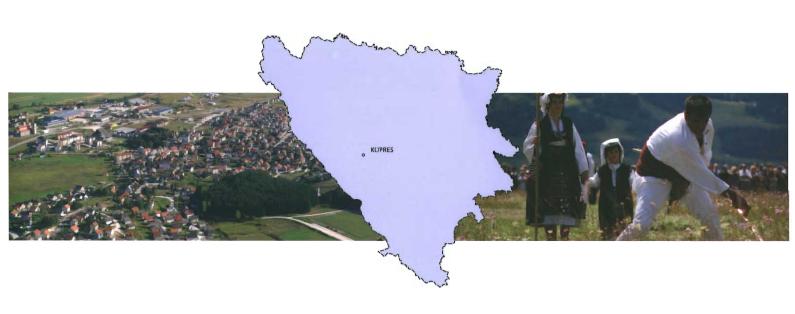


ECONOMIC POTENTIALS OF THE KUPRES MUNICIPALITY





Dear Investors,

It is our pleasure and honor to introduce edition of the brochure "Economic potentials of the Kupres municipality" which will provide information about our current economic opportunities in summary form. I am confident that our municipality has rich natural and human resources and very favorable geostrategic position and is interesting for investment.

To all of you, our future investors and partners, we offer full support and assistance. We invite you to cooperation and partnership.

Welcome!

Stjepan Herceg Mayor

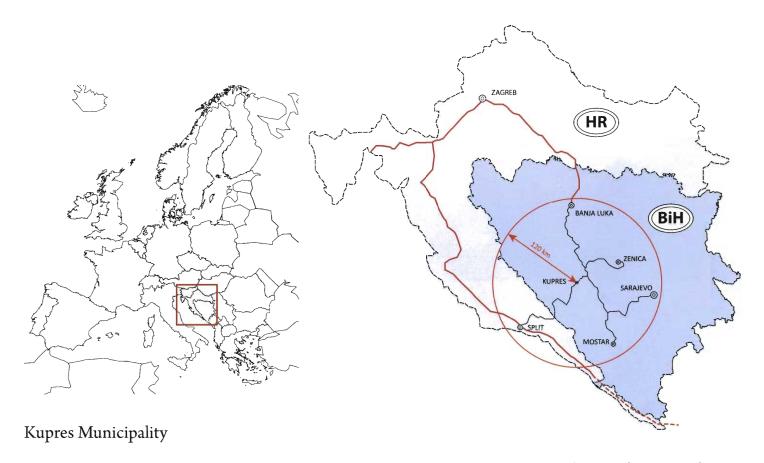


Herzeg-Bosnian Canton

Natural and geographical characteristics of this region are different and diverse: from fertile, spacious fields and vast pastures, rivers and lakes, to the ancient deciduous and evergreen forests, provide great opportunities for living and economic development, based on agricultural production, livestock, wood processing industry, energy resources, etc. Environmentally pure and unspoiled nature, moderate continental climate, geographical position, closeness and good transport connections with neighboring Republic of Croatia opens its doors to the world – Central Dalmatia, to which it economically and traditionally gravitates. These facts are essential for economic prosperity of this region. The seat of cantonal government is located in Livno, and of Assembly in Tomislavgrad. The canton includes six municipalities: Drvar, Bosansko Grahovo, Glamoč, Kupres, Livno and Tomislavgrad.

| Profile of the Canton | |
|---|-----------------------|
| Area* | 5.020 km ² |
| Population | cca 90.000 |
| Number of active companies | 1.759 |
| Number of crafts | 2.146 |
| Number of employees | 9.568 |
| * (18,89% surface of the FBiH and 9,65% surface of BiH) | |

| Foreigne trade exchange | |
|-------------------------|-------------|
| Export | 124 mil. KM |
| Import | 192 mil. KM |



Kupres is a town and municipality located on the latitude of $44\,^{\circ}$ and $17\,^{\circ}$ longitude, southwest of Federation of BiH. Area of Kupres municipality is $567\,\mathrm{km^2}$. Kupres municipality is situated at an altitude between $1135\,\mathrm{m}$ to $1250\,\mathrm{m}$, and distance from the Adriatic Sea is only $130\,\mathrm{km}$ (Dubci). Kupres field is a large rocky plateau, stretching from northwest to southeast, it is $24\,\mathrm{km}$ long, $10\,\mathrm{km}$ wide and has surface of $93\,\mathrm{km^2}$.

Economy

Kupres Municipality clearly defined its strategic development directions in the following sectors: forestry and wood processing, agriculture and food industry, tourism, energy sector (renewable sources), minerals. To achieve the planned development, we adopted the necessary strategic documents:

- Spatial Plan and Regulation Plans
- Master Plan for Tourism Development
- Sports and Recreation Center Čajuša
- Strategy of Entrepreneurship Development
- Local Environment Action Plan (LEAP)

Natural beauties

Kupres plateau with altitude over 1130 meters above sea level is relatively rich in natural resources. First of all, the forest and agricultural areas are of exceptional environmental value, suitable for intensive development of winter - sports, summer wellness, hunting and mountain tourism.



Tourism

Tourism represents one of the main branches of economic development, in which Kupres has its pre-war tradition. Pure, almost untouched nature, clean air, great forest resources, clean and numerous streams provide many opportunities for leisure and recreation: winter tourism, summer tourism, hunting, fishing, mountain biking, paragliding, horse riding and many other activities are possible in the clean fresh air. The municipality of Kupres represents an attractive tourist destination throughout the year.

At only 120 km from Split and 120 km from Mostar, Kupres is ideal place to rest in the shelter of nature during the ski season (November-April) and throughout the year. And in the summer, none the less attractive area of Kupres offers plenty of opportunities for active holidays. Kupres plateau surrounded by high mountains is ideal for adventure lovers who will find pleasure in hang gliding or paragliding, hiking, hunting or relaxing excursions to the nature

Kupres municipality has prepared a master plan for tourism development, which certainly highlights the need to link Kupres, as area with a continental climate, with Dalmatia, which has a Mediterranean climate.

Čajuša

At the hotel Adria-ski and sports and fitness centre Čajuša, there are four slopes (one baby slope) with a total length of nearly 13.5 kilometers. The slopes are equipped with four ski lifts: one baby lift, two anchor lifts that have length of 1080 m and 1150 m, and a two-seater chair lift, 980 m long, and four seats lift, 1800 m long. Height difference between top and base is about 400 meters. The slopes are regularly maintained by modern machines, and in the case of the rare moments of genuine lack of snow, the resort is equipped with snow cannons and snow machine.

In addition to the daily, you can also enjoy night skiing on high quality illuminated slopes. Renewed and modernly equipped sports and recreation center "Čajuša" Kupres, situated in the magical atmosphere of dense pine forests, interspersed mountain slopes, gives you the ability to experience a unique winter fairytale, during ski season, which here, lasts from the mid-November until the end of March.



Ski center "Stožer-Vrana"

When approaching Otinovci, east of Kupres, after only 1.5 kilometers, the slightly narrower road separates through the village of Begovo Selo. Driving slightly up the hill another kilometer you will reach the ski center Stožer-Vrana. Your attention will certainly not miss the object "Kupreška kuća" which was entirely built in mountain style. It captures the imagination with its size and craftsmanship. It is made up of two floors. The central area of the ground floor occupies an open fireplace, and additionally the area is heated by central heating system. The whole area is richly decorated with various wooden carvings, and the most often motives are details from nature. The facility has 200 seats on two floors and is located at 1300 meters above sea level, together with 1500 m long ski lift.





Church of St. John the Baptist

Church of St. John the Baptist in Otinovci was built on the foundations of a Roman basilica from the fifth century, 24.5 m long and 14.5 m wide. On the same grounds Katarina Kosača built a Church, which was later destroyed by Turks. In the 19th century, on the ruined foundations Church of St. John the Baptist was built, which was again demolished during 90s war. In recent years the Church was restored and declared as a national culture monument.

Tumuli

These are mostly medieval necropolis, later stationed at the prehistoric tumuli. There were 52 tumuli discovered, out of which 40 are earth tumuli and 12 are clay stone tumuli. It is possible to track traces of prehistoric and ancient buildings on them. Locations: Hill, Jeljan, Rilić, Crveno groblje, Gornja Glavica Kupres etc.



"Stećci" (Tombstones)

Tombstones from the Middle Ages, with motifs from of the daily life of that time. Localities: Ravanjsko Polje, Vukovsko Polje, Strljanica, Kupreško Polje, Rastičevo etc.





Lakes

Kukavičko Lake, located near the village Kukavice, with area of 3750 m^2 , surrounded by beautiful scenery, is rich in trout and crab. Turjača lake is located near the village Rilić, with area of 2500 m^2 and is surrounded by coniferous forests.



Harvest Days (Strljanica)

It takes place on Kupreško field each year in early July, more accurately, every first Sunday in July. The name "Strljanica" derives from the homonymous, spacious meadows at Kupreško field, where the event is organized. This event, which dates back to the 19th century, marks the start of harvesting grass, once the most important job in the Kupres plateau. Since with grass harvest and agriculture, livestock is also related, the original "Strljanica" was organized as largely a regional fair of livestock and livestock products. The competition for the title of harvestmen Kozbaše and horse racing events are central happenings of Strljanice. Countryside sports - rock-throwing, rope pulling, long jump, joist struggle and other long-forgotten sports, *ganga*, *bećarac* which can be heard, for a moment brings the visitor back at times of past together with the memories of those who still remember, while it leaves message to preserve the heritage for future generations, to the slightly younger ones. International festival of folklore with a certificate of the Association of International Folklore Festival CIOFF also takes place during the Harvest Days.



Agriculture and Livestock

Kupres municipality has a long tradition of agricultural production, which was before the war widely known for it's primarily livestock production, and later by the production of Kupres cheese. Kupres municipality has a total of 35.752 ha of agricultural land out of which 24.501 hectares is state owned land, and 11.251 hectare is privately owned land. 5.814ha (13%) of the land is used for fields, 11.996 ha are meadows (35%) and 17.942 ha is pasture (52%). Large pastures provide a great opportunity for grazing mainly sheep and cattle, and arable and meadow areas should be used for the preparation of grains and hay for feeding livestock in winter, and growing vegetable crops (potatoes, cabbage, onions, carrots, fodder beet, peas, etc.). Based on the resources that it possesses, municipality in its strategic planning documents plans the development of food industry, meat processing industry and dairy industry.



Energy resources

As far as renewable energy resources are concerned (water, sun, wind), it is possible within the development of hydro-energy system to build previously analyzed subsystem for Kupres field, which would be implemented in consultation with the Republic of Croatia. The construction of water retention of Kupres field would be directed to the existing system Orlovac and thus allow the installation of small generators to use water-power potential.

In addition to usage of hydro-potential resources, the area of Kupres also has excellent opportunities for the use of wind resources. Research works are in progress, a spatial plan designated areas that are suitable for building wind power plants. The designed capacities of the energy of this municipality are now 300 MW, which classifies it to the highest quality zone in the Balkans.

Wood processing

The area is consisted out of following structure of forests and forest land

- high forests with natural regeneration (fir, spruce, beech and pine);
- forest culture (the culture of white pine and black spruce);
- coppice forests (beech) and protected forests.

Sawmills in the area of Kupres, are located near the town. These are family businesses, which employ from 5-20 employees, depending on the season. All the mills offer sawn timber, which is offered in sizes from 1 to 8.5 m. It is possible to process the wood according to the special dimension requirements. Over the years, investment in wood processing technology has significantly expanded the product range and increased production capacities.





Minerals

The area of Kupres municipality has significant quantities of limestone on the site Klada, fluvio-glacial and tidal-glacial moraines (which is stratified into very different agglomerate stone and sand). Significant amounts of dolomites and sand are also present, which is used as building material.



Business zone "Rupe"

Municipality council on 14th of January of 2004, made the decision to build different types of facilities related to the economy. Sales of pitches are conducted on the basis of open call under favorable conditions and incentives for economic development of municipalities and employment growth. The main objective of this project is to attract businesses, which would in the foreseeable future place Kupres in the economically developed town, with service and manufacturing facilities.

Business Zone "Rupe" is located along the main road Split - Sarajevo, which indicates a good transport connection with Bosnia and Herzegovina, and Croatia. Area at which service and production facilities will be placed amounts at 80.124m². All ancillary facilities and infrastructure will be provided.

Incentives for investors at the municipality level are significant. Priorities for the municipality are processing capacities, increase the number of employees and opportunity for engaging local subcontractors. Additional opportunity for investors is efficient, innovative and multilingual workforce.





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