs and other duties

The tariffs are the same in both entities. Depending on the type of goods, tariffs are 0%, 5%, 10% or 15%. In addition to the customs tariffs, the following duties are imposed and must be paid on import:

- ◆ A fee of 1% of the value of the goods is imposed in both entities.
- ◆ An excise tax is imposed on certain goods.
- ◆ A special fee is imposed on certain goods in order to protect domestic production (e.g. the tariff is 1,45 KM for 1 kg of chicken meat.)

Business health check

To ensure that your business is healthy, you should carry out periodic 'business health checks'. Ask yourself the questions below, and you will be able to identify and address problems before they become acute.

Goals and objectives

- ◆ Has your business met the objectives you set out in your business plan?
- ◆ Have you sold as much as you expected at the prices you that expected to get?
- ◆ Have your costs been higher than you estimated?
- ◆ Are you repaying your loans according to your original plans?
- ◆ If not, why not?
- ◆ Have you been able to solve the problems you encountered?

Operations

- ◆ Has production ever been hampered because you did not have enough of the inputs you needed?
- ◆ Have you had larger volumes of inputs in stock than was necessary?
- ◆ Have you, at all times, had a good overview of production needs and stocks of inputs?
- ◆ Going over the different stages in the production process, do you feel any efficiency gains can be made?
- ◆ Have contacts with suppliers and distributors been sufficiently smooth?

Your position in the business environment

- ◆ Do you reach your target groups?
- ◆ Are there any other kinds of customers that you could target?

- ◆ Have you spent sufficient time and resources on the marketing of your products and services?
- ◆ Have your activities had an impact on the sales volume?
- ◆ How has the general business environment developed in the past period?
- ◆ How has the competition developed in the past period?
- ◆ How would you rate your position vis-a-vis the competition?
 - Performance
 - Quality and reliability
 - Production efficiencies
 - Distribution
 - Pricing
 - Public image
- ◆ How have you reacted to any threats? Could you do more?

Personnel

- ◆ Are your employees neither over- nor under-qualified?
- ◆ Are your employees satisfied with their working conditions? If not, what do they complain about (e.g. colleagues, responsibilities, safety, working hours, salaries, secondary conditions)? Does any dissatisfaction result in absenteeism or low productivity? Would you be able to address any problems they may have?
- ◆ Do they need any additional training to do their job?
- ◆ Do you regularly ask your staff for suggestions on how to improve the business?

Time allocation

- ◆ What percentage of your and your staff's time was dedicated to the different activities (operations, marketing, book keeping etc.)? Does this time allocation reflect the importance you attach to the different elements of your business?





ANNEXES

ANNEX 1: Sample Business plan

Applicant:

Bank:

Location:

1. Company Details

1.1 Name of the company

Name:

Address:

Tel / Fax:

Contact name (name and function):

1.2 Legal status and registered capital

Legal status (limited liability company, joint investment, private or public company, corporation):

Ownership (principals, share holders, partners who own more than 10%):

Retained capital:

Registration number:

Date of establishment:

Registration date or last addition to the registration:

1.3 Short overview of activities

Activities (production, services, trade or miscellaneous):

Number of employees (production, sales, administration, etc.):

Type of industry (traditional, non-traditional, developed, new):

Main market (geographically):

Distribution (own network, wholesale, retail sale or trade agents):

Main contacts with other companies, foreign and local:

Activities in the past five years:

1.4 Project - short overview

Project type (new activity, restart, expansion, acquisition):

Project costs:

Loan request:

2. MANAGEMENT

Management structure (attach an organogram if possible):

Management qualifications and experience (education, business experience, time spent with company):

Person responsible for finances:

3. MARKET

3.1 Current and forecast sales

Forecast annual sales after project implementation	Year 1	Year 2	Year 3
Total Sales			
- Sales related to this project			
- Export sales (%)			

Total number of buyers and three major buyers as a percentage of total sales:

Major buyers of project's products:

Competitive advantage of the company (price, quality, discount):

Sales, marketing and distribution:

Describe (and attach) all secure contracts or serious buyers' interest for the company's products:

Distribution (own delivery, rented transport):

3.2 *Evaluation of the competition*

Main competitors in the market (names and market share):

Comparison of competitors' quality and price (list prices and describe quality differences):

4. PRODUCTION

4.1 *Production capacities*

Current operative status (operative, non operative, % of capacities being utilised):

Is the factory owned or rented (attach documentation):

Planned investment:

Factory location:

Current production capacity:

Production capacities after project implementation (scope):

Estimated average age of major machines and equipment:

New production process introduced by project:

Current labour:

Proposed new employees after project implementation:

4.2 *Supplies of raw materials and spare parts*

5. SUMMARY OF RISK AND RISK PROTECTION MEASURES

Describe any potential risks that may arise in production or marketing (eg. lack of skilled staff, insufficient raw material supply, negative export regulations, weather, serious prices fluctuations, strong competition, technical or production difficulties) and describe possible risk protection measures:

Annex 2: Financial services in BiH

Banks

(This information was collected in May 2001)

Organisation / Institution	Geographical coverage	Sources	Loan size (000 KM)	Average interest rate	Grace period (months)	Maturity (years)	Branch offices
ABS BANKA d.d. Sarajevo (033) 277-060	F BiH	OR, IBF	Max 500	1,5% (m)	--	Max 1	Every large town in the F BiH
AGROPROM BANKA a.d. Banja Luka (051) 303-611	RS	WB, USAID	Max 100	12% - 18% (g)	6	Max 3	Laktaši, Novi Grad, Mrkonjić Grad, Bijeljina, Beograd
BALKAN INVEST BANKA a.d. Banja Luka (051) 216-285	RS	OR	No limit	11% (g)	12	Max 5	--
BANJALUČKA BANKA a.d. Banja Luka (051) 212-140	RS, Brčko district	OR, WB, USAID, IFC, KfW EU	5 - 1.000	(K) 15% (g) (D) 13% (g)	(K) Max 4 (D) Max 12	(K) 1 (D) Max 5	Every large town in the RS
BOBAR BANKA a.d. Bijeljina (055) 472-490	RS, Brčko district	OR	Max 200	20% (g)	Max 6	1	Doboj, Banja Luka, Zvornik, Brčko
BOR BANKA Sarajevo (033) 663-500	F BiH	OR, KFAED	Max 2.200	(K) 1% - 1,7% (m) (D) 7,5% - 9,5% (g)	(K) Max 3 (D) Max 24	(K) Max 1 (D) Max 7	--
CeBEDA Travnik (030) 511-877	Central Bosnia Canton	UNOPS project	10 - 50	1% (m)	3 - 6	1 - 2	--
CENTRAL PROFIT BANKA d.d. Sarajevo (033) 532-515	F BiH	OR, USAID, IBF, PIF SA Canton	Min 10	18% (g)	--	1	Cazin, Zenica, Fojnica, Visoko, Olovo, Vareš, Hadžići, Sarajevo
DEPOZITNA BANKA d.d. Sarajevo (033) 206-930	Ilidža, Ilijaš, Sarajevo, Visoko	OR	Max 500	18% - 24% (g)	Max 6	Max 2	Ilidža, Ilijaš, Sarajevo, Visoko
EBRD Sarajevo (033) 667-945	BiH	EU	50 - 1.000	According to bank's terms	Max 24	Max 5	--
GOSPODARSKA BANKA d.d. Sarajevo (033) 444-605	F BiH, Brčko district	OR, KfW/ EU, USAID, HBOR	Max 200	16% - 24% (g)	--	Max 1	Sarajevo, Zenica, Novi Travnik, Usora, Ravne, Brčko, Žepče
HORIZONTE VENTURE MANAGEMENT Sarajevo (033) 207-087	BiH	WB, EBRD	Investment fund - investing directly in companies -500 - 4.500			4 - 6	--
IFC Sarajevo (033) 440-293	BiH	OR	Min 4.400	LIBOR + 4% - 6%	Depends on credit size	7 - 10	--
IGA Sarajevo (033) 262-720	BiH	WB	Max 2.000	10% (g)	--	Max 1	Banja Luka
INTERNATIONAL COMMERCIAL BANK d.d. Sarajevo (033) 212-985	F BiH	OR	5 - 500	12% - 18% (g)	Max 6	Max 5	--
IKB d.d. Zenica (032) 201-804	ZE-DO Canton	OR, IBF, GTZ, PIF Ze-Do Canton	Max 500	1,3% - 1,5% (m)	--	Max 1	Busovača, Kakanj, Zavidovići
KfW BIH Sarajevo (033) 266-610	BiH	EU	10 - 100	12%-16% (g)	Max 6	Max 5	--
KOMERCIJALNO INVESTICIONA BANKA d.d. Velika Kladuša (037) 771-253	Una-Sana Canton	OR	1 - 60	2% (m)	1	1 - 3	Cazin
KRISTAL BANKA a.d. Banja Luka (051) 212-930	RS, Brčko district	OR	10 - 2.000	12% - 14% (g)	--	Max 1	24 in RS, Brčko
LT KOMERCIJALNA BANKA d.d. Livno (034) 201-227	Herceg Bosnia Canton, Central Canton	OR, IBF, SFD, PCU	Max 100	1,75% - 2,2% (m)	--	Max 1	Tomislavgrad, Jajce, Kupres, Glamoč, Drvar
MEB d.d. Sarajevo (033) 232-172	F BiH, Banja Luka	EBRD, IFC, IMI, FMO, KfW EU	0,5 - 300	1% - 2% (m)	--	Max 5	Sarajevo, Ilidža, Bihac, Tuzla, Mostar, Brčko, Banja Luka, Bijeljina

Organisation / Institution	Geographical coverage	Sources	Loan size (000 KM)	Average interest rate	Grace period (months)	Maturity (years)	Branch offices
NOVA BANKA a.d. Bijeljina (055) 471-094	RS, Brčko district	OR	5 - 500	1,5% (m)	--	Max 1	Every large city in the RS
PRIVREDNA BANKA a.d. Brčko (049) 204-222	Brčko district, Obudovac, Pelagićevo	OR, USAID	Max 100	12% (g)	--	Max 1	Obudovac, Pelagićevo
PRIVREDNA BANKA a.d. Gradiška (051) 813-203	RS	OR	15 - 50	(K) 2% (m)	(K) -	(K) 1	Nova Topola, Gornji Podgradci, Beograd
				(D) 1% (m)	(D) Max 24	(D) 5	
PRIVREDNA BANKA a.d. Doboj (053) 241-825	Doboj, Šamac, Brod, Derventa, Modriča, Petrovo, Vukosavlje	OR	Max 100	12% (g)	--	Max 1	Brod, Šamac, Derventa, Modriča, Vukosavlje, Petrovo
WB/ PCU - Project Coordination Unit Banja Luka (051) 319-711	RS	WB	20 - 250	9% (g)	6	3	--
RAIFFEISEN BANK d.d. BiH Sarajevo (033) 214-900	BiH	OR, PIF SA Canton, KfW/ EU, EBRD	According to bank's terms	16% - 18% (g)	--	Max 1	Tuzla, Mostar, Visoko, Goražde, Bihać, Tešanj, Banja Luka, Gračanica, Živinice, Brčko, Zenica
RAZVOJNA BANKA a.d. Banja Luka (051) 217-466	RS, Brčko district	OR, WB	Max 250	12% (g)	--	Max 1	Prijedor, Gradiška, Doboj, Modriča, Trebinje, Brčko, Bijeljina, Zvornik, Srbinje, Sokolac
ŠEH - IN BANKA d.d. Zenica (032) 412-624	F BiH	OR, IBF, IKB Zenica	Max 100	0,8% - 2% (m)	--	Max 1	Every large town in the F BiH
TRAVNIČKA BANKA d.d. Travnik (030) 511-495	Central Bosnia Canton	OR, IBF, USAID, PIF SB Canton	Max 100	1,6% (m)	Max 3	Max 1	Vitez, Novi Travnik, Turbe
TURKISH ZIRAAT BANK Bosnia d.d. Sarajevo (033) 230-619	F BiH	OR	Max 10.000	(K) 1% - 2% (m)	--	(K) Max 1	--
				(D) 1% - 1,5% (m)		(D) Max 5	
TUZLANSKA BANKA d.d. Tuzla (035) 259-259	Tuzla Canton	OR, IBF, GTZ, EBRD, BOR Banka, PA TZ kantona	5 - 500	Max 2% (m)	--	Max 1	Every large town in Tuzla Canton
UNA BANKA d.d. Bihać (037) 322-400	Una-Sana Canton	IBF	20 - 1.000	LIBOR + 4% - 6%	Max 48	Max 7	Every large town in Una-Sana Canton
UNION BANKA d.d. Sarajevo (033) 664-470	F BiH	OR, IBF, USAID, KfW/ EU, BOR Banka	Min 10	14% - 19,6% (g)	--	1	Tuzla, Zenica, Bihać, Travnik, Konjic
UNIVERSAL BANKA d.d. Sarajevo (033) 214-594	F BiH	OR, PIF kantona SA, IBF	100 - 1.000	2% - 2,5% (m)	--	Max 1	Bihać, Cazin, Velika Kladuša, Mostar, Tuzla, Tešanj, Gračanica, Gradačac, Lukavac, Srebrenik, Jelajah
UPI BANKA d.d. Sarajevo (033) 204-449	SA, TZ, ZE-DO, POS kanton, Brčko district	OR, KfW/ EU, USAID, EBRD, IBF, PIF SA Canton	No limit	10,75% - 12,75% (g)	--	Max 1	Gračanica, Zenica, Tuzla, Visoko, Kakanj, Odžak, Brčko
USAID Business Finance Sarajevo (033) 668-053	BiH	OR	30 - 1.000	LIBOR + 4%	Max 12	3 - 5	Tuzla, Banja Luka, Brčko, Mostar
VAKUFKA BANKA d.d. Sarajevo (033) 470-945	F BiH	OR, PIF HN Canton	No limit	12% - 18% (g)	Max 6	Max 3	Mostar, Gračanica, Tešanj, Zenica, Bugojno, Bihać
VB BANKA a.d. Banja Luka (051) 212-671	Banja Luka	OR	Max 500	12% (g)	3	1 - 3	--
VOLKSBANK BH d.d. Sarajevo (033) 483-265	BiH	OR	3 - 4.000	10,25 - 12% (g)	Max 6	Max 5	--
ZAGREBAČKA BANKA d.d. Mostar (036) 312-121	BiH	OR, EBRD, KfW/ EU, IBF	Max 100	13% (g)	--	Max 1	Every large town in the F BiH
ZEPTER KOMERC BANKA a.d. Banja Luka (051) 215-755	BiH	OR, WB	No limit	15% (g)	--	Max 1	Srbac, Kozarska Dubica, Prijedor, Gradiška, Bijeljina, Sarajevo

Micro-Credit (credits of up to 20,000KM)

(This information was collected in February 2002)

Organisation/ Institution	Contact information	Geographical coverage	Beneficiaries	Type of activities financed	Amount of Credit min-max (KM)	Interest rate	Other charges	Maturity of loan (months)	Branches
								Grace period (months)	
ALD Centre for Entrepreneurship Development	Omladinska 10, Zavidovići 032/874-324 sladjan@bih.net.ba	Zavidovići Municipality	Start-ups	Production	1.000-10.000	10% (g) (O)	Giro guarantee	12 6	No
Benefit	Vuka Karadžića 42, Lukavica 057/340-290 057/671-359 benefit@paleol.net	Eastern part of RS and Herzegovina	All legal entities and individuals that are starting up or developing their businesses	Agriculture, trade, production, services	500-15.000	1,7% (m) (F)	No	1-12 No	Bileća, Gacko, Han Pijesak, Nevesinje, Pale, Rogatica, Sokolac, Srbinje, Trebinje, Višegrad
BOBAR banka a.d. Bijeljina	Filipa Višnjića 211, Bijeljina 055/401-862 bobarbank@rstel.net www.bobar.com	BiH	Small and medium enterprises	Production, trade, equipment	Min 5000	12%-18% (g) (F)	Bank charges	1-12 1-6	Banja Luka, Doboј, Pale, Zvornik
Bosansko Selo	Bosne Srebrene 127, Tuzla 035/280-584 mobossel@bih.net.ba	Tuzla Canton	Small entrepreneurs, locally displaced, socially disadvantaged	Agriculture, trade, production, services	1.000-5.000	1.45% (m) (F)	1% on the amount of the credit	6-18 Up to 6 months	Babunovići (Srebrenik), Pribava (Gračanica), Tupković (Živnice)
BosVita	Mihajla i Živka Crnogorčevića 8, Tuzla 035/252-483 035/252-034 bv@max.ba	Tuzla Canton	Refugees and local population	Trade, services, agriculture	700-10.000	Trade 1,35%-1,6% (m) services 1,2%-1,5% (m) agriculture 1,2%-1,4% (m) (F)	1%-2%	10-18 No	No
Central Bosnian Economic Development Agency CoBEDA	Zenjak 21b, Travnik 030/511-877 lebedaa@bih.net.ba	Central Bosnia Canton	-	All types of production activities	10.000-50.000	Up to 20.000 1,5%; from 20.000 1,25% (O)	No	12-36 3-6	No
Central profit banka Sarajevo	Zelenih beretki 24, Sarajevo 033/533-666 033/532-318 international@centralprofitbanka.com www.centralprofitbanka.com	It: Federation of B&H It: Sarajevo Canton	It: Individuals It: Entities whose owners are ex-soldiers, military disabled or family members of deceased soldiers	It: Agricultural production It: Production and services	It: Min 20.000 It: 10.000-100.000	It: 9% (g) It: 6% (g) (-)	No	It: 18-84 It: 48 It: 6-48 It: 12	It: Bihać, Bugono, Cazin, Fojnica, Mostar, Vareš, Visoko, Zavidovići, Zenica It: Sarajevo
EKI	Hasana Kikića 13, Sarajevo 033/444-057 wvmikro@bih.net.ba	BiH	People with low incomes, micro and small businesses	Agriculture, trade, production, services	1.000-20.000	1%-1,3% (m) (F)	Administrative costs 1%-3%	For agriculture up to 18 months, anything else up to 12 months Up to 9 months for agriculture	Bijeljina, Brčko, Bugojno, Derвента, Doboј, Gradačac, Laktaši, Mostar, Prnjavor, Sarajevo, Tuzla, Zenica, Zvornik
FARMER	Patriotske Lige bb, 70260 Kalesija 035/631-218	Tuzla Canton	Association members, farmers, craftsmen, cooperatives	Agricultural production and processing, crafts	300-20.000	0,8% (m) (F)	0,80%	Up to 24 months Up to 6 months	No
Gospodarska banka Sarajevo	Ferhadija 11, Sarajevo 033/207-022 033/665-457 gbs@gbs.co.ba www.gbs.co.ba	BiH	Legal entities	All types of activities	From 10.000	12%-16% (g) (O)	1%	24-60 6	Bugojno, Novi Travnik, Ravne Brčko, Sarajevo, Usora, Zenica, Žepče
HYPO Alpe-Adria-Bank d.d. Mostar	Kneza Branimira 2b, Mostar 036/444-208 036/444-444 bank.bih@hypo-alpe-adria.ba www.hypo-alpe-adria.ba	BiH	Legal entities	All types of activities	No limit	Short-term 12%-18% (g) Long-term 10%-14% (g) (O)	Administrative costs 1%-2%	Depends on the programme Depends on the programme	Brčko, Čapljina, Čitluk, Domaljevac-Šamac, Gornji Vakuf-Uskoplje, Grude, Jajce, Kiseljak, Kreševo, Livno, Ljubuški, Mostar, Međugorje, Neum, Nova Bila, Novi Travnik, Posušje, Rama, Sarajevo, Široki Brijeg, Tomislavgrad, Tuzla, Vitez
HOGAR	Vuka Karadžića bb, Kostajnica 052/663-439 052/663-820 smhogar@mediaproline.net	t	Northwest part of RS	Shops, small entrepreneurs, independent agriculturalists	Crafts, production, trade	3.000-20.000	1%-1,5% (m) 12%-25% (g) (-)	0,5%-2% one-off fee and deposit of up to 10% of the credit amount	3-36 3-6
International commercial bank d.d. Sarajevo	Šenoina 12, Sarajevo 033/212-985 033/212-989	F BiH	Legal entities and individuals	Production	10.000-100.000	12%-24% (g) (O)	Bank charge and deposit	By agreement No	No

Organisation/ Institution	Contact information	Geographical coverage	Beneficiaries	Type of activities financed	Amount of Credit min-max (KM)	Interest rate	Other charges	Maturity of loan (months)	Branches
								Grace period (months)	
Investicijska banka F BiH	Igmanska 1, Sarajevo 033/277-900 033/277-904 info@ibf-bih.com www.ibf-bih.com	F BiH	Independent service and craft shops	Production and services	Up to 100.000	Variable, change of LIBOR twice a year (-)	0,75% one-off fee	Working capital up to 24 months, equipment up to 36 months, premises up to 48 months Up to 6 months	No
Investiciono komercijalna banka d.d. Zenica	Trg BiH 1, Zenica 032/418-723 032/417-022 ikbsejo@ikbze.com.ba www.ikbze.com.ba	Zenica-Doboj Canton and surrounding area	Legal entities and individuals	Production and services	No limit	Short-term 1,1%-1,39% (m) Long-term 1%-1,28% (m) (O)	1% (200-5.000KM)	Depends on the programme Depends on the programme	Busovača, Kakanj, Zavidovići
KfW BiH	Hasana Kikića 18/4, Sarajevo 033/266-610 033/266-612 kfw-saraj@bih.net.ba www.kfw.de	BiH	Small and medium enterprises up to 50 employees	All types of activities	5.000-100.000	12%-16% (g) (O)	1%	Max 60 Max 6	Through selected partner banks
Komercijalno-investiciona banka d.d. Velika Kladuša	Ibrahima Mrzljaka 3, Velika Kladuša 037/771-253 037/772-416 kibbanka@bih.net.ba www.kib-banka.com.ba	Una-Sana Canton	Companies and shops	All types of activities	5.000-100.000	12%-18% (O)	1%-1,5%	3-36 No	Bužim, Cazin
LOK micro Sarajevo	Skenderija 13, Sarajevo 033/442-932 033/442-933 Lokino@bih.net.ba www.lok.ba	BiH	Legal entities and individuals with no access to bank capital	All types of activities	500-20.000	15% (g) (F)	No	1-24 No	Bihać, Brčko, Bugojno, Cazin, Gračаница, Gradačac, Konjic, Modriča, Mostar, Sanski Most, Sarajevo, Travnik, Tuzla, Zenica
LT Komercijalna banka dd Livno	Gabrijela Jurkića bb, Livno 034/201-414 034/202-322 lt-komercijalna.bank@tel.net.ba	Herzegovina Bosnia and Central Bosnia Canton	Small, medium and large enterprises	Production, trade, services	Do 10.000 Up to 10.000	! Short-term 17% (g) ! Long-term 13% (g) (O)	0,30%	! Up to 12 months ! Up to 60 months No for short-term credit, 12 months for long-term	Bosansko Grahovo, Bugono, Drvar, Glamoč, Jajce, Kupres, Tomislavgrad
LWF Mikrokredit	Alagića sokak 7, Sanski Most 037/681-710 lutheran@bih.net.ba	Bosanska Krupa, Novi Grad, Prijedor, Sanski Most	! Returnees and other socially disadvantaged people ! Companies	! Agriculture ! Production	! 1.000-5.000 ! 10.000-50.000	! 1% (m) ! 10% (g) (O)	No	! 24 ! 36 Max 6	No
MEB banka d.d. Sarajevo	Mudželeli Mali 2, Sarajevo 033/232-546 033/232-174 meb_bosnia@compuserve.com www.meb.ba	BiH	Micro, small and medium enterprises	All types of activities	1.000-20.000	1%-2% (m) (O)	1-2% of the credit amount	18-working capital; 36-main resources -	Banja Luka, Bihać, Brčko, Cazin, Iliđa, Mostar, Sarajevo (2), Tuzla
MELAHA	Hamdije Kreševljakovića 59, Sarajevo 033/205-737 viktor@open.net.ba	Sarajevo Canton	Micro, small and medium enterprises	Production, services, additional activities	1.000-20.000	1,5% (m) (F)	1.10%	Up to 24 months Up to 3 months with Board approval	No
MI-BOSPO	Đure Đaković 5, Tuzla 035/281-607 035/252-448 mcbospo@bih.net.ba	Tuzla and Zenica-Doboj Canton	Female entrepreneurs	Trade, services, agriculture	Up to 10.000	3% (m) (O)	No	Up to 12 months No	No
Micro Credit Office	Omladinska bb, Šipovo 050/371-161	RS	Legal entities and individuals, agricultural producers	Agriculture, services, crafts	500-30.000	1,08% (m) 12,96% (g) (F)	No	3-24 3	No
MIKRA	Skenderija 44, Sarajevo 033/204-050 033/442-282 mikra@crsbh.ba	Sarajevo and Zenica-Doboj Canton, Western part of RS	Female entrepreneurs	Trade, services, small production	Max 8.000	2% (m) (F)	No	6-8 No	Banja Luka, Sarajevo
MIKRO ALDI	Zdravstvenih radnika bb, Goražde 038/221-004 038/226-456 mka.aldi@bih.net.ba	South East B&H (Bosnia-Podrinje Canton and RS Municipalities)	People with low incomes	All types of activities (agriculture, small businesses, trade, services)	1.000-20.000	1,33% (m) or 16% (g) (F)	No	3-24 No	No
MIKROFIN	Save Kovačevića 23, Banja Luka 051/301-535 mfb@inecco.net	Banja Luka, Bijeljina, Bosanska Dubica, Brčko, Gradiška, Novi Grad, Prijedor, Srbac	Micro and small scale business activities	Trade, services, agriculture, production	500-30.000	1,5% - 2,5% (m) (O)	1%	Up to 36 months 3	Banja Luka, Bijeljina, Bosanska Dubica, Brčko, Brod, Gradiška, Modriča, Novi Grad, Prijedor, Šipovo, Srbac

Organisation/ Institution	Contact information	Geographical coverage	Beneficiaries	Type of activities financed	Amount of Credit min-max (KM)	Interest rate	Other charges	Maturity of loan (months)	Branches
								Grace period (months)	
NGO Krajina-Agencija za MSP (Agency for SMEs)	Cara Lazara 43, Derвента 053/331-669 ngo.de@blic.net	Laktaši, Srbac, Gradiška, Derвента	Small and medium enterprises	Production and services	3.000-15.000	1,5% (m) 18% (g) (O)	Guarantee	By the contract No	Gradiška
Nova banka a.d. Bijeljina	Svetog Save 46, Bijeljina 055/211-557 055/211-558 bradoje@novabanka.co	m	BiH	Legal entities and individuals	-	From 1.000	1,8% (m) (O)	Administrative costs	Up to 12 months No
Partner Tuzla	Solanska 3, Tuzla 035/281-531 035/281-530 partner@partner.ba www.partner.ba	Tuzla and Zenica-Doboj Canton, Brcko District, RS (Doboj, Modriča, Teslić, Derвента, Vlasenica)	Individuals	All types of activities	1.000-20.000	1,5% (m), 18% (g) 1,1% (m), 12% (g) 1,1% (m), 18% (g) (F)	1%	1: 5-12 1,1: 13-24 1,1: 13-15 For agriculture 3 months	Srebrenik, Bijeljina, Kakanj, Vareš, Teslić, Maglaj, Šamac, Gradačac, Derвента, Bratunac, Olovo, Zvornik, Brčko, Breza, Doboj, Modriča, Tuzla, Vlasenica
Privredna banka a.d. Brčko	Kralja Petra Oslobođioca 1, Brčko 049/204-222 049/204-055 pbank@eunet.yu	Brčko, Posavina, Semberija	Small and medium enterprises	Production, trade, catering	3.000-20.000	1,2%-1,8% (m) depending on the activities (F)	0,50%	18 No	Obudovac, Pelagićevo
Prizma Mikro	Maršala Tita 56, Mostar 036/552-682 036/555-151 info@prizma.ba www.prizma.ba	BiH	Women with low incomes, all categories	I: All business sectors 1,1: Housing reconstruction 1,1: Basic needs	I: 0-8.000 1,1: 0-10.000 1,1: 0-500	1,10-2,20% (m)-decreasing with each loan (F)	0-2% administrative costs	3-36 No	Bihać, Mostar, Sarajevo, Zenica
Raiffeisen - Hrvatska poštanska banka d.d. Mostar	Kneza Domagoja bb, Mostar 036/398-614 036/398-635	F BiH	Farmers, shops, small enterprises	All types of activities	Up to 20.000	Max LIBOR+7% (g) (O)	1,50%	12-84 Depending on the programme	Čapljina, Čitluk, Livno, Ljubuški, Međugorje, Mostar, Orašje, Široki Brijeg, Tomislavgrad, Vitez, Žepče
Raiffeisen Bank d.d. BiH	Danijela Ozme 3, Sarajevo 033/214-900/213-851 mberc@bih.net.ba www.raiffeisenbank.ba	BiH	Individuals	All types of activities	Up to 15.000	Up to 12 months 12% (g) Over 12 months 13% (g) (O)	2%	36 No	Banja Luka, Bihać, Brčko, Goražde, Mostar, Tešanj, Tuzla, Visoko, Zenica
Razvojna banka Banja Luka	Kralja Petra I Karadorđevića 85a, Banja Luka 051/242-100 051/242-107 rb@inecco.net www.razvojnabanka.com	RS	Small enterprises	Priority given to production activities	5.000-20.000	1,5% (m) 18% (g) (-)	1%	Up to 12 months Up to 3 months	All large towns in the RS
Sinergija	Braće Podgornik bb, Banja Luka 051/314-530 051/314-531 sinergija@inecco.net	North West part of B&H	Small entrepreneurs, craftsmen, agriculture, trade	Agriculture, crafts, production, services, trade	500-30.000	1,25%-3% (m) (F)	0,50%	6-36 Up to 6 months	Gradiška, Kozarska Dubica, Novi Grad, Prijedor, Prnjavor, Srbac
Sunrise	Envera Šehovića 16/A, Sarajevo 033/278-080 033/278-032 sunrise@bih.net.ba www.microsunrise.ba	Sarajevo, Posavina, Tuzla, Central Bosnia, Zenica-Doboj and Herzegovina-Neretva Canton	Legal entities and individuals	All types of activities	500-20.000	1,3%-1,9% (m) (F)	1%	2-24 3	Konjic, Maglaj, Matuzići, Mostar, Orašje, Sarajevo, Visoko, Zenica
Travnička banka	Bosanska 56, Travnik 030/511-525 030/511-883 tbt@bih.net.ba www.travnicka-banka.com	F BiH	Legal entities and individuals	Production, services	1.000-20.000	1,8% (m) (F)	50 KM fee	Up to 42 months Up to 3 months	Bugojno, Dornji Vakuf, Fojnica, Gornji Vakuf, Novi Travnik, Travnik, Turbe, Vitez
Tuzlanska banka Tuzla	Maršala Tita 34, Tuzla 035/259-259 035/250-596 tuzbank@bih.net.ba www.tuzbank.ba	Tuzla and Posavina Canton, Brcko District	Individuals	Agriculture, food production, manufacturing and services	Up to 10.000	6% (g) (O)	No	36-48 Up to 3 months	Bikava, Banovići, Brčko, Čelić, Dobo-istok, Gračanica, Gradačac, Kalesija, Kladanj, Orašje, Sladna, Srebrenik, Teočak, Živinice
Udruženje mještana (Association of Citizens) Babunovići	Babunovići bb, Srebrenik 035/642-044 035/644-898 lsmet-d@bih.net.ba	Tuzla Canton	Micro entrepreneurs, socially disadvantaged	Agriculture, production, services, trade	500-5.000	1,45% (m) or 17,4% (g) (F)	No	6-18 Up to 3 months	Gračanica, Živinice

Organisation/ Institution	Contact information	Geographical coverage	Beneficiaries	Type of activities financed	Amount of Credit min-max (KM)	Interest rate	Other charges	Maturity of loan (months)	Branches
								Grace period (months)	
UG DOM (Association of Citizens)	Đure Jakšića 8, Nevešinj 059/601-138	Eastern Herzegovina	Local population, refugees, displaced people	Education	Up to 20.000	1% (m) (-)	0,50%	12	No
								3	
UMCOR Travnik	Žitarnica bb, Travnik 030/511-725 umcorag@bih.net.ba	Central Bosnia Canton, Banja Luka, Kupres, Mostar	Agricultural producers	Agriculture	1.000-10.000	6,5% (g) (F)	Credit insurance	15	Banja Luka, Kupres, Mostar
								3	
Universal banka	Branilaca Sarajeva 20, Sarajevo 033/666-586/033/665-677 uniban@universalkbank.ba	www.universalkbank.ba	F BiH	Legal entities and individuals	All types of activities	Up to 100.000	12% (g) (O)	1%-2%	Up to 60 months Up to 6 months
UPI banka	Obala Kulina bana 9a Sarajevo 033/204-449 upibanka@bih.net.ba	BiH	Small and medium enterprises	All types of activities	Min 19.500	10% (g) (F)	1%	Up to 60 months	Gračanica, Tuzla, Zenica
								6 months	
VB Banka AB Banja Luka	Mala Tepa 4, Banja Luka 051/221-600 051/221-623 info@vbbanka.com www.vbbanka.com	Western RS	Small enterprises, shops	Production, trade, catering	5.000-20.000	10%-12% (g) (O)	1%	24	No
								No	
VIS Srbac	Prvomajska 1/I, Srbac 051/841-468 vis@inecco.net	Derventa, Gradiška, Srbac	Individuals, small and medium enterprises	All types of activities	500-20.000	1,5% (m) 18% (g) (F)	1%-2%	† 3-6 †† 8-24 ††† 8-36	No
								No	
Volksbank BiH d.d. Sarajevo	Fra Andela Zvizdovića 1, Sarajevo 033/483-265 033/263-832 info@volksbank.ba www.volksbank.ba	BiH	-	All types of activities	Min 3000	10,6% - 11,4% (g) (-)	0,50%	Working capital up to 12 months; fixed assets up to 60 months	No
								No	
Zagrebačka banka BH d.d. Mostar	Kardinala Stepinca bb, Mostar 036/312-116/036/312-112 zorka.bago@zaba.ba www.zaba.ba	BiH	Legal entities	Production, trade, services	Up to 20.000	† Short-term 12%-18% (g) †† Long-term 11%-14% (g) (O)	0,50%-2%	† Up to 12 months; †† Up to 60 months	Banja Luka, Čapljina, Čitluk, Grude, Jajce, Kiseljak, Livno, Ljubuški, Mostar, Neum, Odžak, Orašje, Posušje, Rama, Sarajevo, Široki Brijeg, Štolac, Tomislavgrad, Tuzla, Uskoplje, Vitez, Žepče
								Up to 12 months	
ZDRAVO	Sime Matavulja 6, Banja Luka 051/216-441 051/216-440 zdravomko@blic.net www.zdravodaste.org	RS	Women	Agriculture, production, services, trade	1.000-5.000	16%(g) (F)	1%	Max 12	Derventa, Prijedor, Srpski Brod
								No	
Žene za Žene International	Džemala Bijedića 172c Sarajevo 033/469 970 033/469 971 zene@bih.net.ba	Sarajevo, Zenica-Doboj and Central Bosnia Canton	Women with low incomes	Craft	Min - average salary in F BiH; Max - varies	1,5 % (m) 18 % (g) (F)	1%	6 and 10 months	No
								No	
Zepter komerc banka a.d. Banja Luka	Jevrejska ulica bb Banja Luka 051/241-115 sasa.popovic@zeptercomercbanka.com www.zeptercomercbanka.com	BiH	Legal entities	All types of activities	From 10.000	15% (g) (O)	1%	6-12	Bijeljina, Prnjavor, Prijedor, K. Dubica, Gradiška, Srbac, Trebinje, Sarajevo
								Depends on the programme	

CANTONAL PRIVATIZATION INVESTMENT FUNDS

CANTONAL Credit line	Geographical coverage	Loan size (KM 000)	Interest rate	Grace period (months)	Maturity of loan (years)	Address, phone/fax
GOVERNMENT OF CENTRAL BOSNIA CANTON	Central Bosna Canton	10 - 500	8%	Max 12	Max 5	Stanična 43 Travnik (030) 511-217
CANTONAL PRIVATIZATION AGENCY IN TUZLA CANTON	Tuzla Canton	Max 200	6%	6 - 36	Max 6	18. hrvatske brigade 25 Tuzla (035) 281-085/ 281-089

Other Cantonal privatization agencies have set up credit lines through banks. If you wish to contact them, see below.

Cantonal privatization agencies	Address, phone/fax	Partner banks
Sarajevo	Titova 11, Sarajevo, (033) 202-955/ 202-906	UPI BANKA, UNIVERSAL BANKA, CENTRAL PROFIT BANKA, RAIFFEISEN BANK
Zenica-Doboj Canton	Fakultetska 5, Zenica, (032) 416-269/ 416-240	INVESTICIONO-KOMERCIJALNA BANKA d.d. ZENICA
Una-Sana Canton	Miroslava Križže, Bihać, (037) 323-529/ 323-781	n/a
Bosna-Podrinje Canton	Maršala Tita 13, Goražde, (038) 221-772/ 224-161	n/a
Zapadna-Herzegovina Canton	Ministarstvo gospodarstva, Fra Grge Martića bb Posušje, (039) 682-162/ 682-161	n/a
Herzegovina-Neretva Canton	Ante Starčevića bb, Mostar, (036) 327-275	VAKUFСКА BANKA
Posavina Canton	Treća ulica 31, Orašje, (031) 712-996	n/a

Annex 3: Business Advisory and Employment Training Services in BiH

LOCAL ORGANISATIONS

Agency name	Type of services	Geographical coverage	Address, phone/fax	E-mail
AGENCY FOR ECONOMIC RESEARCH	Business consulting, market research	F BiH	Sarajevska 1 Gračanica (035) 781-215	aei@bih.net.ba
"NGO KRAJINA" AGENCY FOR INTERNATIONAL COOPERATION	Education, employment, micro-credit	BiH	Stepe Stepanovića 83 Banja Luka (051) 468-645	ngo.dem@blic.net
ALD CENTRE FOR DEVELOPMENT OF ENTREPRENEURIALISM	Support to development of small businesses	Zavidovići	Omladinska 10 Zavidovići (032) 874-324	sladjan@bih.net.ba
ALDI - ASSOCIATION OF CITIZENS FOR LOCAL DEVELOPMENT INITIATIVES	Business services	Eastern BiH	43. Drinske brigade bb Goražde (038) 227-850	aldi@bih.net.ba
CoBEDA	Connecting businesses, market research, business plans, market linking, etc.	Srednjo-bosanski kanton	Zenjak 21b Travnik (030) 511-877	lebeda@bih.net.ba
BUSINESS SUPPORT CENTRE	Information and consulting services	F BiH	Obalni bulevar 29 Zenica (032) 417-086	unidobcz@bih.net.ba
BUSINESS SUPPORT CENTRE	Information and consulting services	RS	Đure Daničića 1 Banja Luka (051) 312-763	unidobl@inecco.net
EDA BANJA LUKA	Business training, business plans, business consultancy, market research	BiH	Braće Podgornik bb Banja Luka (051) 300-241	eda@inecco.net
EDA BIHAĆ	Business training, business plans, business consultancy, market research	Una-Sana Canton and part of Central Bosnia Canton	Hasana Kijafije Prušćaka SPO 2c (Ozmice 1) Bihać (037) 323-464	eugene@bih.net.ba
EDA BRČKO	Business training, business plans, business consultancy, market research	Brčko district	Đenerala Draže Mihajlovića bb Brčko (049) 205-554	eda-ilo@eunet.yu
EDA LIVNO	Business training, business plans, business consultancy, market research	Herzegovina-Bosna Canton	S. II Kotromanića bb Livno (034) 203-880	eda-livno@cob.net.ba
EDA MOSTAR	Business training, business plans, business consultancy, market research	Herzegovina-Neretva Canton	Rade Bitange 46 Mostar (036) 580-906	uniloeda@cob.net.ba
YOUTH AND ECONOMIC TRANSITION FOUNDATION (MET)	Business consultancy	Canton Sarajevo, Una-Sana Canton	Vilsonovo šetalište 9 Sarajevo (033) 654-716	aidasa@bih.net.ba
HO FORMA F - FOR THE SECURE FUTURE OF WOMEN	Training for small businesses (business plans, management, marketing)	Herzegovina-Neretva Canton	Alekse Šantića 28a Mostar (036) 580-124	formaf@cob.net.ba
INOKA d.o.o. MOSTAR	Business services	BiH	Husnije Repca 3 Mostar (036) 580-907	inoka@max.net.ba
KONEXPERT	Project design, feasibility studies, project monitoring	F BiH	Vilsonovo šetalište 9 Sarajevo (033) 467-796	hadzicek@bih.net.ba
LINK - Service Center	Market linking, business consulting, training, market research	BiH	X hercegovačke udarne brigade 13 Mostar (036) 326-868	link.center@mostar.ba

Agency name	Type of services	Geographical coverage	Address, phone/fax	E-mail
MARKART d.o.o.	Accounting, training	Canton Sarajevo, Tuzla Canton	Mehmed-bega Kapetanovića Ljubuška 3 Sarajevo (033) 663-384	markart@bih.net.ba
NBR - INDEPENDENT BUREAU FOR DEVELOPMENT	Small business advisory services and agricultural production	BiH	Kneza Miloša 4, Modriča (053) 880-942 H. K. Gradaševića 135A, Gradačac, (035) 819-460	u.g.nbr.md@dobo.net lok.gra@bih.net.ba
NVO MEGA-HERZ	Work with small businesses, returnees, reconstruction, credit	RS, Una-Sana Canton	Pečani H-2 48 Prijeđor (052) 214-870	phomets@poen.net
PLANET M TEAM	Printing, publishing, marketing	RS	Krnjinske srpske brigade 169 Doboj (053) 224-915	planetm.team@dobo.net
PRISTOP BH d.o.o.	Press clippings, media monitoring, public relations, consulting, education	BiH	Tešanjka 3 Sarajevo (033) 214-560	pristop_bih@smartnet.ba
PROSPERITET - INTERNATIONAL CONSULTING PARTNERS	All types of micro and macro economic services	RS	Alekse Šantića 4a Banja Luka (051) 306-456	office@prospertit.com
RECONSULT	Business consulting	BiH, Croatia, Srbija	Miloša Obilića 3 Banja Luka (051) 465-443	reconsit@inecco.net
RETURNING REFUGEE SERVICE - RRS	Assisting returnees in economically sustainable return projects	RS, Beograd, Drvar	Hrvatskih gardijskih brigada 8-24 Drvar (034) 819-678	boris.d@inecco.net
TALDI	Preparation of business plans, training for entrepreneurs, market research	BiH	Obala Zmaja od Bosne 10 Tuzla (035) 250-045	taldi@delta.com.ba
TEHNIC d.o.o.	Elaboration of investment programs, projects, expert help with investing, monitoring	Žepče municipality	111. xp brigade Žepče (032) 881-913	tehnic.zepce@tel.net.ba
TEMAT TRADE	Technological consulting, engineering, project development and strategic studies	BiH	Trg međunarodnog prijateljstva 11/10 Sarajevo (033) 209-269	najtalam@bih.net.ba
WORLD GROUP BIH d.o.o.	Establishing contacts with foreign companies	BiH	Njegoševa 68f Banja Luka (051) 311-465	info@worldgroupbih.com

INTERNATIONAL ORGANISATIONS

Agency name	Type of services	Geographical coverage	Address, phone/fax	E-mail
BUSINESS TRAINING CENTER BRČKO - MERCY CORPS	Vocational training	Brčko district	Cara Dušana bb Brčko (049) 205-749	cippbc@rstel.net
CARE/ BUSINESS DEVELOPMENT SERVICE PROGRAM	Market linking, establishment of business associations	BiH	Studenička 14 Banja Luka (051) 468-797/ 468-827	carebds@inecco.net
CENTAR ZA PODRŠKU PREDUZEĆIMA	Training for companies, consulting, development and promotion of small entrepreneurialism	Brčko district	Dušana Miloševića 3 Brčko (049) 205-801	amra@nisky.net
COSPE	Business training, business plans, business advice, market research	BiH	X hercegovačke udarne brigade 13 Mostar (036) 326-868	cospe@mostar.ba
EG TUZLA d.o.o.	Support to SMEs, consulting, improvement of export opportunities	Tuzla Canton and bordering areas in RS	Klosterska 19 Tuzla (035) 251-125	eg@delta.com.ba
EU - QUICK IMPACT FACILITY	Support to SMEs, NGOs and municipalities	BiH	Olovska 42 Sarajevo (033) 230-025/ 230-024	asqif@bih.net.ba
FIPA	Support to foreign investors	BiH	Strossmayerova 3/II Sarajevo (033) 278-080	fipa@fipa.gov.ba
IFC - BALKAN ENTERPRISE FACILITY	Supporting private sector development and development of technical and managerial skills	BiH	Hamdije Kreševljakovića 19 Sarajevo (033) 440-293/ 440-108	hkuskunovic@ifc.org
SEED	Support to development of SMEs	BiH	Hamdije Kreševljakovića 19/IV Sarajevo (033) 217-760	smiric@ifc.org

Annex 4: Chambers of Commerce and Craft

Name	Address	
Chamber of Commerce of BiH	Branislava Đurđeva 10, Sarajevo	(033) 663-370
Chamber of Commerce of Banja Luka Region	Senada Sofovića Sofe 8, Goražde	(038) 227-644
Chamber of Commerce of Bijeljina Region	Branislava Đurđeva 10, Sarajevo	(033) 217-782
Chamber of Commerce of Bosansko-Podrinje Canton	Mostar	(036) 322-498
Chamber of Commerce of Doboj Region	Trg Kralja Tomislava bb, Livno	(034) 203-613
Chamber of Commerce of Federation of BiH	H. Kreševljakovića 3, Sarajevo	(033) 250-190
Chamber of Commerce of Herzegovina-Bosna Canton	Ulica III, Orašje	(031) 713-565
Chamber of Commerce of Herzegovina-Neretva Canton	Đure Daničića 1, Banja Luka	(051) 314-950
Chamber of Commerce of Posavina Canton	Zgrada opštine, Jajce	(030) 658-678
Chamber of Commerce of Republika Srpska	Trg Oslobođenja bb, Tuzla	(035) 252-488
Chamber of Commerce of Sarajevo Canton	501. Slavne brigade bb, Bihać	(037) 333-679
Chamber of Commerce of Srednja-Bosna Canton	Fra Grge Martića bb, Posušje	(039) 682-246
Chamber of Commerce of Srpsko Sarajevo Region	M. Tarabara br.15, Zenica	(032) 288-374
Chamber of Commerce of Trebinje Region	Đure Daničića 1, Banja Luka	(058) 230-907
Chamber of Commerce of Tuzla Canton	Srpskih sokolova 1, Doboj	(053) 241-980
Chamber of Commerce of Una-Sana Canton	Tiršova 1, Bijeljina	(056) 407-255
Chamber of Commerce of Zapadna-Herzegovina Canton	Dobroslava Jevđevića bb, Pale	(057) 226-381
Chamber of Commerce of Zenica-Doboj Canton	Preobraženska bb, Trebinje	(059) 260-040
Chamber of Crafts of Tuzla Canton	El Gazalija 2, Bihać	(037) 331- 647
Chamber of Crafts of Una-Sana Canton	Slavka Mičića 60, Tuzla	(035) 252-184

Annex 5:

Chamber of Commerce, Sector Specific Associations Federation of BiH

Name	Address	
Industry	Branislava Đurđeva 10, Sarajevo	(033) 217-782
Construction and Industry of Construction Materials	Branislava Đurđeva 10, Sarajevo	(033) 217-782
Housing and Communal Activity	Branislava Đurđeva 10, Sarajevo	(033) 217-782
Agriculture, Water, Tobacco and Similar Activities	Branislava Đurđeva 10, Sarajevo	(033) 217-782
Transport and Communications	Branislava Đurđeva 10, Sarajevo	(033) 217-782
Trade	Branislava Đurđeva 10, Sarajevo	(033) 217-782
Tourism and Catering	Branislava Đurđeva 10, Sarajevo	(033) 217-782
Secondary Raw Materials	Branislava Đurđeva 10, Sarajevo	(033) 217-782
Craft and Entrepreneurial Activity	Branislava Đurđeva 10, Sarajevo	(033) 217-782
Insurance Companies	Branislava Đurđeva 10, Sarajevo	(033) 217-782
Associations for Managing Privatization-Investment Funds	Branislava Đurđeva 10, Sarajevo	(033) 217-782

Chamber of Commerce, Sector Specific Associations Republika Srpska

Name	Address	
Association of Forestry, Wood Processing, Printing Industry and Journalism	Đure Daničića 1/II, Banja Luka	(051) 314-480
Association of Metallurgy, Metal Processing and Non-metal Industry	Đure Daničića 1/II, Banja Luka	(051) 314-828
Association of Textile and Leather Industry	Đure Daničića 1/II, Banja Luka	(051) 314-215
Association of Construction Industry, Public Utility and Housing Services, Handicraft Trades	Đure Daničića 1/II, Banja Luka	(051) 214-980
Association of Agriculture, Water, Food Production, Beverages and Tobacco	Đure Daničića 1/II, Banja Luka	(051) 472-976
Association of Trade, Tourism and Catering, Banking, Financial Organizations	Đure Daničića 1/II, Banja Luka	(051) 226-379
Association of Transportation	Đure Daničića 1/II, Banja Luka	(051) 226-381
Association of Energy	Đure Daničića 1/II, Banja Luka	(051) 260-040

Annex 6: Business Associations in BiH

Name	Address		
Confederation of Employers in the RS	Braće Podgornika bb	Banja Luka	(051) 316-343
Confederation of Employers in the Federation of BiH	ZIPA Dubrovačka 6	Sarajevo	(033) 209-031
Association of Independent Entrepreneurs in the RS	Mladena Stojanovića 16	Banja Luka	(051) 300-965
Association of Private Employers in the RS	Srpska 2/2	Banja Luka	(051) 217-483
Municipal Association of Independent Entrepreneurs in the RS	Karadorđeva 21	Bijeljina	(055) 211-254
Association of Independent Entrepreneurs in the RS	Karadorđeva 22	Bijeljina	(055) 407-667
Association of Private Entrepreneurs in the RS	Bosanska Krupa		(037) 472-071
Association of Independent Entrepreneurs in the RS - Municipal Branch in Derventa	Milovana Beloševića Belog bb	Derventa	(053) 333-220
Municipal Association of Independent Entrepreneurs in the RS	Srpskih sokolova br. 1	Doboj	(053) 242-329
Association of Independent Entrepreneurs in the RS	Fra Filipa Latvića 2	Drvar	(066) 351-539
Association of Independent Entrepreneurs in the RS - Municipal Association in Gradiška	Žvojinina Mišića 81	Gradiška	(051) 813-193
Municipal Association of Independent Entrepreneurs in the RS	Podgradina	Livno	(034) 245-334
Association of Croatian Entrepreneurs	Ante Starčevića 40	Mostar	(036) 325-078
Association of Independent Entrepreneurs	Mostarskog bataljona 13	Mostar	(036) 580-118
Association of Independent Entrepreneurs	P.P. "Sikman" Tranzitni put bb	Mrkonjić Grad	(050) 211-148
Association of Independent Entrepreneurs		Novi Grad	(052) 751-555
Association of Independent Entrepreneurs	Kozarska 49	Prijedor	(066) 526-158
Association of Independent Entrepreneurs		Srbac	(066) 511-035
Association of Independent Entrepreneurs	Svetog Save bb	Teslić	(053) 731-482
Association of Independent Entrepreneurs	SP Integral P. P. 42	Tomislavgrad	(066) 330-250
Association of Independent Entrepreneurs in Herzegovina Region	Obala Mića Ljubibratića 42	Trebinje	(059) 261-282
Association of Entrepreneurs		Žepče	(032) 881-961
Municipal Association of Entrepreneurs		Zvornik	(056) 584-471
Municipal Association of Independent Craftsmen	Čobanija 12	Sarajevo	(033) 212-645
Association of Independent Entrepreneurs	Gračanički skver bb	Gračanica	(035) 702-571
Association of Independent Entrepreneurs	Slavka Mičića	Tuzla	(035) 238-725
Association of Independent Entrepreneurs	IX ulica	Živinice	(035) 772-915
Business Association of Independent Entrepreneurs	Sarajevska 18	Zenica	(032) 288-048
Association of Entrepreneurs in Una-Sana Canton	El Gazalija 1	Bihać	(037) 331-647
Association of Women Entrepreneurs, "Una"	Begov Han	Žepče	(032) 684-384
Association of Women Entrepreneurs	Jovana Dučića 74	Banja Luka	(051) 300-112
Textile Association	Begov Han	Žepče	(032) 684-384
Association of Independent Entrepreneurs	Cara Dušana 32	Lopare	(055) 670-540

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