

# **CATALOGUE OF INVESTMENT OPPORTUNITIES**

**Republic of Croatia**



**AGENCY FOR  
INVESTMENTS AND  
COMPETITIVENESS**  
Agencija za investicije  
i konkurentnost



**CEI**  
Centar za posredstvo pri  
privatizaciji i investicijama

HAMAG



BICRO



**HRVATSKA  
OBRITNIČKA  
KOMORA**



***Smart investors  
should think about  
investing in Croatia***





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# **PROFILES OF INSTITUTIONS FOR INVESTMENT SUPPORT**

**Agency for Investments and Competitiveness (AIK)**

**Center for Monitoring Business Activities in the Energy Sector and Investments (CEI)**

**Croatian Agency for SMEs, Innovation and Investments (HAMAG BICRO)**

**Croatian Chamber of Economy (HGK)**

**Croatian Chamber of Trade and Crafts (HOK)**

## CENTRAL PLACE FOR THE IMPLEMENTATION OF YOUR INVESTMENT

### WHO ARE WE?

The Agency for Investments and Competitiveness (AIK) is an agency established by the Government of the Republic of Croatia. Its key objectives are: promotion of Croatia as a desirable investment destination, proactively encouraging investment into Croatia and enabling successful implementation of investment projects, including public-private partnership (PPP), as well as enhancing the competitiveness of Croatian economy on a global level.

Our role is to serve as the central place for investors in the Republic of Croatia, in order to ensure a transparent, professional and tailor-made full service completely free of charge, through all stages of investment projects, from the initial inquiry through to investment completion. As a Central Government PPP Unit it approves the PPP projects, maintains the PPP Contracts Registry, provides information on PPP market and delivers educational programs.

### MISSION

AIK's mission is to enable investors to efficiently and successfully achieve their business goals in Croatia and through its professional services, promote sector specialization, cluster competitiveness and to identify all necessary measures needed to boost investors' business activities, as well as raising the level of competitiveness in the Republic of Croatia, to promote principles of long term and systematic planning of public building delivery and ensure high quality of public services standards in the public buildings' whole-life-cycle.

### VISION

AIK's vision is to attract and encourage investments and improve the competitiveness of the Croatian economy in order to ensure that Croatia becomes a highly competitive country in the EU. The goal is to achieve significant growth and development based on knowledge, quality products and services with high added value with an emphasis on creating new employment opportunities, socially responsible and economically rational delivery of public buildings in the Croatian public sector.

### OUR SERVICES

Promotion of Croatia as an investment destination	Support of investment projects implementations through	Increasing competitiveness levels of the Croatian economy by	PPP Implementation
<ul style="list-style-type: none"> <li>Strengthening Croatia's image as a globally competitive economy</li> <li>Preparation and organization of subject-specific seminars</li> <li>Coordination of all promotional activities on international markets with partner institutions</li> </ul>	<ul style="list-style-type: none"> <li>Offering all necessary information on business opportunities in Croatia</li> <li>Project preparation for investments in Croatia</li> <li>Supporting investments projects in all phases of implementation through a tailor-made approach</li> </ul>	<ul style="list-style-type: none"> <li>Improving the investment environment</li> <li>Removing administrative barriers</li> <li>Supporting the work of clusters of competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>Publishing information on intention to implement PPP project</li> <li>Approve PPP project proposal, PPP contract and other documentation</li> <li>Publish a list of approved projects</li> <li>Maintain the Registry of PPP contracts</li> <li>Monitor the implementation of PPP contracts</li> </ul>

Our strength lies in a young and experienced team of professionals, who will use their knowledge and expertise to offer the best possible support in all stages of implementation of your investment projects. All our services are free of charge.

## ABOUT CEI

The CEI was established with the objective of finding solutions for improving the financial effectiveness of companies in the energy sector in which the state has shares or stakes, and appropriate and targeted directing of funds in a manner that ensures the greatest and most long-term economic return, stable growth and centralised and systematic monitoring of investments in the Republic of Croatia.

Our goal is to enable the transparent administration, monitoring and implementing of the energy strategy of the Republic of Croatia, and in a systematic manner to cover and provide support in managing investments of the state and of state-owned companies.

## OUR CORE ACTIVITIES

### 4 BASIC PILLARS OF CEI:

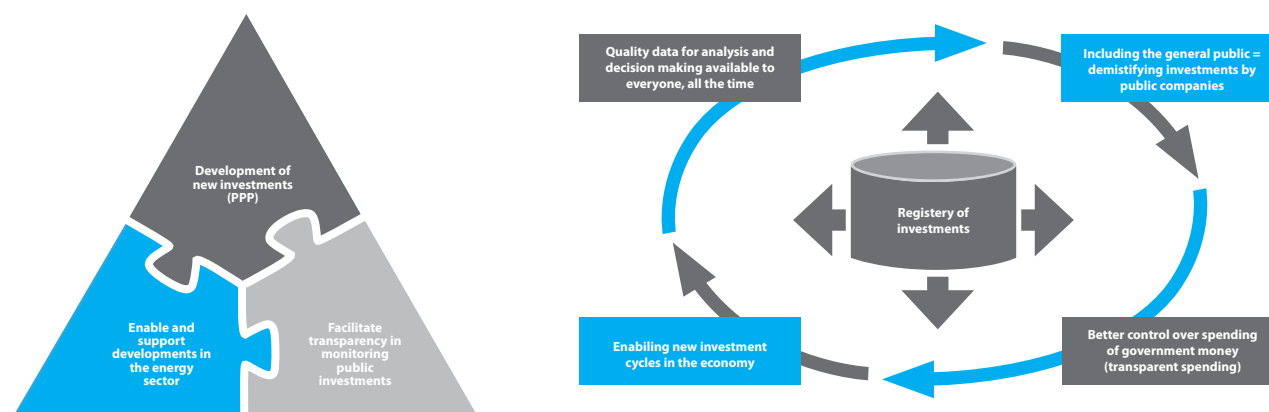
1. Preparing capital energy projects and supporting renewable energy sources
2. Monitoring public investments
3. Developing new public – private partnerships
4. Increasing public investments

### ALL DIVIDED IN THREE SECTORS:

1. ENERGY SECTOR
2. INVESTMENT SECTOR
3. PPP SECTOR

## GOAL AND PURPOSE OF CEI

Making information on investments by public Companies transparent to the Government and citizens.



## **ABOUT HAMAG BICRO**

HAMAG BICRO (Croatian Agency for SMEs, Innovation and Investments) was established by the Government of the Republic of Croatia with the purpose of enhancing SME development and investment promotion. HAMAG BICRO is an independent institution under the supervision of the Ministry of Economy, Entrepreneurship and Crafts of the Republic of Croatia.

## **OUR CORE ACTIVITIES**

- Investment promotion
- Issuing guarantees for bank credits to SMEs
- Grant schemes implementation
- Co-financing consultant services

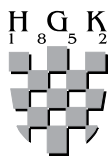
## **WE AIM TO**

- Facilitate creation of favourable environment for entrepreneurship and investment
- Actively promote Croatia as an attractive location for investment
- Provide active support to the economic development of Croatia
- Create positive international image of Croatia

## **OUR SERVICES FOR INVESTORS**

- Dissemination of information about advantages of investing in Croatia
- Providing information about investment opportunities in Croatia
- Providing support to foreign investors regarding their investment activities
- Providing foreign investors with information about legislation, incentives, locations, potential suppliers
- Providing assistance with the application for investment incentives
- Facilitating communication between foreign investors and national and local authorities
- Aftercare services for foreign investors already operating in Croatia





## CROATIAN CHAMBER OF ECONOMY

The Croatian Chamber of Economy is an independent professional and business organisation of all legal entities engaging in business. The Chamber consists of the Headquarters in Zagreb and 20 county chambers. Functionally, the CCE consists of 9 departments dealing with the respective branch of the economy, and it also includes 58 professional associations, 81 groups and 38 affiliations. Apart from this, within the CCE act Permanent Arbitration Court, Conciliation Centre, Court of Honour and CCE Office for Areas of Special State Concern.

### NUMEROUS DATABASES

- Online catalogue of investment projects (available on [www.hgk.hr](http://www.hgk.hr), [www.investincroatia.hr](http://www.investincroatia.hr))
- Croatian company directory - more than 100,000 active members
- Business opportunities exchange
- Business zones
- Croatian export directory
- Croatian Waste Materials Exchange
- Investment Locations Explorer ([www.investincroatia.hr/regionsmap/](http://www.investincroatia.hr/regionsmap/))

### INFORMATION

- On relevant laws and regulations in the field of investment and economics
- On current economic situation in Croatia
- On how to start-up business in Croatia
- On national and local investment incentives and opportunities

### ASSISTANCE

- Linking potential investors with project holders
- Facilitating communication with the institutions on national and local level
- Support to the investors in dealing with administrative procedures on all levels
- Providing suppliers' database and facilitating contact with potential business partners
- Organising individual, tailor-made visits of potential investors to Croatia

Assistance is provided on all levels through a network of 20 County Chambers in Croatia and representative offices abroad.

## ABOUT HOK

HOK (Croatian Chamber of Trades and Crafts) is an independent professional business organization of tradesmen and craftsmen with the aim of promoting, coordinating and representing the joint interests of tradesmanship and craftsmanship. The Chamber was refounded by its Assembly on July 1, 1994. HOK represents its members before the state and other authorities in Croatia and abroad. The Croatian Chamber of Trades and Crafts is a legal entity with public authorities.

## OUR CORE ACTIVITIES

- Representing craftsmen's interests before state authorities and in the forming of economic policies
- Providing state authorities with opinions and suggestions when passing regulations concerning trades and crafts
- Founding commissions for apprentice and master's exams
- Tradesmen and craftsmen's activities
- Founding of the arbitration council
- Assisting tradesmen and craftsmen in establishing and operating a trade/craft business
- Co-financing organized participation of tradesmen and craftsmen in international trade fairs in Croatia and abroad.

## WE AIM TO

- Cooperate with chambers, associations and similar organizations abroad and participate in bilateral incentives
- Establish business to business relations and organize business meetings between Croatian tradesmen and entrepreneurs and tradesmen and entrepreneurs from other countries

## OUR SERVICES FOR MEMBERS

The numerous benefits of the membership in the Croatian Chamber of Trades and Crafts:

- Benefits with goods and services suppliers from the different sectors of economy which have signed cooperation agreement with the Croatian Chamber of Trades and Crafts on the joint procurement project "HOK Zajednička nabava"
- Information on business novelties (SMS, e-newsletter)
- Free business advice
- Dispute resolution services which save time and money
- Information and advice regarding initial and lifelong vocational education and training for trades and crafts
- Trade and crafts workshops licensing
- Conducting master craftsmanship's exams and vocational competences exams
- Cheaper trade fair participation
- Free advertising of the trade and crafts website
- Organisation of business talks with possible international partners
- Seminars and workshops
- Advocating trades and crafts interests regarding legislation
- Registration in the trades and crafts database, offer and demand market
- Digital business (online forms)





## **STATE-OWNED PORTFOLIO**

## **TOURISM PROJECTS REAL ESTATE**

**Aquae Balissae Hotel**  
**Aqua Park Zelina**  
**Bajeri Recreational Centre**  
**Centre for Culture of Health Cabuna**  
**Esterházy Castle**  
**Former Hotel Krvavica**  
**Fortification Brod Hotel**  
**Golf Project Prukljan**  
**Hidrobaza**  
**Hospitality - Tourism Project TEF**  
**Hotel Hrvatska**  
**Hotel Sport Delnice**  
**Hotel and Ski Resort Orahovica**  
**Inspirit Fantasy Park**  
**Jarki Camp**  
**Larun Golf Resort**  
**Project Kumrovec**  
**Project Muzil**  
**Project Muzil - Fort Muzil Zone**  
**Project Muzil - Marie Louise Zone**  
**Project Muzil - Smokvica**  
**Recreational-Entertainment Zone Novi Vinodolski**  
**Reconstruction of Varaždinske Toplice Spa**  
**Rimska Šuma Hotel**  
**Saccorgiana**  
**Sports Centre Krk**  
**Wellness & Spa Tourist Zone Varaždinske Toplice**



# AQUAE BALISSAE HOTEL, Daruvar

## PROJECT DESCRIPTION

The project „Aquae Balissae“ Hotel, owned by the Town of Daruvar, envisages a construction of an international 3\*/4\* category family thermal hotel with additional facilities (a restaurant, lobby bar with outdoor terrace, multi-purpose hall, swimming pool, souvenir shop, parking) with the aim to become thermal hotel primarily designed for families with children in Croatia.

The project is located in Bjelovar–Bilogora County, in central part of continental Croatia, in town of Daruvar. Thanks to its thermal springs and nature, Daruvar has long tradition in health – thermal tourism, but it also has the very diverse tourism offer with bathing, wineries, brewery, hunting grounds, fishing areas, nature paths for walking, cycling, hiking, agro tourism, events and meeting possibilities. With such wide offer, the location also provides good business opportunities for construction of new hotels in order to meet growing demand for hotel accommodation capacities. In that respect, along with the project “Aquae Balissae” Hotel, the Town of Daruvar offers another investment project “Rimska Šuma Hotel” which envisages the construction of a hotel with 250 units and supporting facilities: restaurant, lobby bar, night lounge bar, spa and conference centre.

Adjacent plot to the project area is the existing thermal water park „Aquae Balissae“, which could be connected with future hotel based on the agreement with the Town of Daruvar, owner and operator of the water park.

Necessary infrastructure (electricity, water supply, sewage system, phone cables, good coverage by mobile phone networks) is provided on site.

The project area has access to the main traffic route: to A3 Zagreb – Lipovac Highway (50 km).



## TRANSACTION MODEL

The project will be offered to a strategic partner based on the right to build model which will be granted for a period of 99 years under the condition that the hotel will be developed within two years (24 months) from the date of the selection of the best bidder.

One of the criteria for the selection of the future right to build holder will be a development reference in the sector of high-quality family thermal hotels along with the professional management experience in operating such kind of hotels.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## ESTIMATED VALUE

The estimated value of the project is 9 million EUR.

## CURRENT PROJECT STATUS

The project area is in accordance with the General Urban Plan of the Town of Daruvar.

## PLANNED FACILITIES

The planned facilities include:

- Total land area: 9,814 m<sup>2</sup>
- Gross developed area: 7,173 m<sup>2</sup>
- Ground floor area: 3,586 m<sup>2</sup>
- Number of levels: P0 + 4
- Hotel: 150 accommodation units (of which 50% are standard rooms, 30% family rooms and 20% equipped for sportsmen)
- Restaurant, lobby bar with an outdoor terrace
- One multi-purpose hall (approx. 100 m<sup>2</sup>)
- Children's club and souvenir shop
- Parking area with 96 parking lots



## BJELOVAR-BILOGORA COUNTY

Population (2011): **119,764**

GDP per capita (2014): **7,012 EUR**

Unemployment rate (2016): **27.5%**

Average gross salary: **839 EUR**

Average gross salary in the sector (tourism): **550 EUR**

Bjelovar-Bilogora County is located in the Northwest of the Republic of Croatia, with the Town of Bjelovar as the county seat. Extensive road network, mainly regional and local roads, connects the County with the main traffic routes to Western Europe and the southeastern regions.

The diversity of natural-geographic features provides opportunities for economic development. The County has considerable sources of oil, gas, silica sand, clay, thermal waters and other natural resources. Quality and vast agricultural land and rich forest fund are the base for the development of cattle breeding and agriculture, food processing industry (significant milk production and milk processing industry, brewery, mill and confectionery industry, meat processing industry, cultivation and processing of freshwater fish) and wood processing industries, which are the backbone of the County economy. It is also known for its long tradition in metal processing and textile industries, as well as for its health tourism (medical rehabilitation) in which it has excelled for centuries.

Based on the natural source of thermal springs and its benefits, the spa town Daruvar of ancient name Aquae

Balissae, with the first thermal springs built in year 288 BC was highly appreciated by Roman soldiers, medieval peers, Turkish Beys, Austro-Hungarian aristocracy as well as artisans and bourgeois.

In 1745 the Empress Maria Theresia granted land properties to the Count Janković's family, which was followed by a period of 150 golden years for the Town of Daruvar, as a health centre began its work and numerous historic buildings were built, some of which are preserved up to date: The Parish Church of the Holy Trinity, Antun's Bath, Baroque Castle of Count Janković with an exotic park, Ivan's Bath, Swiss Villa, Arcadia, Central Mud Bath built in Moorish style with a large cupola which became a town's symbol.

One of the most famous archaeological findings in Daruvar is the emperor's Diatretum Cage Cup exhibited at the Museum of Art History in Vienna.

The wine route "Vino Via" presents a special tourist offer with tasting rooms where you can taste quality Daruvar wines: Rhine Riesling, Chardonnay and Sauvignon.

The natural beauty and wealth and friendly people provide excellent conditions for the tourism-hospitality services aimed not only at health-recreational tourism, but also at hunting activities with a series of excellent and high quality hunting grounds, fishing tourism, rural tourism and many other forms of relaxation and entertainment.

## CONTACTS

Town of Daruvar, Mr Ratko Vuković, Head of Economy Department, e-mail: [grad-gospodarstvo@daruvar.hr](mailto:grad-gospodarstvo@daruvar.hr)  
Agency for Investments and Competitiveness (AIK), [www.aik-invest.hr](http://www.aik-invest.hr), e-mail: [info@aik-invest.hr](mailto:info@aik-invest.hr),



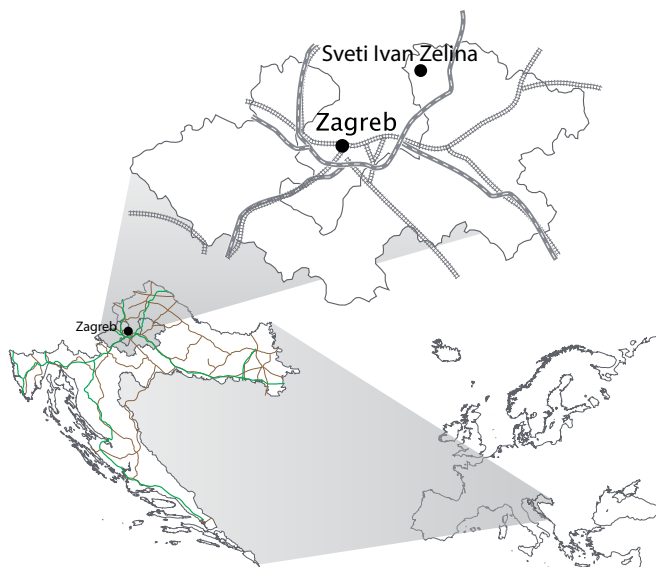


# AQUAPARK ZELINA, Sveti Ivan Zelina

## LOCATION

The project is located in northeastern Zagreb County in the picturesque town of Sveti Ivan Zelina, the old cultural and economic center of the Hrvatsko Prigorje region. The surrounding area has been inhabited since the Bronze Age and is very rich in cultural monuments (chapels, churches, and the medieval town of Zelingrad). These sights and the region's beautiful landscape, rich gastronomic offer and opportunities for athletic and recreational activities (tennis, cycling, biking, field hockey, hiking, and fishing) provide a solid foundation for tourist development. The area is well known for its wines, the attractive wine road that crosses the vineyards of the region, and its many tourist events, the most significant of which is the International Tournament of Knights and the Wine Exhibition of Continental Croatia.

The town of Sveti Ivan Zelina is located near the Zagreb-Varaždin-Goričan highway, an important road in the Pan-European Transport Corridor Vb. The road links the capitals of Croatia and Hungary and the north and south of Croatia. Sveti Ivan Zelina is only 49 km from the capital of Zagreb and Franjo Tuđman International Airport. Because of its excellent traffic connections, the town has a strong potential for development as an important economic, traffic, tourist and cultural destination in the region.



## PROJECT DESCRIPTION

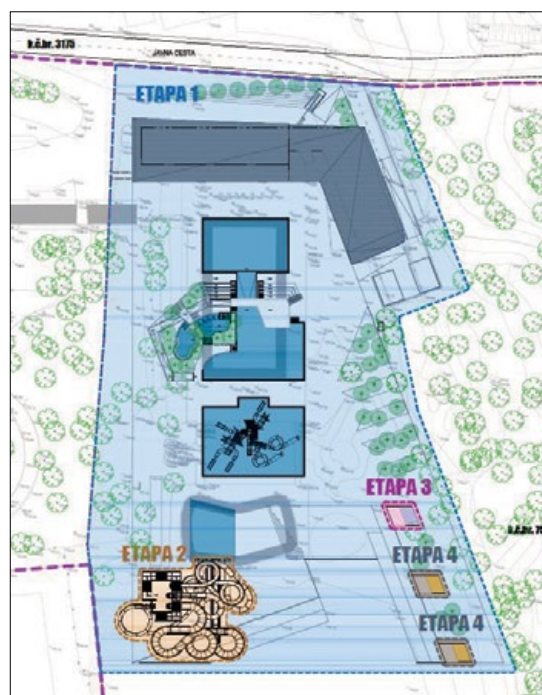
The Zelina water park project will include construction of a sports and recreation complex at the former location of the Zelina Spa. The total area of the site is 44,547 square meters. It is owned by the town of Sveti Ivan Zelina. The preliminary design calls for the construction of the following content in several phases:

- a main building that will contain a restaurant with a separate banquet hall, three smaller restaurants, a night-club, management offices, emergency services, changing rooms for staff, storage rooms, and technical and other auxiliary facilities,
- the square in front of the main building,
- five outdoor swimming pools with a sunbathing area, stands and water attractions (water castle, sliding boards with access tower),
- facilities for catering and sanitary facilities.

The swimming pool area will be used during the summer season, while the commercial and hospitality areas inside the main building are expected to be used throughout the year.

The construction of the water park will be carried out in four stages and represents the start of development of a larger tourist-sport-recreation center that will include the construction of hotels, apartments and a camp.

The goal of the project is to gradually improve the existing tourist offer and to develop new, innovative elements based on the region's natural resources, rich cultural heritage and tradition, sports, its indigenous gastronomic offer and the diversity of its natural environment.





## TRANSACTION MODEL

The project holder, the town of Sveti Ivan Zelina, is seeking a strategic partner for the realization of this project through a right-to-build, but alternative models are not excluded.

## ESTIMATED VALUE

The estimated value of the project is 5 million EUR.

## PROJECT STATUS

The conceptual and preliminary designs are completed. The site permit has been obtained.



## ZAGREB COUNTY

Population (2011): **317,606**

GDP per capita (2014): **7,894 EUR**

Unemployment rate (2016): **15.1%**

Average gross monthly salary: **1,011 EUR**

Average gross salary in the sector (tourism): **850 EUR**

Zagreb County is located in northwestern Croatia and surrounds the capital city Zagreb. A part of the county borders on Slovenia. The horseshoe-shaped county is the sixth largest in Croatia in surface area (3,078 km<sup>2</sup>) and the fourth largest in population. It is one of the most prosperous economic areas in the region.

With nine cities and 25 municipalities, Zagreb County forms a natural, cultural, scientific, financial, manufacturing and population entity. It is well connected to major roads, including the highways from Zagreb that link it to all parts of Europe and to the Adriatic coast. In addition to the highways, important rail, air and energy corridors pass through it, forming an economic ring around the city of Zagreb. Its largest city, Velika Gorica, has approximately 63,500 residents.

The county has a pleasant continental climate with warm summers and mild winters. The landscape is diverse. Its western part is primarily a hilly and mountainous region, while the south and east are mostly lowlands. The largest river is the Sava and there are many wetlands, one of which is an ornithological reserve.

Many small businesses are located in Zagreb County. Two clusters have also been developed. Two-thirds of the county's revenues are generated from industry and trade, while the remainder is mostly derived from agriculture and transport. The county has oil and natural gas deposits and a crude oil refining industry. Croatia's first communal biomass heating program was introduced in the county.

The economic potential of Zagreb County has already been recognized by the presence of many domestic and foreign entrepreneurs and companies, which contributes to attractiveness of the region as an investment destination.

The entire county is also an attractive destination for trips and recreation throughout the year. In addition to its historical buildings and events from its rich history, the county offers bike paths, farms, wine roads and many other attractions.

## CONTACT

The Town of Sveti Ivan Zelina, [www.zelina.hr](http://www.zelina.hr),

Anita Findri Ratkajec, Head of the Department of Economics, Housing and Communal Services and Environmental Protection,  
e-mail: [anita.ratkajec@zelina.hr](mailto:anita.ratkajec@zelina.hr)



# BAJERI RECREATIONAL CENTRE, Konjščina

## LOCATION

Konjščina was built around the castle that belonged to the Konjski family almost 700 years ago, in the middle of Zagorje, a well-known cultural-historical region in the north-western part of Croatia. It is settled 40 km east of the County's administrative centre Krapina and approximately 50 km northeast of the Croatian capital Zagreb.

The Municipality of Konjščina can be easily reached by the state road D24 which is very well connected with Central and East Europe through the highways A2 (Zagreb-Macelj) and A4 (Zagreb-Goričan), as well as with the Croatian coast through the highway A1 (Zagreb-Dubrovnik).

Along with the creation of conditions for development of entrepreneurship in the Municipality, primarily through the establishment of business zones for SMEs (Jertovec, Peščeno, Mala Lasača), the local authorities also focus their activities on tourism development.



## PROJECT DESCRIPTION

The project "Bajeri" is part of the larger project - Cultural-Tourist Centre which, based on rich historical heritage (primarily Old Castle Konjski and Parish Church St. Dominic) and beautiful nature, envisages offering cultural and sporting activities in order to develop the continental tourism in the area of the Municipality of Konjščina.

Owned by the Municipality, the project land occupies approximately 134,000 m<sup>2</sup> and is in compliance with the Physical Plan of the Municipality which foresees sports and recreational purposes.



Although the most important infrastructure is already in place (gas, electricity, water, sewage system), the project area is still undeveloped and is currently, including a small fishermen house, used by the local Sport Fishing Association "Štuka" for recreational fishing on a large water area called Bajeri, which was filled with groundwater after an open-pit mine collapsed over fifty years ago. The lake, about 200 meters wide and 400 meters long, is full of small islands and bays, as well as of freshwater fish (pike, perch and catfish).

The aim of the project, at only a 5-minute walking distance from the village centre, is to convert the existing fishing spot into an auto camp that offers the possibility for camping and sport-fishing, as well as for other recreational activities (cycling, walking). Along with the construction of camping slots, it is necessary to build ancillary facilities for a minimum of 50 users: sanitary facilities, kitchen, restaurant and supporting infrastructure.

Surrounded by mild hills covered with vines and orchards, the attractiveness of the area for tourism development is not only based on natural beauty but also on proximity of many thermal water spas and numerous cultural monuments, for which the Zagorje region is very well known.



## TRANSACTION MODEL

Transaction model includes land sale or land lease, depending on investors' preferences.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

The Municipality of Konjščina also offers a possibility of utility fees relief, as well as exemption from municipal contributions.

## KRAPINA-ZAGORJE COUNTY

Population (2011): **132,892**

GDP per capita (2014): **6,541 EUR**

Unemployment rate (2016): **14.6%**

Average gross monthly salary: **874 EUR**

Average gross salary in the sector (tourism): **662 EUR**

Krapina-Zagorje County is located in the north-western part of Croatia, covering an area of 1,224 km<sup>2</sup>. Its location makes it an unavoidable transport route from Western Europe via Slovenia (Maribor), through Croatia's capital, Zagreb, towards all main international and national routes leading to South, East and North of Croatia.

The County's economy is based on manufacturing and processing industries with production of glass and glass products, machinery and mechanical appliances, furniture, fibres, clothes and clothing accessories as the leading branches. It is traditionally oriented towards its main export partners: Slovenia, Germany, Italy and Austria.

Due to its extraordinarily rich historical and cultural heritage, thermal water springs, culinary and oenological offer, the County has an excellent basis for development of various forms of tourism, and has a potential to become one of the most attractive continental tourist destinations in Croatia.

The County is a widely known and popular destination for health and spa tourism owing to its abundance of thermal and drinking water springs. There are several spa and wellness centres with long tradition such as: Stubičke Toplice, Tuheljske Toplice and Krapinske Toplice. The increasing demand for this type of tourism resulted in significant investments in their modernization and increase of existing capacities. In 2015, the largest and the most modern complex of indoor pools in Croatia was opened in Krapinske Toplice on over 18,000 m<sup>2</sup>.

The richness of historical heritage is represented in one of the world's most famous excavation sites of about 130,000 year-old Neanderthal man in caves situated in the open air museum, Prehistoric Park of Krapina Neanderthals. The modern, interactive "Kroneamus Museum" was opened in 2010, and has since attracted many international and domestic tourists. It is one of the most visited museums in Croatia, and one of the 18 members of the international project "Ice Age Europe."

The highest number of medieval fortifications and baroque castles in Croatia is located in Zagorje – Krapina County (Veliki Tabor, Oršić, Miljana, Bežanec, Sveti Križ Začretje, Stubički Golubovec and Konjščina), as well as numerous historical churches and abbeys, most of which are renewed and opened to the public.

The County has a long tradition in religious tourism, with the National Sanctuary of the Mother of God of Bistrica, the most visited pilgrimage place in Croatia, and many smaller sanctuaries, such as Belec, Lohor, Trški Vrh and Vinogora.

Numerous wine-roads and restaurants with traditional cuisine of Zagorje region additionally contribute to the attractiveness of the County as a tourist destination. The growing interest in this region is shown in a significant increase (nearly 60%) in a number of overnight stays (from 177,587 in 2013 to 283,351 in 2016).

Several institutions of higher education in Krapina (Informatics, Transport Logistics, Operational Management), Pregrada (Physiotherapy, Nursing) and Zabok (Tourism and Hospitality Management, Informatics), organized as dislocated departments of higher education institutions from other counties, provide skilled and educated workforce.

## CONTACTS

Municipality of Konjščina

Mirko Krznar, Mayor

Nevenka Benjak, Head of the Administrative Office

e-mail: [opcina.konjscina@kr.htnet.hr](mailto:opcina.konjscina@kr.htnet.hr), [procelnica@konjscina.hr](mailto:procelnica@konjscina.hr),

phone: +385 49 465 905, +385 98 605 500





# CENTRE FOR THE CULTURE OF HEALTH, Cabuna

## LOCATION AND PROJECT DESCRIPTION

The project is located in the Municipality of Suhopolje, in the central part of Virovitica-Podravina County, where the remains of an old castle, previously owned by the noble Janković family, are situated in the village of Cabuna.

The main idea of the project "Centre for the Culture of Health" is reconstruction of a castle remains with historic, ambiental and architectural values, which has the status of cultural heritage, into the Centre for preventive health care and recreation.

On the total surface area of 10,205 m<sup>2</sup> and 1,280 m<sup>2</sup> of the ground floor of the existing castle remains, the project envisages the construction of the Health Centre with 15 rooms and accompanying health tourism facilities (infirmary, doctor's office, physical therapy, salt room and restaurant) which will offer various preventive medicine and recreational holidays' programs. All necessary infrastructure (electricity, water, sewage, gas) is available in the near vicinity of the project location.

In the vicinity of the Project, there are many opportunities for active vacation and recreation, such as the Papuk Nature Park, which is 40 km away, with several mountain huts and numerous hiking, cycling and riding trails. Also, the surrounding places, Orahovica, Slatina, Virovitica and Pitomača, offer a whole range of sports and recreation facilities (the Orahovica Lake, attractive public bath & sports centres). At the end of the year 2014, the County established a network of 535 km of marked themed cycle routes.

There is Janković Castle in the near vicinity, which has historical, environmental and architectural value and is registered by the Ministry of Culture as a cultural and architectural heritage. It was built at the end of 18th and the beginning of 19th century and is also protected as an example of gardening architecture. The total value of the project "Visitor Center - Castle Janković" is approximately 5.390 million EUR, of which more than 80% are EU grants. Upon renovation of the Castle, the town will



become one of the most attractive places on the map of cultural tourism with the expected economic benefits and employment of the local population.

The location has a very good transport connection with the wider region (railway - 1.35 km, A3 highway - 90 km and Osijek airport - 110 km).

## TRANSACTION MODEL

Property is owned (1/1) by Virovitica-Podravina County and will be offered to a strategic partner based on right to build model which will be granted for 99 years for 1 HRK per year (1 HRK = 0.13 EUR) under the condition that the real estate will be brought to purpose within five years from the selection of the best bidder.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## ESTIMATED VALUE

Total project value is estimated approximately at 5.26 million EUR.

## CURRENT PROJECT STATUS

The project is in a high stage of readiness.

Project documentation, feasibility study and cost benefit analysis have been completed.

## PLANNED FACILITY

- Total land area: 10,205 m<sup>2</sup>
- Gross developed area: 2,970 m<sup>2</sup>
- Ground floor area: 1,280 m<sup>2</sup>
- Number of accommodation units: 15 rooms
- Number of levels: 3
- Allowed construction density: 0.1-0.5
- Allowed construction efficiency: 0.29



## VIROVITICA-PODRAVINA COUNTY

Population (2011): **84,836**

GDP per capita (2014): **5,655 EUR**

Unemployment rate (2016): **32.7%**

Average gross salary: **824 EUR**

Average gross salary in the sector (tourism): **607 EUR**

Virovitica-Podravina County is located in northeastern Croatia and covers the area of Slavonia and Podravina. It is bordered by Bilogora, Papuk and Krndija from the South, with its slopes gradually merging with the Pannonian Plain. The County's northern border is the River Drava which also makes a natural border with Hungary in the largest part of its hundred kilometre long course.

The city of Virovitica is an administrative, economic, cultural and educational centre, in which tourism is developed through a variety of traditional and contemporary forms. Cultural, historical, theatrical and sporting events, exhibitions and concerts have had a long tradition. Through two large mosaic event cycles – 'Rokovo' and 'December' in the city, traditional and modern customs are brought together. New restaurants and accommodation facilities, categorized from two to four stars, are systematically opened in accordance with the increased demand.

Fruit growing, horticulture and cattle breeding have a long tradition due to the wealth of natural resources. While corn and wheat, medicinal herbs, tobacco and sugar beet of the highest quality are grown on fertile Slavonia and Podravina fields, the slopes of Bilogora and Papuk are covered with vineyards.

The forest richness has given impetus to the development of wood processing industry with worldwide reputation. Pure nature is an ideal setting for beekeeping, and beekeepers

are known as the best in Croatia due to quality and quantity of their honey. The location of Virovitica-Podravina County at the intersection of important traffic routes has also led to the development of trade. Renowned international fairs – 'Viroexpo' and 'Agroexpo' in Virovitica and 'Agroarca' in Slatina have grown from small local events to some of the largest fairs of this type in Croatia.

The Papuk Park is at the forefront of recreational facilities offer because of a series of educational, recreational, hiking, biking and riding trails. Orahovica, Slatina, Virovitica and Pitomača offer a range of quality sports and recreational facilities. Throughout the County it is possible to enjoy horseback riding, perhaps most easily experienced on Pustara Višnjica. Family farm 'Zlatni klas' in Otrovaneč offers recreational riding and a horseback riding school. Unavoidable form of summer recreation is swimming in a pool, on pebbled Drava beaches or in lakes. The picnic area Orah at Orahovica Lake attracts tens of thousands of swimmers during summer months, as it is among the most attractive continental swimming areas. During snowy winters, the slopes of Papuk and Bilogora become real ski slopes. There are several ski resorts with ski lifts in Virovitica and Slatina.

In the County, there are 32 hunting areas managed by thirty hunting associations. Hills and mountains preserves are situated on the slopes of Bilogora, Papuk and Krndija, while lowland hunting preserves follow the river Drava. Large game includes deer, roe deer, wild boars, and small game pheasants and rabbits. Due to the large number of game, this area is classified as one of the richest hunting grounds in Croatia. In the area which spreads over a hundred kilometres, Drava offers almost countless places for successful fishing (catfish, carp, pike, pikie-perch, amur, burbot, asp, barbel, sterlet, bream, eels and other species).

## CONTACTS

Virovitica-Podravina County, Ms Sanja Bošnjak, County Prefect Deputy, e-mail: [ured.zupana@vpz.hr](mailto:ured.zupana@vpz.hr)

VIDRA - Virovitica-Podravina County's Regional Development Agency, [www.ravidra.hr](http://www.ravidra.hr), e-mail: [info@ravidra.hr](mailto:info@ravidra.hr)

Agency for Investments and Competitiveness (AIK), [www.aik-invest.hr](http://www.aik-invest.hr), e-mail: [info@aik-invest.hr](mailto:info@aik-invest.hr)



# ESTERHÁZY CASTLE, Darda

## PROJECT DESCRIPTION

Esterházy Castle is located in the centre of the Municipality of Darda, in the near vicinity of Osijek, the seat of Osijek - Baranja County.

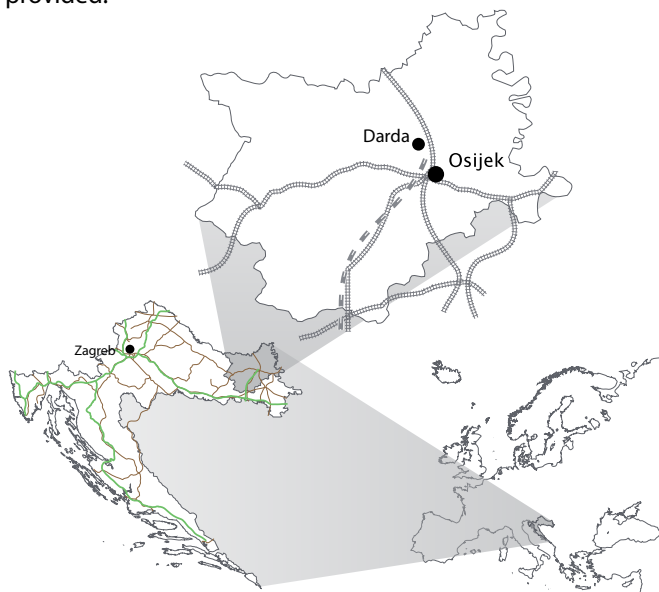
The project is owned by the Municipality of Darda and envisages the reconstruction of the old castle complex into 5\* hotel with additional facilities on the land area of 23,807 m<sup>2</sup>.

The unique baroque architecture of the castle built in the beginning of the 18<sup>th</sup> century has historical, architectural and townscape value and is protected as cultural heritage. The castle is surrounded by a historical park - an integral part of the complex. Also, from the same period, next to the castle, there is a restored chapel, nowadays in function of a parish church. The Castle is located alongside the lake which serves as a sports - tourist zone with bathing, restaurants and sports facilities.

The location has a great potential for tourist development, especially for sports tourism such as hunting, since in the near vicinity to the castle there is a riding club with a hippodrome and a hunting club with large pheasant farms, as well as great hunting grounds and the Nature Park "Kopački rit" in the surrounding area.

The location is well connected to the highway corridor A5 Beli Manastir – Osijek – The Republic of Bosnia and Herzegovina (distance 8 km), railway (2 km), Airport Osijek (15 km) and river port in Batina (11 km).

All necessary infrastructure (gas, electricity, water, sewage) is provided.



## TRANSACTION MODEL

Esterházy Castle, owned by the Municipality of Darda, will be offered to a strategic partner based on the right to build model which will be granted for 99 years or sale (282,354 EUR).

In the case of sale, The Republic of Croatia has the pre-emption right.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## ESTIMATED VALUE

The total project value is estimated at 12 million EUR.





## CURRENT PROJECT STATUS

The project is in compliance with physical plans of Osijek-Baranja County and the Municipality of Darda. The Report on the first phase of the conservation and restoration research, the Draft of conservation guidelines and the Conceptual design for reconstruction of the castle into the 5\* hotel are in place.



## PLANNED FACILITY

The conceptual design envisages the reconstruction of the Castle into a hotel with 126 beds, restaurant, cafe, hotel shop, conference room, wellness centre, wine cellar, bowling alley and pool.

- total land area: 23,807 m<sup>2</sup>
- gross developed area: 35,409 m<sup>2</sup>
- ground floor area: 30,791 m<sup>2</sup>
- number of levels: 1+1

## OSIJEK-BARANJA COUNTY

Population (2011): **305,032**

GDP per capita (2014): **8,045 EUR**

Unemployment rate (2016): **28.8%**

Average gross salary: **927 EUR**

Average gross salary in the sector (tourism): **709 EUR**

Osijek-Baranja County is located in the Pannonian Plain in the North-East of Croatia. The centre of the County is the City of Osijek, which represents administrative, economic, cultural and educational centre of Eastern Slavonia. Natural resources, a well-preserved environment, relatively unpolluted soil, an abundance of waterways and a moderate climate offer rich flora and fauna (the world-famous Slavonian forests). The most important economic activities are agriculture and a modern, high-tech food processing industry (large investments have recently been made in intensive organic agriculture).

Growing industries are eno-gastro tourism (wine roads and traditional Slavonian cuisine based on local agricultural products), traditional hunting and health tourism developed on geothermal springs. The County is internationally known by its Lipizzaner horse farm and traditional folklore festival (Đakovački vezovi).

The County has launched nature-protective measures in 16 protected areas, among which is the famous Kopačevo Wetlands Natural Park (Kopački rit), especially known as an ornithological and waterfowl habitat.

The most important road access to the County is the A3 Zagreb-Lipovac Highway, as well as the highway on the Pan-European Corridor Vc (Budapest–Osijek–Sarajevo–Ploče).

The University of Osijek is the centre of higher education of the County.

## CONTACTS

Municipality of Darda, Mr Antonio Branilović, Vicemayor, e-mail: [opcina.darda@os.t-com.hr](mailto:opcina.darda@os.t-com.hr)

Agency for Investments and Competitiveness (AIK), [www.aik-invest.hr](http://www.aik-invest.hr), e-mail: [info@aik-invest.hr](mailto:info@aik-invest.hr)



REPUBLIC OF CROATIA

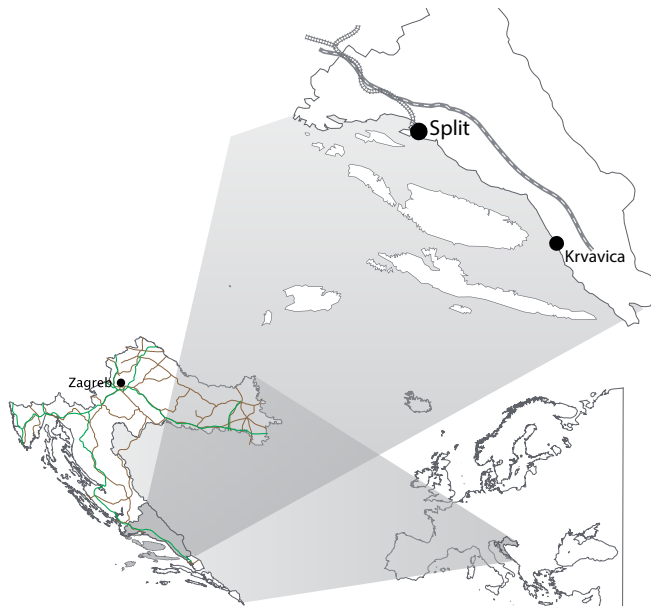
# FORMER HOTEL KRVAVICA, Baška Voda

## LOCATION

The facility was built 1963-1964 as a health centre for treatment and rehabilitation of children with lung diseases. It is located near Makarska, in a village Krvavica in Baška Voda Municipality, in the thick pine forest. It is surrounded by the sea from one side and mountains from the other.

The building represents a unique example of modern health/spa architecture of the second phase of modernism, and is one of the masterpieces of Croatian modern architecture that can be considered relevant even in an international context.

According to the Decision of the Ministry of Culture, the building has been preventively protected as a cultural heritage.



## PROJECT DESCRIPTION

According to the Physical Plan of Baška Voda Municipality, the hospitality-tourism zone Krvavica (T1-hotels) covers an area of 4.90 ha. The plan envisages the accommodation capacities of up to 350 beds, out of which, according to the legal provisions, 70% could be allocated to hotel accommodation and 30% could be in villas. All facilities have to be built outside the 100-meter coastal belt.

The Urban Development Plan (UDP) must be adopted prior to the implementation of the project. 45% of the total project area is envisaged for accompanying buildings (hospitality, public and service facilities).

The former Hotel Krvavica is not in commercial use.



## TRANSACTION MODEL

The Republic of Croatia is obliged to conduct a public tender for sale of the property, in order to choose the best investor. Prior to announcement of the public tender the Conservatory Surveying Map should be completed.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.





Project holders: **Ministry of Tourism**  
Address: **10 000 Zagreb, Prisavlje 14**  
Website: **www.mint.hr**

**Ministry of State Property**  
**10 000 Zagreb, Dežmanova 10**  
**<https://imovina.gov.hr>**



## SPLIT-DALMATIA COUNTY

Population (2011): **454,798**

GDP per capita (2014): **7,808 EUR**

Unemployment rate (2016): **24.1%**

Average gross salary: **956 EUR**

Average gross salary in the sector (tourism): **905 EUR**

Split-Dalmatia County encompasses the territory of the historical region of Dalmatia, and is easily accessible via Zagreb-Split-Dubrovnik Highway and Split International Airport.

The most important economic activity is tourism. In 2016 the County achieved 2.7 million tourist arrivals (increase of 11% in comparison to the previous year) and 14.9 million overnight stays, which makes 17.6% of total overnight stays in Croatia in 2016. Traditionally, the most important markets are Germany, the Czech Republic and Poland.

There is a total of 140 hotels (4 five-star and 67 four-star hotels, while the remaining 69 are mostly three-star). In

addition to hotels, accommodation is provided in apart-hotels, tourist resorts, tourist apartments and auto camps.

According to the County's Tourist Board, the overall accommodation capacity provided accounts to 213,803 beds out of which 68.7% is in private accommodation. Total number of beds in hotels category is 66,959. There are 11 marinas with a total of 2,258 berths. The present international hotel chains in Split include the Le Meridien Lav and the Radisson Blu.

The County's tourist potential includes: a rich heritage and cultural offer, catholic pilgrimage destinations, active and sports holidays and health tourism. There are UNESCO heritage sites in Split (Diocletian Palace) and Trogir; pilgrimage destinations (Sinj, Vepric and vicinity to famous Međugorje); rafting on the River Cetina in Omiš area, and hiking, walking and cycling paths on mountains Marjan and Biokovo.

A large number of high schools offers education in the hospitality and catering sector, while the Split University provides undergraduate and graduate programs in tourism.

## CONTACTS

Ministry of Tourism, [www.mint.hr](http://www.mint.hr), e-mail: [razvoj@mint.hr](mailto:razvoj@mint.hr)

Ministry of State Property, <https://imovina.gov.hr>, e-mail: [info@midim.hr](mailto:info@midim.hr)

Agency for Investments and Competitiveness, [www.aik-invest.hr](http://www.aik-invest.hr), e-mail: [info@aik-invest.hr](mailto:info@aik-invest.hr)



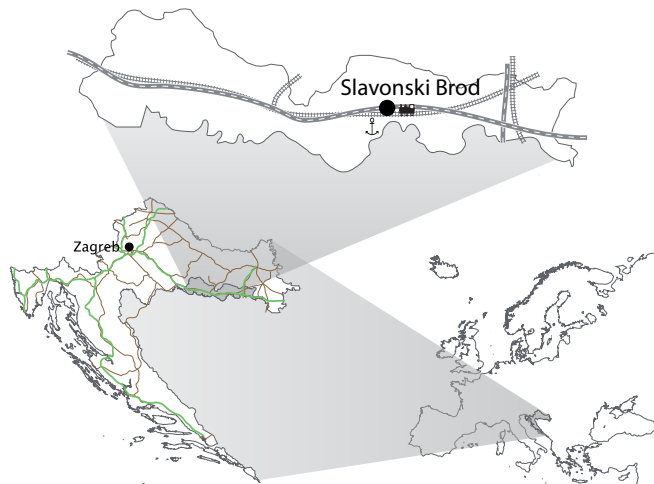
# FORTIFICATION BROD HOTEL, Slavonski Brod

## PROJECT LOCATION AND DESCRIPTION

The Project is located in the old fortification near the City promenade in Slavonski Brod, and includes the reconstruction of a former military building which used to be a part of the fortification, into a modern hotel. The site includes a preserved foundation of the building, on which the hotel is planned to be built, in the original shape of military barracks.

The Brod Fortification is a symbol of cultural heritage in Brod-Posavina County, and has a status of a cultural monument, which should contribute to the future hotel attractiveness. Another advantage is its location at the centre of Slavonski Brod, with easy access to all tourist attractions in the County.

There are already a few tourist-cultural institutions within the Fortification (Art Gallery Ružić and Tamburitza Museum). In the near vicinity there is the House of Ivana Brlić-Mažuranić, a famous Croatian writer of children's literature, the Theater and Concert Hall, The Brod-Posavina Museum, a Franciscan monastery from 1723, sports and recreational centre, and city swimming pools.



## CURRENT PROJECT STATUS

All required documentation, including the main design certificate and all the permits from the Ministry of Culture and the Conservation Department have been obtained. The feasibility study with cost-benefit analysis has also been completed.

## TRANSACTION MODEL

The possible transaction models include a joint venture with a strategic partner, as well as concession and/or lease.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## ESTIMATED VALUE

The estimated value of the project is 5 million EUR.



## SPECIFICATION OF ACCOMMODATION CAPACITIES

The project documentation includes a construction of a 2-storey building on a land lot of 1,703.36 m<sup>2</sup>. The ground plan covers 899.36 m<sup>2</sup>, while the gross building area will amount to 4,178.53 m<sup>2</sup>.

The hotel will contain 32 rooms with 58 beds and 4 apartments with 8 beds. During the construction of the hotel, the investor will have to comply with the conservatory requirements.



**Fortification Brod with the foundation  
of the future hotel**

## BROD-POSAVINA COUNTY

Population (2011): **158,575**

GDP per capita (2014): **5,661 EUR**

Unemployment rate (2016): **27.1%**

Average gross salary: **884 EUR**

Average gross salary in the sector (tourism): **508 EUR**

The main competitive advantage of Brod-Posavina County is its exceptional geo-strategic position as it is situated on the crossing of important European traffic corridors: The Pan-European Corridor X which connects Western Europe with South-East Europe and Middle East, and the Pan-European Corridor Vc connecting Northern and Eastern European countries with the Adriatic Sea. The County is intersected with railway, highway, inland waterways, telecommunications networks and oil pipeline.

There are four capital cities (Zagreb, Budapest, Belgrade and Sarajevo) within 350 km radius of the County seat, Slavonski Brod. The river Sava, which represents a natural border with Bosnia and Herzegovina, enables waterway traffic with Central and South Europe as the most cost-effective way of transporting commodities and cargo. The Port of Slavonski

Brod is connected, by road and railway infrastructure, with international infrastructure corridors.

The most present business activities in the County (measured by their share in the total revenue) are manufacturing/processing industry - metal processing, wood processing and furniture manufacturing, chemical industry and food processing (47%), trade (15%), construction (13%) and agriculture, forestry and fishery (9%).

The County has an excellent potential for development of tourism: large forest areas, the ornithological reserve Jelas, special reserve of forest vegetation and a nature park. There are large hunting and fishing areas with abundance of game and large fishing ponds along the rivers Sava, Orjava and Mrsunja, suitable for wild ducks and geese hunting.

There are also numerous picnic areas (Strmac, Ljeskove vode, Migalovci, Petnja, etc) and protected landscapes (Gajna, Prašnik, Muški bunar, Lonjsko polje). A significant role in the development of tourism also belongs to the archaeological sites, cultural and historical heritage, galleries, museums and buildings of sacral culture.

## CONTACT

City of Slavonski Brod Development Agency, [www.ra-sb.hr](http://www.ra-sb.hr)  
Dejan Vuksanović, Acting Director, e-mail: [info@ra-sb.hr](mailto:info@ra-sb.hr)





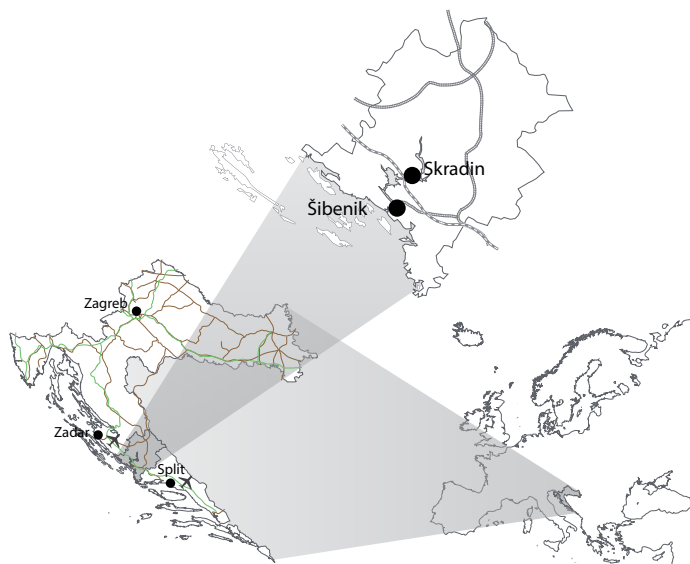
# GOLF PROJECT PRUKLJAN, Skradin, Šibenik-Knin County

## LOCATION

Golf Project Prukljan has been envisaged on a location with extraordinary potential for tourism development, especially golf, being situated on a lake connected with the Adriatic Sea on one side, and bordering the area of the Krka National Park on the other. The Prukljan lake is located in central Dalmatia, near the towns of Skradin and Šibenik, in the lower reaches of the river Krka and is connected to the sea by a narrow channel which leads to Šibenik harbour.

Šibenik is a political, educational, logistics and industrial centre of Šibenik-Knin County and also the 3rd largest city in the historic region of Dalmatia. Thanks to its very rich cultural heritage and numerous historical and cultural monuments, it has been rapidly developing recently as a tourist destination. The Krka National Park is one of seven national parks in the Republic of Croatia, spreading on 142 square kilometres.

The project location is very well connected via A1 Highway (Zagreb-Split-Dubrovnik), and there are two international airports nearby (Split 63 km and Zadar 70 km).



## PROJECT DESCRIPTION

According to the planning documentation of Šibenik – Knin County as well as Town of Skradin, the Prukljan location consists of two separate construction zones: the hospitality-tourism zone (T1, T2 – Prukljan) and the entertainment centre zone (T5 - aqua park). The sports-recreational zone (Rgt-golf Prukljan), with accommodation capacities of type T2 has been planned outside the construction zone. The land in the scope of the project is owned by the Republic of Croatia.

The buildings within the hospitality-tourism zone (T1, T2) covering 30 hectares of land can be planned at min. 100 meters from the coastal line. The maximum allowed construction density is 30%, and allowed construction efficiency 0.8.

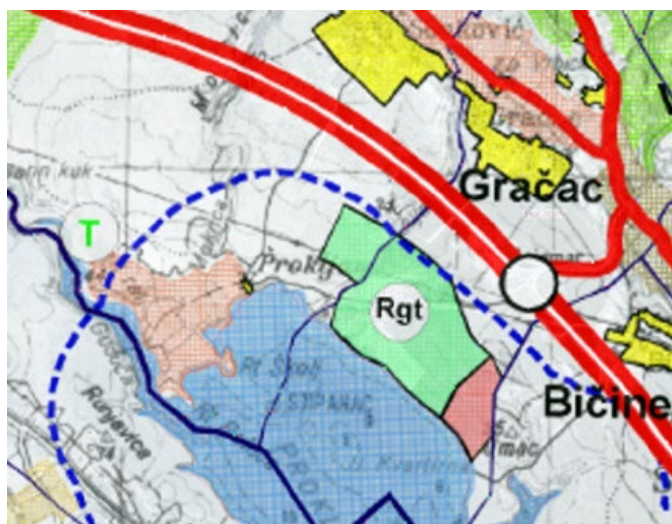
The usage density is limited to 120 beds per hectare (total 1,500). A beach has been planned within 50 m coastal belt, while all complementary beach facilities (open sports and recreational facilities, children playgrounds) will be built outside the belt.

The Entertainment centre – aquapark, covering up to 30 hectares, has also been planned outside the coastal belt. The conditions for construction will be determined by the Physical Plan of the Town of Skradin, as well as by the Urban Development Plan of the location. The maximum allowed construction density will be 30% and allowed construction efficiency coefficient of 0.8.

The sports and recreational zone (Rgt) - the golf field on a total area of 160 hectares must be constructed at least 25 meters from the coastal line, and will consist of:

1. Golf course (the natural terrain) encompassing at least 60% of total area envisaged for the golf course arranged as a park and natural greenery
2. Playing field (covering minimum 25% of total area, including the driving range and service buildings)
3. Accommodation capacities (T2) on a maximum of 15% of total area envisaged for golf.

Information regarding the accommodation capacities and detailed construction conditions within the golf course area will be determined by the Physical Plan of the Town of Skradin, as well as by the Urban Development Plan of the location.



Project holders: **Ministry of Tourism**  
Address: **10 000 Zagreb, Prisavlje 14**  
Website: **www.mint.hr**

**Ministry of State Property**  
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<https://imovina.gov.hr>

The total construction density cannot be higher than 4% of the total golf area.

The accommodation capacities can be planned in several spatial units with a single unit being in a range of 3 -5 hectares. Accommodation facilities are envisaged exclusively as the second phase of project implementation or simultaneously with the implementation of the golf course, under the condition that all buildings are built outside the 100-meter coastal belt. There is an obligation to create the landscape study with the guidelines for the development of a golf course.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.



## CURRENT STATUS

The Republic of Croatia will announce a public tender for the development of this project in order to choose the best investor.

## ŠIBENIK-KNIN COUNTY

Population (2011): **109,375**

GDP per capita (2014): **8,068 EUR**

Unemployment rate (2016): **22.5%**

Average gross salary: **929 EUR**

Average gross salary in the sector (tourism): **983 EUR**

Šibenik-Knin County is located in the central part of the Adriatic coast and, along with the mainland, includes 285 islands (seven are inhabited), islets and reefs. There are two national parks (NP Krka and NP Kornati) and the Vrana Lake nature park.

Šibenik-Knin County economy is based on trade, tourism, construction and processing industry as the most important economic sectors, with developed agriculture, especially the cultivation of olive trees and vineyards.

According to the County Tourist Board, there are 97,145

beds in organized accommodation, with majority (71,092 or 73.2%) in private accommodation, as well as 13,140 places in camps and 3,630 berths in 12 marinas. There are 33 hotels in the County, 14 four-stars hotels and 15 three-stars hotels. There are no five-stars hotels in the County.

According to the Statistical Bureau, the County achieved 817,755 tourist arrivals in 2016 (an increase of 2.6% compared to the same period 2015) and 5 million overnight stays, which makes 5.2% of total arrivals and 6.4% of total overnight stays in Croatia.

Due to its geo-strategic position, very favourable climate and substantial investments in commercial and transport infrastructure, as well as the growing interest of tourists expressed through significant growth rates in tourist traffic in recent years, Šibenik-Knin County represents a very attractive location for new investments in the tourism sector.

## CONTACTS

Ministry of Tourism, [www.mint.hr](http://www.mint.hr), e-mail: [razvoj@mint.hr](mailto:razvoj@mint.hr)

Ministry of State Property, <https://imovina.gov.hr>, e-mail: [info@midim.hr](mailto:info@midim.hr)

Agency for Investments and Competitiveness, [www.aik-invest.hr](http://www.aik-invest.hr), e-mail: [info@aik-invest.hr](mailto:info@aik-invest.hr)



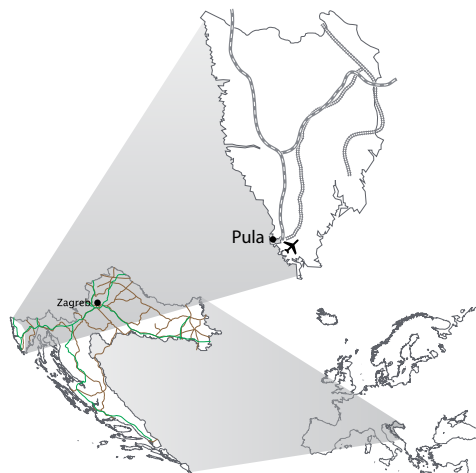
# HIDROBAZA, Pula

## LOCATION

Hidrobaza is located in suburb Štinjan, in the City of Pula, famous for the Arena, a Roman amphitheatre dated from 68 AD, the best preserved ancient monument in Croatia. The location, 5 km away from the city centre and 7 km from Pula International Airport, is very well connected with a network of local and county roads and the highway known as "Istrian Y" with Western Europe and continental part of Croatia.

In addition to the attractive location along the coast and lush vegetation, suitable for development of tourism capacities, with a beautiful view over the famous National Park Brijuni Islands, the site also has a special historical value as the former Austro-Hungarian Empire Naval Air Station.

Although almost completely destroyed in the World War II, Hidrobaza was partly renovated, and was periodically used by the army till 1990s. Due to its status of an army base, the site remained highly untouched and undeveloped.



The gradual growth and development of this part of the town started 20 years ago, when the first tourism and infrastructure investments took place.

## PROJECT DESCRIPTION

Based on The Strategy of Tourism Development until 2020 the Ministry of Tourism has initiated the procedure for development of former military real estate on location Hidrobaza into a high quality tourism resort owned by Republic of Croatia and the City of Pula.

The potential of this location, which covers 36.42 hectares, has been recognized by the General Urban Plan of the City of Pula and the Urban Development Plan "Štinjan" (adopted in November 2015). According to the mentioned documentation there are two zones for tourism - hospitality purposes, a swimming zone with accompanying facilities, as well as recreational zone.

Approximately a half of the recreational zones (R2) area is under the forest and divides the village Štinjan and tourism - hospitality zone.

The scope of this project includes 16.61 hectares of the land in tourism - hospitality zone, with planned construction of hotels (T1), tourist village with villas (T2) and a camp (T3). Total accommodation capacity will be 1,200 beds, all categorized with a minimum of four stars.

Smaller part of the former Naval Air Station complex with 4 partially preserved buildings is a protected cultural heritage. Restoration and reconstruction of these facilities should be carried out in accordance with the Ministry of Culture conditions which issued by the Conservation Department in Pula.

ZONE	PURPOSE	LAND AREA IN HA	MAX OF BEDS
Hidrobaza 1	T1, T2, T3	9.58	800
Hidrobaza 2	T1, T2, T3	7.03	400
Total		16.61	1,200
Allowed construction density (KIG) up to 30 % of land area.			



## CURRENT STATUS

On the coastal part of the recreation zone (R3) that spreads on approximately 4 hectares, the City of Pula has commenced the investment in construction of public beaches (devastated operative coast of the former Naval Air Station).

The first phase was completed in May 2016, while the second phase is currently in process (including construction of the additional coastal belt and a promenade towards Štinjan harbour).



## TRANSACTION MODEL

The Republic of Croatia will, for development of this project, announce a public tender for selection of best bidder.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.



## ISTRIA COUNTY

Population (2011): **208,055**

GDP per capita (2014): **12,724 EUR**

Unemployment rate (2016): **8.4%**

Average gross monthly salary: **1,026 EUR**

Average gross salary in the sector (tourism): **1,167 EUR**

Istria County is located on the largest Croatian peninsula of Istria, on an area of 2,820 km<sup>2</sup> and has excellent transport connections with main European motorways (Istrian "Y" motorway connects Istria with highways in Slovenia, Italy and Austria) and by air (International Airport in Pula). Istria is one of the most developed Croatian regions with dominant industry (shipbuilding, production of building materials, tobacco products, furniture, glass and electrical machinery and parts for the automotive industry), tourism (total of 23.1 million of overnights, or 29.6% of all overnight stays in 2016) and trade sector.

In recent years, great attention was paid to the revitalization of agriculture (especially olive growing and organic food production) and the related development of enogastronomic tourism (autochthonous wines Malvasia, Teran, highly esteemed white truffle) and agro-tourism, particularly in the hinterland of Istria, which is recognized as the "Tuscany of Croatia". There is a very long tradition of tourism that has been developing from the period of the Roman Empire through the Austro-Hungarian Empire (when tourist centres Umag, Poreč, Rovinj, Pula, Rabac, including the Brijuni Islands

were strongly developed). In the past decade, intensive investments in a construction of new and reconstruction of existing primarily high-class hotel facilities were made, resulting in a significant increase of five-star hotels (total of 5) and four-stars hotels (total of 42).

According to the Istria Tourist Board, in the structure of accommodation, from a total of 272,645 units, camps are the most represented (43%), followed by private accommodation (31%) and hotels (18%). Main markets in terms of overnight stays are Germany (29.9%), Slovenia (12.8%), Austria (12.6%) and Italy (8.9%). Strong domestic brands (Istraturist Umag, Maistra and Valamar) prevail but international brands such as the Park Plaza, Kempinski Hotel and Sol Melia are present as well, primarily as management companies. The wide and diversified range of facilities enables the development of various kinds of tourism: sports tourism (currently 2 out of 4 golf courses in Croatia are in Istria - Umag and Brijuni, and the International ATP tournament takes place in Umag), cultural tourism (Motovun Film Festival, performances by world-renowned artists in Vespasian's Roman amphitheatre - Pula Arena, Theatre Ulysses), nautical, convention, hunting, fishing and diving tourism.

Further development of tourism in this region will be ensured with new projects, notably the Brijuni Riviera which is to be developed on three locations (Pineta, Hidrobaza, Sv. Katarina and Monumenti), and should additionally profile the County as a tourist destination with a wide range of capacities of the highest category.

## CONTACTS

Ministry of State Property, <https://imovina.gov.hr>, e-mail: [info@midim.hr](mailto:info@midim.hr)

Ministry of Tourism, [www.mint.hr](http://www.mint.hr), e-mail: [razvoj@mint.hr](mailto:razvoj@mint.hr)

City of Pula, [www.pula.hr](http://www.pula.hr), e-mail: [info@pula.hr](mailto:info@pula.hr)



# HOSPITALITY - TOURISM PROJECT TEF, Šibenik

## TRANSACTION

The City of Šibenik is planning to announce a tender for development of the Hospitality-Tourism Project TEF which represents one of the most significant tourism projects in the middle part of Adriatic region and will be considered as the initiator of tourism development in the City of Šibenik.

## LOCATION AND PROJECT DESCRIPTION

One of the oldest towns in Adriatic, Šibenik is founded in the 9<sup>th</sup> century, with very rich cultural heritage and numerous historical and cultural monuments. Among many old churches from 13<sup>th</sup> and 14<sup>th</sup> century, there is the City Hall dating back to 16<sup>th</sup> century, four well-preserved fortresses (St. Michael, St. Ivan, St. Nicholas and Barone), and the Cathedral of St. Jacob (15<sup>th</sup> century), the most significant architectonic monument of renaissance in Croatia, under UNESCO protection.

Šibenik has recently started a transition from the industrial town into the attractive tourist destination. One of the projects that are in accordance with the City's orientation to the tourism development is Project TEF, where the land area is in ownership of the former Factory for production of electrodes and ferro-alloys (100% owned by City of Šibenik). The factory has been removed and the whole area has been ecologically restored.

It is easily accessible due to its location between two international airports (Split and Zadar) and near A1 highway Zagreb-Split-Dubrovnik. The Project is located in an urban town area and therefore has all the necessary infrastructure equipment. As such, the project area is highly suitable for development of accommodation and/or sports and nautical facilities.

### THE KEY DATA:

- Total **432,876 m<sup>2</sup>** of land on prime location in the Town of Šibenik, less than a kilometre from the City centre. The land is divided by the local road into two parts, covering 232,004 m<sup>2</sup> and 200,872 m<sup>2</sup> respectively.
- **880** meters of coast line in the project area, with a possibility of building a marina with up to 400 berths.
- Purpose of the land: mixed tourism/residential area.



This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.



## CURRENT STATUS

According to the City of Šibenik Physical Plan, a part of the land covering 232,004 m<sup>2</sup> is in a construction zone, while the other part (200,872 m<sup>2</sup>) is currently non-construction land.

The physical plan prescribes an obligation to adopt the Urban Development Plan (UDP) of the location, determining the purpose of the land in more details.

The UDP will be designed and adopted in coordination with future investor, taking into account his needs and preferences.

The maritime domain border is currently in process of determining. It is planned that the tender will include both the project land and maritime domain.



## ŠIBENIK-KNIN COUNTY

Population (2011): **109,375**

GDP per capita (2014): **8,068 EUR**

Unemployment rate (2016): **22.5%**

Average gross salary: **929 EUR**

Average gross salary in the sector (tourism): **983 EUR**

Šibenik-Knin County is located in the central part of the Adriatic coast and, along with the mainland, includes 285 islands (seven are inhabited), islets and reefs. There are two national parks (NP Krka and NP Kornati) and the Vrana Lake nature park.

Šibenik-Knin County economy is based on trade, tourism, construction and processing industry as the most important economic sectors, with developed agriculture, especially the cultivation of olive trees and vineyards.

According to the County Tourist Board, there are 97,145

beds in organized accommodation, with majority (71,092 or 73.2%) in private accommodation, as well as 13,140 places in camps and 3,630 berths in 12 marinas. There are 33 hotels in the County, 14 four-stars hotels and 15 three-stars hotels. There are no five-stars hotels in the County.

According to the Statistical Bureau, the County achieved 817,755 tourist arrivals in 2016 (an increase of 2.6% compared to the same period 2015) and 5 million overnight stays, which makes 5.2% of total arrivals and 6.4% of total overnight stays in Croatia.

Due to its geo-strategic position, very favourable climate and substantial investments in commercial and transport infrastructure, as well as the growing interest of tourists expressed through significant growth rates in tourist traffic in recent years, Šibenik-Knin County represents a very attractive location for new investments in the tourism sector.

## CONTACT

City of Šibenik, [www.sibenik.hr](http://www.sibenik.hr)

Mr. Matija Bumbak, Department of Economy, Entrepreneurship and Development, e-mail: [matija.bumbak@sibenik.hr](mailto:matija.bumbak@sibenik.hr)



# HOTEL HRVATSKA, Baška Voda

## LOCATION

The Hotel Hrvatska is situated in the central part of the Adriatic Sea in a small town of Baška Voda in Split-Dalmatia County. Located in the Makarska Riviera and at the foot of the Nature park Biokovo, the area is characterized by mild Mediterranean climate with a total of 2,700 sunny hours a year.

Once a small and traditional fishing village, Baška Voda is today the tourist centre of the Makarska Riviera, with a number of cultural sites and entertainment facilities. Baška Voda has a well-developed tourist infrastructure, and for several years in a row has won the most prestigious tourism award in Croatia "The Blue Flower".

Baška voda is only an hour drive from International Split Airport and the Split Ferry port, and 10-minute drive from the Zagreb - Split – Dubrovnik highway.



## PROJECT DESCRIPTION

The Hotel Hrvatska has 128 double rooms and 8 apartments with a total of 340 beds. All rooms and apartments have en suite bathrooms and are equipped with satellite TV systems, a fridge and balcony from which, depending on the orientation, spreads a view on the sea, islands, pine forest, mountain Biokovo or Baška Voda. 49 rooms and 4 apartments are equipped with air-conditioning.

For the purpose of holding various conferences and meetings, there is a congress hall with 250 seats. Sports facilities, game room and children's playground are additional facilities at disposal to the hotel guests. A long gravel beach stretches in front of the Hotel Hrvatska, where tourists can rent beach

equipment and use a water slide. There are also several restaurants with F&B services.

The Hotel Hrvatska is in commercial use.

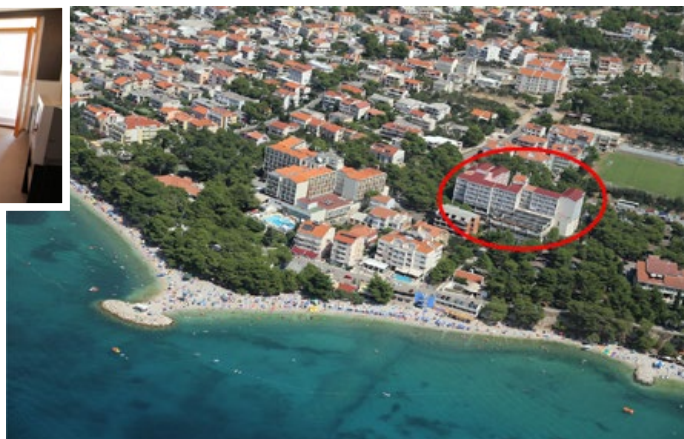
In accordance with the provisions of the Physical Plan of the Municipality of Baška Voda, the Hotel Hrvatska is situated, along with several other hotels, in the developed and partially developed area for hospitality and tourism purposes within the construction zone.

Renovation and reconstruction of existing hotels in the zone is planned in order to raise the category of accommodation facilities.

## TRANSACTION MODEL

The Republic of Croatia will announce a public tender to select a preferred investor for the sale of real estate.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.





Project holders: **Ministry of Tourism**  
Address: **10 000 Zagreb, Prisavlje 14**  
Website: **www.mint.hr**

**Ministry of State Property**  
**10 000 Zagreb, Dežmanova 10**  
**<https://imovina.gov.hr>**



## SPLIT-DALMATIA COUNTY

Population (2011): **454,798**

GDP per capita (2014): **7,808 EUR**

Unemployment rate (2016): **24.1%**

Average gross salary: **956 EUR**

Average gross salary in the sector (tourism): **905 EUR**

Split-Dalmatia County encompasses the territory of the historical region of Dalmatia, and is easily accessible via Zagreb-Split-Dubrovnik Highway and Split International Airport.

The most important economic activity is tourism. In 2016 the County achieved 2.7 million tourist arrivals (increase of 11% in comparison to the previous year) and 14.9 million overnight stays, which makes 17.6% of total overnight stays in Croatia in 2016. Traditionally, the most important markets are Germany, the Czech Republic and Poland.

There is a total of 140 hotels (4 five-star and 67 four-star hotels, while the remaining 69 are mostly three-star). In

addition to hotels, accommodation is provided in apart-hotels, tourist resorts, tourist apartments and auto camps.

According to the County's Tourist Board, the overall accommodation capacity provided accounts to 213,803 beds out of which 68.7% is in private accommodation. Total number of beds in hotels category is 66,959. There are 11 marinas with a total of 2,258 berths. The present international hotel chains in Split include the Le Meridien Lav and the Radisson Blu.

The County's tourist potential includes: a rich heritage and cultural offer, catholic pilgrimage destinations, active and sports holidays and health tourism. There are UNESCO heritage sites in Split (Diocletian Palace) and Trogir; pilgrimage destinations (Sinj, Vepric and vicinity to famous Međugorje); rafting on the River Cetina in Omiš area, and hiking, walking and cycling paths on mountains Marjan and Biokovo.

A large number of high schools offers education in the hospitality and catering sector, while the Split University provides undergraduate and graduate programs in tourism.

## CONTACTS

Ministry of Tourism, [www.mint.hr](http://www.mint.hr), e-mail: [razvoj@mint.hr](mailto:razvoj@mint.hr)

Ministry of State Property, <https://imovina.gov.hr>, e-mail: [info@midim.hr](mailto:info@midim.hr)

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REPUBLIC OF CROATIA

# HOTEL SPORT Delnice

## LOCATION DESCRIPTION

Located in famous Croatian forest region, the town of Delnice is situated on 720 meters above sea level and is surrounded by mountains above 1,000 m. The highway is 2.5 km away from the project location and connects Croatian capital of Zagreb (122 km) with the main cities on the north part of Adriatic coast which is the most developed tourist area in Croatia (Rijeka 45 km, Opatija 59 km, Pula 152 km and Rijeka airport on island Krk 52 km). The project location is also 1.5 km away from the rail road.

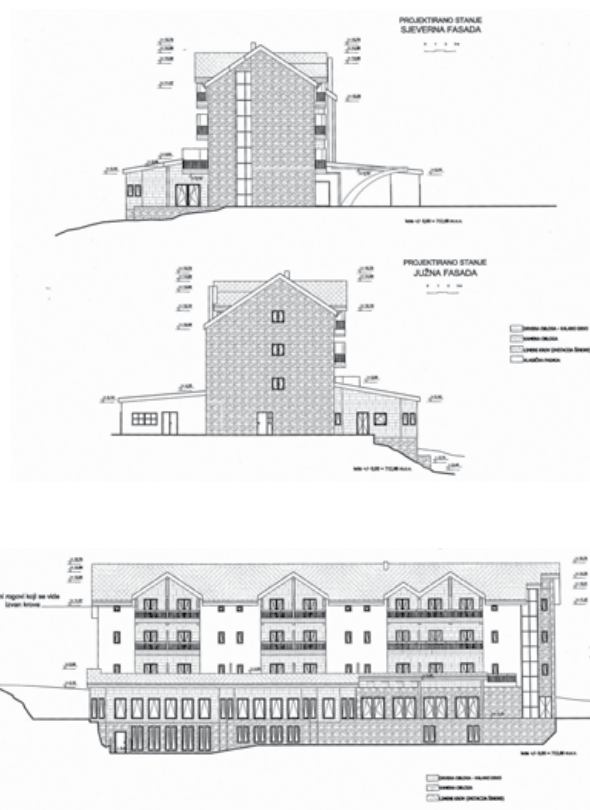
The area is ideal for athletes, especially for training during the winter time as well as for recreational sports whole year round. The attraction of future hotel location is also reflected in the vicinity of multifunctional hall which serves as a skating rink during the winter, as well as a football stadium. On the location there are also available facilities for outdoor sports: basketball court, bowling alley, tennis courts, auxiliary football field along with the ski diving board, bike trails and slalom runs which offer the possibility for night skiing.



## PROJECT DESCRIPTION

The project involves the reconstruction of the building, an old non-operating health centre, walking distance from the centre of Delnice, and its conversion to the 4 stars hotel. The land area of the project is 3,728 m<sup>2</sup> with maximum net usable area of the building on four floors of approximately 1,950 m<sup>2</sup>.

Planned accommodation capacity of the hotel is 39 rooms (89 beds) with additional facilities such as pool, sauna and fitness area, restaurant etc. The building lot is located on the attractive part of the city, and due to the existing sports infrastructure is especially suitable for the training of various sports teams.



## ESTIMATED VALUE

Total estimated value is approximately 3.2 mil EUR.

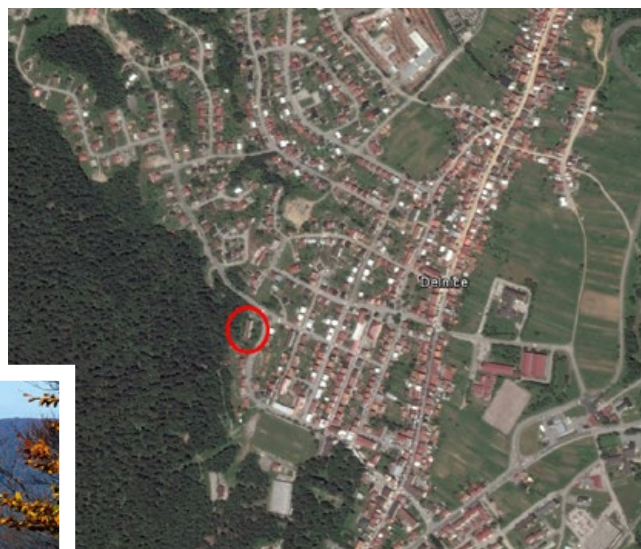


## TRANSACTION MODEL

The Town of Delnice, as the project holder, is looking for a strategic partner, who should be selected through the public tender.

Acceptable transaction models are land sale (17 EUR/m<sup>2</sup>) or right to build (0,15 EUR/m<sup>2</sup>) granted for at least for 20 years. This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives.

For more information, please refer to Section 5: Incentive Measures for Investments Projects.



## PROJECT STATUS

The project is in accordance with county's and town's physical plans. All necessary permits have been obtained, including the building permit. Upon the selection of the partner, Town of Delnice is prepared to offer various forms of incentives, such a reduction of the municipal contributions for 50%.

## PRIMORJE-GORSKI KOTAR COUNTY

Population (2011): **296,195**

GDP per capita (2014): **12,548 EUR**

Unemployment rate (2016): **13.0%**

Average gross salary: **1,030 EUR**

Average gross salary in the sector (tourism): **949 EUR**

Primorje-Gorski Kotar County is situated between Slovenia in the north and the Adriatic in the south. It is comprised of woodland mountains, the sea coast and islands.

A very favorable position at the junction of important road and sea routes were the reasons why inhabitants have focused on maritime affairs and other sea-related economic and tourism activities. As a consequence, the area, and especially the county seat of Rijeka, has developed into a strong transport and maritime center. While Gorski Kotar has remained a traditional forestry and wood processing area, it has also recently developed into a strong tourism region.

Primorje-Gorski Kotar County is considered the birthplace of Croatian tourism, especially Opatija and Lovran, which

previously served as holiday destinations for the Habsburg emperors. These towns have now been high-end and health tourism destinations for more than a century.

The county's education policies mirror its historical ties with tourism, especially nautical tourism. The Faculty of Tourism and Hospitality Management in Opatija is the only Croatian university fully dedicated to the education of a specialized tourism workforce. In addition, there are two secondary education institutions dedicated to tourism or hospitality education.

The county is also especially attractive for nautical tourism. According to the Ministry of Tourism, there are 11 marinas with a total of 2,747 berths.

The county is well connected with continental Croatia and the neighboring countries. Rijeka is a major ferry port with regular connections to the nearby islands and the southern Adriatic. There are several airports within a 200 km radius (Pula, Rijeka, Zadar, Zagreb, Split, Trieste, Venice, and Ljubljana).

## CONTACT

City of Delnice

Ms Gordana Piskac, Head of Administrative Department, e-mail: [gordana.piskac@gmail.com](mailto:gordana.piskac@gmail.com), phone: +385 51 812 055



# HOTEL AND SKI RESORT, Orahovica

## LOCATION DESCRIPTION

Orahovica is an old town in the middle of Croatian north-east region, settled on the banks of the river Vučica. The town is located on the slopes of mountains Krndija and Papuk, and is opened to the lowlands.

The place is suitable for sports, cultural and congress tourism, but there are not enough accommodation facilities, despite the fact that the town has a century-old tradition as one of the most attractive tourist destinations of Virovitica-Podravina County.



There are numerous attractions (remains of medieval city walls of Ružica Grad and Stari Grad, the artificial lake Orahovačko jezero, a traditional cultural event "Spring in Orahovica" with a variety of theater performances, exhibitions, sports events, folklore festival, rock concerts and gastronomic events). The central event is the "Flower Parade", held on the first Sunday in June. Owing to beautiful nature and continental climate with cold and snowy winters, the location is known as "little Switzerland", and offers numerous possibilities for winter sports including skiing.



## PROJECT DESCRIPTION

The location of the project that includes construction of a hotel and ski facilities is in the Nature Park Papuk, only 1.5 km away from the centre of Orahovica. According to the Detailed Development Plan, the area of the project is a part of the zone envisaged as a large sports and recreation complex with several projects such as the Education centre "School in Nature", adventure park and water park on the lake.

The potential of the zone has been recognized by the Ministry of Regional Development and EU Funds, which provided technical assistance and co-financed 6 main projects.

The potential investor may develop the project as a complex which includes construction of a hotel and ski facilities, or it can be developed separately.

Currently on the land lot envisaged for the hotel is an old devastated construction from the 1970s, which should be removed.

In accordance with the physical plans, it is possible to build a hotel with 150 beds on four floors, with additional facilities such as a wellness centre, swimming pool, fitness suite, small shops, multi-purpose smaller halls and playgrounds on the area of 9,851.60 m<sup>2</sup>.

The ski facilities (150 m away from the hotel) are planned to be constructed in three phases: (1) ski slopes, lifts and snow cannons, (2) info centre and (3) souvenir shop with a viewpoint on the total area of 86,192.84 m<sup>2</sup>.

## ESTIMATED VALUE

Estimated value: Hotel: approximately 5.6 mil EUR, Ski resort: approximately 7.2 mil EUR.

## TRANSACTION MODEL

Based on lease and right to build models, the Town of Orahovica is looking for a strategic partner who will be selected on the public tender.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

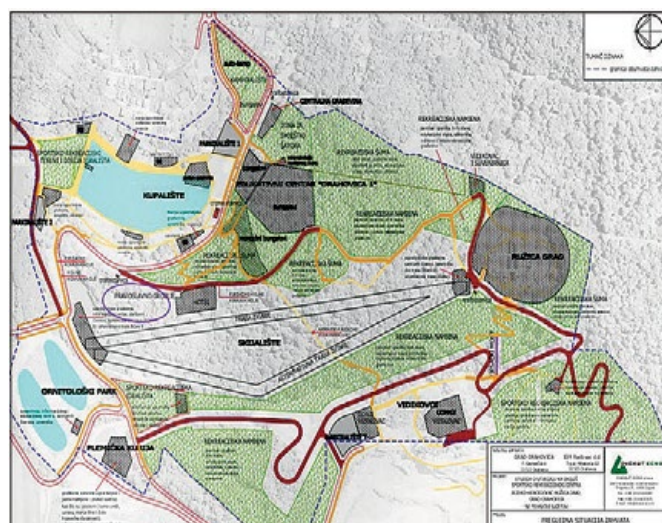


## PROJECT STATUS

The Detailed Development Plan for this area has been adopted, and the next steps are the preparation of preliminary and main projects for the location and building permit.

As the most of the land envisaged for the skiing capacities is in the ownership of the Republic of Croatia (more than 99%), the project holder, the Town of Orahovica, has to settle the issue of land property in accordance with the Act on Forests (Official Gazette No. 140/05, 82/06, 129/08, 80/10, 124/10, 25/12, 68/12, 148/13, 94/14) and the Act on the State Property Management of the Republic of Croatia (NN 94/13, 18/16).

The Town has already commenced the procedure for purchasing the land parcels in the scope of the project which are currently owned by private persons.



## VIROVITICA-PODRAVINA COUNTY

Population (2011): **84,836**

GDP per capita (2014): **5,655 EUR**

Unemployment rate (2016): **32.7%**

Average gross monthly salary: **824 EUR**

Average gross monthly salary (tourism): **607 EUR**

Virovitica-Podravina County is located in northeastern Croatia, and covers the area of Slavonia and Podravina. It is bordered by Bilogora, Papuk and Krndija from the South, whose slopes are gradually merging with the Pannonian Plain. The County's northern border is the River Drava which also makes a natural border with Hungary in the largest part of its hundred kilometre long course.

The City of Virovitica is an administrative, economic, cultural and educational centre, in which tourism is developed through a variety of traditional and contemporary forms with numerous cultural, historical, theatrical and sporting events, exhibitions and concerts.

Fruit growing, horticulture and cattle breeding has a long tradition due to the wealth of natural resources. While corn and wheat, medicinal herbs, tobacco and sugar beet of the highest quality are grown on fertile Slavonia and Podravina fields, the slopes of Bilogora and Papuk are covered with vineyards.

The county also has a high energy potential in biomass and geothermal energy. Because of numerous farms (crop and livestock) in this area, there is a significant potential for the construction of biogas plants that would also ensure the adequate disposal of biodegradable agricultural waste.

Since the county is located in the Pannonian Plain region, characterized by high values of the heat flux density and high geothermal gradient, the geothermal potential is vast, but still not exploited enough.

## CONTACT

Town of Orahovica, [www.orahovica.hr](http://www.orahovica.hr)

Ms Irela Strabić, Deputy Head of Single Administrative Department

e-mail: [irela.strabic@orahovica.hr](mailto:irela.strabic@orahovica.hr), phone: +385 33 674 673, +385 99 7823 971



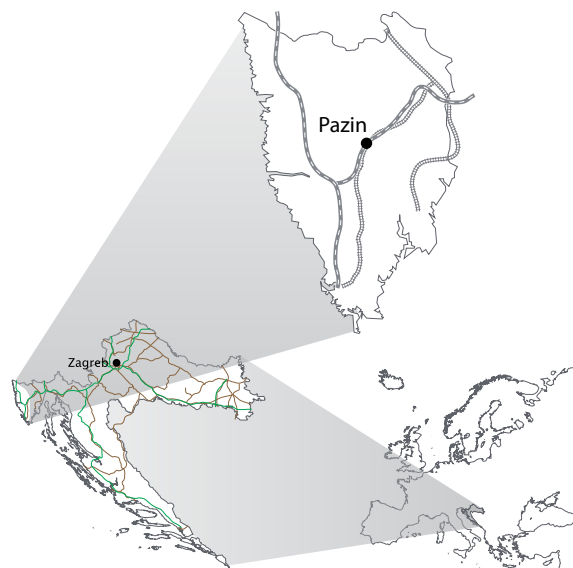
# INSPIRIT FANTASY PARK, Pazin

## LOCATION

The Project is located in the largest Croatian peninsula, Istria, close to the small village of Lindar, 3 kilometers from the town of Pazin, the administrative center of Istria County.

The location of the Project is a former military training site 454 meters above sea level, 30 kilometers from the Adriatic coast to its east and west, 50 kilometers from Pula airport and seaport in Rijeka as well. Lindar can be accessed by the motorway known as „Istrian Y“, connected to the highway that further connects this region with other parts of the Croatia, Slovenia and Central Europe, so therefore over 3 million inhabitants within a radius of 200 km gravitate to this area.

The Project holder is the City of Pazin and its implementation is supported by Istria County and the Ministry of Tourism, which has financed most of the required documentation.



## PROJECT DESCRIPTION

Inspirit Fantasy Park is a new, unique and very attractive tourist project which includes construction of a theme amusement park on the area of approximately 10 hectares, owned by the Republic of Croatia.

The projected facilities of the park are based on the stories of Istrian, Slavic and European mythology. The Project aims to create a place where visitors play with mythical creatures. The Park, by use of modern technology, should be designed as an interactive world where legends mix with dream and reality, in which every visitor will have a sense of adventure in a magical environment.

Beside entertainment the Park has multiple roles including a scientific and educational dimension. The Park will offer performances, workshops and animations through which will be presented the intangible cultural heritage, while the buildings will be designed in authentic style of this region.



## ESTIMATED VALUE

The total project value is estimated at 37.8 million EUR.

## CURRENT STATUS

The conceptual design, feasibility study and cost-benefit analysis are completed. Estimated period for the completion of this phase of the Project is one to two years.

Geomechanical study and the Project for exploration of the soil are completed, as well as Geodetic project, which is given for approval to the Ministry of State Property.

The designing of Conceptual project is in process. Urban Development Plan for the Sports and Recreation Center Lindar has been in effect since April 2017.



## TRANSACTION MODEL

The Project will be offered to a strategic partner through a public tender. Prior to its announcement, the City of Pazin as the project holder has the obligation to regulate the issue of land property in accordance with the Act on the State Property Management of the Republic of Croatia (NN 94/13, 18/16).

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## ISTRIA COUNTY

Population (2011): **208,055**

GDP per capita (2014): **12,724 EUR**

Unemployment rate (2016): **8.4%**

Average gross monthly salary: **1,026 EUR**

Average gross salary in the sector (tourism): **1,167 EUR**

Istria County is located on the largest Croatian peninsula of Istria, on an area of 2,820 km<sup>2</sup> and has excellent transport connections with main European motorways (Istrian "Y" motorway connects Istria with highways in Slovenia, Italy and Austria) and by air (International Airport in Pula). Istria is one of the most developed Croatian regions with dominant industry (shipbuilding, production of building materials, tobacco products, furniture, glass and electrical machinery and parts for the automotive industry), tourism (total of 23.1 million of overnights, or 29.6% of all overnight stays in 2016) and trade sector.

In recent years, great attention was paid to the revitalization of agriculture (especially olive growing and organic food production) and the related development of enogastronomic tourism (autochthonous wines Malvasia, Teran, highly esteemed white truffle) and agro-tourism, particularly in the hinterland of Istria, which is recognized as the "Tuscany of Croatia". There is a very long tradition of tourism that has been developing from the period of the Roman Empire through the Austro-Hungarian Empire (when tourist centres Umag, Poreč, Rovinj, Pula, Rabac, including the Brijuni Islands

were strongly developed). In the past decade, intensive investments in a construction of new and reconstruction of existing primarily high-class hotel facilities were made, resulting in a significant increase of five-star hotels (total of 5) and four-stars hotels (total of 42).

According to the Istria Tourist Board, in the structure of accommodation, from a total of 272,645 units, camps are the most represented (43%), followed by private accommodation (31%) and hotels (18%). Main markets in terms of overnight stays are Germany (29.9%), Slovenia (12.8%), Austria (12.6%) and Italy (8.9%). Strong domestic brands (Istraturist Umag, Maistra and Valamar) prevail but international brands such as the Park Plaza, Kempinski Hotel and Sol Melia are present as well, primarily as management companies. The wide and diversified range of facilities enables the development of various kinds of tourism: sports tourism (currently 2 out of 4 golf courses in Croatia are in Istria - Umag and Brijuni, and the International ATP tournament takes place in Umag), cultural tourism (Motovun Film Festival, performances by world-renowned artists in Vespasian's Roman amphitheatre - Pula Arena, Theatre Ulysses), nautical, convention, hunting, fishing and diving tourism.

Further development of tourism in this region will be ensured with new projects, notably the Brijuni Riviera which is to be developed on three locations (Pineta, Hidrobaza, Sv. Katarina and Monumenti), and should additionally profile the County as a tourist destination with a wide range of capacities of the highest category.

## CONTACTS

Ministry of State Property, <https://imovina.gov.hr>, e-mail: [info@midim.hr](mailto:info@midim.hr)

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[www.pazin.hr](http://www.pazin.hr), e-mail: [gradonacelnik@pazin.hr](mailto:gradonacelnik@pazin.hr)  
phone: +385(0)52 624 208



# JARKI CAMP, Stubičke Toplice

## LOCATION

The Project is located in Stubičke Toplice, renowned spa and health tourism destination in Zagorje region, on the northern foot of Medvednica mountain which divides Stubičke Toplice from the capital city of Zagreb. The Medvednica mountain, besides its ski resort Sljeme, internationally known for the men's and women's slalom World Cup race "Snow Queen Trophy", named in honour of Janica Kostelić, world-famous Croatian skier, offers numerous possibilities for popular sport activities such as cycling, hiking and running.

The largest part of the municipality (80%), including the project land is located within the Medvednica Nature Park, which contributes to the attractiveness of the whole area. The second important competitive advantage of the Stubičke Toplice area is its abundance of thermal wells that have traditionally been used for healing. Hence, the municipality development has principally been oriented towards the health tourism, combining the unspoiled nature, healing thermal wells and modern physical medicine and rehabilitation (PM&R).



## PROJECT DESCRIPTION

Jarki Camp envisages a construction of an auto-camp on a land plot covering 8,189 m<sup>2</sup>, owned by the Stubičke Toplice Municipality. The land is located 2.5 km from Stubičke Toplice, next to the Jarki lake. The lake is surrounded by the Medvednica Nature Park woods, and is managed by the Sports Fishing Association, which takes care of water and fish protection, fish restocking, education and development of sports fishing. The Association frequently organizes fishing competitions and recreational activities.

The easily accessed land is bordered by two local roads and a small creek. The current infrastructure, in addition to roads, includes electricity and connections to gas, water and telecommunication networks.

The project foresees construction of 45 camping slots for camp trailers, camper vans and wooden prefabricated units (21 plots of 80 m<sup>2</sup>, 13 plots of 100 m<sup>2</sup> and 11 plots of 120 m<sup>2</sup>).

Two more facilities will be built: the building containing reception and restrooms, and Tourist House, containing a shop and catering facilities on the ground floor and accommodation capacities (9 rooms and 2 apartments) on the first floor and in the attic.

The camp will be designed as a park with internal roads, parking space and a bridge over the Lampuš creek. All facilities are planned to be built of wooden materials in order to entirely fit in the surrounding environment.

The shop within the camp can include the ecologically grown food products supplied from some of the 65 family farms situated around the camp, while co-operation with institutions such as the Medvednica Nature Park and Tourist Board Stubičke Toplice will enable educational programs and promotion of the County's traditional values, healthy lifestyle, and active and spa vacations.



## TRANSACTION MODEL

Sale of the land for construction of an auto camp.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## CURRENT PROJECT STATUS

The main design certificates, both for the camp and for Tourist House were obtained in February 2014. The basic construction works have already commenced.

## KRAPINA-ZAGORJE COUNTY

Population (2011): **132,892**

GDP per capita (2014): **6,541 EUR**

Unemployment rate (2016): **14.6%**

Average gross monthly salary: **874 EUR**

Average gross salary in the sector (tourism): **662 EUR**

Krapina-Zagorje County is located in the north-western part of Croatia, covering an area of 1,224 km<sup>2</sup>. Its location makes it an unavoidable transport route from Western Europe via Slovenia (Maribor), through Croatia's capital, Zagreb, towards all main international and national routes leading to South, East and North of Croatia.

The County's economy is based on manufacturing and processing industries with production of glass and glass products, machinery and mechanical appliances, furniture, fibres, clothes and clothing accessories as the leading branches. It is traditionally oriented towards its main export partners: Slovenia, Germany, Italy and Austria.

Due to its extraordinarily rich historical and cultural heritage, thermal water springs, culinary and oenological offer, the County has an excellent basis for development of various forms of tourism, and has a potential to become one of the most attractive continental tourist destinations in Croatia.

The County is a widely known and popular destination for health and spa tourism owing to its abundance of thermal and drinking water springs. There are several spa and wellness centres with long tradition such as: Stubičke Toplice, Tuheljske Toplice and Krapinske Toplice. The increasing demand for this type of tourism resulted in significant investments in their modernization and increase of existing capacities. In 2015, the re-constructed modern spa complex, Krapinske Toplice, was opened. The spa uses thermal water (28 – 38 °C) in its numerous pools covering 18,000 m<sup>2</sup> (big indoor pools with water attractions, unique 4.5 m deep swimming pool for scuba diving and an outdoor pool).

Special hospital Stubičke Toplice also completed its 5-year investment cycle in 2015. In that period, the Maksimilian, a historical building built in 1920 and used as an

accommodation facility, was entirely reconstructed, while the new hydrotherapy and wellness projects were implemented. The Special Hospital today successfully develops health tourism in its three mutually connected facilities with total capacity of 235 beds, combining its long tradition, healing thermal water, modern physical medicine and rehabilitation, and various types of recreational and wellness activities.

The richness of historical heritage is represented in one of the world's most famous excavation sites of about 130,000 year-old Neanderthal man in caves situated in the open air museum, Prehistoric Park of Krapina Neanderthals. The modern, interactive "Kroneamus Museum" was opened in 2010, and has since attracted many international and domestic tourists. It is one of the most visited museums in Croatia, and one of the 18 members of the international project "Ice Age Europe."

The highest number of medieval fortifications and baroque castles in Croatia is located in Zagorje – Krapina County (Veliki Tabor, Oršić, Miljana, Bežanec, Sveti Križ Začretje, Stubički Golubovec and Konjščina), as well as numerous historical churches and abbeys, most of which are renewed and opened to the public.

The County has a long tradition in religious tourism, with the National Sanctuary of the Mother of God of Bistrica, the most visited pilgrimage place in Croatia, and many smaller sanctuaries, such as Belec, Lobar, Trški Vrh and Vinogora.

Numerous wine-roads and restaurants with traditional cuisine of Zagorje region additionally contribute to the attractiveness of the County as a tourist destination. The growing interest in this region is shown in a significant increase (nearly 60%) in a number of overnight stays (from 177,587 in 2013 to 283,351 in 2016).

Several institutions of higher education in Krapina (Informatics, Transport Logistics, Operational Management), Pregrada (Physiotherapy, Nursing) and Zabok (Tourism and Hospitality Management, Informatics), organized as dislocated departments of higher education institutions from other counties, provide skilled and educated workforce.

## CONTACTS

Stubičke Toplice Municipality, [www.stubicketoplice.hr](http://www.stubicketoplice.hr)

Mr Josip Beljak, Municipality Mayor, e-mail: [nacelnik@stubicketoplice.hr](mailto:nacelnik@stubicketoplice.hr), tel: +385 99 218 2811



REPUBLIC OF CROATIA

# LARUN GOLF RESORT, Tar-Vabriga

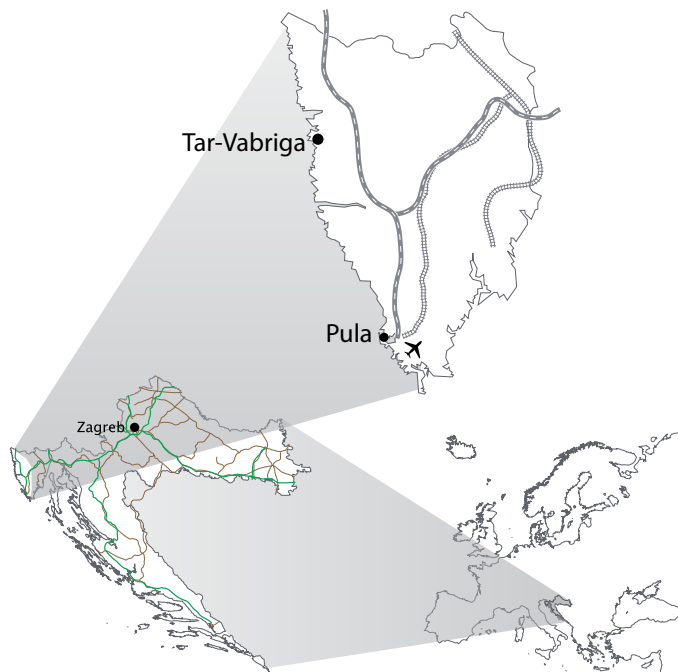
## LOCATION

The Larun location is situated on the north-west coast on the Istria Peninsula, between tourist cities of Poreč and Novigrad, in one of the most attractive parts of Tar-Vabriga municipality and very close to the sea.

The location is very well-connected through a network of local and county roads, and the highway known as "Istrian Y" with Western Europe and the continental part of Croatia.

Also, several international airports: Croatian airports Pula (68 km) and Rijeka (120 km), Italian airport in Trieste (108 km) and Slovenian airports Ljubljana (169 km) and Portorož (29 km), equipped for the air traffic of small and medium size airplanes, are in the close vicinity of the project location. Additionally, the airport for sports airplanes in a small place Vrsar is only 20 km away from the Larun site, as well as nautical Marina Červar (7.7 km).

Due to its very attractive position along the sea, the location is suitable for the development of tourist capacities, especially for the development of golf projects as the mild Mediterranean climate allows golf activities almost all year long. Istria County has already been recognized as a top destination for golf in Croatia. Two of four existing golf courses in Croatia are located in Istria (in the City of Umag and on the famous Brijuni Islands) while the third one, golf project Marlera, is in the progress.



## PROJECT DESCRIPTION

Total land area of this green-field project is 112.83 hectares. The majority of the project land is owned by the Republic of Croatia (71.69 ha or 63.54%) and the Municipality of Tar-Vabriga (21.54 hectares or 19.09%) while the rest of 19.6 hectares (or 17.37%) is owned by private persons.

In compliance with the Physical Plan of Municipality of Tar-Vabriga and Urban Development Plan of Larun Golf Project, the project location is envisaged for construction of sports and recreational facilities which include a golf course (R1) with supporting facilities: driving range, club house, golf academy, golf services, commercial capacities, archaeological park, accommodation facilities and olive grove. Also, part of the project land is planned for the construction of necessary infrastructure, such as public parking and public roads.

Within the project area there is an archaeological site Loron, protected as cultural heritage and listed in the Register of Cultural Property of the Republic of Croatia. In order to evaluate the cultural heritage as a tourist attraction, the archaeological site Loron is planned to be integrated in the Project.

The Project has been enlisted as a potential strategic project in accordance with the Act on Strategic Investment Projects of the Republic of Croatia.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.



## CURRENT STATUS

For the development of this project the Republic of Croatia will announce a public tender, in order to choose the best investor.



Project holders: **Ministry of Tourism**  
Address: **10 000 Zagreb, Prisavlje 14**  
Website: **www.mint.hr**

**Ministry of State Property**  
**10 000 Zagreb, Dežmanova 10**  
**<https://imovina.gov.hr>**



## ISTRIA COUNTY

Population (2011): **208,055**

GDP per capita (2014): **12,724 EUR**

Unemployment rate (2016): **8.4%**

Average gross monthly salary: **1,026 EUR**

Average gross salary in the sector (tourism): **1,167 EUR**

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were strongly developed). In the past decade, intensive investments in a construction of new and reconstruction of existing primarily high-class hotel facilities were made, resulting in a significant increase of five-star hotels (total of 5) and four-stars hotels (total of 42).

According to the Istria Tourist Board, in the structure of accommodation, from a total of 272,645 units, camps are the most represented (43%), followed by private accommodation (31%) and hotels (18%). Main markets in terms of overnight stays are Germany (29.9%), Slovenia (12.8%), Austria (12.6%) and Italy (8.9%). Strong domestic brands (Istraturist Umag, Maistra and Valamar) prevail but international brands such as the Park Plaza, Kempinski Hotel and Sol Melia are present as well, primarily as management companies. The wide and diversified range of facilities enables the development of various kinds of tourism: sports tourism (currently 2 out of 4 golf courses in Croatia are in Istria - Umag and Brijuni, and the International ATP tournament takes place in Umag), cultural tourism (Motovun Film Festival, performances by world-renowned artists in Vespasian's Roman amphitheatre - Pula Arena, Theatre Ulysses), nautical, convention, hunting, fishing and diving tourism.

Further development of tourism in this region will be ensured with new projects, notably the Brijuni Riviera which is to be developed on three locations (Pineta, Hidrobaza, Sv. Katarina and Monumenti), and should additionally profile the County as a tourist destination with a wide range of capacities of the highest category.

## CONTACTS

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Ministry of Tourism, [www.mint.hr](http://www.mint.hr), e-mail: [razvoj@mint.hr](mailto:razvoj@mint.hr)

Agency for Investments and Competitiveness, [www.aik-invest.hr](http://www.aik-invest.hr), e-mail: [info@aik-invest.hr](mailto:info@aik-invest.hr)



# PROJECT KUMROVEC, Kumrovec

## PROJECT LOCATION

The Project is located in the small village Kumrovec in the western part of the Krapina-Zagorje County. Kumrovec lies on the bank of the river Sutla, which is also the border with Slovenia. With the population of 1,854, it covers an area of only 16 square kilometres, and is very close to the north-western part of the region (45 km from the capital city of Zagreb and its airport, as well as 50 km from the second largest Slovenian city Maribor).

The entire County is a tame picturesque region, full of hills with vineyards, green forests and rivers, numerous villages with castles, historical remains, monuments and places where important historical events occurred. It has a very rich cultural, historical, religious and wine-gastronomic offer, and numerous possibilities for popular sport activities such as cycling, hiking and running, as well as thermal water spas.

The major attraction of Kumrovec is the Ethnological Museum Old Village Kumrovec with very well preserved village houses from the turn of 19<sup>th</sup> to 20<sup>th</sup> century, where the birth house and

the monument of the worldwide known politician and the president of former Yugoslavia, Josip Broz Tito, can be visited.

In the vicinity of Kumrovec there are many other places worth visiting, all of them very well connected by roads. Kumrovec has access to the main traffic route A2: Zagreb – Macelj Highway (27 km).



## PROJECT DESCRIPTION

The beauty of completely preserved nature and the rich historical heritage offer an excellent basis for tourist development of the Zagorje region. In line with that, one of the goals of future tourist development of the Kumrovec municipality is the reconstruction and reuse of existing facilities owned by the Republic of Croatia, which consist of three separate properties: Research and Study Centre, Zagorje Hotel (former school of political science) and Sports and Recreation Centre.

The physical plans in force envisage development of tourism, sport and recreational facilities. Taking into consideration the shortage of capacities suitable for preparation of athletes in Croatia, the complex may be developed into a training camp. However, its final purpose will be determined according to the investor's preferences.

### RESEARCH AND STUDY CENTRE KUMROVEC

Existing facilities are currently used by Research and Study Centre Kumrovec and planned to be offered to potential investor as a real estate. There are 15 people employed at moment.

**Current capacity:** accommodation in 62 rooms (total of 134 beds), reception, bar, lounge, patisserie, management area (350-400 m<sup>2</sup>), terraces 150 m<sup>2</sup>, large congress hall for conferences, training etc. (300 seats), small hall (80 seats), five smaller meeting rooms, library and reading room (40 seats), archives rooms, indoor swimming pool with changing rooms and saunas, amphitheatre, outdoor sports facilities.

### HOTEL ZAGORJE

The hotel Zagorje was built in 1981, and is currently not in use. It requires a complete reconstruction and renovation of indoor and outdoor facilities.

**Current capacity:** accommodation in 145 single rooms (size from 20 to 25 m<sup>2</sup>) including bathroom, with loggia, large sports hall, smaller sport halls, work cabinets, outdoor courts for basketball, volleyball and handball, library, reading room, infirmary, printing office with warehouse, restaurant, kitchen, storage, bistro, entrance hall.



- ✓ Total land area: 66,110 m<sup>2</sup>,
- ✓ Gross developed area: 8,386 m<sup>2</sup>,
- ✓ Numbers of levels: 7,
- ✓ Year of construction: 1974



- ✓ Total land area: 26,285 m<sup>2</sup>,
- ✓ Gross developed area: 11,310 m<sup>2</sup>,
- ✓ Numbers of levels: B+Po+3,
- ✓ Year of construction: 1981.



## SPORT AND RECREATION CENTRE

The Centre has all required infrastructure (water, electricity, gas, sewage), and can be put into operation with a relatively small investment. It has many possibilities for development, related to sports, recreation, athlete training, medical help etc. The Physical Plan of the Kumrovec Municipality envisages the construction of a golf course right next to the centre.

**Current facilities:** a main football field with stands and a tartan athletics track, an auxiliary football field, a multi-purpose court (handball, volleyball, basketball), locker rooms with central heating, fitness rooms, press centre and a parking area.



- ✓ Surface area: 26 hectares,
- ✓ Year of construction: 1987 (built for the International University Games, Universiade).

## TRANSACTION MODEL

The Project will be offered to a strategic partner through a public tender based on sale/right to build model.

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The richness of historical heritage is represented in one of the world's most famous excavation sites of about 130,000 year-old Neanderthal man in caves situated in the open air museum, Prehistoric Park of Krapina Neanderthals. The modern, interactive "Kroneamus Museum" was opened in 2010, and has since attracted many international and domestic tourists. It is one of the most visited museums in Croatia, and one of the 18 members of the international project "Ice Age Europe."

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## CONTACTS

Ministry of State Property, <https://imovina.gov.hr>, e-mail: [info@midim.hr](mailto:info@midim.hr)

Kumrovec Municipality, Mr Robert Šplajt, Municipality Mayor, e-mail: [nacelnik@kumrovec.hr](mailto:nacelnik@kumrovec.hr), [opcina@kumrovec.hr](mailto:opcina@kumrovec.hr)





REPUBLIC OF CROATIA

# PROJECT MUZIL, Pula

## PROJECT DESCRIPTION

The Republic of Croatia and the City of Pula, as the land owners, plan to develop a former military recruitment centre on the Muzil peninsula into a high quality multipurpose resort with several hotels, golf course, two marinas and sports port, hot balloon airfield, residential area and a number of public facilities (Military Navy Museum, cultural-congress centre, multifunctional hall, tourist office, gallery, entertainment centre and beach facilities).

It is located on the Muzil peninsula, next to the city area of Pula, famous for the Arena, a Roman amphitheatre dated from 68 AD, the best preserved ancient monument in Croatia. It spreads on approximately 170 hectares of (mostly) woodland, with a view on the well-known national park Brijuni Islands, an archipelago of 14 small islands.

### THE PROJECT CONSISTS OF 6 SEPARATE ZONES:

1. Marie Louise Zone (except the Marie Louise Fort, which is envisaged for the establishment of the Military Navy Museum). The construction of two hotels with a maximum of 750 beds and a garage with 200 parking places are planned within the Zone.
2. "Dolina suza" Zone, the future beach complex with a hot-air balloon airfield.
3. "Utvrdna Muzil" (Muzil Fort) Zone, envisaged for hotel accommodation (T1, with 550 beds), garage with 280 parking places, tourist settlement (T2, with 250 beds), residential area, and a golf course with 18 holes.
4. "Fižela" Zone, planned for an entertainment centre and sailing club. There are plans to construct a sports port with 120 berths. The port was not a subject of the public call for expression of interest announced in 2015/2016.
5. "Smokvica" Zone, intended for residential and tourism purpose. The planned facilities include two hotels with a maximum of 950 beds, residential facilities, aquapark, a shopping mall with a cinema, and several garages with more than 500 car places. This zone also envisages the construction of two marinas with 180 and 200 berths, which were not included in the public call.
6. "Mali Plato" Zone, with planned construction of a cultural-congress center and a garage with 200 car places.



The Urban Development Plan of the location must be adopted prior to the implementation of the investment.



## CURRENT STATUS

The Project was initiated by the Ministry of Tourism, based on the Strategy of Tourism Development till 2020. The Public Call for the Expression of Interest for Implementation of the Project Muzil was published on November 6, 2015 and was open till February 5, 2016.

The Ministry of State Property will continue the activities in order to create conditions for announcement of a public tender for implementation of the project Muzil. There is also a possibility that the future public tender enable submission of bids for individual zones within the project.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.



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Further development of tourism in this region will be ensured with new projects, notably the Brijuni Riviera which is to be developed on three locations (Pineta, Hidrobaza, Sv. Katarina and Monumenti), and should additionally profile the County as a tourist destination with a wide range of capacities of the highest category.

## CONTACTS

Ministry of Tourism, [www.mint.hr](http://www.mint.hr), e-mail: [razvoj@mint.hr](mailto:razvoj@mint.hr)

Ministry of State Property, <https://imovina.gov.hr>, [info@midim.hr](mailto:info@midim.hr)

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REPUBLIC OF CROATIA

# PROJECT MUZIL, Pula Muzil Fort Zone

## PROJECT DESCRIPTION

The Republic of Croatia and the City of Pula, as the land owners, plan to develop a former military recruitment centre on the Muzil peninsula into a high quality multipurpose resort with several hotels, golf course, two marinas and sports port, hot balloon airfield, residential area and a number of public facilities (Military Navy Museum, cultural-congress centre, multifunctional hall, tourist office, gallery, entertainment centre and beach facilities).

It is located on the Muzil peninsula, next to the city area of Pula, famous for the Arena, a Roman amphitheatre dated from 68 AD, the best preserved ancient monument in Croatia. It spreads on approximately 170 hectares of (mostly) woodland, with a view on the well-known national park Brijuni Islands, an archipelago of 14 small islands.



## MUZIL FORT ZONE

Muzil Fort Zone is located in the south-western part of the Muzil peninsula. It covers the total land area of 850,468 m<sup>2</sup>, planned predominantly for development of tourism and recreation facilities (a hotel, apartments and a golf course). The detailed overview of the land plots is as follows:

NUMBER IN THE PICTURE	LAND AREA (m <sup>2</sup> )	PURPOSE	FLOOR AREA (m <sup>2</sup> )	GROSS DEVELOPED AREA (m <sup>2</sup> )
1	49,088	Tourism settlement (T2), 250 beds	15,000	22,500
		Garage, 100 parking places		
2,3	56,307	Hotel (T1), 550 beds	21,900	33,000
	14,607	Garage, 280 parking places	8,400	8,400
4	37,253	Residential area	7,400	14,800
5	65,263	Fort – golf house and public spaces	2,040	3,500
	431,074	Golf course	-	-
	189,065	Golf – green area	-	-
6	7,811	Business purpose	1,020	1,020
<b>TOTAL</b>	<b>850,468</b>		<b>55,760</b>	<b>83,220</b>



According to the General Urban Plan of the City of Pula, the land plot on T2 location (No. 1 on the picture) covering 49,088 m<sup>2</sup> is intended for construction of detached buildings with a maximum of 2 floors (tourist apartments with a minimum quality categorization of 4 stars) with 1-4 or 2-6 functional units, and a garage with 100 parking places. The maximum allowed height is 8 meters, with allowed construction density of 0.3. This location borders the cultural protected area (Fort Muzil).

The T1 locations (No. 2 on the picture, covering 56,307 m<sup>2</sup> and No. 3 covering 14,607 m<sup>2</sup>) are planned for construction of a hotel with a minimum quality categorization of 4 stars, a maximum of 550 beds and a garage with 280 parking spaces. The allowed construction density is 0.3. Given that this land plot borders the cultural protected area (Fort Muzil), any new buildings have to comply with the fact that they have to enable the view on a wider open space from the Fort, which should remain the highest historical and strategic point of the Pula bay.

The residential area (No. 4) covers 37,253 m<sup>2</sup> and is intended for housing, trade and services (K1), general public and social activities (D), and sports (R1). The maximum number of floors allowed is 3, with allowed construction density of 0.4.

The golf area (No. 5) envisages construction of 18-hole golf course (43 ha) with protective greenery (18.9 ha), while the wider area of the Muzil Fort with two gun batteries (6.5 ha) is planned to be used for a golf house with hospitality and club services. The location is declared as a cultural heritage of the highest category. Before undertaking any works in this area, the investor must obtain a previous approval from the Conservatory Department. The area is also recognized as an archaeological locality.

The business purpose area (No. 6) covers 7,811 m<sup>2</sup>, and is intended for trade and hospitality services, as well as sports. The area also includes the Signole powder magazine, a protected cultural heritage of the highest category. Before undertaking any works on this site, the investor must obtain a previous approval from the Conservatory Department.



## CURRENT STATUS

The Project was initiated by the Ministry of Tourism, based on the Strategy of Tourism Development till 2020. The Public Call for the Expression of Interest for Implementation of the Project Muzil was published on November 6, 2015 and was open till February 5, 2016.

The Ministry of State Property will continue the activities in order to create conditions for announcement of a public tender for implementation of the project Muzil.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## CONTACTS

Ministry of Tourism, [www.mint.hr](http://www.mint.hr), e-mail: [razvoj@mint.hr](mailto:razvoj@mint.hr)

Ministry of State Property, <https://imovina.gov.hr>, e-mail: [info@midim.hr](mailto:info@midim.hr)

City of Pula, [www.pula.hr](http://www.pula.hr), e-mail: [info@pula.hr](mailto:info@pula.hr)





# PROJECT MUZIL Marie Louise Zone

## PROJECT DESCRIPTION

The Republic of Croatia and the City of Pula, as the land owners, plan to develop a former military recruitment centre on the Muzil peninsula into a high quality multipurpose resort with several hotels, golf course, two marinas and sports port, hot balloon airfield, residential area and a number of public facilities (Military Navy Museum, cultural-congress centre, multifunctional hall, tourist office, gallery, entertainment centre and beach facilities).

It is located on the Muzil peninsula, next to the city area of Pula, famous for the Arena, a Roman amphitheatre dated from 68 AD, the best preserved ancient monument in Croatia. It spreads on approximately 170 hectares of (mostly) woodland, with a view on the well-known national park Brijuni Islands, an archipelago of 14 small islands.



## MARIE LOUISE ZONE

The Marie Louise Zone is located in the westernmost part of the Muzil peninsula. The zone consists of two parcels covering 5.8 and 10.8 hectares respectively, planned for further development. Next to these land parcels is the Marie Louise Fort, a protected cultural monument planned for the Military Navy Museum.

The first land part (No. 1 on the picture), covering 58,420 m<sup>2</sup>, is planned for the T1 zone (hotel accommodation with a total of 630 beds and quality categorization of at least 4 stars) and a garage with 200 car places. The maximum KIG (allowed construction density) is 0.4 with gross developed area of the buildings 37,800 m<sup>2</sup>.

The smaller land plot (No. 2), covering 10,772 m<sup>2</sup> is also planned for the T1 zone (a hotel with a maximum of 120 beds and quality categorization of at least 4 stars). The maximum KIG (allowed construction density) is 0.5 with gross developed area of the buildings 6,930 m<sup>2</sup>.

There are no determined archaeological sites at these land plots.



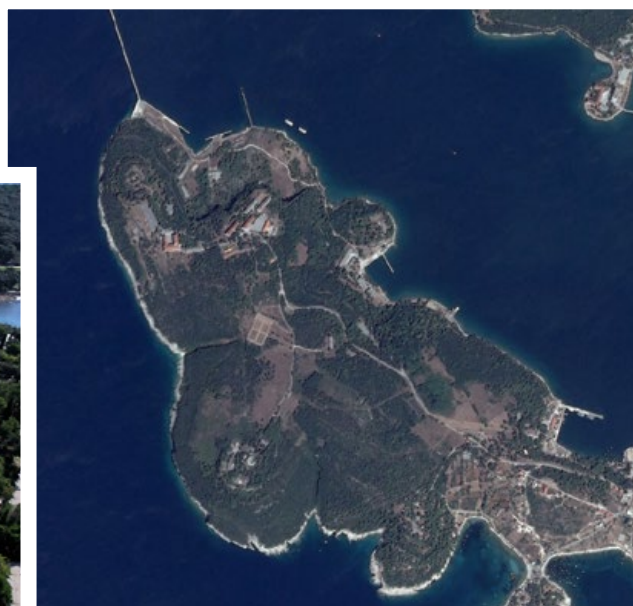
NUMBER IN THE PICTURE	LAND AREA (m <sup>2</sup> )	PURPOSE	FLOOR AREA (m <sup>2</sup> )	GROSS DEVELOPED AREA (m <sup>2</sup> )
1	58,420	Hotel, 630 beds	13,700	37,800
		Garage, 200 parking places	6,000	6,000
2	10,772	Hotel, 120 beds	2,310	6,930

## CURRENT STATUS

The Project was initiated by the Ministry of Tourism, based on the Strategy of Tourism Development till 2020. The Public Call for the Expression of Interest for Implementation of the Project Muzil was published on November 6, 2015 and was open till February 5, 2016.

The Ministry of State Property will continue the activities in order to create conditions for announcement of a public tender for implementation of the project Muzil.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.



## CONTACTS

Ministry of Tourism, [www.mint.hr](http://www.mint.hr), e-mail: [razvoj@mint.hr](mailto:razvoj@mint.hr)

Ministry of State Property, <https://imovina.gov.hr>, e-mail: [info@midim.hr](mailto:info@midim.hr)

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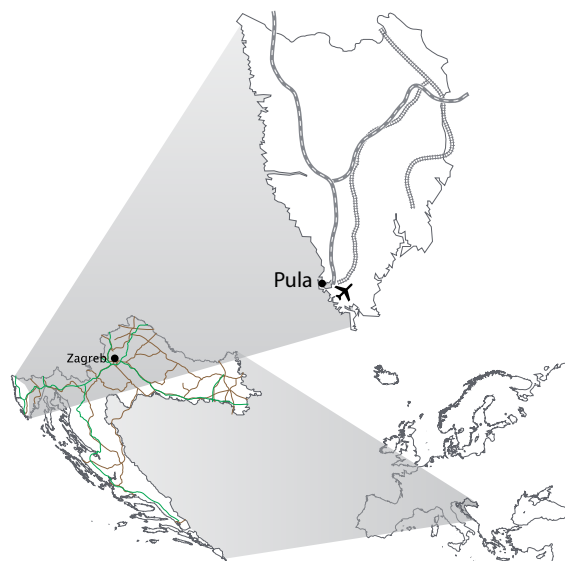


# PROJECT MUZIL, Pula Smokvica Zone

## PROJECT DESCRIPTION

The Republic of Croatia and the City of Pula, as the land owners, plan to develop a former military recruitment centre on the Muzil peninsula into a high quality multipurpose resort with several hotels, golf course, two marinas and sports port, hot balloon airfield, residential area and a number of public facilities (Military Navy Museum, cultural-congress centre, multifunctional hall, tourist office, gallery, entertainment centre and beach facilities).

It is located on the Muzil peninsula, next to the city area of Pula, famous for the Arena, a Roman amphitheatre dated from 68 AD, the best preserved ancient monument in Croatia. It spreads on approximately 170 hectares of (mostly) woodland, with a view on the well-known national park Brijuni Islands, an archipelago of 14 small islands.



## ZONE SMOKVICA

The Smokvica Zone consists of two land parts with a total area of 9.5 hectares, located next to the Marie Louise Zone, envisaged for development of hotel accommodation and residential area.

Within the zone there is a small port open for public transport. It is planned to be developed into two marinas, namely marina Muzil with up to 200 berths and marina Smokvica with 180.

The detailed information of the two land plots within the Smokvica Zone, including planned facilities, are presented in the following table:

NUMBER IN THE PICTURE	LAND AREA (m <sup>2</sup> )	PURPOSE	FLOOR AREA (m <sup>2</sup> )	GROSS DEVELOPED AREA (m <sup>2</sup> )
1	67,215	Hotel Smokvica, 550 beds	10,200	33,000
		Residential area 2	7,800	30,000
		Residential area 3	10,000	35,600
		Aquapark	12,500	12,500
		Garage, 400 parking places	12,000	12,000
		Garage, 260 parking places	7,800	7,800
2	27,270	Hotel Smokvica, 400 beds	7,400	24,000
		Aquarium	6,500	13,000
		Shopping mall and a cinema	6,300	15,750
		Garage, 500 parking places	15,000	15,000

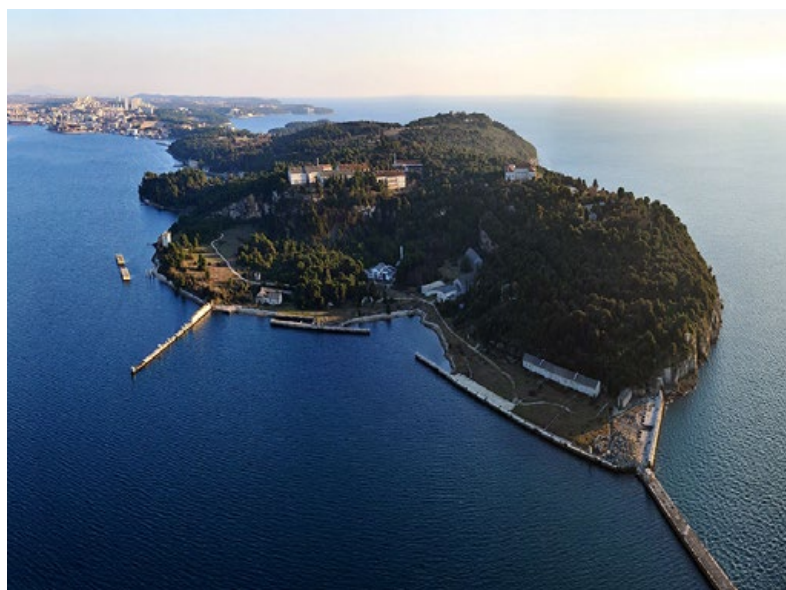


According to the General Urban Plan, the land area covering 67,215 m<sup>2</sup> (No. 1 on the picture) is intended for tourism and hospitality (T1, hotel with max 550 beds), residential facilities (S) with two garages (400 and 260 parking places), trade and services (K1), general public and social purpose (D), and sports (R1), including an aquapark.

The maximum allowed height of the buildings is 40 meters, with allowed construction density of 0.8. A part of the land is located within the protected area of the Marie Louise Fort (registered as cultural heritage), and includes buildings with a protection category 5 and 4 (the lowest protection categories; the category 5 gives a possibility of removal). Consequently, all works regarding that part require a previous approval from the Conservatory Department, as well as archaeological supervision during the works at this site.

A smaller land part of 27,270 m<sup>2</sup> (No. 2) is also intended for T1 (a hotel with up to 400 beds), trade and services (K1, shopping centre and a cinema; garage with up to 500 parking places), general public and social purpose (D), and sports (R1), including an aquarium. The maximum allowed height of the buildings is 23 meters, with construction density of 0.9. The land is partly located within the Smokvica Archaeological

Site, with preventive cultural protection. There are several buildings at the site with categories 5 (possibility of removal) and 3 (buildings that can be repaired with a possibility to restore them into the original state). Given that this is a potential archaeological site, the archaeological probing of the soil should be undertaken before commencing the works.



## CURRENT STATUS

The Project was initiated by the Ministry of Tourism, based on the Strategy of Tourism Development till 2020. The Public Call for the Expression of Interest for Implementation of the Project Muzil was published on November 6, 2015 and was open till February 5, 2016.

The Ministry of State Property will continue the activities in order to create conditions for announcement of a public tender for implementation of the project Muzil.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## CONTACTS

Ministry of Tourism, [www.mint.hr](http://www.mint.hr), e-mail: [razvoj@mint.hr](mailto:razvoj@mint.hr)

Ministry of State Property, <https://imovina.gov.hr>, e-mail: [info@midim.hr](mailto:info@midim.hr)

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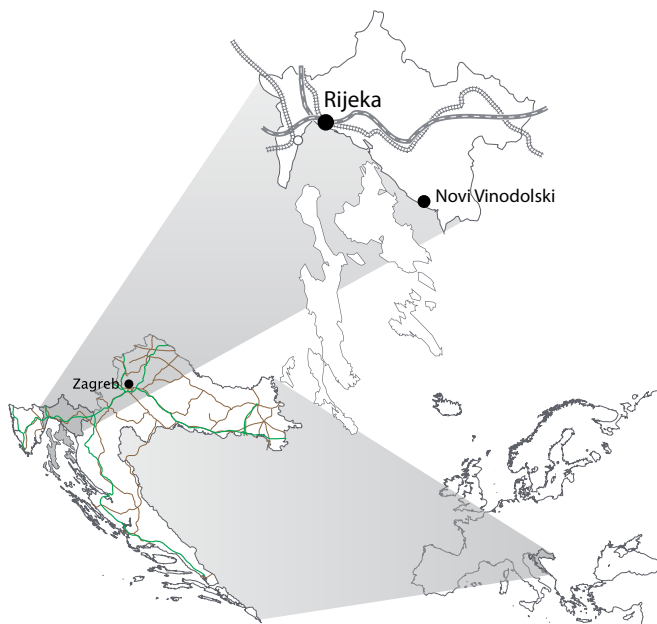


# RECREATIONAL-ENTERTAINMENT ZONE, Novi Vinodolski

## PROJECT LOCATION

The project "Recreational-Entertainment Zone", with a surface area of around 4,422 m<sup>2</sup> is located in the central part of the northern Croatian coast, in the valley Vinodol in the Town of Novi Vinodolski. Due to the favorable Mediterranean climate, rich historical and cultural heritage, the Town has had a long tourism tradition (since 1878). The trend of the increasing number of overnight stays and arrivals has recently been recorded: 17.1% increase in tourist arrivals and 29.2% increase in overnight stays in period from 2011 to 2016.

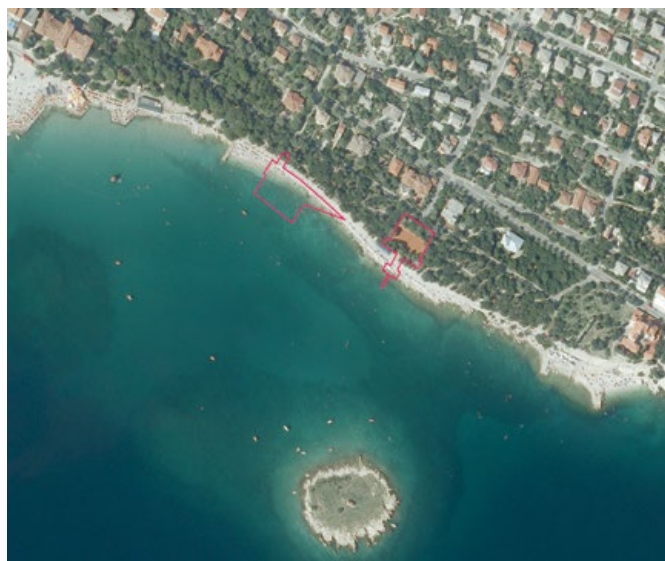
The Town itself has an exquisite geographic and spatial position and, together with the closest surroundings, it offers still untapped opportunities for further development of recreational, sports and rural tourism. Novi Vinodolski has a potential to develop into an important nautical centre. The reconstruction of the Novi Vinodolski Port and construction of a port in the nearby inlet "Muroskva", which will also be open to public transport, have commenced.



## PROJECT DESCRIPTION

"Recreational-Entertainment Zone" is owned by the Town of Novi Vinodolski, and is located in the most attractive tourist part, in the near vicinity to the Town centre, the park and the beach. The project is envisaged to be developed in two zones - the land and maritime zone in six functional units with catering, beach, sports and recreational facilities.

The onshore area is planned for landscaping theme park, coastal promenades and access roads with parking. Sports and recreational facilities include the construction of two tennis courts (1,460 m<sup>2</sup>) with complementary facilities and are interpolated into a public park area. A construction of the moorings for visitors boats is planned next to the restaurant's terrace. Additionally, a swimming pool and waterslide are planned on the gross area of 2,035 m<sup>2</sup>, and a catering facility on the gross area of 525 m<sup>2</sup>.



## ESTIMATED VALUE

The total estimated value is approx. 2.5 mil EUR with the following investment structure:

1. Beach reconstruction and development (110,000 EUR)
2. Construction of beach facilities including a terrace, swimming pool, waterslide and sunbathing area (2,188,815 EUR)
3. Construction of a new pier with a plateau in the extension of catering facilities (165,789 EUR)



## TRANSACTION MODEL

Out of 4,422 m<sup>2</sup> of the Recreational-Entertainment Zone Novi Vinodolski, for 1,520 m<sup>2</sup> owned by the Town of Novi Vinodolski the public invitation for concession will be announced, while

for the part that will be developed on the maritime domain, a potential investor will have to ensure the separate concession which will be the subject of a public tender.



## PRIMORJE-GORSKI KOTAR COUNTY

Population (2011): **296,195**

GDP per capita (2014): **12,548 EUR**

Unemployment rate (2016): **13.0%**

Average gross salary: **1,030 EUR**

Average gross salary in the sector (tourism): **949 EUR**

Primorje-Gorski Kotar County is situated between Slovenia in the north and the Adriatic in the south. It is comprised of woodland mountains, the sea coast and islands.

A very favorable position at the junction of important road and sea routes were the reasons why inhabitants have focused on maritime affairs and other sea-related economic and tourism activities. As a consequence, the area, and especially the county seat of Rijeka, has developed into a strong transport and maritime center. While Gorski Kotar has remained a traditional forestry and wood processing area, it has also recently developed into a strong tourism region.

Primorje-Gorski Kotar County is considered the birthplace of Croatian tourism, especially Opatija and Lovran, which

previously served as holiday destinations for the Habsburg emperors. These towns have now been high-end and health tourism destinations for more than a century.

The county's education policies mirror its historical ties with tourism, especially nautical tourism. The Faculty of Tourism and Hospitality Management in Opatija is the only Croatian university fully dedicated to the education of a specialized tourism workforce. In addition, there are two secondary education institutions dedicated to tourism or hospitality education.

The county is also especially attractive for nautical tourism. According to the Ministry of Tourism, there are 11 marinas with a total of 2,747 berths.

The county is well connected with continental Croatia and the neighboring countries. Rijeka is a major ferry port with regular connections to the nearby islands and the southern Adriatic. There are several airports within a 200 km radius (Pula, Rijeka, Zadar, Zagreb, Split, Trieste, Venice, and Ljubljana).

## CONTACT

Town of Novi Vinodolski

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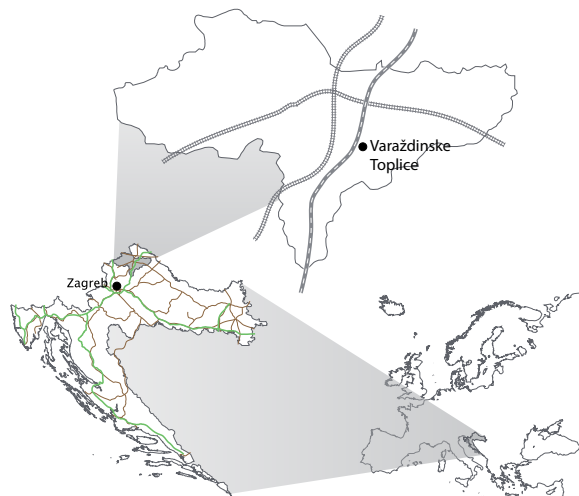
# RECONSTRUCTION OF VARAŽDINSKE TOPLICE SPA, Varaždinske Toplice

## LOCATION AND PROJECT HOLDER

The Project holder is the Special Hospital for Medical Rehabilitation, founded and owned by the County of Varaždin. The Hospital, with its 660 employees, is the major revenue generator in Varaždinske Toplice, offering medical, health and tourism and hospitality services.

Varaždinske Toplice is a town with centuries old spa tradition (there are archaeological excavations of the 2<sup>nd</sup> century thermal baths belonging to the period of Roman emperor Constantin).

The town has a very good position for development of medical tourism – it is strategically situated next to the A4 Highway Zagreb – Goričan, 75 km from the City of Zagreb and 17 from Town of Varaždin.



## THE PROJECT DESCRIPTION

The Project is based on the usage of thermal water. The owner of the land and the plant for pumping thermal water is the Special Hospital for Medical Rehabilitation, which has a concession right until 2018, with right of priority for its renewal. The Hospital has over 300 years of healing tradition, reputation of being the leading special medical rehabilitation hospital in Croatia with over 100 experts with long-standing experience in rehabilitation and top experts in orthopaedics and neurology. Its aim is to upgrade Varaždinske Toplice into a high category health tourism destination, which will give the Hospital a high recognisability factor and a good positioning on

the market as a prime destination in health tourism. In addition to encouraging the development of health tourism, the project implementation will improve the effectiveness, quality and attractiveness of the existing medical and health offer.

The project foresees the reconstruction of the existing hotel and accommodation facilities (hotel complex Minerva and accommodation facilities Konstantinov Dom and Lovrina Kupelj), as well as reconstruction of the energy plant. All planned works will be done within existing dimensions.



## ESTIMATED VALUE

46.8 million EUR

## TRANSACTION MODEL

The Project holder is looking for a strategic partner. The potential transaction may include the joint venture or equity investment in the current company.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## CURRENT STATUS

The conceptual designs for all three facilities have been completed.



## CURRENT AND FUTURE ACCOMMODATION AND MEDICAL CAPACITIES

- **Hotel Minerva** currently has 265 rooms, 4 suites and sport and recreational facilities. The Project envisages reconstruction and upgrade of accommodation capacities, construction of a polyclinic, therapy area and medical wellness. Additional works include reconstruction and extension of indoor and outdoor swimming pools and reconstruction of congress facilities. The planned categorization is 4-star.
- **Konstantinov Dom** is a two-floor T-shaped building, constructed in 1779. It was once the centre of the spa complex, while today it is a guest house with 161 beds. The Project foresees reconstruction of the roof, façade and accommodation capacities, with additional construction of apartments that will be used for medical care, in accordance to the medical standards. The Konstantinov Dom will be converted from a hospital accommodation to hotel accommodation facility with 3-star categorization and 64 beds.
- **Lovrina Kupelj** was built in 1871 and reconstructed as a hotel in 1920. It currently offers 117 beds. The Project envisages its detailed reconstruction into the hotel categorized by 3-4 stars. The hotel will include water and therapy facilities, a polyclinic with therapy area and a medical wellness centre.



In addition to facilities included in the Project, the Special Hospital for Medical Rehabilitation owns a number of other business and residential facilities, the archaeological park and several land plots.

## VARAŽDIN COUNTY

Population (2011): **175,951**

GDP per capita (2014): **8,448 EUR**

Unemployment rate (2016): **9.5%**

Average gross salary: **809 EUR**

Average gross salary in the sector (tourism): **719 EUR**

Varaždin County is located in Northwest Croatia and represents the central transportation corridor that connects the Central Danube to the Adriatic. It is at the heart of the Zagorje Route, which traditionally has linked Northwest Croatia to Slovenia and Hungary.

Beyond the strongest metal processing sector, the County's economy is based on agriculture, manufacturing and processing industries (milk production, meat processing, beverage production), textile and leather production. The County has a well developed ICT sector with over 120 different ICT companies.

The County has recently introduced a number of measurements and activities in order to stimulate investments and economy. Adoption of City of Varaždin development strategy, improvement of a business climate,

building of necessary infrastructure and encouraging the development of new technologies resulted in recognition of Varaždin County as a highly desirable investment destination.

The County has a rich cultural heritage and sports offer. In addition to numerous biking and hiking routes, the regional tourist offer includes the baroque city of Varaždin, excursions to castles of Hrvatsko Zagorje and Centrum Mundi in Ludbreg.

The County considers education to be a very important aspect to economic development. Three Zagreb University faculties are located in Varaždin (Faculty of Organization and Informatics, Geotechnical Faculty and a Faculty of Textile Technology) as well as University North, recently formed through the merger of existing facilities in Varaždin and Koprivnica-Križevci counties. University North offers a number of study subjects (Biomedical Science, Electrical and Civil Engineering), including the renowned High School of Nursing. In addition to the existing institutions of higher education in Varaždin, many students, due to greater choice of faculties and its proximity to Zagreb, are studying at Zagreb University, the major university center in Croatia.

## CONTACTS

Special Hospital for Medical Rehabilitation Varaždinske Toplice, [www.minerva.hr](http://www.minerva.hr),

Mr Damir Mihalić, General Manager, e-mail: [damir.mihalic@sbvzt.hr](mailto:damir.mihalic@sbvzt.hr)

Varaždin County Development Agency - AZRA, [www.azra.hr](http://www.azra.hr)

Agency for Investment and Competitiveness (AIK), [www.aik-invest.hr](http://www.aik-invest.hr), e-mail: [info@aik-invest.hr](mailto:info@aik-invest.hr)



# RIMSKA ŠUMA HOTEL, Daruvar

## PROJECT DESCRIPTION

The project is located in the central part of continental Croatia, in Bjelovar–Bilogora County, the Town of Daruvar, which is also the Project holder.

The project envisages the construction of a hotel with 250 accommodation units and complementary facilities: restaurants, lobby bar, night lounge bar, spa and conference centre of 600 m<sup>2</sup>.

There is a source of thermal water in the near vicinity. Thanks to its thermal springs and nature, the Town of Daruvar has a long tradition in health and thermal tourism, but it also has the most diverse tourism resources in continental Croatia with bathing, wineries, brewery, hunting grounds, fishing areas, nature paths for walking, cycling, hiking, agro tourism, events and meeting possibilities.



## PROJECT LOCATION

The project area covers 17,949 m<sup>2</sup>, situated near the forest park Rimska šuma, approximately 600 meters north-east from the main town square, and in the vicinity of other tourist spots such as one of the oldest Croatian spas with medical rehabilitation and thermal water spa Daruvarske Toplice as well as the Julijev Park, the oldest spa park in Croatia.

Due to the constant increase of demand for hotel accommodation, in the immediate vicinity of the modern Thermal water park Aquae Balissae, the new project "Aquae Balissae Hotel", also owned by the Town of Daruvar, is planned to be developed. The aim of the project is to build spa & thermal hotel (3\*/ 4\*) primarily intended for families with children, with complementary facilities (restaurant, lobby bar with outdoor terrace, multi-purpose hall, swimming pool, souvenir shop, parking).



## ESTIMATED VALUE

The project value is estimated at 20 mil EUR.

## CURRENT PROJECT STATUS

The project area is in accordance with the General Urban Plan of the Town of Daruvar.

## TRANSACTION MODEL

Project will be offered to a strategic partner based on the right to build model which will be granted for a period of 99 years.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## PLANNED FACILITIES

4\* Congress, spa & health hotel with 250 rooms (of which 10% suites) with 500 beds, including:

- Specialized health clinic, shops, and other facilities
- Congress centre with the total rentable area of approximately 500 – 600 m<sup>2</sup>
- Large spa with a variety of treatments, two outdoor thermal pools, gym, tennis grounds
- A la carte restaurant
- Lobby bar with an outdoor terrace, night lounge bar, spa bar and pool bar



## BJELOVAR–BILOGORA COUNTY

Population (2011): **119,764**

GDP per capita (2014): **7,012 EUR**

Unemployment rate (2016): **27.5%**

Average gross salary: **839 EUR**

Average gross salary in the sector (tourism): **550 EUR**

Bjelovar–Bilogora County is located in the Northwest of the Republic of Croatia, with the Town of Bjelovar as the county seat. Extensive road network, mainly regional and local roads, connects the County with the main traffic routes to Western Europe and the southeastern regions.

The diversity of natural-geographic features provides opportunities for economic development. The County has considerable sources of oil, gas, silica sand, clay, thermal waters and other natural resources. Quality and vast agricultural land and rich forest fund are the base for the development of cattle breeding and agriculture, food processing industry (significant milk production and milk processing industry, brewery, mill and confectionery industry, meat processing industry, cultivation and processing of freshwater fish) and wood processing industries, which are the backbone of the County economy. It is also known for its long tradition in metal processing and textile industries, as well as for its health tourism (medical rehabilitation) in which it has excelled for centuries.

Based on the natural source of thermal springs and its benefits, the spa town Daruvar of ancient name Aquae Balissae, with the first thermal springs built in year 288 BC was highly appreciated by Roman soldiers, medieval peers,

Turkish Beys, Austro-Hungarian aristocracy as well as artisans and bourgeois. In 1745 the Empress Maria Theresia granted land properties to the Count Janković's family, which was followed by a period of 150 golden years for the Town of Daruvar, as a health centre began its work and numerous historic buildings were built, some of which are preserved up to date: The Parish Church of the Holy Trinity, Antun's Bath, Baroque Castle of Count Janković with an exotic park, Ivan's Bath, Swiss Villa, Arcadia, Central Mud Bath built in Moorish style with a large cupola which became a town's symbol.

One of the most famous archaeological findings in Daruvar is the emperor's Diatretum Cage Cup exhibited at the Museum of Art History in Vienna.

The wine route "Vino Via" presents a special tourist offer with tasting rooms where you can taste quality Daruvar wines: Rhine Riesling, Chardonnay and Sauvignon.

The natural beauty and wealth and friendly people provide excellent conditions for the tourism - hospitality services aimed not only at health-recreational tourism, but also at hunting activities with a series of excellent and high quality hunting grounds, fishing tourism, rural tourism and many other forms of relaxation and entertainment.

## CONTACTS

Town of Daruvar, Mr Ratko Vuković, Head of Economy Department, e-mail: [grad-gospodarstvo@daruvar.hr](mailto:grad-gospodarstvo@daruvar.hr)

Agency for Investments and Competitiveness (AIK), [www.aik-invest.hr](http://www.aik-invest.hr), e-mail: [info@aik-invest.hr](mailto:info@aik-invest.hr)





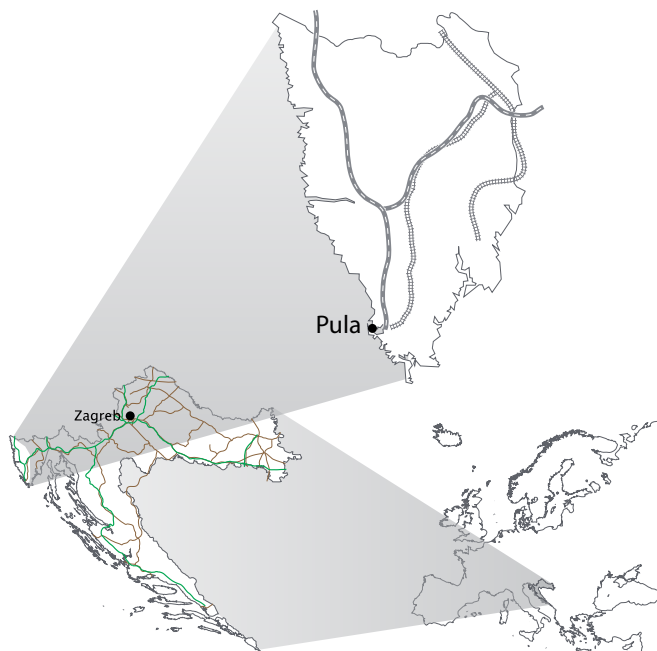
# SACCORGIANA, Pula

## LOCATION

The Project is located on the southwest part of the Istrian peninsula, in the City of Pula, the biggest town of Istrian County, famous for the Arena, a Roman amphitheatre dated from 68 AD, the best preserved ancient monument in Croatia. This quiet tourist area with numerous beaches, only 3 km away from the city centre is considered one of the most prestigious parts of the City of Pula.

## THE PROJECT DESCRIPTION

- The Project was initiated by the Ministry of Tourism, based on the Strategy of Tourism Development till 2020.
- Saccorgiana is a green-field project which envisages development of a new tourist complex, hotels and camp with total capacity up to 1,910 beds, category 4/5\*, along with catering, entertainment and additional hospitality and tourist facilities.
- The total project area covers 26 hectares of land owned by the Republic of Croatia and the City of Pula.
- The Project is in compliance with the General Urban Plan of the City of Pula, which requires the adoption of the Urban Development Plan of the Project location.
- The maritime domain next to the Project area has been determined and recorded in the land registry.
- The northern part of the site has been identified as an archaeological area.



## TRANSACTION MODEL

The Republic of Croatia will, for development of this project, announce a public tender for selection of best bidder.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## ESTIMATED VALUE

The total project value is estimated at 80 million EUR.







## ISTRIA COUNTY

Population (2011): **208,055**

GDP per capita (2014): **12,724 EUR**

Unemployment rate (2016): **8.4%**

Average gross monthly salary: **1,026 EUR**

Average gross salary in the sector (tourism): **1,167 EUR**

Istria County is located on the largest Croatian peninsula of Istria, on an area of 2,820 km<sup>2</sup> and has excellent transport connections with main European motorways (Istrian "Y" motorway connects Istria with highways in Slovenia, Italy and Austria) and by air (International Airport in Pula). Istria is one of the most developed Croatian regions with dominant industry (shipbuilding, production of building materials, tobacco products, furniture, glass and electrical machinery and parts for the automotive industry), tourism (total of 23.1 million of overnights, or 29.6% of all overnight stays in 2016) and trade sector.

In recent years, great attention was paid to the revitalization of agriculture (especially olive growing and organic food production) and the related development of enogastronomic tourism (autochthonous wines Malvasia, Teran, highly esteemed white truffle) and agro-tourism, particularly in the hinterland of Istria, which is recognized as the "Tuscany of Croatia". There is a very long tradition of tourism that has been developing from the period of the Roman Empire through the Austro-Hungarian Empire (when tourist centres Umag, Poreč, Rovinj, Pula, Rabac, including the Brijuni Islands

were strongly developed). In the past decade, intensive investments in a construction of new and reconstruction of existing primarily high-class hotel facilities were made, resulting in a significant increase of five-star hotels (total of 5) and four-stars hotels (total of 42).

According to the Istria Tourist Board, in the structure of accommodation, from a total of 272,645 units, camps are the most represented (43%), followed by private accommodation (31%) and hotels (18%). Main markets in terms of overnight stays are Germany (29.9%), Slovenia (12.8%), Austria (12.6%) and Italy (8.9%). Strong domestic brands (Istraturist Umag, Maistra and Valamar) prevail but international brands such as the Park Plaza, Kempinski Hotel and Sol Melia are present as well, primarily as management companies. The wide and diversified range of facilities enables the development of various kinds of tourism: sports tourism (currently 2 out of 4 golf courses in Croatia are in Istria - Umag and Brijuni, and the International ATP tournament takes place in Umag), cultural tourism (Motovun Film Festival, performances by world-renowned artists in Vespasian's Roman amphitheatre - Pula Arena, Theatre Ulysses), nautical, convention, hunting, fishing and diving tourism.

Further development of tourism in this region will be ensured with new projects, notably the Brijuni Riviera which is to be developed on three locations (Pineta, Hidrobaza, Sv. Katarina and Monumenti), and should additionally profile the County as a tourist destination with a wide range of capacities of the highest category.

## CONTACTS

Ministry of Tourism, [www.mint.hr](http://www.mint.hr), e-mail: [razvoj@mint.hr](mailto:razvoj@mint.hr)

Ministry of State Property, <https://imovina.gov.hr>, e-mail: [info@midim.hr](mailto:info@midim.hr)

City of Pula, [www.pula.hr](http://www.pula.hr), e-mail: [info@pula.hr](mailto:info@pula.hr)



# SPORTS CENTRE KRK, Town of Krk

## PROJECT DESCRIPTION

In order to improve the quality of life of its residents, increase the number of tourist arrivals and enrich the tourist offer, the Town of Krk is searching for prospective investors for the Sports Centre Krk project development.

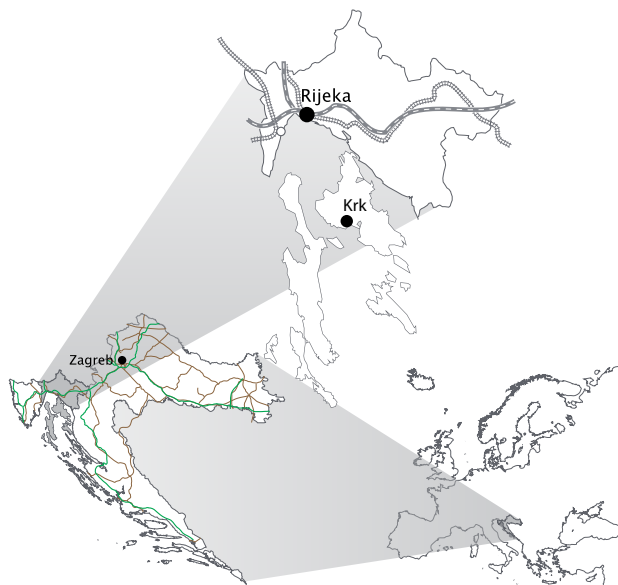
The project envisages the construction of a hotel with a wellness centre, a swimming pool and other supporting sports and business facilities in the area of the existing football field near the Krk town centre.

## LOCATION

The project is located in the Town of Krk on the Island of Krk. Numerous restaurants, hotels and beaches are located in the immediate vicinity of the project site.

Occupying the area of 406 km<sup>2</sup> with a 190 km long coastline, Island of Krk is one of the largest islands in the Adriatic Sea. It belongs to the Primorje-Gorski Kotar County and is divided into the Town of Krk and six municipalities: Punat, Baška, Dobrinj, Malinska, Omišalj and Vrbnik. The population of the island is 19,286 inhabitants.

The Island of Krk is the most accessible Croatian island which can be reached by car, bus, boat or plane. The Rijeka Airport is located in the vicinity of Omišalj on the island of Krk and connects the island with numerous European cities.



## PLANNED CAPACITIES

According to spatial planning documents in force, the available area of 53,922 m<sup>2</sup> is determined for the following proposed facilities:

- **Hotel with 100 accommodation units** (gross developed area of 4,550 m<sup>2</sup>), swimming pool with outdoor area and wellness centre,
- **Business centre with complementary facilities** (gross developed area of 12,546 m<sup>2</sup>), congress hall, restaurant, cafe, shopping centre, offices and underground parking (191 parking slots),
- **Sports centre** (gross developed area of 27,123 m<sup>2</sup>), main football court, athletic track, auxiliary football court, futsal grounds, indoor futsal court, bowling court, bowling club, club rooms, locker rooms, VIP area and stands for spectators.

All spatial planning documentation required for the project development has been adopted.

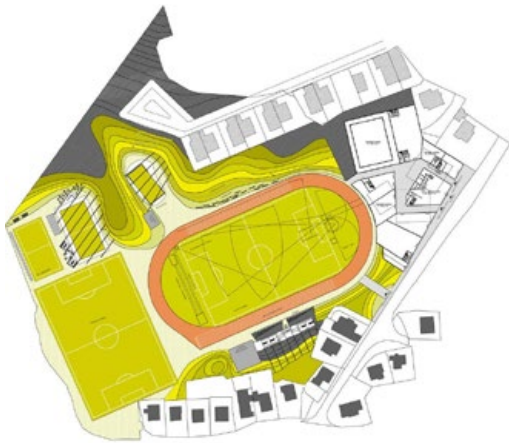
## ESTIMATED VALUE

The total project value is estimated at 30 million EUR.

## TRANSACTION MODEL

Several possibilities are offered to the potential investors, including sale and right to build.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.



## PRIMORJE-GORSKI KOTAR COUNTY

Population (2011): **296,195**

GDP per capita (2014): **12,548 EUR**

Unemployment rate (2016): **13.0%**

Average gross salary: **1,030 EUR**

Average gross salary in the sector (tourism): **949 EUR**

Primorje-Gorski Kotar County is situated between Slovenia in the north and the Adriatic in the south. It is comprised of woodland mountains, the sea coast and islands.

A very favorable position at the junction of important road and sea routes were the reasons why inhabitants have focused on maritime affairs and other sea-related economic and tourism activities. As a consequence, the area, and especially the county seat of Rijeka, has developed into a strong transport and maritime center. While Gorski Kotar has remained a traditional forestry and wood processing area, it has also recently developed into a strong tourism region.

Primorje-Gorski Kotar County is considered the birthplace of Croatian tourism, especially Opatija and Lovran, which

previously served as holiday destinations for the Habsburg emperors. These towns have now been high-end and health tourism destinations for more than a century.

The county's education policies mirror its historical ties with tourism, especially nautical tourism. The Faculty of Tourism and Hospitality Management in Opatija is the only Croatian university fully dedicated to the education of a specialized tourism workforce. In addition, there are two secondary education institutions dedicated to tourism or hospitality education.

The county is also especially attractive for nautical tourism. According to the Ministry of Tourism, there are 11 marinas with a total of 2,747 berths.

The county is well connected with continental Croatia and the neighboring countries. Rijeka is a major ferry port with regular connections to the nearby islands and the southern Adriatic. There are several airports within a 200 km radius (Pula, Rijeka, Zadar, Zagreb, Split, Trieste, Venice, and Ljubljana).

## CONTACT

City of Krk, [www.grad-krk.hr](http://www.grad-krk.hr)

Mr Igor Hrast, Expert Associate for Sustainable Development, e-mail: [igor.hrast@grad-krk.hr](mailto:igor.hrast@grad-krk.hr)



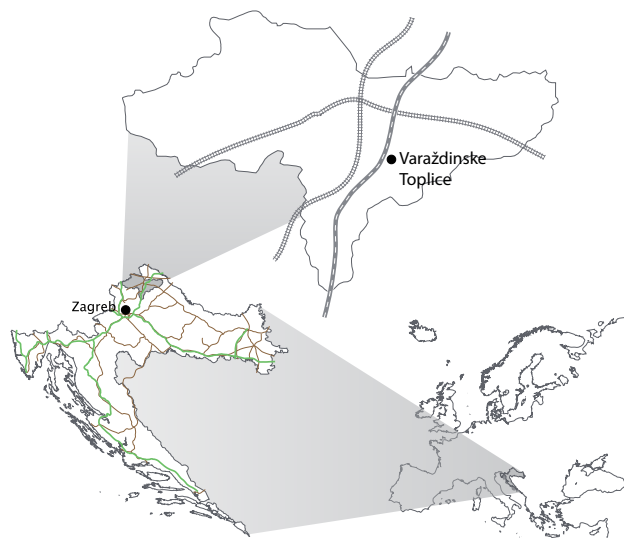


# WELLNES & SPA TOURIST ZONE VARAŽDINSKE TOPLICE, Varaždinske Toplice

## PROJECT LOCATION

The Wellness & Spa Tourist Zone project is located in the Town of Varaždinske Toplice, the largest and the best known spa in Croatia with centuries of tradition in health tourism, based on a very rich and abundant thermal water sources (45-50 l/s, temperature 57.5°C and high concentration of sulfur), where archaeological excavations of the 2<sup>nd</sup> century thermal baths belonging to the period of the Roman emperor Constantine were found. The use of thermal water sources for health tourism dates back to the 12<sup>th</sup> century (1181). In addition, the surrounding area is famous for rich cultural-historic heritage from the middle-age, preserved environment and beautiful nature.

The town has a very good traffic position being close to the A4 Highway Zagreb – Goričan and is only 17 km away from the City of Varaždin, the administrative centre of Varaždin County, and 75 km from Croatian capital Zagreb.



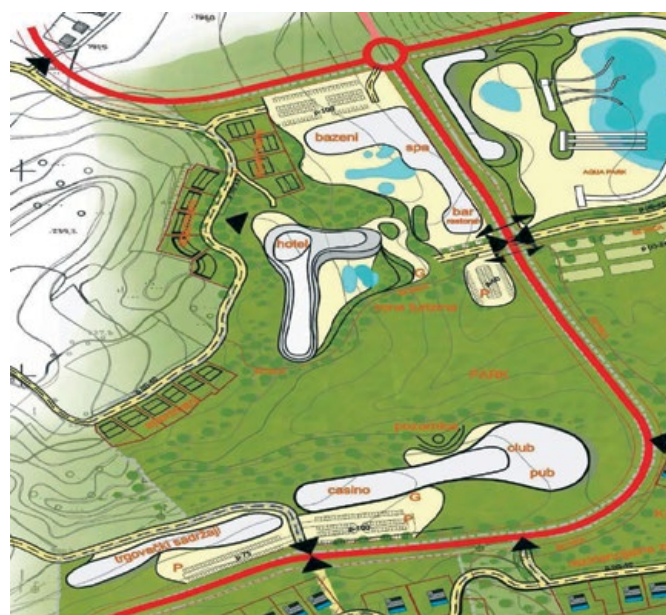
## PROJECT DESCRIPTION

Wellness & Spa Tourist Zone is the first phase and the most advanced part of a larger project - Hotel & Spa & Sport Resort- planned to be developed gradually in the future on an area of 210 ha which, according to the current Physical Plan of Varaždinske Toplice, apart from Wellness & Spa Tourist Zone, offers a possibility to build up a several zones for health, recreation and sport: Green, Sports and Recreation Zone, Golf Zone, Residential Zone and Pišćanovec Curia Zone. In addition the beautiful and preserved environment, the project is enriched with the protected area of the river Bednja which flows through the intended scope of the future Resort.

Total land size of the project area is 17.8 ha and in terms of capacities it envisages the construction of 4\* hotel (350 beds), 4\* apartment complex (225 beds), wellness and spa area (outdoor and indoor pools), entertainment centre, shops, park, parking and infrastructure facilities.

The Town of Varaždinske Toplice has concession rights to thermal water sources based on which development of the entire Hotel & Spa & Sport Resort project is planned. The project area of 17.8 ha majority (10.2 ha) is owned by Town of Varaždinske Toplice (7.68 ha) and company Forum Ltd., established and owned by the Town (2.52 ha). A construction land includes an area of 7.1 ha while remaining 10.7 ha is non-construction land envisaged as a green zone and partially still owned by private persons. Currently Town is in the process of acquisition of privately owned land parcels.

With project implementation, current accommodation, wellness and spa capacities will significantly increase and the quality and attractiveness of tourist offer in Varaždinske Toplice will be improved. The final aim of the integral project -Hotel & Spa & Sport Resort- is to turn Varaždinske Toplice into the highest quality health tourism destination, which will enable top positioning on the market as a prime destination in continental health tourism.



## TRANSACTION MODEL

The Project holder is looking for a strategic partner, who will be selected through the public tender. Land sale is a preferred transaction model but land lease or strategic partnership are acceptable options as well (for construction land).

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.



## ESTIMATED VALUE

Estimated value: 22 million EUR with an open possibility for investors to alter the investment value according to their preferences.

## CURRENT STATUS

The Wellness & Spa Tourist Zone Project is defined in physical plans of the County and the Town while the Urban Development Plan will be designed and adopted in coordination with future investor and his preferences.

## PLANNED FACILITIES

FACILITY	NO. OF BEDS	TOTAL LAND AREA (m <sup>2</sup> )	GROSS DEVELOPED AREA (m <sup>2</sup> )	GROUND FLOOR AREA (m <sup>2</sup> )	NUMBER OF LEVELS
4* Hotel	350	20,000	15,000	4,000	3
4* Apartment complex	225	10,000	4,000	2,000	2
Outdoor pool		1,500	900		
Indoor pool and SPA		3,000	2,000		
Entertainment center		3,000	800		
Shops		1,000	400		
Parks and green area		125,000			
Parking and additional infrastructure		14,500			

## VARAŽDIN COUNTY

Population (2011): **175,951**

GDP per capita (2014): **8,448 EUR**

Unemployment rate (2016): **9.5%**

Average gross salary: **809 EUR**

Average gross salary in the sector (tourism): **719 EUR**

Varaždin County is located in Northwest Croatia and represents the central transportation corridor that connects the Central Danube to the Adriatic. It is at the heart of the Zagorje Route, which has traditionally linked Northwest Croatia to Slovenia and Hungary.

Beyond the strongest metal processing sector, the County's economy is based on agriculture, manufacturing and processing industries (milk production, meat processing, beverage production), textile and leather production. The County has a well developed ICT sector with over 120 different ICT companies.

The County has recently introduced a number of measurements and activities in order to stimulate investments and economy. The adoption of the City of Varaždin development strategy, improvement of business

climate, building necessary infrastructure and encouraging the development of new technologies resulted in recognition of Varaždin County as a highly desirable investment destination.

The County has a rich cultural heritage and sports offer. In addition to numerous biking and hiking routes, the regional tourist offer includes the baroque city of Varaždin, excursions to castles of Hrvatsko Zagorje and Centrum Mundi in Ludbreg.

The County considers education to be a very important aspect to economic development. Three Zagreb University faculties are located in Varaždin (Faculty of Organization and Informatics, Geotechnical Faculty and a Faculty of Textile Technology) as well as University North, which was recently formed through the merger of existing faculties in Varaždin and Koprivnica-Križevci counties. University North offers a number of study subjects (biomedical science, electrical and civil engineering), including the renowned High School of Nursing. In addition to the existing institutions of higher education in Varaždin, many students are studying at Zagreb University, due to greater choice of faculties and its proximity to Zagreb the major university center in Croatia.

## CONTACTS

The Town of Varaždinske Toplice, [www.varazdinske-toplice.hr](http://www.varazdinske-toplice.hr), e-mail: [info@varazdinske-toplice.hr](mailto:info@varazdinske-toplice.hr)

Agency for Investments and Competitiveness (AIK), [www.aik-invest.hr](http://www.aik-invest.hr), e-mail: [info@aik-invest.hr](mailto:info@aik-invest.hr)



## **STATE-OWNED PORTFOLIO**

## **TOURISM PROJECTS COMPANIES**

**Hoteli Maestral plc**

**Hotel Makarska plc**

**Jadran plc**



REPUBLIC OF CROATIA

# HOTELI MAESTRAL plc, Dubrovnik

## TRANSACTION

The Republic of Croatia intends to sell its shares of Hoteli Maestral plc through a public tender, according to the Law on the Management and Disposal of Assets Owned by the Republic of Croatia (Official Gazette 94/13, 18/16) and the Regulation on the Sale of Shares and Business Interests (Official Gazette 129/13 and 66/14). The tender will be conducted in two rounds:

- The first round: determining investor interest in purchasing shares/business interests,
- The second round: investors who expressed interest by submitting a Letter of Intent in the first round will be invited to submit a binding bid for the purchase of shares/ business interests.

After submitting a formal Letter of Intent, receiving a bid invitation, and signing an NDA, potential investors can participate in the due diligence procedure. Upon bid submission, the best bidder will be selected based on the tender criteria.

**There is currently no open tender for the sale of Hoteli Maestral plc shares.**



## COMPANY

Hoteli Maestral plc is a hotel company in Dubrovnik that owns and operates five hotels and one annex (with rooms only) situated on a unique location along one street in Lapad Bay. The facilities have an excellent waterfront position (or in its vicinity) and are easy to reach from the Old Town of Dubrovnik (3.5 km) and Dubrovnik International Airport (24 km).

The hotels were built between 1935 and 1965 and some of them were renovated during the 1990s (Komodor and Splendid) and 2000s (Uvala), while Adriatic and Vis were

partially renovated. The best accommodation is offered in the four star Uvala Hotel (renovated in 2003 and 2004), known for its fashionably designed and spacious wellness & SPA centre of 580 m<sup>2</sup>.

The most important source markets are the United Kingdom, Scandinavian countries and Germany, followed by France, Russia, Spain and Croatia. There is a tendency of constant growth of guests from overseas markets (America, Australia and New Zealand).

## SALE

Shares on sale: **355,520 (68.94% of share capital)**

Average price on stock market: **37.25 EUR (28.6.2017)**

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## FINANCIAL DATA (in EUR:)

Year	2014	2015	2016
Operating revenues	6,517,543	6,609,035	6,818,265
Operating expenses	5,761,210	5,844,576	5,911,761
EBIT	756,333	764,459	906,504
EBITDA	1,256,718	1,248,910	1,355,845
Net income	254,968	336,487	515,193
Total assets	25,854,604	25,361,874	25,740,266
Total liabilities	10,039,732	9,019,221	8,586,213
Number of employees	169	162	155

**Agency for Investments and Competitiveness, Prilaz Gjüre Deželića 7, 10 000 Zagreb, Croatia**

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## REAL ESTATE PORTFOLIO

### HOTELS:

**Uvala Hotel (\*\*\*\*):** 4 levels, 51 accommodation units, size 4,941 m<sup>2</sup>, built in 1967, renovated 2003/2004, allowed construction density (KIG) 0.36, allowed construction efficiency (KIS) 1.06,

**Splendid Hotel (\*\*\*):** 3 levels, 59 accommodation units, size 2,733 m<sup>2</sup>, built 1935 and 1964, renovated in 1997, KIG 0.12, KIS 0.27,

**Komodor Hotel (\*\*\*):** 4 levels, 63 accommodation units, size 2,489 m<sup>2</sup>, built in 1938, renovated in 1998, KIG 0.69, KIS 1.97,

**Vis Hotel (\*\*\*):** 3 levels, 151 accommodation units, size 5,818 m<sup>2</sup>, constructed in 1935, 1956 and 1986, partly reconstructed in 2003-2005, KIG 0.33, KIS 0.90,

**Adriatic Hotel (\*\*):** 3 levels, 107 accommodation units, size 6,365 m<sup>2</sup>, constructed in 1962 and 1967, KIG 0.27, KIS 1.01.

**Adriatic Rooms (\*\*):** 3 levels, 50 accommodation units, size 1,145 m<sup>2</sup>, constructed in 1963, renovated in 2014.

### BUSINESS CENTRE:

Uvala Hotel has two meetings rooms: The Solad Meeting Room and The Perpera Meeting Room with 80 seats.

### SPORTS AND RECREATION FACILITIES:

Various entertainment and sports facilities, including indoor and outdoor swimming pools, tennis courts, snack bars and beach restaurants.

### AREA:

Total facility area: 23,753 m<sup>2</sup>,

Net land area: 100,885 m<sup>2</sup>.



## DUBROVNIK-NERETVA COUNTY

Population (2011): **122,568**

GDP per capita (2014): **10,177 EUR**

Unemployment rate (2016): **18.3%**

Average gross salary: **1,027 EUR**

Average gross salary in the sector (tourism): **1,168 EUR**

Dubrovnik-Neretva County is comprised of five cities and 17 municipalities. The county also includes several islands covered in thick Mediterranean vegetation and forests, smaller settlements and agricultural land (olive groves and vineyards). Its main economic activities are the tourism and hospitality industries and maritime shipping. The area also has significant agricultural potential in the Neretva River delta and on the Pelješac Peninsula, known for its production of high quality wines.

The county is very easy to reach via Dubrovnik International Airport. It is also close to the modern A1 Zagreb-Split-Dubrovnik highway, the seaport of Dubrovnik, which can handle large cruise ships, and the important cargo port of Ploče (the gateway of the future Pan-European Transportation Corridor Vc).

Dubrovnik's famous medieval old town (a UNESCO World Heritage Site 1979) and the nearby island of Korčula has positioned Dubrovnik and the county as a high-end

European and global tourist destination. Dubrovnik has been declared the best congress destination in the region in 2017 (Conventa Fair in Ljubljana) and one of the top three destinations in the congress industry in CEE in 2015 by Congress Magazine. 10BEST and USA TODAY awarded it seventh place in the category Best Cinematic Destination, and it was also declared the best cruise destination by Spanish publication "Cruise News".

Through investments in new and existing hotels, sports and infrastructure capacities and their constant development, tourism has become an industry of great strategic importance for the county, currently with 15 five-star hotels and 24 four-star hotels. There are 3 marinas in the county (Lastovo, Slano and Korčula) with total capacity of 415 berths.

The potential for high-end tourism has already been recognized by international hotel chains (Sheraton, Hilton, Radisson Blu, Rixos, Uzel Holding, Adriatic Luxury Hotels and the Luksić Group). Amanresort also plans to open a hotel in Cavtat.

Educational infrastructure relevant to the sector includes higher schools for hospitality and catering and two universities with excellent programs related to tourism (RIT Croatia - a division of the Rochester Institute of Technology, New York and the University of Dubrovnik).

## CONTACTS

Restructuring and Sale Center (CERP), e-mail: [info@cerp.hr](mailto:info@cerp.hr)

Ministry of Tourism, [www.mint.hr](http://www.mint.hr); e-mail: [razvoj@mint.hr](mailto:razvoj@mint.hr)

Agency for Investments and Competitiveness (AIK), [www.aik-invest.hr](http://www.aik-invest.hr), e-mail: [info@aik-invest.hr](mailto:info@aik-invest.hr)



# HOTELI MAKARSKA plc, Makarska

## TRANSACTION

The Republic of Croatia intends to sell its shares of Hoteli Makarska plc through a public tender, according to the Law on the Management and Disposal of Assets Owned by the Republic of Croatia (Official Gazette 94/13, 18/16) and the Regulation on the Sale of Shares and Business Interests (Official Gazette 129/13 and 66/14). The tender will be conducted in two rounds:

- The first round: determining investor interest in purchasing shares/business interests,
- The second round: investors who expressed interest by

submitting a Letter of Intent in the first round will be invited to submit a binding bid for the purchase of shares/ business interests.

After submitting a formal Letter of Intent, receiving a bid invitation, and signing an NDA, potential investors can participate in the due diligence procedure. Upon bid submission, the best bidder will be selected based on the tender criteria.

**There is currently no open tender for the sale of Hoteli Makarska plc shares.**

## COMPANY

Hoteli Makarska plc is a tourist-hospitality company, established in 1952, offering accommodation and hospitality services in its three hotels near the beach. The Company is located in the renowned tourist destination Makarska Riviera (in Central Dalmatia). With a diversified tourist offer the Company has established a prominent position on international markets (approximately 90% of guests are from abroad).

In addition to the existing offer, there is a great potential to develop the Rivijera Hotel into a modern sports and recreation complex. The Rivijera complex already includes the largest tennis centre in Makarska that has occasionally hosted international tennis tournaments. The Meteor Hotel has several convention facilities, which can improve its position in the M.I.C.E. segment with appropriate marketing efforts.

The location provides endless possibilities for active holidays (hiking/walking and cycling paths on Biokovo mountain); cultural and heritage sightseeing, catholic pilgrimage tourism (Medjugorje, Veprić), and is easily accessible (Zagreb-Split-Dubrovnik Highway, Split International Airport). There are several marinas in the wider Makarska area, as well as a small harbour in front of the Company's Dalmacija Hotel.



## SALE

Shares on sale: **513.270 (45,85% of share capital)**

Average price on stock market: **40.08 EUR (7.6.2017)**

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## FINANCIAL DATA (non-consolidated reports, in EUR:)

Year	2014	2015	2016
Operating revenues	8,917,065	9,195,392	9,645,945
Operating expenses	8,005,093	7,767,389	7,979,976
EBIT	911,972	1,764,375	1,701,167
EBITDA	2,022,260	2,588,989	2,924,040
Net income	569,938	1,023,523	1,240,194
Total assets	34,043,013	34,452,043	35,870,593
Total liabilities	4,311,397	3,600,138	3,438,496
Number of employees	155	144	150

## REAL ESTATE PORTFOLIO

### HOTELS:

**Meteor Hotel (\*\*\*\*):** 11 levels, 277 accommodation units, size 23,391 m<sup>2</sup>, built in 1983, partly renovated 2006-2011,

**Dalmacija Hotel (\*\*\*)**: 11 levels, 190 accommodation units, size 13,423 m<sup>2</sup>, built in 1970, renovated in 2004/2005. A new underground garage with 90 parking slots was constructed in 2015.

### TOURIST RESORTS/COMPLEXES:

**Rivijera Hotel Complex (\*\*)**: 3 levels, consisting of nine pavilions, 258 accommodation units, size 13,997 m<sup>2</sup>, built in 1962, renovated and expanded several times.

### CONVENTION CENTRE:

Four conference halls in the Meteor Hotel and one in Dalmacija Hotel.

### SPORTS AND RECREATION FACILITIES:

Tennis centre, adjacent to the Rivijera complex, with 8 outdoor and 2 indoor tennis courts of total 7,808 m<sup>2</sup>, two outdoor swimming pools and wellness and fitness centers both in Meteor and Dalmacija hotels.

### AREA:

Total facility area: 52,007 m<sup>2</sup>,

Net land area: 95,368 m<sup>2</sup>.



## SPLIT-DALMATIA COUNTY

Population (2011): **454,798**

GDP per capita (2014): **7,808 EUR**

Unemployment rate (2016): **24.1%**

Average gross salary: **956 EUR**

Average gross salary in the sector (tourism): **905 EUR**

Split-Dalmatia County encompasses the territory of the historical region of Dalmatia, and is easily accessible via Zagreb-Split-Dubrovnik Highway and Split International Airport.

The most important economic activity is tourism. In 2016 the County achieved 2.7 million tourist arrivals (increase of 11% in comparison to the previous year) and 14.9 million overnight stays, which makes 17.6% of total overnight stays in Croatia in 2016. Traditionally, the most important markets are Germany, the Czech Republic and Poland.

There is a total of 140 hotels (4 five-star and 67 four-star hotels, while the remaining 69 are mostly three-star). In

addition to hotels, accommodation is provided in apart-hotels, tourist resorts, tourist apartments and auto camps.

According to the County's Tourist Board, the overall accommodation capacity provided accounts to 213,803 beds out of which 68.7% is in private accommodation. Total number of beds in hotels category is 66,959. There are 11 marinas with a total of 2,258 berths. The present international hotel chains in Split include the Le Meridien Lav and the Radisson Blu.

The County's tourist potential includes: a rich heritage and cultural offer, catholic pilgrimage destinations, active and sports holidays and health tourism. There are UNESCO heritage sites in Split (Diocletian Palace) and Trogir; pilgrimage destinations (Sinj, Vepric and vicinity to famous Međugorje); rafting on the River Cetina in Omiš area, and hiking, walking and cycling paths on mountains Marjan and Biokovo.

A large number of high schools offers education in the hospitality and catering sector, while the Split University provides undergraduate and graduate programs in tourism.

## CONTACTS

Restructuring and Sale Center (CERP), [www.cerp.hr](http://www.cerp.hr), e-mail: [info@cerp.hr](mailto:info@cerp.hr)

Ministry of Tourism, [www.mint.hr](http://www.mint.hr); e-mail: [razvoj@mint.hr](mailto:razvoj@mint.hr)

Agency for Investments and Competitiveness (AIK), [www.aik-invest.hr](http://www.aik-invest.hr), e-mail: [info@aik-invest.hr](mailto:info@aik-invest.hr)



REPUBLIC OF CROATIA

# JADRAN plc, Crikvenica

## TRANSACTION

The Republic of Croatia intends to sell its shares of Jadran plc through a public tender, according to the Law on the Management and Disposal of Assets Owned by the Republic of Croatia (Official Gazette 94/13, 18/16) and the Regulation on the Sale of Shares and Business Interests (Official Gazette 129/13 and 66/14). The tender will be conducted in two rounds:

- The first round: determining investor interest in purchasing shares/business interests,
- The second round: investors who expressed interest by submitting a Letter of Intent in the first round will be invited to submit a binding bid for the purchase of shares/ business interests.

After submitting a formal Letter of Intent, receiving a bid invitation, and signing an NDA, potential investors can participate in the due diligence procedure. Upon bid submission, the best bidder will be selected based on the tender criteria.

**There is currently no open tender for the sale of Jadran plc shares.**



## COMPANY

The tourism-hospitality company Jadran plc started business operations in the 1960s, offering accommodation and catering services in several tourist facilities along the Crikvenica Riviera. The company went into bankruptcy in 2010, but it successfully emerged from these proceedings 2014, when it again became one of the largest companies in the Kvarner region.

Today, the company operates six hotels and two tourist villages with total accommodations of 1,232 rooms and 530 places in camps. All facilities are on the waterfront and located in very attractive sites near popular beaches or the center of Crikvenica.

In 2014, the company started an investment cycle to raise the category of the hotels and to extend the season. To date, the investments have included the renovation of Hotels Slaven, Omorika and Katarina and the camp Selce, while the Hotel Esplanade will be renovated in 2017 to meet the standards of the 4-star hotel.

In the last three years, the company has averaged 350,000 overnights with 4% year-over-year growth. The majority of the tourists (>80%) are foreign. The most important markets are Slovenia, Germany, Slovakia and the Czech Republic.

## SALE

**Shares on sale:** 34,702,128 (70.63% of share capital).

Company shares have not yet been listed on the stock exchange. However, preparations for listing are currently in progress. This project, as stipulated by the Law on Investment Promotion (OG 102/15), can qualify for investment incentives. For more information, please see Section 5: Incentive Measures for Investments Projects.

## FINANCIAL DATA (in EUR:)

Year	2014	2015	2016
Operating revenues	7,901,007	8,421,687	11,059,354
Operating expenses	7,730,526	8,064,527	10,295,247
EBITDA	1,090,639	1,308,051	1,837,043
EBIT	170,481	257,161	764,107
Net income	279,228	347,164	507,373
Total assets	74,634,640	75,058,689	79,449,144
Total liabilities	6,425,319	6,258,098	9,015,279
Number of employees	228	239	264



## REAL ESTATE PORTFOLIO

The company consists of the following accommodation facilities:

### HOTELS:

**Kaštel\*\*\***, 74 accommodation units, built in 1988,  
**Esplanade\*\*\*\***, 38 accommodation units, built in 1964, renovated in 2017,  
**Omorika\*\*\*\***, 115 accommodation units, built in 1973, renovated in 2016,  
**Katarina\*\*\*\***, 152 accommodation units, built in 1971, renovated in 2016,  
**International\*\***, 53 accommodation units, built in 1965, renovated in 2013,  
**Zagreb\*\***, 40 accommodation units, built in 1920.

### HOTELS & PAVILIONS:

**Slaven\*\*/\*\***, 211 accommodation units, built in 1967,  
**Ad Turres\*\***, 364 accommodation units, built in 1969- 72.

### PAVILIONS & BUNGALOWS:

**Kačjak\*\***, 185 accommodation units, built in 1964; some of the bungalows were renovated in 2011.

### CAMPS:

**Selce\*\*\***, 500 camp units, built in 1975, renovated in 2015,  
**Kačjak**, small camping plots, 30 units.

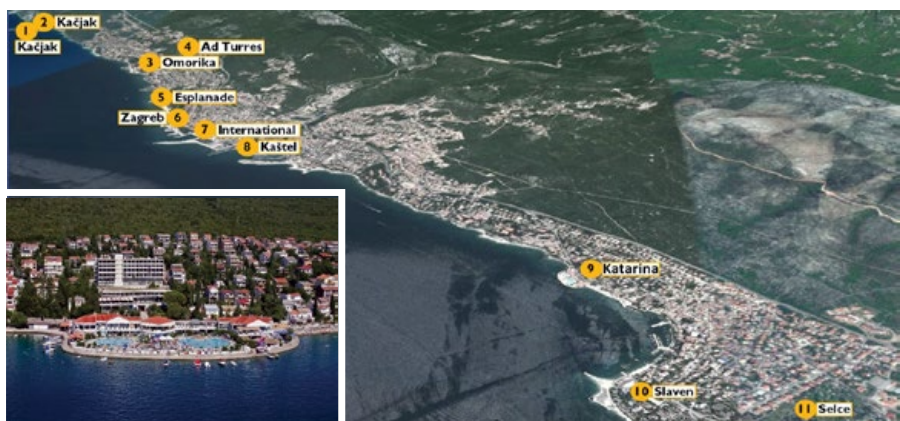
### ADDITIONAL FACILITIES:

**Conference rooms:** Hotel Katarina (capacity 300 persons), Omorika (330 persons)

**Wellness centers and swimming pools:** Hotel Katarina, Esplanade

**Restaurants:** Rokan, Stella Maris, Cafe Inter, Kačjak

**Sports facilities:** Tennis courts, mini-golf, multi-purpose playgrounds.



## PRIMORJE-GORSKI KOTAR COUNTY

Population (2011): **296,195**

GDP per capita (2014): **12,548 EUR**

Unemployment rate (2016): **13.0%**

Average gross salary: **1,030 EUR**

Average gross salary in the sector (tourism): **949 EUR**

Primorje-Gorski Kotar County is situated between Slovenia in the north and the Adriatic in the south. It is comprised of woodland mountains, the sea coast and islands.

A very favorable position at the junction of important road and sea routes were the reasons why inhabitants have focused on maritime affairs and other sea-related economic and tourism activities. As a consequence, the area, and especially the county seat of Rijeka, has developed into a strong transport and maritime center. While Gorski Kotar has remained a traditional forestry and wood processing area, it has also recently developed into a strong tourism region.

Primorje-Gorski Kotar County is considered the birthplace of Croatian tourism, especially Opatija and Lovran, which

previously served as holiday destinations for the Habsburg emperors. These towns have now been high-end and health tourism destinations for more than a century.

The county's education policies mirror its historical ties with tourism, especially nautical tourism. The Faculty of Tourism and Hospitality Management in Opatija is the only Croatian university fully dedicated to the education of a specialized tourism workforce. In addition, there are two secondary education institutions dedicated to tourism or hospitality education.

The county is also especially attractive for nautical tourism. According to the Ministry of Tourism, there are 11 marinas with a total of 2,747 berths.

The county is well connected with continental Croatia and the neighboring countries. Rijeka is a major ferry port with regular connections to the nearby islands and the southern Adriatic. There are several airports within a 200 km radius (Pula, Rijeka, Zadar, Zagreb, Split, Trieste, Venice, and Ljubljana).

## CONTACTS

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Ministry of Tourism, [www.mint.hr](http://www.mint.hr); e-mail: [razvoj@mint.hr](mailto:razvoj@mint.hr)

Agency for Investments and Competitiveness (AIK), [www.aik-invest.hr](http://www.aik-invest.hr), e-mail: [info@aik-invest.hr](mailto:info@aik-invest.hr)

**Agency for Investments and Competitiveness, Prilaz Gjure Deželića 7, 10 000 Zagreb, Croatia**

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**STATE-OWNED PORTFOLIO**

**OTHER REAL  
ESTATE PROJECTS**

**Business Zone Crno Zadar**



## BUSINESS ZONE CRNO, City of Zadar

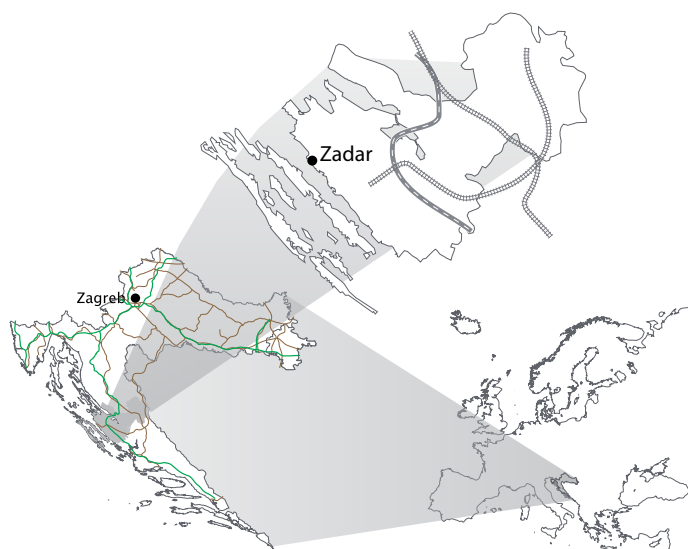
### PROJECT LOCATION AND DESCRIPTION

The project includes the development of the business zone on an area of 4.0 million square meters, of which approximately 2.5 million square meters are construction land. The future zone is located near the City of Zadar, northern Dalmatia (Zadar County), next to the City's suburban settlement Crno. The Zone has an exceptional position and accessibility: the access road is 1 km away, the Port of Zadar (Gaženica) 4 km, Zadar International Airport 3 km and the industrial railway 4 km.

According to the physical plans (the City of Zadar Physical Plan and the Business Zone Crno Urban Development Plan), the project land is intended for: business purposes (business, management, office, trade and service facilities, shopping malls, and business hotels/motels), for production purposes (industrial, manufacturing, crafts and business plants, warehouses, business, management, office and trade facilities), for sports, recreational and green areas.

The allowed construction density (KIG) is 0.5 while the allowed construction efficiency (KIS) is 1.5, with a maximum building height of 16 m (ground floor + 4 floors).

The sole owner of the land is the City of Zadar.



### TRANSACTION MODEL

The owner of the land and the project holder, the City of Zadar, is looking for a partner for development of the Business Zone Crno through a joint venture or SPV.

The other transaction possibilities include a sale of a part and/or a lease of the project land. The land can be divided into plots according to investors wishes, and there is no limit on the maximum size of plots. The minimum size of a plot is 0.25 ha.

The sale/lease fees, as well as communal contributions and fees are subjects of negotiations as they depend on the planned investment.



### CURRENT PROJECT STATUS

The zone is undeveloped and no infrastructure within the Zone is provided, but the City expects the building permit for communal infrastructure works in the Zone to be issued soon.

The main gas station for gas supply of the whole Zadar area is located around 800 meters from the Business Zone Crno.



## THE LAND USAGE ACCORDING TO THE PHYSICAL PLANS



## ZADAR COUNTY

Population (2011): **170,017**

GDP per capita (2014): **8,197 EUR**

Unemployment rate (2016): **16.0%**

Average gross monthly salary: **963 EUR**

Zadar County is situated in northern Dalmatia in Croatia. The County's total area is 7,487 km<sup>2</sup> of both sea and land. It is well connected via road, sea and air, i.e. Zagreb-Split-Dubrovnik Highway, good ferry connections with Italy and the rest of Croatia and an international airport. The shortest maritime connections to central Italy pass through the Port of Zadar. Equally important is Zadar Airport which is a popular tourist entry point with 6.7% growth in the number of passengers in 2016 compared to 2015.

The County's most important sectors are trade (22.5%); manufacturing industry (22.4%) – food industry, metal production, production of vessels, textile industry; transport and storage (13%); fishery and agriculture (9.2%) and tourism (10.6%). The main export markets are Japan, Italy, Slovenia and Germany (while the most exported products are aluminium products, fish – fresh and processed and machinery).

Zadar County is the most successful Adriatic county regarding the production and export in the sector of mariculture. The tradition of fish processing industry in Croatia is more than 130 years old and is one of the first industries on the Croatian coast and islands.

Zadar County is the seat of the majority of the Croatian tuna farmers and of the largest grower of white fish. It also has the highest concentration of the fishing fleet in Croatia (fishing cooperatives, enterprises and numerous fishing crafts).

Zadar is also an ancient European university city with a tradition since 1396. It offers 24 academic departments, such as: Agriculture and Mediterranean Aquaculture, Economics, Traffic and Maritime Studies, English, German, Italian and French Studies, Tourism and Communication Sciences department and Humanities department. It has approximately 5,800 undergraduate, graduate, postgraduate and doctoral students.

The centrepiece of the rich tourist offer in the County is its capital – the City of Zadar which is a focal point to the archipelago of more than a hundred islands. Most of these are uninhabited and contain highly preserved sceneries and attractive coastal zones. These areas are foreseen for further development and enrichment of the tourist offer of the County.

The County is conveniently located near some of the most attractive Dalmatian sights, including national parks Kornati and Krka and a famous extreme sports location Paklenica. The County's tourism potential has been recognized internationally with brands such as Falkensteiner present in the County, while serious investments in Zadar County's marinas have been made by the renowned Dogus Group.

## CONTACT

City of Zadar, [www.grad-zadar.hr](http://www.grad-zadar.hr), e-mail: [gradonacelnik@grad-zadar.hr](mailto:gradonacelnik@grad-zadar.hr)  
Economics and Crafts Department, e-mail: [gospodarstvo1@grad-zadar.hr](mailto:gospodarstvo1@grad-zadar.hr)  
phone: +385 23 208 122; fax: +385 23 208 195



## **STATE-OWNED PORTFOLIO**

## **NAUTICAL PORTS**

**Brajdica Nautical Port**

**Eco Marina Tučepi**

**Marina Crikvenica**

**Marina Ploče**



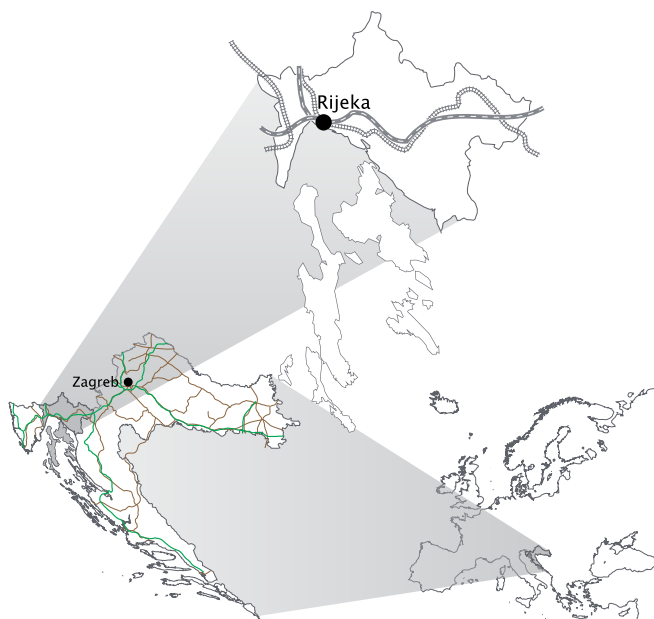
# BRAJDICA NAUTICAL PORT, Rijeka

## LOCATION

The project is located in the City of Rijeka, along the port of Rijeka, the largest and most important cargo harbour in the Republic of Croatia and the region, a significant point in maritime transport toward Central and Central-Eastern Europe.

The project is planned to be developed eastward of the existing Brajdica Container Terminal through the construction of a new nautical port, which should be the spatial transition from a port area to the residential part of the town. The City of Rijeka plans to make the coastal part from the harbour to the city centre more attractive, by construction of a promenade with additional facilities. The new nautical port Brajdica will be the first part of this coastal zone.

The project location is easily accessible by Zagreb-Rijeka Highway and the city road, while the city centre is at walking distance.



## PROJECT DESCRIPTION

Given the evident lack of the number of berths for sports and tourist vessels, the City of Rijeka highly supports the construction of the new marina, called Brajdica Nautical Port, which aims to increase the total nautical capacities with additional supporting facilities and specialized services for nautical tourists, but also to the citizens of Rijeka and Kvarner.

The project is planned to be implemented on a total area of 63,000 m<sup>2</sup>, and includes the construction of the following new capacities:

- 118 commercial and 80 non-commercial berths intended for vessels of different sizes
- Small supporting facilities within the marina, with 2,700 m<sup>2</sup> of gross developed area,
- Gas stations for vessels,
- 125 parking spaces for cars and 20 parking spaces for motorcycles,
- Breakwater which is an extension of the Brajdica Container Terminal where cargo handling takes part.



The project area is registered as a maritime domain. The prerequisite for project implementation is determination of the nautical border for the Brajdica Nautical Port.

## ESTIMATED VALUE

20 million EUR.

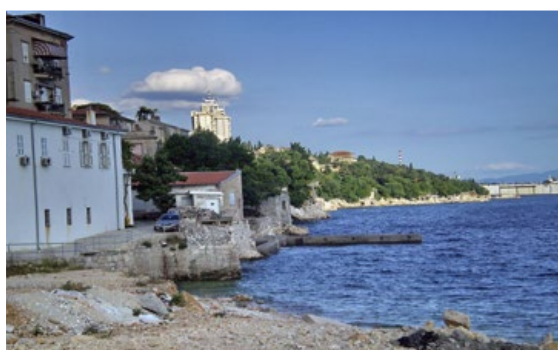


## TRANSACTION MODEL

Given that the project is planned to be developed in a maritime domain, it will be necessary to obtain a concession through a public tender.

## PROJECT STATUS

As the City of Rijeka is very interested in project implementation, it has already completed a part of documentation, such as the Preliminary design for the coastal area and the breakwater, needed for the future location permit while the Assessment of the Need for the Study of Environmental Impact is currently in process.



## PRIMORJE-GORSKI KOTAR COUNTY

Population (2011): **296,195**

GDP per capita (2014): **12,548 EUR**

Unemployment rate (2016): **13.0%**

Average gross salary: **1,030 EUR**

Average gross salary in the sector (tourism): **949 EUR**

Primorje-Gorski Kotar County is situated between Slovenia in the north and the Adriatic in the south. It is comprised of woodland mountains, the sea coast and islands.

A very favorable position at the junction of important road and sea routes were the reasons why inhabitants have focused on maritime affairs and other sea-related economic and tourism activities. As a consequence, the area, and especially the county seat of Rijeka, has developed into a strong transport and maritime center. While Gorski Kotar has remained a traditional forestry and wood processing area, it has also recently developed into a strong tourism region.

Primorje-Gorski Kotar County is considered the birthplace of Croatian tourism, especially Opatija and Lovran, which

previously served as holiday destinations for the Habsburg emperors. These towns have now been high-end and health tourism destinations for more than a century.

The county's education policies mirror its historical ties with tourism, especially nautical tourism. The Faculty of Tourism and Hospitality Management in Opatija is the only Croatian university fully dedicated to the education of a specialized tourism workforce. In addition, there are two secondary education institutions dedicated to tourism or hospitality education.

The county is also especially attractive for nautical tourism. According to the Ministry of Tourism, there are 11 marinas with a total of 2,747 berths.

The county is well connected with continental Croatia and the neighboring countries. Rijeka is a major ferry port with regular connections to the nearby islands and the southern Adriatic. There are several airports within a 200 km radius (Pula, Rijeka, Zadar, Zagreb, Split, Trieste, Venice, and Ljubljana).

## CONTACTS

City of Rijeka

Mr Srđan Škunca, Head of the City Administration Department for Development, Urban Planning, Environment and Land Management, e-mail: [srdjan.skunca@rijeka.hr](mailto:srdjan.skunca@rijeka.hr)

Ministry of the Sea, Transport and Infrastructure, e-mail: [info@mmpi.hr](mailto:info@mmpi.hr)



# ECO MARINA TUČEPI, Tučepi

## PROJECT GOAL

In order to enhance the nautical tourism offer, increase the number of berths, and improve the marina Tučepi infrastructure in an environmentally responsible manner, the Tučepi Municipality and Split-Dalmatia County are searching for prospective investors for the Eco Marina Tučepi project development.

The main purpose of the eco marina concept is to establish conditions for nautical tourism development and optimization of tourist traffic through the implementation of comprehensive ecological solutions that help advance the development of tourism.

## PROJECT DESCRIPTION

According to the physical planning documents in force, the project envisages the construction of 80 new nautical berths and the modernization of 25 existing berths in accordance with ecological standards.

In order to increase total revenues and the project competitiveness, the project includes the development of additional facilities and services to meet the demands of boaters (kitchen, minor repairs service, sailing courses, diving courses, fitness centers, entertainment facilities, etc.)

Additionally, the project includes developing ecological tourism infrastructure within the marine as well as creating conditions for the development of eco-nautical tourism.



## LOCATION

The project is located in a small tourist town Tučepi on the Makarska Riviera (central Dalmatia). The name of the town, which can be traced to its Illyrian origins, is a witness of its long history which goes back 4000 years. Today, Tučepi spreads along the coast of the Adriatic Sea with its modern buildings, private villas, guesthouses and hotels and is a famous and reputable tourist destination.

It is distinguished by the most beautiful and longest gravel beach on the Makarska Riviera while the mountain Biokovo surrounds it from the North. According to the 2011 Census, the Tučepi Municipality has 1,931 inhabitants. Tučepi has excellent road and sea connections to the whole Europe with the distance of only 80 km to Split Airport and 22 km to the Zagreb–Split–Dubrovnik Highway.

## ESTIMATED VALUE

The total project value is estimated at 5.5 million EUR.

## TRANSACTION MODEL

Given that the project is planned to be developed on a maritime domain, it will be necessary to obtain a concession for maritime domain after the announcement of a public tender for project development.

## CURRENT STATUS

The preliminary design needed for future location permit has been completed. The Environmental Impact Study has been finished and submitted to the Ministry. The Decision on port area border (nautical port) has been issued in accordance to the Urban Development Plan.

The Split-Dalmatia County announced a Decision on intention to issue a concession on maritime domain for construction and usage of the nautical tourism port Lučica in Tučepi. The company Tučepi Ltd. (100% owned by the Municipality of Tučepi) will participate in the tender. In case that Tučepi Ltd. is selected as a concessionaire, a potential investor will be able to enter the project as a sub-concessionaire.



## SPLIT-DALMATIA COUNTY

Population (2011): **454,798**

GDP per capita (2014): **7,808 EUR**

Unemployment rate (2016): **24.1%**

Average gross salary: **956 EUR**

Average gross salary in the sector (tourism): **905 EUR**

Split-Dalmatia County encompasses the territory of the historical region of Dalmatia, and is easily accessible via Zagreb-Split-Dubrovnik Highway and Split International Airport.

The most important economic activity is tourism. In 2016 the County achieved 2.7 million tourist arrivals (increase of 11% in comparison to the previous year) and 14.9 million overnight stays, which makes 17.6% of total overnight stays in Croatia in 2016. Traditionally, the most important markets are Germany, the Czech Republic and Poland.

There is a total of 140 hotels (4 five-star and 67 four-star hotels, while the remaining 69 are mostly three-star). In

addition to hotels, accommodation is provided in apart-hotels, tourist resorts, tourist apartments and auto camps.

According to the County's Tourist Board, the overall accommodation capacity provided accounts to 213,803 beds out of which 68.7% is in private accommodation. Total number of beds in hotels category is 66,959. There are 11 marinas with a total of 2,258 berths. The present international hotel chains in Split include the Le Meridien Lav and the Radisson Blu.

The County's tourist potential includes: a rich heritage and cultural offer, catholic pilgrimage destinations, active and sports holidays and health tourism. There are UNESCO heritage sites in Split (Diocletian Palace) and Trogir; pilgrimage destinations (Sinj, Vepric and vicinity to famous Međugorje); rafting on the River Cetina in Omiš area, and hiking, walking and cycling paths on mountains Marjan and Biokovo.

A large number of high schools offers education in the hospitality and catering sector, while the Split University provides undergraduate and graduate programs in tourism.

## CONTACT

Tučepi Municipality, [www.tucepi.hr](http://www.tucepi.hr)

Mr Ante Čobrnjić, Municipal Mayor, e-mail: [opcina@tucepi.hr](mailto:opcina@tucepi.hr), tel: +385 21 623 585





# MARINA CRIKVENICA, Crikvenica

## PROJECT DESCRIPTION

The town of Crikvenica plans to develop a nautical port - marina with supporting facilities in the center of the town. Implementation of this project will completely change the look and tourist offer in this part of the town and enhance its attractiveness and competitiveness.

The project has been planned in accordance with existing physical plans and the Urban Plan of Crikvenica Center. It will be developed on seven hectares of land and will include:

- a marina with a maximum of 200 Category 5 berths covering 36,400 m<sup>2</sup>. A majority of the berths will be for vessels of 10-15 m, but berths will also be provided for boats of up to 20 m. Two breakwaters are planned as an integral part of the marina.
- business premises next to the marina with a gross developed area of 585 m<sup>2</sup> that will include a reception area, a café and snack bar, and shops and toilets.
- a parking area with spaces for 340 cars, and
- a service area.



Based on the site permit, the entire complex will be developed on land parcels whose owners are the Republic of Croatia and the town of Crikvenica (with a majority of the land having maritime domain status).

## LOCATION

The nautical port will be located in the center of Crikvenica at mouth of the Dubračina Creek. The surrounding area has hotels, restaurants, souvenir shops, beaches, promenades and green areas.

Crikvenica is a well-known tourist town located on coast of Kvarner Bay in the northern Adriatic. It is 35 km from Rijeka, the regional center and Croatia's main seaport.

The marina will be connected to the county road D8 (also called the Adriatic Tourist Road), which runs from Rijeka to Dubrovnik and the border with Montenegro, with a total length of 644 km. The A7 highway (Rijeka-Slovenia) is 15 km away, while the nearest airport is Rijeka-Krk, 20 km away.



## ESTIMATED VALUE

The estimated value of the project is approximately 15.2 million EUR.



## TRANSACTION MODEL

The town of Crikvenica is looking for a strategic partner, with the possibility of establishing a special purpose vehicle (SPV). Development of this project will require obtaining a concession for a maritime domain.

## PROJECT STATUS

To date, the town of Crikvenica has completed the following activities:

- ✓ Environmental Study
- ✓ Financial Study
- ✓ Site Permit
- ✓ Specification of the maritime area

The border of the nautical port area has also been determined and submitted to the cadastre office.



## PRIMORJE-GORSKI KOTAR COUNTY

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Unemployment rate (2016): **13.0%**

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## CONTACT

Town of Crikvenica, [www.crikvenica.hr](http://www.crikvenica.hr)

Ms Snježana Sikirić, Head of the Department for Economy, Tourism and Projects

e-mail: [snjezana.sikiric@crikvenica.hr](mailto:snjezana.sikiric@crikvenica.hr)



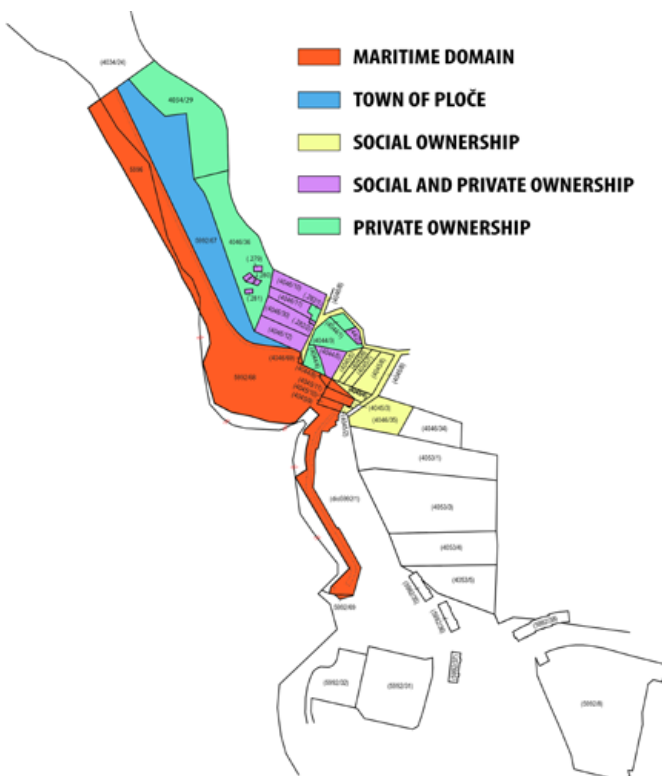
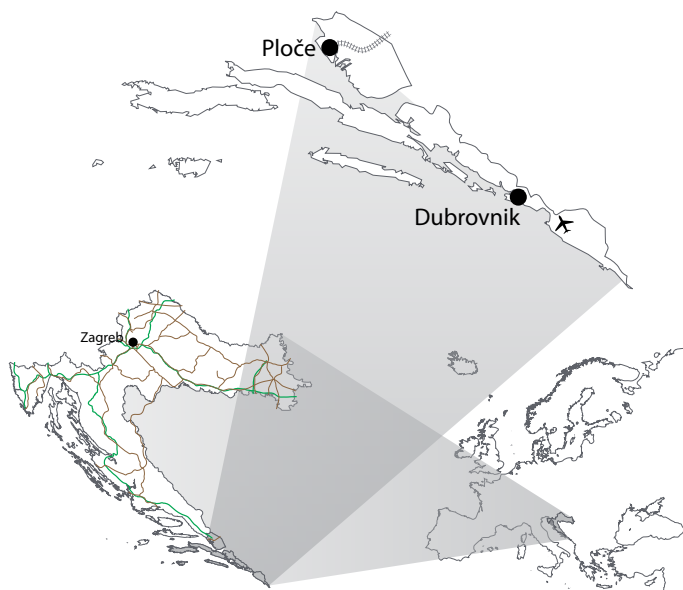
# MARINA PLOČE, Ploče

## PROJECT DESCRIPTION

The project includes construction of a nautical port – marina in Ploče with a maximum capacity of 400 berths at a site called *Pod cestom* in the Bačine area.

Based on the Amendments to the Physical Plan of the Town of Ploče (adopted on April 18, 2017), the main characteristics of the nautical port are:

- a total project area of approximately 9.33 hectares, which will include 1.34 hectares of land area and 7.99 hectares of water area.
- different versions of the port solution will be permitted, provided that they comply with the Development Plan for the *Pod cestom* area and the results of an environmental impact study and a maritime study.
- reconstruction and conversion of existing facilities into port auxiliary facilities will be permitted.



The conceptual design prepared by the town of Ploče offers two options for the development of this project:

1. The first option includes construction of 282 berths, parking space for 101 cars, dry berths, an exit station - travel lift, and reconstruction of the existing facilities (the site was previously used as a technical workshop, so there are currently several unused facilities) into a restaurant, a reception area, shops and storage space.
2. The second option is an extended version of the first, which, in addition to the facilities built in the first option, envisages the full commercialization of the area, including the construction of a hotel with 140 beds, more berths (up to 400 in total), and a facility with shops, storage and a garage with 240 parking spaces.

The area designated by the Physical Plan covers 1.34 hectares of land with the following ownership structure: maritime domain (Republic of Croatia), the Town of Ploče, social ownership, and several parcels that are privately owned. An overview of the ownership of the land parcels is shown in the graphic on the left.

Option 1 is to be developed exclusively on the maritime domain (16,784 m<sup>2</sup>) and the land part owned by the Town of Ploče (9,076 m<sup>2</sup>). Option 2 requires resolving the ownership rights with private owners prior to investment.

## LOCATION

The project area is situated on a 700-meter section of coastline in the northern part of Ploče (Bačine Bay) approximately 400 meters from the center of town. Ploče is located on the Adriatic Sea, halfway between Split and Dubrovnik. It is an ideal location for a port because it is shielded by the Pelješac Peninsula and provides easy connections to the Croatian islands. The town is located in Pan-European corridor Vc, which will also contribute to the development of Port of Ploče, the second largest seaport in Croatia.

## ESTIMATED VALUE

The estimated value of Option 1 is 6 million EUR, while Option 2 will be an additional 15.5 million EUR. However, the final amount will depend on the investor's preferences and possible port solutions.

## TRANSACTION MODEL

For the maritime domain and land owned by the Town of Ploče the transaction model will include a concession for the maritime domain, which implies the selection of future concessionaire through a public tender.

## PROJECT STATUS

The project is being developed in accordance with the Amendments of the Physical Plan of the Town of Ploče, adopted on April 18, 2017. The Town of Ploče has already prepared a conceptual design.

The maritime domain border was determined in 2013 and recorded in the land registry. The border for the port area has not yet been determined since a site permit must first be obtained.



## DUBROVNIK-NERETVA COUNTY

Population (2011): **122,568**

GDP per capita (2014): **10,177 EUR**

Unemployment rate (2016): **18.3%**

Average gross salary: **1,027 EUR**

Average gross salary in the sector (tourism): **1,168 EUR**

Dubrovnik-Neretva County is comprised of five cities and 17 municipalities. The county also includes several islands covered in thick Mediterranean vegetation and forests, smaller settlements and agricultural land (olive groves and vineyards). Its main economic activities are the tourism and hospitality industries and maritime shipping. The area also has significant agricultural potential in the Neretva River delta and on the Pelješac Peninsula, known for its production of high quality wines.

The county is very easy to reach via Dubrovnik International Airport. It is also close to the modern A1 Zagreb-Split-Dubrovnik highway, the seaport of Dubrovnik, which can handle large cruise ships, and the important cargo port of Ploče (the gateway of the future Pan-European Transportation Corridor Vc).

Dubrovnik's famous medieval old town (a UNESCO World Heritage Site 1979) and the nearby island of Korčula has positioned Dubrovnik and the county as a high-end

European and global tourist destination. Dubrovnik has been declared the best congress destination in the region in 2017 (Conventa Fair in Ljubljana) and one of the top three destinations in the congress industry in CEE in 2015 by Congress Magazine. 10BEST and USA TODAY awarded it seventh place in the category Best Cinematic Destination, and it was also declared the best cruise destination by Spanish publication "Cruise News".

Through investments in new and existing hotels, sports and infrastructure capacities and their constant development, tourism has become an industry of great strategic importance for the county, currently with 15 five-star hotels and 24 four-star hotels. There are 3 marinas in the county (Lastovo, Slano and Korčula) with total capacity of 415 berths.

The potential for high-end tourism has already been recognized by international hotel chains (Sheraton, Hilton, Radisson Blu, Rixos, Uzel Holding, Adriatic Luxury Hotels and the Luksić Group). Amanresort also plans to open a hotel in Cavtat.

Educational infrastructure relevant to the sector includes higher schools for hospitality and catering and two universities with excellent programs related to tourism (RIT Croatia - a division of the Rochester Institute of Technology, New York and the University of Dubrovnik).

## CONTACT

Town of Ploče

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## **STATE-OWNED PORTFOLIO**

## **INFRASTRUCTURE PROJECTS**

**Cable Car Učka**

**Container Terminal Zagreb Pier**

**Gate of Zadar**

**Osijek Airport**

**Outdoor Swimming Pool Complex Čakovec**

**Port of Ploče**

**Port of Slavonski Brod**

**Rijeka Airport**

**Sports Center Višnjik**

**Sports Hall Viškovo**

**Western Žabica Complex**



REPUBLIC OF CROATIA

# CABLE CAR UČKA, Medveja – Vojak

## PROJECT LOCATION

Učka Nature Park is located at one of the northernmost points of the Mediterranean. It covers Učka Mountain and part of the Ćićarija area and connects Croatia's largest peninsula, Istria, with the continental part of the country.

Učka is well known for its specific climate, because of its immediate proximity to the sea, and its lush forest vegetation, meadows and other habitats with many endemic and protected plant and animal species.

This area is linked by the A6 highway to Zagreb via Rijeka and to all other main European traffic corridors. It is linked to Slovenia, Italy and the rest of western and central Europe via Istria by a tunnel through Učka.

The closest airports are Rijeka airport on the island of Krk (47 km) and Pula (93 km), which have low-cost flights. The largest international airport is Franjo Tuđman Airport in Zagreb (184 km).



## PROJECT DESCRIPTION

The planned construction of a cable car route will connect the Adriatic coast with the peak of Učka Mountain (the Medveja-Vojak route). It is intended to increase the quality of services for the most developed tourist areas of Croatia with a very long tradition (Primorje-Gorski Kotar and Istria Counties).

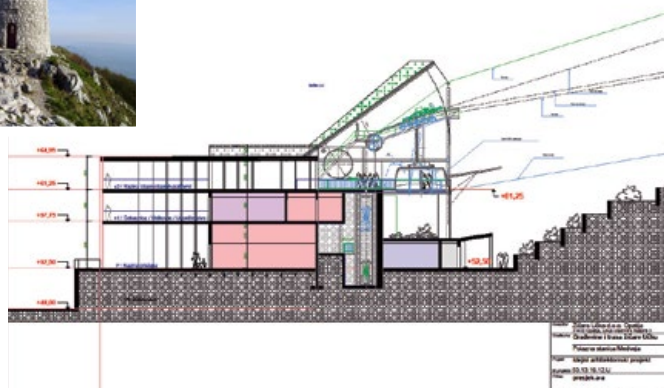
With the extension of the tourist season, this project should contribute to the attractiveness of the wider region since there is no comparable content in the vicinity. The unique location of the cable way could potentially become a global attraction.

Učka is very popular tourist destination. It offers many recreational and sport activities including hiking, mountain biking, free climbing, paragliding and many others. Many international sporting competitions are also held here. The tourism offer includes a wide range of accommodations and

hospitality facilities located in the immediate vicinity of Učka Nature Park and in Istria and the Kvarner region.

This project is the second phase in the realization of a wider project being implemented in three phases:

Phase of realization	Projects	The investment (mil EUR)
Phase I	Visitor center	5.5
Phase II	Cable car	20.2
	Access road	2.8
Phase III	Marina	10.0
	Parking area	1.0
TOTAL		39.5



## PROJECT STATUS

The Učka Cable Car is a strategic project of Primorje-Gorski Kotar County and has been included in its spatial plans.

The founders of the company Žičara Učka Ltd. are Primorje-Gorski Kotar and Istria Counties; the cities and municipalities of Rijeka, Opatija, Kastav, Lovran, Matulji, Mošćenička Draga and Omišalj and the owners of the land included in the project.

The site permit and several other approvals have been obtained and a conceptual project for the access road has been developed. A pre-investment study, a feasibility study, an elaborate route compliance and an environmental impact study have also been completed. Expert analyses of critical points of the lifts and a tender for the design of the main construction of the project have been prepared. A process to resolve the property-legal relations for the land is underway.

### CABLE CAR CHARACTERISTICS

Panoramic cable car	ATW8 SYSTEM
Horizontal length of the route	4,696.4 m
Departure station: Medveja	44.50 m n/m
Incoming station: below the top of Vojak	1,355.00 m n/m
Number of pillars:	5
Column height:	14, 17, 25, 43 and 45 m
Electric starting power:	1,060 kW
Electrical power in operation:	670kW
Highest driving speed:	10 m/s
Driving Speed:	7 m/s
Cabin capacity:	60 passengers
Capacity per hour:	300 passengers
Capacity of panoramic restaurant:	200 seats planned

## ESTIMATED VALUE

The estimated value of Učka Cable Car Project is 20 million EUR, of which approximately 12 million EUR will be earmarked for construction. The project company has invested 195,000 EUR through its own equity and the Ministry of Tourism has also funded the project with approximately 60,000 EUR.

## TRANSACTION MODEL

The project holder is looking for a strategic partner.

## PRIMORJE-GORSKI KOTAR COUNTY

Population (2011): **296,195**

GDP per capita (2014): **12,548 EUR**

Unemployment rate (2016): **13.0%**

Average gross salary: **1,030 EUR**

Average gross salaryt in the sector (tourism): **949 EUR**

Primorje-Gorski Kotar County is situated between Slovenia in the north and the Adriatic in the south. It is comprised of woodland mountains, the sea coast and islands.

A very favorable position at the junction of important road and sea routes were the reasons why inhabitants have focused on maritime affairs and other sea-related economic and tourism activities. As a consequence, the area, and especially the county seat of Rijeka, has developed into a strong transport and maritime center. While Gorski Kotar has remained a traditional forestry and wood processing area, it has also recently developed into a strong tourism region.

Primorje-Gorski Kotar County is considered the birthplace of Croatian tourism, especially Opatija and Lovran, which

previously served as holiday destinations for the Habsburg emperors. These towns have now been high-end and health tourism destinations for more than a century.

The county's education policies mirror its historical ties with tourism, especially nautical tourism. The Faculty of Tourism and Hospitality Management in Opatija is the only Croatian university fully dedicated to the education of a specialized tourism workforce. In addition, there are two secondary education institutions dedicated to tourism or hospitality education.

The county is also especially attractive for nautical tourism. According to the Ministry of Tourism, there are 11 marinas with a total of 2,747 berths.

The county is well connected with continental Croatia and the neighboring countries. Rijeka is a major ferry port with regular connections to the nearby islands and the southern Adriatic. There are several airports within a 200 km radius (Pula, Rijeka, Zadar, Zagreb, Split, Trieste, Venice, and Ljubljana).

## CONTACT

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# CONTAINER TERMINAL ZAGREB PIER, Rijeka

## THE BIGGEST CONTAINER PORT IN CROATIA

The port of Rijeka is the largest seaport in Croatia with a long tradition, which represents the shortest link between Central and Eastern Europe and overseas destinations. The Adriatic seaway to Europe represents a huge potential for logistic activities due to the fact that ships sailing through Suez need 6 days less to reach Europe than ships sailing via Gibraltar towards north. Consequently, the Port of Rijeka is the most convenient transit hub for Croatia, Hungary, Austria, Czech Republic, Slovakia, western Ukraine, southern Poland and southern Germany.

In only a few years, the container traffic in Rijeka port has increased from modest 15,000 to almost 200,000 containers. According to the new Master Plan, the number of containers handled in the port of Rijeka should exceed 600,000 by 2025. In order to enable the planned growth of the container traffic, the Port Authority Rijeka has started construction of the new container terminal (Container Terminal Zagreb Pier) on the west part of the port, Zagreb Pier, which will have a sea gauge of 20 meters and capacity of 650,000 TEU annually. This will allow the Port of Rijeka to take in vessels of the latest generation and increase the container handling capacity of the existing Adriatic Gate Container terminal.



## PROJECT DESCRIPTION

The implementation of the Container Terminal Zagreb Pier has been planned in three phases.

**The Phase 1**, currently in progress, includes construction of the 400 meters coastal barrier (wall) through Design & Build contract. It will, in terms of permitting and designing, create the base for expansion of the Terminal to its full scope and potential. This phase has been financed by the World Bank loan.

**The Phase 2** (which is supposed to be financed by a private investor) will include construction of additional 250 m of a coastal wall (up to 680).

The long term plans for **the Phase 3** envisage the maximum length of the terminal of 1,250 m.

The whole Project is planned to be financed by the World Bank loans, the funds of private investors (future concessionaire), as well as by the European Union funds.



## CURRENT STATUS

- The spatial and transport study of the Primorje–Gorski Kotar County and the City of Rijeka have been prepared
- The building permit the Phase 2 has been obtained
- The tender for selection of a future concessionaire is in preparation



## TRANSACTION MODEL

The Port Authority Rijeka will announce its intention to grant a concession for operating the Terminal for the next 30 years. The tender will be open to all potential bidders, and will include concession for the following port activities: loading, unloading, transshipment, storage, loading and unloading containers, repairing, servicing and cleaning containers, as well as all other directly connected activities which require usage of the existing and construction of new buildings and other infrastructure and superstructure facilities on the port area.

In the first phase the future concessionaire will be obliged to finish construction of infrastructure and superstructure of the Terminal as well as to purchase and install equipment for storage and railway terminal. He will also be offered a possibility to invest in the implementation of the second phase (construction of the barrier wall up to the 680 m). Construction of the third phase has also been envisaged within the concession period.



## PRIMORJE-GORSKI KOTAR COUNTY

Population (2011): **296,195**

GDP per capita (2014): **12,548 EUR**

Unemployment rate (2016): **13.0%**

Average gross salary: **1,030 EUR**

Average gross salary in the sector (tourism): **949 EUR**

Primorje-Gorski Kotar County is situated between Slovenia in the north and the Adriatic in the south. It is comprised of woodland mountains, the sea coast and islands.

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## CONTACTS

Ministry of the Sea, Transport and Infrastructure, e-mail: [info@mmpi.hr](mailto:info@mmpi.hr)

Port of Rijeka Authority, Mr Marino Juretic, Acting Executive Director, e-mail: [rijeka.gateway@portauthority.hr](mailto:rijeka.gateway@portauthority.hr)



REPUBLIC OF CROATIA

# THE GATE OF ZADAR, City of Zadar

## PROJECT LOCATION AND DESCRIPTION

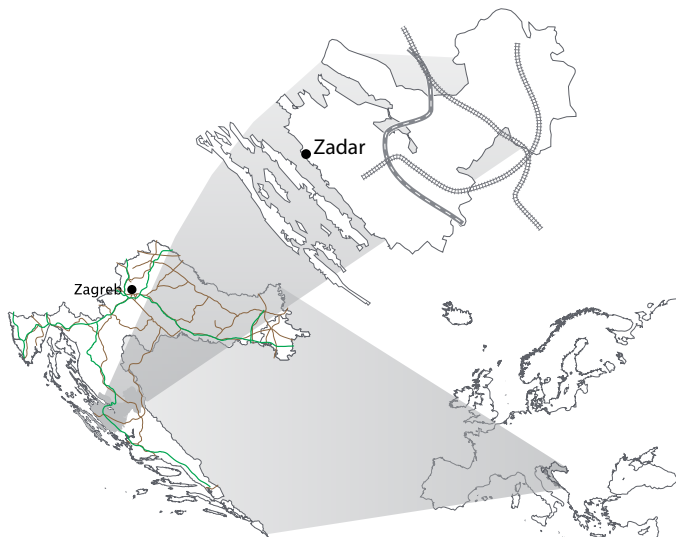
The Gate of Zadar project is located in Zadar County, in the northern part of Dalmatia.

The project holder is the City of Zadar, whose plan is to revitalize and urbanize the contact zone between the historical centre and the new part of Zadar, known as a wider area of Ravnice. Currently, on the land within the project, there are a few obsolete cultural and sports facilities, an old fortification, a small harbour and two canals.

Some of the existing objects with the historical value are envisaged to be rebuilt but the largest part of the project area is planned for the construction of the new infrastructure and commercial facilities that will transform the area into a modern urban centre with a cultural, commercial, entertainment and tourist (hotels) content, sports and recreational area.

The total area covers 30.1 hectares, of which 18.9 hectares are land area and 11.2 hectares are sea area.

The Project is in accordance with the City of Zadar Physical Plan, which envisages the adoption of the Urban Development Plan for the location of the project.



## TRANSACTION MODEL

The project land is owned by the City of Zadar and the Republic of Croatia. Upon the selection of a strategic partner, in accordance with the Act on Strategic Investment Projects of the Republic of Croatia, the City of Zadar plans to submit the documentation for the status of the project of strategic importance.

This status would ensure resolving of ownership issues for the land in the scope of the project, accelerate procedures for obtaining necessary permits and approvals, as well as enable development of the Project without the adoption of the Urban Development Plan.

The transaction model for the land designated for the construction of commercial and other facilities would be based on the right to build granted for up to 99 years.

Depending on the interest, the future strategic partner could participate in the development of the whole project or just in the development of commercial facilities.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## ESTIMATED VALUE

The total estimated value of the project is approximately 110.8 million EUR.

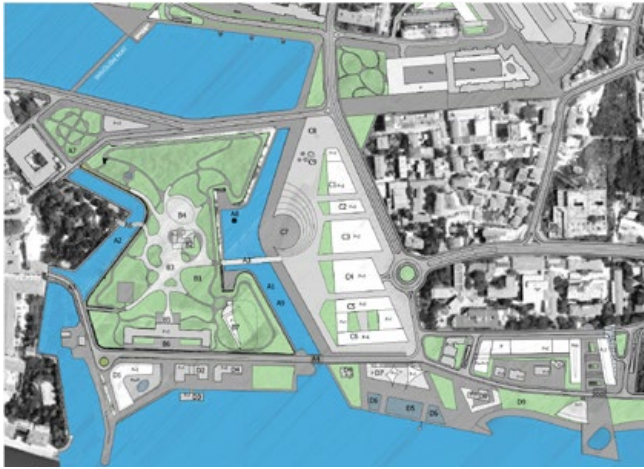
## PLANNED FACILITIES

AREA		AREA	
HOTEL CONDOMINIUM	20,170 / 1,430 m <sup>2**</sup>	CENTER FOR MUSIC AND PERFORMING ARTS	2,730 / 720 m <sup>2**</sup>
THE TRIPLE HOTEL ENSEMBLE OF THE ELEKTRA	8,000 m <sup>2</sup>	THE MUSEUM OF ZADAR BASKETBALL	1,000 m <sup>2</sup>
CATERING, ENTERTAINMENT, TRADE, SERVICES	7,600 / 2,460 m <sup>2**</sup>	THE KOLOVARE SWIMMING POOL	7,500 m <sup>2</sup>
ANCILLARY COMMERCIAL FACILITIES	1,660 m <sup>2</sup>	THE RAVNICE GARAGE (0)	930 PG
CONCERT & CONGRESS HALL	4,560 / 520 m <sup>2**</sup>	THE RAVNICE GARAGE (+3)	420 PG
TOURIST INFORMATION AND COMMERCIAL CENTER	3,750 / 3,240 m <sup>2**</sup>	THE RAVNICE GARAGE (-3)*	975 PG*
THEATER AND ASSOCIATED SERVICE AREA	3,660 m <sup>2</sup>	TOTAL GARAGE	2,325 PG*

\*in case of planned construction of level -3m / \*\*indoor/outdoor

Agency for Investments and Competitiveness, Prilaz Gjуре Deželіća 7, 10 000 Zagreb, Croatia

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## ZADAR COUNTY

Population (2011): **170,017**

GDP per capita (2014): **8,197 EUR**

Unemployment rate (2016): **16.0%**

Average gross monthly salary: **963 EUR**

Average gross monthly salary in the sector (tourism): **1,011 EUR**

Zadar County is situated in northern Dalmatia in Croatia. The County's total area of 7,487 km<sup>2</sup> consists of both sea and land. It is well connected via road, sea and air, i.e. the Zagreb-Split-Dubrovnik Highway, good ferry connections with Italy and the rest of Croatia and an international airport. The shortest maritime connections to central Italy pass through the Port of Zadar. Equally important is Zadar Airport which is a popular tourist entry point with 6.7% growth in the number of passengers in 2016 compared to 2015.

The County's most important sectors are trade (22.5%); manufacturing industry (22.4%) – food industry, metal production, production of vessels, textile industry; transport and storage (13%); fishery and agriculture (9.2%) and tourism (10.6%). The main export markets are Japan, Italy, Slovenia and Germany while the most exported products are aluminium products, fish – fresh and processed and machinery.

With tourism gaining a more prominent role in the County's economic structure, there is an emphasis on extending local accommodation capacities. According to

Zadar County Tourist Board, they amount to 150,150 beds, with a majority (57.2%) in private accommodation. There are 42 hotels (one 5-star and 18 4-star). As a successful tourist region in Dalmatia, Zadar County recorded 7.4 million overnight stays in 2016 (10.2% of all overnight stays in Croatia), most of these by foreign guests.

The centrepiece of the County's rich tourist offer is its capital – the City of Zadar which is a focal point to the archipelago of more than a hundred islands. Most of them are uninhabited and contain highly preserved sceneries and attractive coastal zones. These areas are foreseen for further development and enrichment of the County's tourist offer. The County is conveniently located near some of the most attractive Dalmatian sights, including national parks Kornati and Krka and the famous extreme sports location Paklenica. The County's tourism potential has been recognized internationally with brands such as Falkensteiner present in the County, while serious investments in Zadar County's marinas have been made by the renowned Dogus Group.

Zadar is also an ancient European university city with a tradition since 1396. It offers 24 academic departments, such as: Agriculture and Mediterranean Aquaculture, Economics, Traffic and Maritime Studies, English, German, Italian and French Studies, Tourism and Communication Sciences Department and Humanities Department, with approximately 5,800 undergraduate, graduate, postgraduate and doctoral students.

## CONTACT

City of Zadar, [www.grad-zadar.hr](http://www.grad-zadar.hr)

Mr Darko Kasap, Head of Administrative Department of Spatial Planning and Civil Engineering

e-mail: [darko.kasap@grad-zadar.hr](mailto:darko.kasap@grad-zadar.hr)





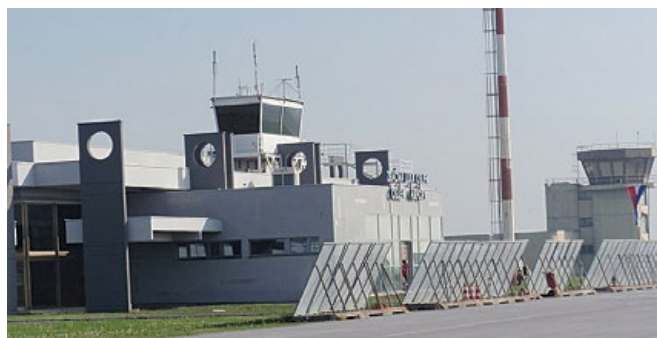
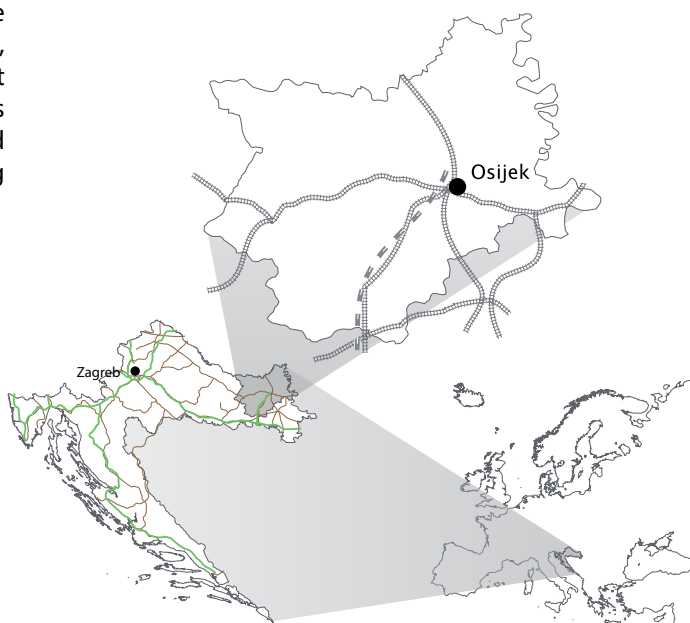
# OSIJEK AIRPORT Ltd., Osijek

## PROJECT DESCRIPTION

The future concessionaire / strategic partner would be expected to participate in modernisation of existing, construction of new capacities and acquisition of equipment for its commercial operations. The overall aim of the project is to strengthen cargo traffic in the Osijek - Baranja County and to foster economic development in the region by improving the competitiveness of the airport.

### CURRENT CHARACTERISTICS OF THE AIRPORT

- Runway characteristic: length: 2,500 m; width: 45 m
- Orientation: 111/291 (11/29)
- Strength: PCN 70 F/A/W/T
- Types of traffic permitted: IFR/VFR
- ATS communication facilities APP 118.800 MHz
- Croatia Control Ltd APP 120.150 MHz TWR 118.800 MHz
- Turnaround: 25– 30 minutes
- Passengers handling: DCS, manual check-in
- Fire fighting category: CAT IV on request up to CAT VII
- No slot coordination
- New parking lot (297 available parking spaces)



## TRANSACTION STRUCTURE

The Transaction currently envisages three options and shall be open to all strategic investors who are adequately positioned to further exploit growth potential of the Company.

**OPTION ONE: concession with the features of the public-private project partnership or concession contract**

**OPTION TWO: repurchase of existing stockholders**

**OPTION THREE: recapitalization**

Concession is defined by Airports Act. Concession for the airports is considered concession of public works, concession for public services. Concession for airport is given for a maximum term of 40 years.

## INVESTMENT OPPORTUNITY

The region served by Osijek Airport is of agricultural character, which could influence on the repositioning of the airport and focusing primarily on cargo traffic. Cargo terminal is located on the area size of 1,500 m<sup>2</sup> and separated on three parts: truck disposition, direct access to the apron for trucks and coolers.

Except for cargo and warehouse facilities Osijek Airport has a plan to invest in the passenger building, and to

separate domestic and foreign passengers. Departing gate is the priority to keep the status of international airport and increase safety of traffic, passengers and goods in the near future.

Passenger terminal area is 1,500 m<sup>2</sup>; capacity of 200 – 400 pax per hour; easy understanding for passengers; simple terminal development solutions – expanding or upgrading; possibility for extension based on the volume increase.



## SHORT MARKET ANALYSIS

A strong increase in number of operations and number of passengers in period 2008 - 2011 is closely related to introduction of new operators on the market. Germanwings signed a contract and introduced a new route Koln – Osijek – Koln. That contract was terminated after only one season and in 2009 a new operator came on the Osijek market, the management has signed a 5 year contract with Ryan Air for several new routes, which influenced on a 40% growth of passenger movement related to 2008. In 2012 Ryan Air has terminated the existing contract due to the lack of subsidies which resulted with a strong decline of passenger movement. In 2014 Ryan Air started a new route London Stansted - Osijek - London Stansted and brought a significant increase in the growth of passenger movement.

There is a growing trend in traffic in recent years. The number of passengers has increased more than ten times over the last 8 years (2,766 in 2007 to 29,509 in 2015). This traffic growth continued in 2016. In 2017 Osijek Airport is expected to have more than 60.000 passengers. The number of operations has increased three times in the same period (550 in 2007 to 1,903 in 2015).

The main airline operators on Osijek Airport are Croatia Airlines, Trade Air and from this year Wizz Air and Eurowings. Now, direct lines are offered to Basel and Stuttgart. From Stuttgart passengers can transfer to London, Hamburg, Hannover, Vienna, Rome, Berlin and Amsterdam. In agreement with Croatia Airlines airline tickets to many European destinations with a minimum connection time in Zagreb are offered.

During 2014 and 2015, the increase of the number of passengers was 7%, which is mostly generated by the increase of international passengers by 13%.

The highest number of passengers on scheduled routes was generated through the Ryanair route London-Osijek-London. This route had 20,658 passengers in 2015, an increase of 14% from 2014.

This is the evidence that the area served by Osijek Airport certainly has a lot of potential for further development of aviation activities and that the upward trend will continue.

Positive trends in increasing number of passengers continued during the 2016. If we compare the period from Jan-Oct 2015 and 2016, there is a 3% increase in number of passengers.

In 2016 Osijek Airport had one direct international line, London-Osijek, with total number of passengers 20,657.

The domestic regular flights had 8,269 passengers, which is 12% more than in 2015. If we consider that all the domestic lines continue with the same intensity during the winter flight schedule, it is expected by year-end 2016 the increase in passenger traffic compared to the year 2015 more than 10%. The total number of passengers by the end of October in 2016 is higher than the total number of passengers for the entire previous year.

Year	Number	Passengers	Cargo (t)
2002	673	3,132	-
2003	720	3,354	-
2004	708	3,030	356
2005	695	2,343	3,830
2006	649	2,871	515
2007	550	2,766	271
2008	774	14,685	173
2009	855	20,438	188
2010	792	20,824	-
2011	1,582	22,104	-
2012	1,636	2,195	-
2013	1,255	3,489	-
2014	1,636	27,187	-
2015	1,903	29,509	37
2016	2,168	30,732	-

Domestic flying routes connect Osijek Airport with Zagreb, Rijeka, Pula, Split and Dubrovnik.

Using its strong market position in Osijek – Baranja County, the Company wants to strengthen its position as a main cargo airport in the region.

Business Development Study and Strategic Business Plan are completed.

The Airport has the entire necessary infrastructure that provides cargo handling, fast trucks out to the apron for the aircraft and all prerequisites for the rapid cargo aircraft handling.

Besides capitalizing its position on the home market, regional market presents strong growth platform where the Company has already initiated negotiations with foreign partners. For this reason, the Company has decided to refocus its core activity as a cargo carrier and has decided to find a strategic partner for new investments.

## CONTACT

Ministry of the Sea, Transport and Infrastructure, e-mail: info@mmpi.hr  
 Mr Oleg Butković, Minister, e-mail: ministar@mmpi.hr



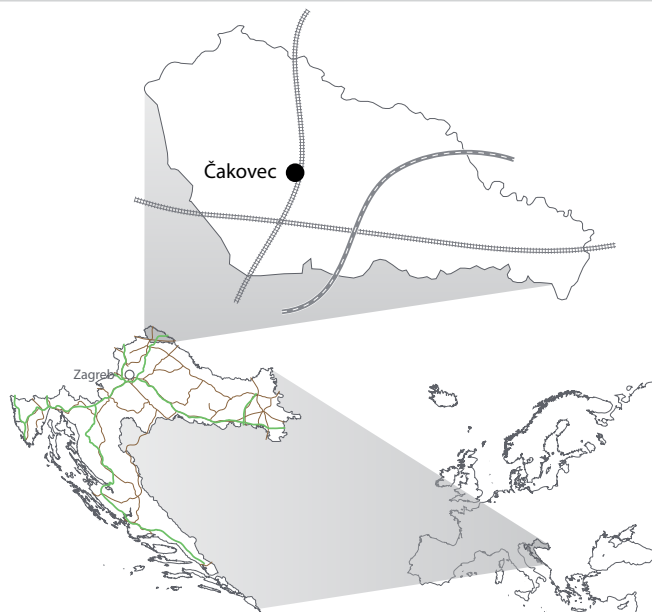
# OUTDOOR SWIMMING POOL COMPLEX, Čakovec

## LOCATION

The project is located in Čakovec, the administrative seat and the largest city of Međimurje County, the most densely populated Croatian county, situated around 90 kilometres north of Zagreb, the Croatian capital.

The project is foreseen as the second phase of construction of a comprehensive Sports and Recreational Centre (SRC MLADOST). The first phase has already been constructed and includes indoor swimming pools, football stadium, shooting range, adrenaline park and mini golf).

The building plot for the second phase covers 46,380 m<sup>2</sup> and is owned by the Town of Čakovec. According to the Town's General Urban Plan, the project land is within R3 area (sports and recreational facilities and swimming/bathing area).



## PROJECT DESCRIPTION

The project includes construction of an outdoor swimming pool complex that will complement the existing sports and recreational amenities at the location. The planned facilities include:

- outdoor swimming pools (25x16.5 m swimming pool with stands (1.8 meters deep); 20.65x12.5 m diving pool with three diving boards (4.0 meters deep); a pool for beginners; a paddling pool and a whirlpool),
- auxiliary facilities (locker rooms, toilets, etc.),
- children's playground area,
- basketball and beach volleyball fields,
- two café/snack bars.

The existing facilities have all utility connections: electricity, gas, phone line, water and sewage, with a separate power station for energy supply. There are currently 98 parking slots, while the project envisages construction of additional 123 slots, with planned charging station for electrical cars. The electrical charger for 15 bicycles has been installed and the current parking places for bicycles will also be extended to 200 bicycles capacity.

## TRANSACTION

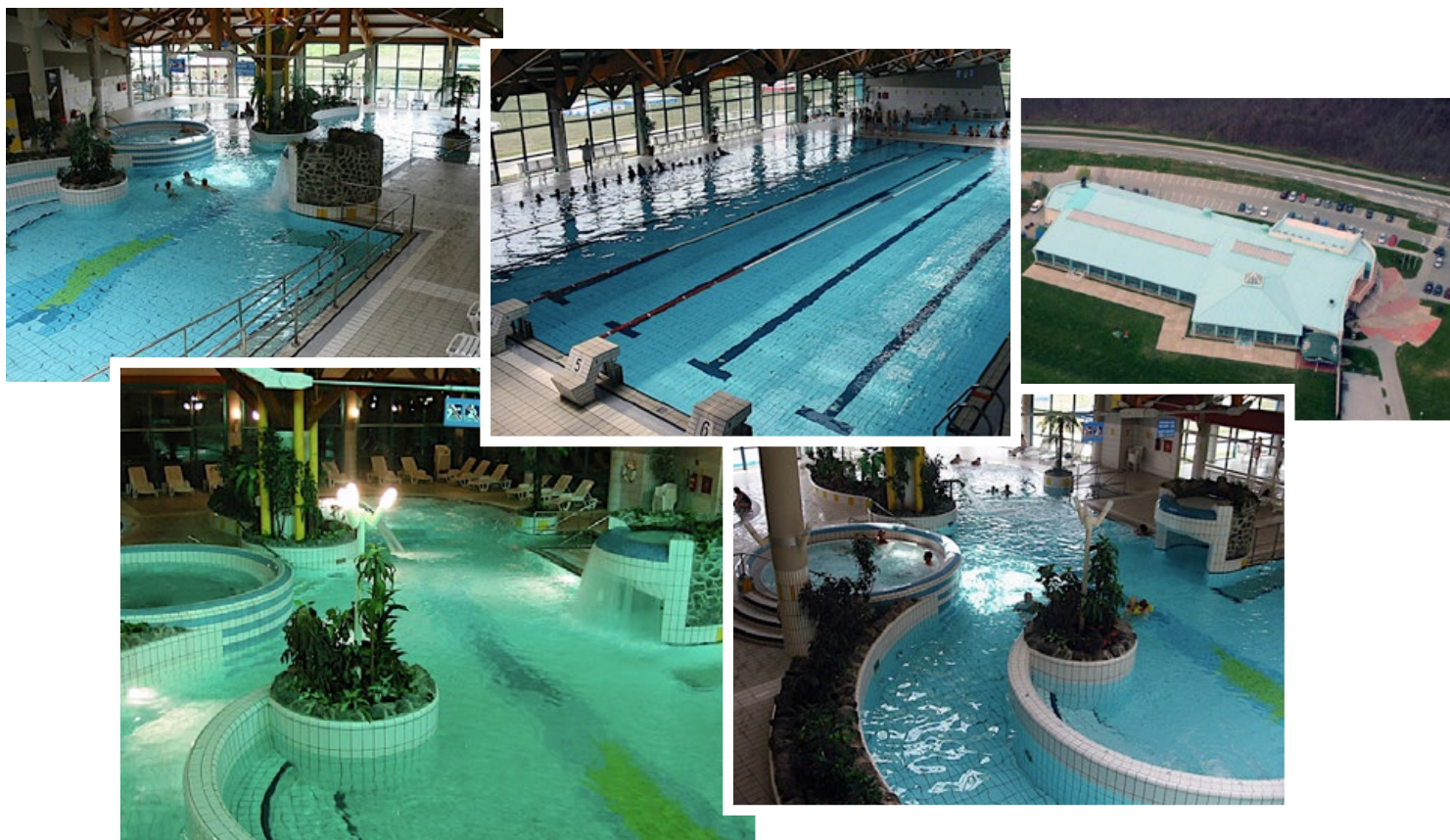
The Town of Čakovec is seeking a strategic partner for a joint venture in order to implement the second phase of the sports centre. The Town provides the project land and has already completed all necessary legal and technical documentation needed for the construction, while the strategic partner is expected to contribute with additional funds and resources.

## ESTIMATED VALUE

The estimated value of the project is approx. 6.5 million Eur.

## CURRENT STATUS

All necessary documentation, including the Building Permit, has been obtained. In addition, the cost-benefit analysis has been completed.



## MEDIMURJE COUNTY

Population (2011): **113,804**

GDP per capita (2014): **8,686 EUR**

Unemployment rate (2016): **12.1%**

Average gross salary: **827 EUR**

Average gross salary in the sector (tourism): **591 EUR**

Međimurje County, with its county seat Čakovec, is located in the northernmost part of the Republic of Croatia bordering Slovenia and Hungary, and between Mura and Drava rivers.

The county's great advantage is its close proximity to highways (Budapest-Lendava-Graz-Vienna and Budapest-Zagreb-Rijeka) and to airports (Zagreb, Maribor) as well as railway connections.

The economy of Međimurje is export-oriented and fast growing with highly developed food and wood processing industry, food production, production of textiles, footwear, plastics, trade and construction.

The Međimurje County Development Strategy states the improvement of the competitiveness of the economy as well as the regional development as its main goals.

## CONTACTS

TOWN OF ČAKOVEC, [www.cakovec.hr](http://www.cakovec.hr),

Mr Ninoslav Šipoš, Head of Administrative Department for Spatial Planning and EU Funds, e-mail: [ninoslav.sipos@cakovec.hr](mailto:ninoslav.sipos@cakovec.hr)

Ms Karmen Franin, Senior Advisor for Agriculture and EU Funds, e-mail: [karmen.franin@cakovec.hr](mailto:karmen.franin@cakovec.hr)

GP EKOM Ltd. , [www.ekom.hr](http://www.ekom.hr),

Mr Miodrag Novosel, Director, e-mail: [miodrag.novosel@ck.ht.hr](mailto:miodrag.novosel@ck.ht.hr)



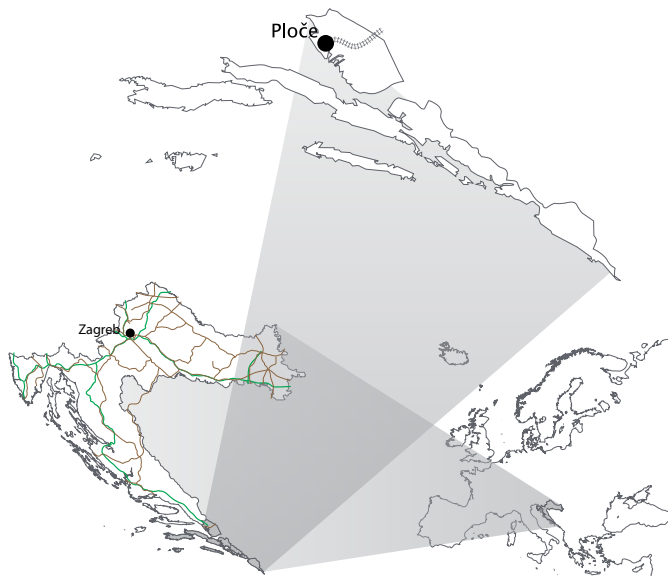


REPUBLIC OF CROATIA

## PORT OF PLOČE, Intensive development activities

### THE PORT WHICH WILL SOON DOUBLE ITS CAPACITY

- Currently the port capacities and port infrastructure are at the annual level of 5.5 million tons of various cargo (general, containers, dry bulk cargo, liquid cargo like gasoil, gasoline, vegetable oil).
- The port is approaching the completion of the Trade and Transport Integration (TTI) development programme with a significant financial support of the Government of the Republic of Croatia and the World Bank loan into the port infrastructure of sophisticated port terminals. The first phase of the Container terminal (capacity of 60.000 TEU) is already completed and the terminal is in operation from 2011. The new Dry Bulk Cargo Terminal (annual capacity of the first phase is 4.6 million tons) is under the development and it will start with operations until the end of 2017. The Entrance Terminal with parking areas, administrative building and control station will be in operation by the end of 2016 and it will be linked to the Croatian Highway A1 (Ploče-Zagreb) and to the future highway through Bosnia and Herzegovina (alongside the route Ploče-Sarajevo-Budapest).
- The Port Authority has already signed long-term concession agreements for the investment and operationalization of the existing port capacities and the terminals which belongs to TTI Project with Luka Ploče Plc on the basis of a public-private partnership. Total investment of TTI Project (infrastructure and superstructure) is more than 170 million EUR.
- Beside TTI Project, there are other greenfield investments of various concessionaires (new Terminal for liquid cargoes, LPG Terminal, biodiesel plant) in the port. The value of the mentioned investments is over 120 million EUR.
- After the completion of the mentioned development projects, the port capacities will enable the annual port traffic of more than 10 million tons.



### TRANSACTION MODEL

The potential port users can use available infrastructure and superstructure, and build new facilities according to the concession rights which are granted for a term of up to 99 years.

#### TWO POSSIBLE WAYS OF TRANSACTION:

1. Port of Ploče as the hub port for goods – usage of existing port capacities and capacities under development
2. Concession to investors for future investments in the port area as there is more than 50 hectares free for future development.



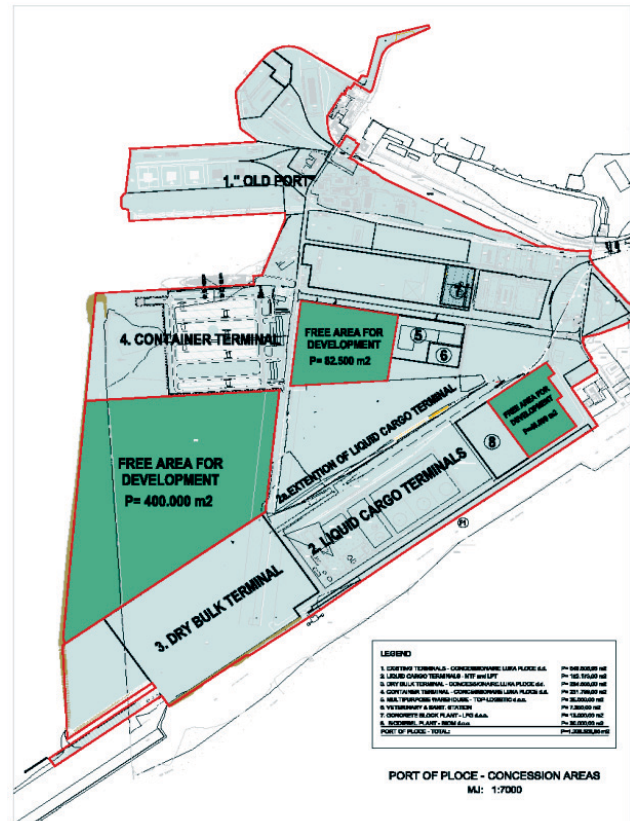
## INVESTMENT OPPORTUNITY

The Ploče Port Authority started with the "Trade and Transport Integration" development programme aiming at increasing the port capacities, improving the port efficiency and the quality of port services and thus resulting with better competitiveness of the port and the whole transport chain which passes through this port.

The port is open to all investors from all over the world who recognize the attractiveness of the port of Ploče location and its advantages.

It is a port of special international significance for Croatia; however, due to its position, it is also of an exceptional importance for the economy of Bosnia and Herzegovina. The border with Bosnia and Herzegovina is only 25 km far from the port of Ploče and therefore more than 80% of the port traffic refers to the foreign trade of Bosnia and Herzegovina.

The geo-strategic location of the port and the fact that it is a seaport of the branch C of the Fifth European Transport Corridor ("Vc") enable smooth and efficient transit of goods to/from Bosnia and Herzegovina, parts of Serbia, Croatia, Hungary and Slovakia, as well as the existence of the opportunity of transshipment to/from Italian ports. The main gate of the port of Ploče will be connected to the Croatian A1 Zagreb – Split – Ploče Highway and to the future highway at the Fifth Transport Corridor Vc (Ploče-Sarajevo-Budapest). **The port area covers more than 230 hectares, out of which 50 hectares are still undeveloped and ready for the concession.**



The port of Ploče is an EU seaport, but it is important to stress that almost the whole area has the regime of free (customs) zone where the special incentives and treatment may be applied especially to "non-EU" goods.

## DESCRIPTION OF THE PORT OF PLOČE

The Port of Ploče is the second largest Croatian port in terms of annual cargo volumes. The basic precondition for a successful functionality of the whole port system is the optimization of the integration and coordination of all entities and factors which directly or indirectly participate in the production of the port and the entire transport service. The Port of Ploče is of an international economic importance for the Republic of Croatia.

By the decision of the Government of the Republic of Croatia, the port area is managed by the Ploče Port Authority

as a non-profit institution, the responsibility of which, in addition to the port basin in Ploče, extends also to the basin of the Metković river port, which is located 24 km to the north-east of Ploče.

The main goal of the Ploče Port Authority is the transformation of the port from a traditional port into the regional center of logistics where various distribution and value added services would be carried out on the goods which transit the port.

## CONTACTS

Ministry of the Sea, Transport and Infrastructure, e-mail: info@mmpi.hr

Port of Ploče Authority,  
Mr Tomislav Batur, Managing Director, e-mail: tomislav.batur@ppa.hr



REPUBLIC OF CROATIA

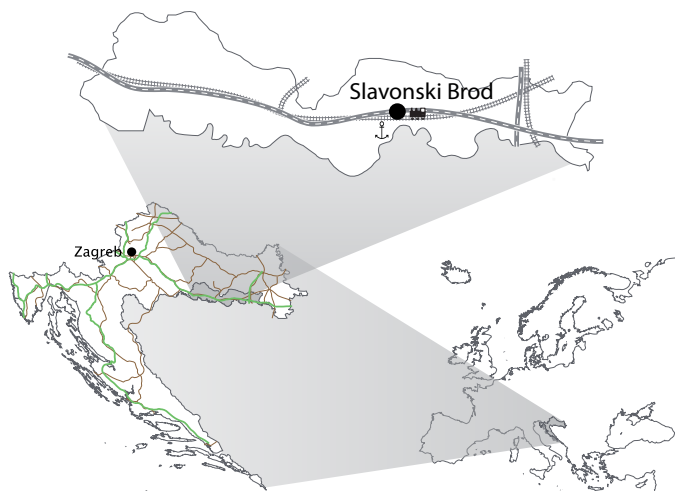
# PORT OF SLAVONSKI BROD, Slavonski Brod

## LOCATION

Port of Slavonski Brod is located on the left bank of the Sava River (364+000 – 362+200 river kilometers), 4 km southeast of Slavonski Brod, on the border of the Republic of Croatia and Federation of Bosnia and Herzegovina, close to the junction of the railway corridor X and the road corridor Vc. It is also the international entrance port of the European Union.

The port has a direct access to the road and rail networks, which enables transshipment and storage, as well as freight forwarding to the inland waterways towards Danube and Black Sea and further to the main Croatian seaports of Ploče, Split, Zadar and Rijeka.

The exceptional traffic position provides great potential for development of Port of Slavonski Brod into an intermodal logistics center.



## PROJECT DESCRIPTION

In order to create preconditions for more dynamic growth of the Port of Slavonski Brod, the project owner, Port Authority Slavonski Brod, which manages and develops the port on the Sava River (207-467 rkm) on total 90 hectares, plans further development of production and business activities on the remaining hinterland free area of 27 hectares.

Currently, in the coastal part of the port there is an oil terminal for transshipment of crude oil with two loading racks and bulk cargo terminal for transshipment of stones, sand, gravel and other bulk cargo in use. Based on the obtained building permit, construction of basic infrastructure is in process and around 80% of the port infrastructure is built (roads, industrial tracks, stormwater and faecal drainage, water supply and firefighting system and gasification). Also, a contract with the concessionaire for construction of a thermal power plant/heating plant and bio-ethanol plant has been signed. It is expected that these activity will result in higher demand for port services and increased amount of cargo handled in the port.

The 120m long terminal for general cargo (quay No. 3) with manipulation area of 3, 910m<sup>2</sup> has already been built and usage permit has been obtained. A connection of river waterway with road and rail network will be enabled by construction of this terminal and it will secure minimum conditions for cargo transshipment. In the extension of the coastal part of the port, besides already built terminal (quay No. 3), the following additional capacities are planned:

- Construction of quays No. 4 and No. 5 in total length of 221 m with manipulation area of 1,545 m<sup>2</sup> (multi-use terminal as an extension to already existing quay No. 3);

- Construction of container terminal with the capacity of 200,000 tons of cargo and auxiliary facilities of the container terminal;
- Ro-La terminal for transshipment of trucks to low-speed wagons with a capacity for receiving/shipping 20 low-priced wagons;
- Installation of equipment for loading/unloading (portal cranes capacity of 8/16 and 16/32 tons);
- Terminal building with office space for Port Authority, police, customs and freight.

The construction of planned capacities in the operational part of the port will enable performing of port operations and providing port services to concessionaries in the business zone with considerable savings in the process of transporting raw materials or finished products, as well as further development of the port of Slavonski Brod and increase in freight on inland waterways.

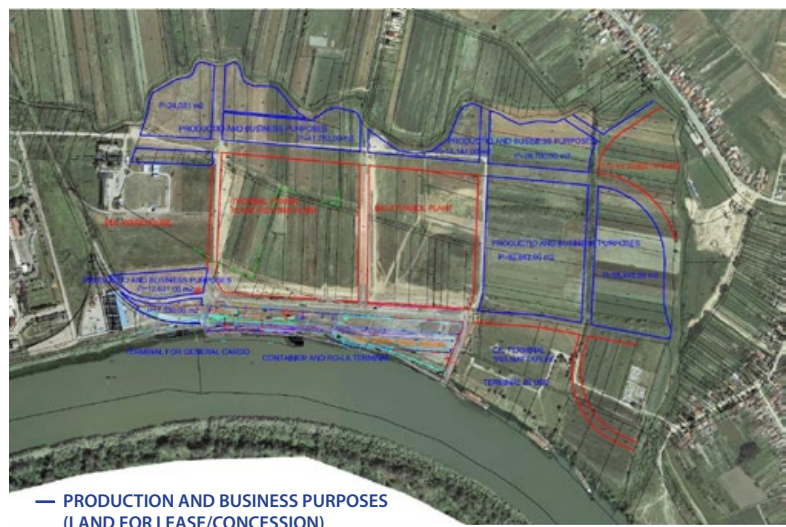
With planned capacity construction, overloading and manipulation of up to 1,500,000 tons of cargo per year will be possible in the port of Slavonski Brod.

### CARGO THROUGHPUT IN THE PORT BY TYPE OF CARGO (in tons)

	2014	2015	2016
CRUDE OIL	50,683	53,901	77,642
GRAVEL	45,260	109,620	71,480
SAND	15,120	0	48,690
GENERAL CARGO	0	949	0
<b>TOTAL:</b>	<b>111,063</b>	<b>164,470</b>	<b>197,812</b>

## TRANSACTION MODEL

Strategic partners for investment in development of the port area on a surface of 27 hectares of production and business purposes zone through land lease or concession for the economic use of a general or another asset are sought.



## BROD-POSAVINA COUNTY

Population (2011): **158,575**

GDP per capita (2014): **5,661 EUR**

Unemployment rate (2016): **27.1%**

Average gross monthly salary: **884 EUR**

The main competitive advantage of Brod-Posavina County is its exceptional geo-strategic position as it is situated on the crossing of important European traffic corridors: Pan-European Corridor X which connects Western Europe with South-East Europe and Middle East, and Pan-European Corridor Vc connecting Northern and Eastern European countries with the Adriatic Sea.

The County is intersected with railway, highway, inland waterways, telecommunications networks and oil pipeline. There are four capital cities (Zagreb, Budapest, Belgrade and Sarajevo) within 350 km radius of the County seat, Slavonski Brod. The river Sava, which represents a natural border with Bosnia and Herzegovina, enables waterway traffic with Central and South Europe as the most cost-effective way of transporting commodities and cargo. The Port of Slavonski Brod is connected by road and railway infrastructure with international infrastructure corridors.

Most represented business activities in the County (measured by their share in total revenue) are

manufacturing/processing industry - metal processing, wood processing and furniture manufacturing, chemical industry and food processing (46.5%), trade (15.6%), construction (15.6%) and agriculture, forestry and fishery (7.4%).

The processing industry has the largest part in the revenues from exports (predominantly metal industry, followed by wood processing, agriculture and production of furniture and chemical products), with its most important export markets in Bosnia and Herzegovina, Austria, France, The United Kingdom and Italy.

The County offers a possibility of studying at Mechanical Engineering Faculty Slavonski Brod offering vocational, undergraduate, graduate and postgraduate studies in Production Engineering and Mechanical Engineering and Slavonski Brod Polytechnics with vocational studies in mechanical engineering and management, as well as at Teachers Academy.

In Slavonski Brod is also industrial zone Đuro Đaković located. In addition to industrial zone, there is a very well developed Industrial Park Nova Gradiška and business zones Bjeliš, Rižino polje and Davor as well as business incubators: BRODIN – Brod Business Incubator and Business Innovation Support Centre (BISC) Nova Gradiška.

## CONTACTS

Ministry of the Sea, Transport and Infrastructure of the Republic of Croatia,  
Mr Oleg Butković, Minister, e-mail: [ministar@mmpi.hr](mailto:ministar@mmpi.hr)

Port Authority Slavonski Brod,  
Mr Marijan Jurić, Executive director, e-mail: [lucka-uprava@sb.t-com.hr](mailto:lucka-uprava@sb.t-com.hr)



# RIJEKA AIRPORT Ltd., Reconstruction, modernization and development of Rijeka Airport

## PROJECT DESCRIPTION

### THE PROJECT INCLUDES:

- Reconstruction and expansion of the passenger building – the existing building does not satisfy traffic growth projections nor current passenger flow demands at peak levels. The reconstruction will add approx. 4,600 m<sup>2</sup> at three levels. This will increase the building's capacity three times (up to 2,000,000 passengers on an annual basis);
- Reconstruction and expansion of the aeroplane parking platform – the extension of the passenger building includes an expansion of the existing aeroplane parking platform;
- Construction of storage and manipulation facilities for management of goods transported via air – inclusion of the Airport Rijeka in the intermodal goods transport traffic – 5,000 m<sup>2</sup> taking into consideration the building criteria;
- Addition and reconstruction of the existing aeroplane taxiway – in accordance with international regulation, current taxiway's width does not comply with regulation for the corresponding aeroplanes. Moreover, the number of existing taxiways does not correspond to the predicted traffic capacity. The Project will include expansion of existing taxiways and construction of a new aeroplane taxiway.



## TRANSACTION STRUCTURE

The Transaction currently envisages three options and shall be open to all strategic investors who are adequately positioned to further exploit growth potential of the Company.

**OPTION ONE: concession with the features of the project public-private partnership or concession contract**

**OPTION TWO: repurchase of existing stockholders**

**OPTION THREE: recapitalization**

Concession is defined by Airports Act. Concession for the airports is considered concession of public works, concession for public services. Concession for airport is given for a maximum term of 40 years.

**The most acceptable way of entry of private capital in Rijeka Airport is through recapitalization or concession. Recapitalization is the fastest and cheapest. Airport is of special interest for the Croatia mediteran coastal tourist region.**



## INVESTMENT OPPORTUNITY

Investment opportunity in case of Rijeka Airport lies in its unique and potentially very lucrative position in Croatia, Adriatic and Europe. Since the fact that Rijeka Airport Ltd. as a state owned Company is located on the area of Primorsko – Goranska County, by investing in it, every future investor will certainly benefit from strategic connections based on:

- Fast access to Central and Eastern Europe as well as other EU countries,
- Well-developed infrastructure,
- Well-developed business zones network and infrastructure,
- Outstanding service of logistics sector,
- Trained and educated workforce,
- Steady economic environment,
- Well-developed network of small and medium suppliers.

Year	Passengers	Operations	Cargo (t)
2002	50,366	2,759	22
2003	46,587	2,654	9
2004	57,024	2,754	1
2005	122,493	3,043	0
2006	169,250	3,399	0
2007	162,740	3,477	38
2008	111,864	2,530	0
2009	113,567	2,759	0
2010	61,855	1,008	0
2011	82,713	2,680	0
2012	71,558	n/a	0
2013	139,296	n/a	0
2014	103,433	2,230	0
2015	136,849	3,923	0
2016	143,113	4,146	0



## CURRENT INFRASTRUCTURE AND CAPACITY

### PASSENGER BUILDING TERMINAL CAPACITY:

- 1 passenger terminal,
- 1,000,000 passengers annually.

### RUNWAY AREA:

- Length: 2,500 m ICAO CAT 4E
- Width: 45 ICAO CAT 4E,
- Orientation: 04/32,
- Strip dimensions: 2,620 x 150 m,

- Instrument equipment: ICAO CAT I,
- VASIS 3°, IL.

### APRON PHYSICAL CHARACTERISTICS:

- Dimensions: 300 x 112 m,
- Parking places: 14,
- General aviation parking,
- Strength: PCN 45 F/R/A/X/T,
- Surface: ASPH.

## CONTACT

Ministry of the Sea, Transport and Infrastructure of the Republic of Croatia, e-mail: [info@mmpi.hr](mailto:info@mmpi.hr)  
 Mr Oleg Butković, Minister, e-mail: [ministar@mmpi.hr](mailto:ministar@mmpi.hr)



## SPORTS CENTRE “VIŠNJKI”, City of Zadar

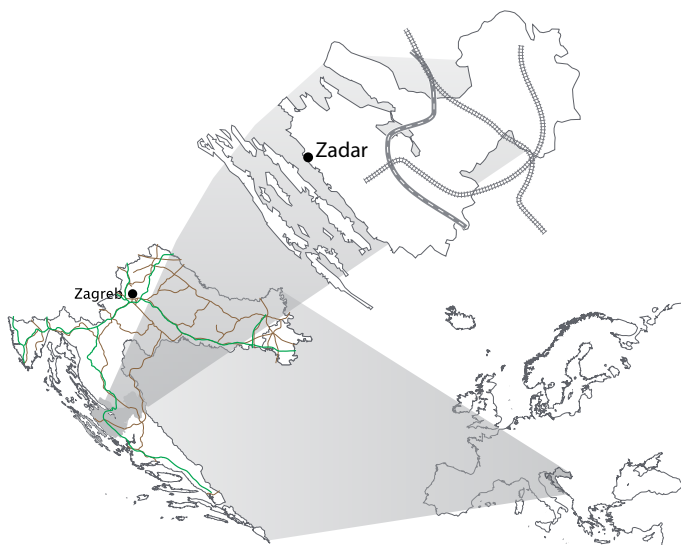
### PROJECT LOCATION AND DESCRIPTION

The project is located in the City of Zadar, northern Dalmatia (Zadar County) with a goal of further development of sports tourism in the City of Zadar. It includes the construction of the accommodation and additional sports facilities at the existing sports centre Višnjik covering 202,000 m<sup>2</sup>. The sports center has already built a reputation among domestic and foreign athletes as a great place for preparation for sports season, because of its long-year possibility to perform sports activities.

There are already several facilities at the centre: a multipurpose central sports hall “Krešimir Ćosić” with 8,000 seats; 4 auxiliary halls and gyms, each with 1,000 seats, intended for sports, music and other events; an indoor swimming pool complex (a large, small and children’s swimming pool as well as a diving tower); a press salon and a VIP salon.

The Project includes the construction of several new objects:

- Sports hotel\*\*\*\*, with 120 rooms (gross area of 16,560 m<sup>2</sup>)
- Sponsor’s house with business offices and commercial capacities (19,200 m<sup>2</sup> of gross area)
- Tennis centre on a total land area of 8,200 m<sup>2</sup>
- Outdoor swimming pool complex with an Olympic-size pool, recreational pools, a pool for diving with a diving tower and a children’s pool.



By implementation of the new Project and construction of additional accommodation and sports capacities, the Sports Centre Višnjik will develop into a large centre offering sports and accommodation services to athletes, sports clubs and sports unions.

### LAND OWNERSHIP

The project land is owned by the Republic of Croatia, while the City of Zadar has the Right to Build, granted in November 2007 for a period of 30 years. After that period, the bearer of the Right to Build will have a priority of the right to build or, in the case of sale, the right of first refusal for the new establishment.

### TRANSACTION MODEL

The management company Sportski centar Višnjik Ltd., owned by the City of Zadar, is looking for a strategic partner for the project development. Each investor/strategic partner will have a possibility to develop a specific part or the whole project, either by himself or in cooperation with the management company.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

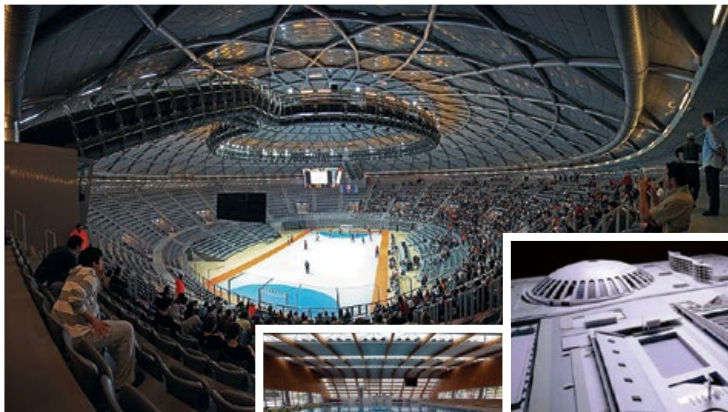
### CURRENT PROJECT STATUS

The project is in accordance with the City’s physical plans. The City Government brought a decision to start process of changes and amendments of the current Urban development plan (UDP) of the location, which had been in force since 2001.

The preliminary designs for the Tennis centre and Outdoor swimming pool complex have been completed. The commercial and accommodation facilities will be developed according to the amendments to the UDP.

### ESTIMATED VALUE

The estimated value of the project is 100 million EUR.



## ZADAR COUNTY

Population (2011): **170,017**

GDP per capita (2014): **8,197 EUR**

Unemployment rate (2016): **16.0%**

Average gross monthly salary: **963 EUR**

Zadar County is situated in northern Dalmatia in Croatia. The County's total area is 7,487 km<sup>2</sup> of both sea and land. It is well connected via road, sea and air, i.e. Zagreb-Split-Dubrovnik Highway, good ferry connections with Italy and the rest of Croatia and an international airport. The shortest maritime connections to central Italy pass through the Port of Zadar. Equally important is Zadar Airport which is a popular tourist entry point with 6.7% growth in the number of passengers in 2016 compared to 2015.

The County's most important sectors are trade (22.5%); manufacturing industry (22.4%) – food industry, metal production, production of vessels, textile industry; transport and storage (13%); fishery and agriculture (9.2%) and tourism (10.6%). The main export markets are Japan, Italy, Slovenia and Germany (while the most exported products are aluminium products, fish – fresh and processed and machinery).

Zadar County is the most successful Adriatic county regarding the production and export in the sector of mariculture. The tradition of fish processing industry in Croatia is more than 130 years old and is one of the first industries on the Croatian coast and islands.

Zadar County is the seat of the majority of the Croatian tuna farmers and of the largest grower of white fish. It also has the highest concentration of the fishing fleet in Croatia (fishing cooperatives, enterprises and numerous fishing crafts).

Zadar is also an ancient European university city with a tradition since 1396. It offers 24 academic departments, such as: Agriculture and Mediterranean Aquaculture, Economics, Traffic and Maritime Studies, English, German, Italian and French Studies, Tourism and Communication Sciences department and Humanities department. It has approximately 5,800 undergraduate, graduate, postgraduate and doctoral students.

The centrepiece of the rich tourist offer in the County is its capital – the City of Zadar which is a focal point to the archipelago of more than a hundred islands. Most of these are uninhabited and contain highly preserved sceneries and attractive coastal zones. These areas are foreseen for further development and enrichment of the tourist offer of the County.

The County is conveniently located near some of the most attractive Dalmatian sights, including national parks Kornati and Krka and a famous extreme sports location Paklenica. The County's tourism potential has been recognized internationally with brands such as Falkensteiner present in the County, while serious investments in Zadar County's marinas have been made by the renowned Dogus Group.

## CONTACT

Sportski centar Višnjik Ltd.  
Mr Denis Karlović, Director, e-mail: [denis.karlovic@visnjik.hr](mailto:denis.karlovic@visnjik.hr)





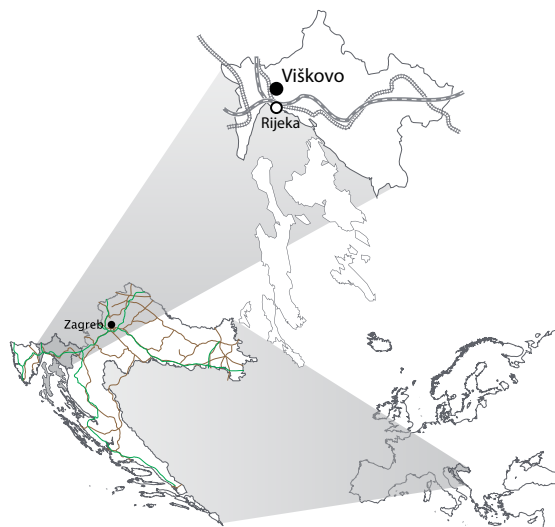
# SPORTS HALL, Viškovo

## LOCATION DESCRIPTION

The project is located in the Municipality of Viškovo, very close to the City of Rijeka, the most important Croatian international sea port, a beautiful modern city with strong historical influences on its architecture and culture.

Rijeka is also the administrative and economic center of Primorje-Gorski Kotar County. Viškovo used to be a part of Rijeka while now it is an independent municipality with 16,000 inhabitants.

The advantages of this location are its vicinity to the most famous tourist destinations in Kvarner, such as Opatija and Lovran, vicinity of state borders to Slovenia and Italy, and beautiful nature.



## PROJECT DESCRIPTION

The Sports Hall is envisaged to be built on the land that is part of the sports and recreational zone named Halubjan.

Total plot area of the land owned by the Municipality of Viškovo is 7,155 m<sup>2</sup>. The exact size of the building plot, currently proposed at 8,200 m<sup>2</sup>, will be determined according to the Detailed Development Plan.

The project is foreseen as a multifunctional hall, and envisages the construction of sports, business and commercial facilities. Its main goal is to increase the quality of life in the municipality, by enabling local people to have a gathering point where sports, business and cultural activities and events can be organized.



## TRANSACTION MODEL

The project holder, the Municipality of Viškovo, is looking for a partner/investor/technical support.



## ESTIMATED VALUE

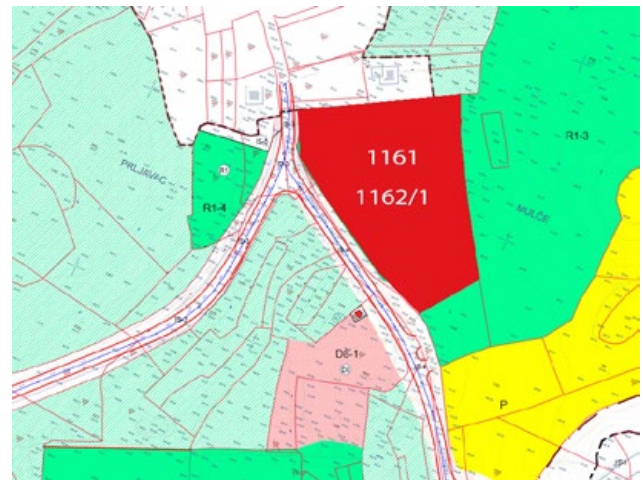
Total estimated value: approximately 5.3 mil EUR.

## PROJECT STATUS

The project is in accordance with the Detailed Development Plan, which determines this area for sports and recreation facilities.



The preliminary design has been prepared, and further steps include developing the preliminary project and final design, as well as obtaining construction permit.



## PRIMORJE-GORSKI KOTAR COUNTY

Population (2011): **296,195**

GDP per capita (2014): **12,548 EUR**

Unemployment rate (2016): **13.0%**

Average gross salary: **1,030 EUR**

Average gross salary in the sector (tourism): **949 EUR**

Primorje-Gorski Kotar County is situated between Slovenia in the north and the Adriatic in the south. It is comprised of woodland mountains, the sea coast and islands.

A very favorable position at the junction of important road and sea routes were the reasons why inhabitants have focused on maritime affairs and other sea-related economic and tourism activities. As a consequence, the area, and especially the county seat of Rijeka, has developed into a strong transport and maritime center. While Gorski Kotar has remained a traditional forestry and wood processing area, it has also recently developed into a strong tourism region.

Primorje-Gorski Kotar County is considered the birthplace of Croatian tourism, especially Opatija and Lovran, which

previously served as holiday destinations for the Habsburg emperors. These towns have now been high-end and health tourism destinations for more than a century.

The county's education policies mirror its historical ties with tourism, especially nautical tourism. The Faculty of Tourism and Hospitality Management in Opatija is the only Croatian university fully dedicated to the education of a specialized tourism workforce. In addition, there are two secondary education institutions dedicated to tourism or hospitality education.

The county is also especially attractive for nautical tourism. According to the Ministry of Tourism, there are 11 marinas with a total of 2,747 berths.

The county is well connected with continental Croatia and the neighboring countries. Rijeka is a major ferry port with regular connections to the nearby islands and the southern Adriatic. There are several airports within a 200 km radius (Pula, Rijeka, Zadar, Zagreb, Split, Trieste, Venice, and Ljubljana).

## CONTACT

Municipality of Viškovo

Ms Sanja Udovič, Mayor, e-mail: [nacelnica@opcina-viskovo.hr](mailto:nacelnica@opcina-viskovo.hr), phone: +385 51 503 770



# WESTERN ŽABICA COMPLEX, Rijeka

## PROJECT DESCRIPTION

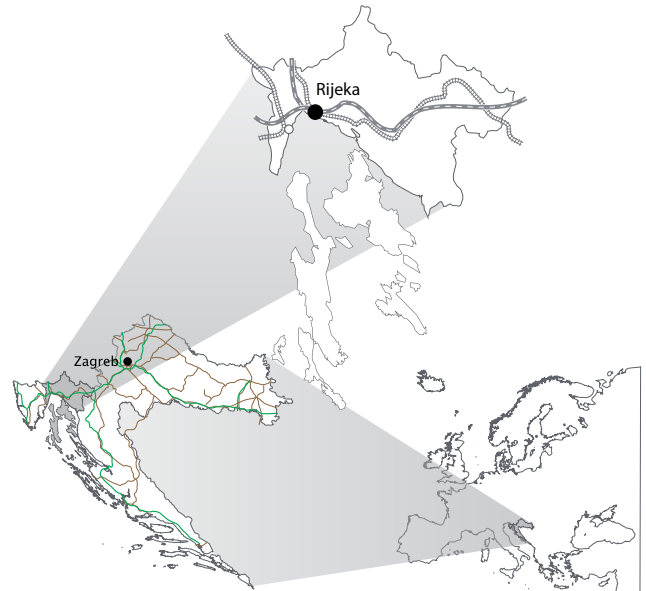
The Western Žabica Complex encompasses the construction of a new bus terminal in near vicinity of the old bus station.

In addition to the construction of a new bus terminal, the Project will include building of a public garage on 4 levels with 940 parking spaces, a shopping centre and business facilities.

### THE PROJECT AIMS ARE:

- Modernization of buses' and passengers' handling service in intercity, national and international transportation and facilitating passenger's transition towards other transport means (trains, ferries), since the current bus station location does not provide safe handling of buses and passengers and does not comply with applicable laws and regulations;
- Enabling of a parking service to customers;
- Provision of additional parking/garage spaces in order to implement new traffic regulation of the City centre, whose main goal is improvement of the public transport;
- Providing other services to terminals and garage users (commercial, business and other services).

The Project does not offer a possibility of construction in phases, but there is a possibility to gradually put different parts in function.



## LOCATION

The Project area is situated in the very centre of the City of Rijeka, and occupies the area of old railway warehouses. The total area of existing and future bus terminals covers 14,180 m<sup>2</sup>. The location has an easy access to the City centre, the main City roads, the railway terminal and the seaport.

## ESTIMATED VALUE

50 million EUR.

## TRANSACTION MODEL

The owner of the project land is the City of Rijeka. There are several transaction possibilities: sale of land, right to build (lease) and public-private partnership.

## PROJECT STATUS

The project documentation (preliminary, detailed and main designs) is completed. Location permit and building permits for the reconstruction of the access road and the whole Western Žabica Complex are obtained.

## CAPACITIES

### CURRENT CAPACITIES

- Number of bus stops: 14
- Current maximum capacity: up to 1.5 million passengers
- Other: passengers facilities covering approx. 200 m<sup>2</sup>



### PLANNED CAPACITIES

- Number of international platforms: 18
- Maximum capacity: 2.2 million passengers
- One terminal with connections to railway and seaport terminals
- Administrative facilities: 8,000 m<sup>2</sup>
- Garage for buses with 15 parking slots
- Public garage with a capacity of 940 vehicles
- Shopping center covering 7,000 m<sup>2</sup>
- Commercial and business spaces: 5,100 m<sup>2</sup>



## PRIMORJE-GORSKI KOTAR COUNTY

Population (2011): **296,195**

GDP per capita (2014): **12,548 EUR**

Unemployment rate (2016): **13.0%**

Average gross salary: **1,030 EUR**

Average gross salary in the sector (tourism): **949 EUR**

Primorje-Gorski Kotar County is situated between Slovenia in the north and the Adriatic in the south. It is comprised of woodland mountains, the sea coast and islands.

A very favorable position at the junction of important road and sea routes were the reasons why inhabitants have focused on maritime affairs and other sea-related economic and tourism activities. As a consequence, the area, and especially the county seat of Rijeka, has developed into a strong transport and maritime center. While Gorski Kotar has remained a traditional forestry and wood processing area, it has also recently developed into a strong tourism region.

Primorje-Gorski Kotar County is considered the birthplace of Croatian tourism, especially Opatija and Lovran, which

previously served as holiday destinations for the Habsburg emperors. These towns have now been high-end and health tourism destinations for more than a century.

The county's education policies mirror its historical ties with tourism, especially nautical tourism. The Faculty of Tourism and Hospitality Management in Opatija is the only Croatian university fully dedicated to the education of a specialized tourism workforce. In addition, there are two secondary education institutions dedicated to tourism or hospitality education.

The county is also especially attractive for nautical tourism. According to the Ministry of Tourism, there are 11 marinas with a total of 2,747 berths.

The county is well connected with continental Croatia and the neighboring countries. Rijeka is a major ferry port with regular connections to the nearby islands and the southern Adriatic. There are several airports within a 200 km radius (Pula, Rijeka, Zadar, Zagreb, Split, Trieste, Venice, and Ljubljana).

## CONTACT

City of Rijeka

Mr Srđan Škunca, Head of the City Administration Department for Development, Urban Planning, Environment and Land Management, e-mail: [srdjan.skunca@rijeka.hr](mailto:srdjan.skunca@rijeka.hr)





**STATE-OWNED PORTFOLIO**

**ENERGY SECTOR  
PROJECT**

**HES KOSINJ / SENJ II**

### PROJECT

Hydro energy System Kosinj/Senj II is a multipurpose project, it is a continuation and a second phase development of existing hydro power plant system on rivers Lika and Gacka. It encompasses the construction of Kosinj reservoir and Kosinj hydro power plant, reconstruction of Sklope hydro power plant and construction of new Senj II hydro power plant. New capacity will be introduced at Senj II and Kosinj power plant, while Sklope power plant will be modified with reduced capacity due to increased tailwater lever.

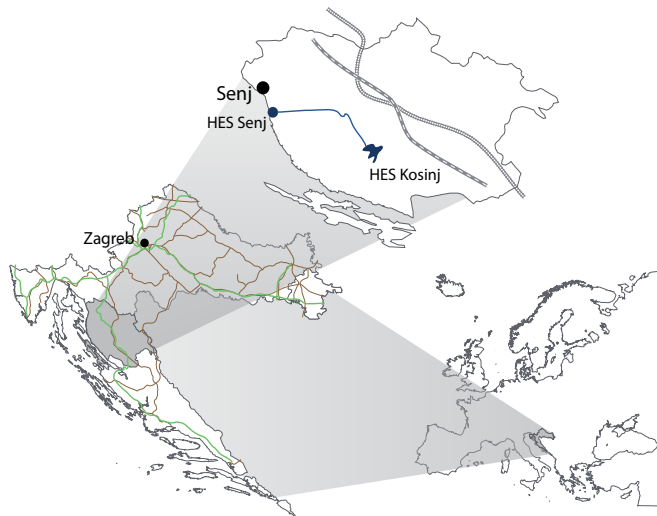
Next to more efficient usage of overspills in the water system, project ensures water hazard protection for the region and also advanced water supply system for north Adriatic coastal area.

#### COMPLETED ACTIVITIES:

- ✓ Conceptual designs
- ✓ Main design for part of the project (tunnel, canal, compensation basin)
- ✓ Exploration works

#### CURRENT ACTIVITIES:

- ✓ ESIA-Environmental Impact Assessment Study – in progress



**HPP Senj - underground facility**

### TRANSACTION

**HEP Plc. is looking for potential financial/strategic investors and partners to enter the project.**

### INVESTMENT OPPORTUNITY

As a multipurpose project, hydro energy System Kosinj/Senj II offers multiple benefits for both investors and local community and economy.

The Kosinj reservoir is envisaged to storage significant water potential (98% energy utilization of all water in Lika and Gacka rivers). Apart for additional generation of electricity, this storage enables the system to be used during the peak load hours and to provide ancillary services for the power system.

Estimated investment is estimated to the value of 500 mil. EUR, while the construction is estimated to last for 5 years.

Project entails at yearly average 360 GWh of new (peak load) energy and switch of 685 GWh of existing base load energy into peak periods.



**HPP Senj**

## DESCRIPTION

- This project encompasses several existing, reconstructed and new objects on wide region from existing Sklope hydro power plant all the way to the sea side to the Senj hydro power plant.
- Kosinj reservoir will have volume of around 500 m<sup>3</sup>, and Kosinj hydro power plant with installed capacity of 52MW and annual generation of 48GWh.
- Several tunnels (new Lika-Gacka tunnel and new headrace tunnel) and canals (Bakovac-Lika) are to be constructed for better usage of waters of Lika and Gacka.
- Existing compensation basin Gusić polje will be enlarged with new Gusić polje 2 basin to ensure around 2.1 mil m<sup>3</sup> of volume.
- From compensation basin Gusić polje, water is derived to water chambers and to existing and new Senj II hydro power plants.
- New Senj II hydro power plant will have installed capacity of around 340MW and with existing units the system will have total of 600MW which could be part time used for covering the peak load.



**HPP Sklope**

## CONTACTS

HEP plc,

Mr Kažimir Vrankić, Director of Strategy and development department, e-mail: [kazimir.vrankic@hep.hr](mailto:kazimir.vrankic@hep.hr)

Mr Vedran Jurić, Director of Capital investments department, e-mail: [vedran.juric@hep.hr](mailto:vedran.juric@hep.hr)

or

Center for Monitoring Business Activities in the Energy Sector and Investments, [www.cei.hr](http://www.cei.hr), e-mail: [cei@cei.hr](mailto:cei@cei.hr)





**STATE-OWNED PORTFOLIO**

**INDUSTRY SECTOR  
PROJECT**

**Halal Production Line**



# HALAL PRODUCTION LINE, Čađavica

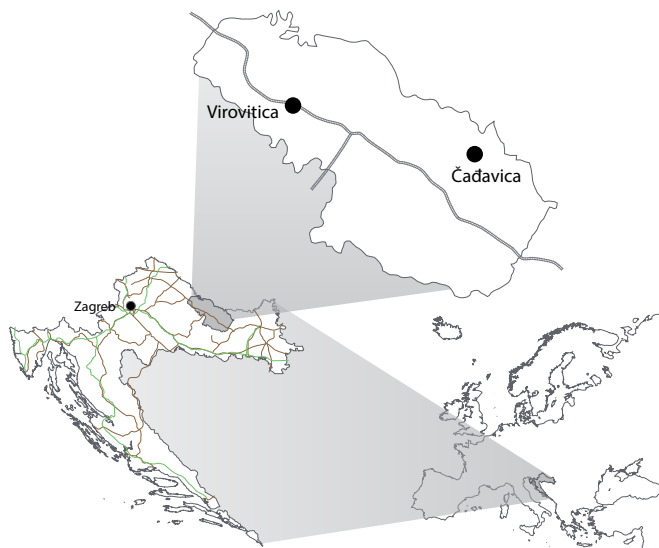
## LOCATION DESCRIPTION

Based on increasing demand for Halal certified food, the Municipality of Čađavica is offering an opportunity to a potential investor to develop a Center of food production with Halal certificate in the Čađavica Industrial Zone. Čađavica is a small place located in the continental part of Croatia, near the Hungarian border, 44 km from Virovitica, the administrative center of Virovitica-Podravina County, 194 km from Croatian capital Zagreb and 380 km from Budapest.

The Municipality is connected with surrounding areas by local, county and state roads (the main road D2, from Slovenia up to the border with Serbia, connects the western and eastern part of Croatia).

The Municipality of Čađavica is a typical lowland area with its natural resources, relief, geological composition of the soil, climate and hydrological characteristics, vegetation cover and fauna.

Economic activities are based on available land resources and favorable climatic conditions. Consequently main economic sectors include agriculture and animal husbandry. Recently intensive investments were made in modernization of infrastructure including modernization of roads, construction of water supply system, sewage networks, sidewalks and street lighting.



## PROJECT DESCRIPTION

The project envisages development of production and processing center for broiler breeding with a slaughter house based on Halal certificate standards on 27 ha in Čađavica Industrial Zone owned by the Municipality of Čađavica. Within the Zone 17 ha are intended for broiler breeding, 7 ha for processing facilities (slaughterhouse) and the remaining 3 ha for bio-gas and wastewater treatment facilities. The projected production capacity is 5.5 million broilers and 8,000 tons of chicken meat. The infrastructure capacities of the Zone currently include water, gas and electricity connections.

In order to attract the potential investor to develop the project, the Municipality is prepared to sell the land for 1 EUR/m<sup>2</sup> or to lease it for 56.0 EUR / ha, depending on the agreed transaction model.

According to the spatial plans there is additional possibility to develop a slaughterhouse project with the capacities of 20,000 tons of beef and 8,000 tons of lamb on 5 ha of land located next to the Zone and owned by the Republic of Croatia.

Currently Croatia has 85 Halal certified companies.

## KEY FIGURES ON HALAL MARKET (2014 est.)

### POPULATION

**1.8 billion**  
(25% of the world population)

### FOOD MARKET SHARE

**16% of world food industry**

### TURNOVER

**1.4 trillion USD annually**

Source <http://www.sgs.com/en/news/2015/11/recent-facts-on-the-global-halal-market-and-the-role-of-halal-certification>

## CURRENT STATUS

The project is in compliance with the Urban Development Plan of Čađavica Industrial Zone and so far the Conceptual Design and pre-study for the Project have been prepared. Due to specific legal requirements on food production concerning environmental protection and sustainable development, the preparation of Environmental Impact Study is needed.

## ESTIMATED VALUE

Estimated value of the investment, which envisages 150 new employees, is 52 million EUR.

## TRANSACTION MODEL

The Čađavica Municipality offers to a flexible model of transaction including land sale, lease or right to build a strategic partner. The selection of the potential investor will be the subject of a public tender.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## VIROVITICA-PODRAVINA COUNTY

Population (2011): **84,836**

GDP per capita (2014): **5,655 EUR**

Unemployment rate (2016): **32.7%**

Average gross salary: **824 EUR**

Virovitica-Podravina County is located in northeastern Croatia and covers the area of Slavonia and Podravina. It is bordered by Bilogora, Papuk and Krndija from the South, with its slopes gradually merging with the Pannonian Plain. The County's northern border is the River Drava which also makes a natural border with Hungary in the largest part of its hundred kilometre long course.

From a total of 2,024 km<sup>2</sup>, of the County area, around 56.85% is a mountain region and the remaining 43.15% is lowland. Out of 116,751 hectares of agricultural land, which represents 4.08% of the Croatian agricultural area 65,278 hectares are privately owned while 57,255 hectares are owned by Republic of Croatia (*Source: Institute for Physical Planning Virovitica-Podravina County*).

Fruit growing, horticulture and cattle breeding have a long tradition due to the wealth of natural resources. While corn and wheat, medicinal herbs, tobacco and sugar beet of the highest quality are grown on fertile Slavonia and Podravina fields, the slopes of Bilogora and Papuk are covered with vineyards.

The forest richness has given impetus to the development of wood processing industry with worldwide reputation. Pure nature is an ideal setting not only for continental tourism based on health prevention and recreational programs but also for ecological-based agricultural production.

Renowned international agriculture and food fairs – "Viroexpo" and "Agroexpo" in Virovitica and "Agroarca" in Slatina have grown from small local events to some of the largest fairs of this type in Croatia.

Based on contemporary economic development of agriculture industry and high quality products the County exports to 79 countries. According to the statistical data processing industry export is dominant (82.6%,) and more than a half of export is in furniture and wood products 52.83%, followed by food products (10.11%), tobacco (9.97%) and metal products 3.76%. Agricultural, forestry and fisheries exports comprise 13.04% and trades 2.75%.

Currently small family farms prevails in the organizational structure of the County's agriculture sector (in 2014, their share was 95.73% of the total legal entities in agriculture) but with the establishment of Industrial Zone Čađavica and the growing Halal market the possibility for large scale broiler breeding is open.

## CONTACTS

Čađavica Municipality

Mr Mirko Rončević, Municipal Mayor, e-mail: [nacelnik@opcina-cadjavica.hr](mailto:nacelnik@opcina-cadjavica.hr)

Agency for Investments and Competitiveness (AIK), [www.aik-invest.hr](http://www.aik-invest.hr), e-mail: [info@aik-invest.hr](mailto:info@aik-invest.hr)





**STATE-OWNED PORTFOLIO**

**SOCIAL CARE  
PROJECT**

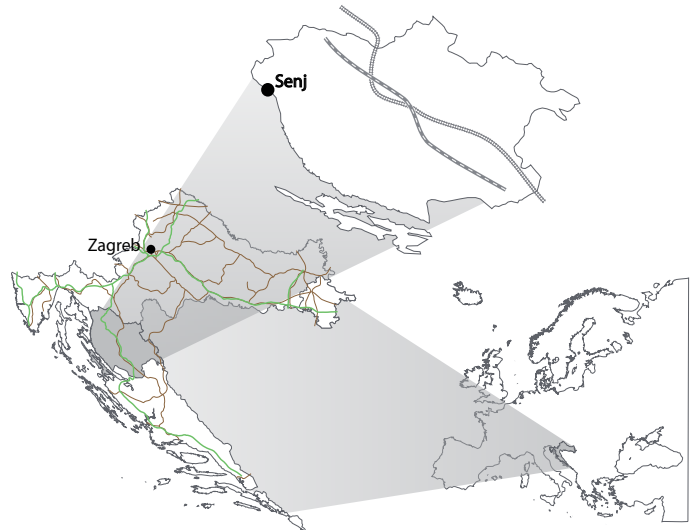
**Residential Care Home Senj**

# RESIDENTIAL CARE HOME SENJ, Lika-Senj County

## LOCATION

The project is located in the City of Senj (Lika – Senj County), near the city center on a quiet location within 500 meters to the nearest local hospital. The town area comprises 76 km long maritime coast and is situated between the sea and the slopes of the mountains Kapela and Velebit (Velebit is the biggest mountain in Croatia) with the Mediterranean climate (dry and warm summers, and mild and humid winters).

According to the 2011 Census, Lika-Senj County is the county with the oldest population in Croatia. With just one nursery home in the town of Gospić and its subsidiaries in Otočac and Udbina, there is a high demand for these types of facilities in the county.



## PROJECT DESCRIPTION

The project includes construction of a high-category nursing home for 100 users on a land plot of 3,969 m<sup>2</sup>. The future nursery home will consist of a basement space with an underground garage, a ground floor with administrative and commercial facilities and additional four floors with accommodation units (double and single rooms) and infirmary.

Out of total 3,969 m<sup>2</sup>, 30% of the land plot is intended for the residential area and the rest for green areas and new public spaces. The future nursery home is not envisaged as an isolated complex, it will rather be an integral and vital part of the urban area with residents included in everyday city life.

## CURRENT PROJECT STATUS

The project documentation (preliminary, detailed and main design) is completed and location and construction permits are obtained. The main preparation works are finished, including the demolition of existing buildings and expansion and construction of the access road. The construction of the first project phase (basement level) has already commenced.

## TRANSACTION MODEL

The owner of the project land is the Lika-Senj Diocese which has granted the right to build to the City of Senj with no time limit in terms of validity. The City of Senj is the bearer of right to build as long as the main purpose of the facility is residential care home for the elderly. The transaction model includes joint development of the project with the participation of the City of Senj (40% of total investment costs) and a strategic partner (60% of total investment costs).

The City of Senj is obliged to grant the right to use 10% of total capacities to the Lika-Senj Diocese as the compensation for the right to build.

## ESTIMATED VALUE

Estimated value of the project is 5.27 million EUR.



**The future look of the Residential Care Home**



**Commenced works on the site**

## **LIKA-SENJ COUNTY**

Population (2011): **50,927**

GDP per capita (2014): **7,822 EUR**

Unemployment rate (2016): **22.3%**

Average gross monthly salary: **915 EUR**

Lika-Senj County is territorially the largest county in the Republic of Croatia, which covers the surface of 5.350 km<sup>2</sup> or 9.5% of the Croatian territory and has a total population of 50,927 according to the 2011 Census. The County is strategically located between three major economic centers in Croatia: Zagreb, Rijeka and Split, and is rich in wood and water resources.

The biggest part of the Lika-Senj County is located in the mountainous part of Croatia, while its smaller part is located on the coast. Climate is moderate continental and

Alpine in the continental part and sub-Mediterranean and Mediterranean in the coastal part of the county.

Lika-Senj County has excellent traffic connections via motorway, railway, sea ports and relative vicinity to airports as well as developed communal infrastructure: local roads, sewerage system, waste water treatment, electricity, telecommunications grid, broadband Internet access. Most important sectors are trade (25%), construction (16.6%), manufacturing (22%) and tourism and hospitality (13.4%)

According to the 2011 Census, Lika-Senj County has the oldest population in Croatia with average age of 45.3 years. Ageing index is 166.0 which makes the importance of construction of nursery homes even more relevant. Furthermore, there is just one nursery home in Gospić with its subsidiaries in Otočac and Udbina so there is already very high demand for care homes for the elderly.

## **CONTACT**

Institution for Development of the City of Senj

Ms Dorotea Prpić, Principle, e-mail: [dorotea@ras.hr](mailto:dorotea@ras.hr)





## **PRIVATE PROJECTS**

## **TOURISM SECTOR PROJECTS**

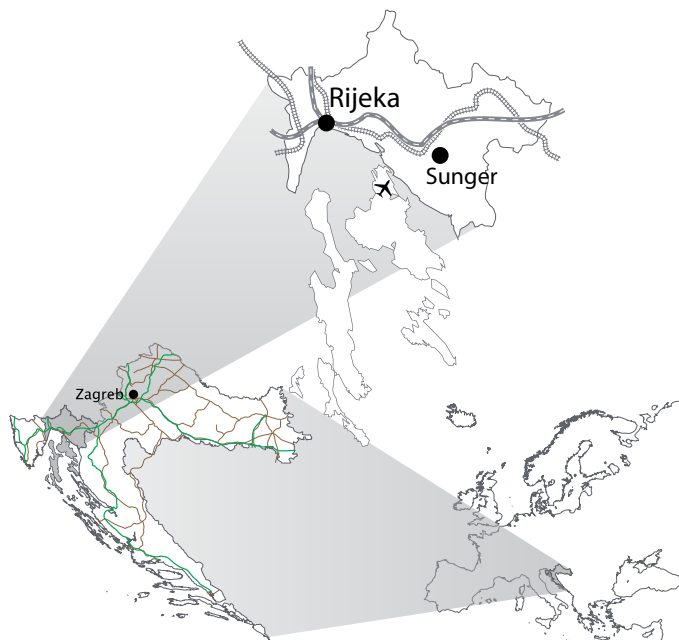
**Adventure Park Sunger**  
**Biograd Health & Tourist Centre**  
**Dubrovnik 3 Sisters – Croatian Dream**  
**Health Tourism Center Stubaki**  
**Hortus Croatiae**  
**Hotel Progress**  
**Istria Estate & Country Club, Marlera Golf**  
**Pašman Resort**  
**Seemar Residence**  
**Sv. Martin Hotel and Resort**

## PROJECT LOCATION

The project is located in the small village of Sungler in Gorski Kotar, the wooded area of western Croatia. The village, only 2 km away from the municipal center Mrkopalj, is next to the Sunglerski lug pine forest and the beautiful rock complex of Burni Bitoraj (1,386 meters), which is the beginning of the Velika Kapela mountain chain.

Sungler is a typical small mountain village with 300 inhabitants known for their spontaneous hospitality. The entire area has a good climate and a long tradition of winter tourism: the first ski slopes were organized in 1913, and the following year the first cross-country competition was held. Upon completion of a ski jump in 1934, the first international competition was organized and Mrkopalj became known as the cradle of Croatian skiing.

Situated on a county road, the village is easily accessible from the county seat, Rijeka, 40 km away. The area is also very well connected to the Adriatic coast, making it a desirable holiday destination for active holidays throughout the year. In addition to alpine skiing, cross-country skiing and sledding, other very popular sports are biathlon, biking, hiking and walking, hunting, fishing and adventure sports.



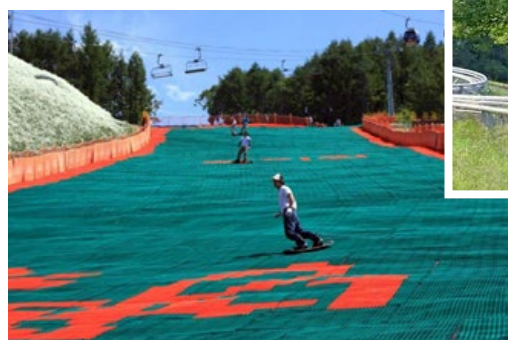
## PROJECT DESCRIPTION

The current spatial plan of the municipality envisages an adventure park as a multi-purpose sport and tourist recreational center on an area of almost 7.75 hectares, including a tourist village on 1.44 hectares. The investment study for the tourist village foresees the construction of a hostel with 40 beds and four typical local houses, with the possibility of offering them under a time-share arrangement for a period of 5 to 30 years. The drafting of an urban plan is in progress and should be adopted in 2017.

Unlike other tourist and recreational centers in Croatia, the project will offer opportunities for skiing and sledding during the summer on an artificial surface, which will be put on one of two trails with a total length of 300 m. In the future, this facility may become one of the few centers for training ski teams during the summer.

Besides the obvious comparative advantages from its proximity to the seacoast and accessibility to the A6 highway, the project area is also attractive because the spatial plan calls for the construction of additional tourism and sport facilities on the adjacent parcels. These will include a large parking lot for visitors, 10 highland holiday homes, an information center, a swimming pool, tennis courts, a playground and restaurants with authentic food and beverages.

Depending on the level of interest, it may also be possible to develop additional capacities to match the trends in global tourism demand, such as a petting zoo on an area from three to five hectares that is already being considered by project holder.



## ACCOMODATION AND OTHER CAPACITIES

SPECIFIED FOR EACH OBJECTS	HOSTEL	HOLIDAY HOME
Land area	2,375	1,000
Gross developed area of the building	699.58	152.68
Ground plan projection of the building	600.35	118.55
Number of floors	2	1
Number of units/beds	40	4+2



## ESTIMATED VALUE

The estimated value of the first phase of the project is 3 million EUR.

This phase includes construction of the hotel/hostel with accommodation facilities.

## TRANSACTION MODEL

The project holder is seeking a strategic partner. The transaction model includes the right to build for a period of 30 – 50 years.

The municipality is willing to actively support this project and is prepared to offer additional incentives through a 50% reduction in the municipality contribution and a five-year exemption from payment of municipality fees.

## PRIMORJE-GORSKI KOTAR COUNTY

Population (2011): **296,195**

GDP per capita (2014): **12,548 EUR**

Unemployment rate (2016): **13.0%**

Average gross salary: **1,030 EUR**

Average gross salary in the sector (tourism): **949 EUR**

Primorje-Gorski Kotar County is situated between Slovenia in the north and the Adriatic in the south. It is comprised of woodland mountains, the sea coast and islands.

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previously served as holiday destinations for the Habsburg emperors. These towns have now been high-end and health tourism destinations for more than a century.

The county's education policies mirror its historical ties with tourism, especially nautical tourism. The Faculty of Tourism and Hospitality Management in Opatija is the only Croatian university fully dedicated to the education of a specialized tourism workforce. In addition, there are two secondary education institutions dedicated to tourism or hospitality education.

The county is also especially attractive for nautical tourism. According to the Ministry of Tourism, there are 11 marinas with a total of 2,747 berths.

The county is well connected with continental Croatia and the neighboring countries. Rijeka is a major ferry port with regular connections to the nearby islands and the southern Adriatic. There are several airports within a 200 km radius (Pula, Rijeka, Zadar, Zagreb, Split, Trieste, Venice, and Ljubljana).

## CONTACT

Mr Ivan Butković

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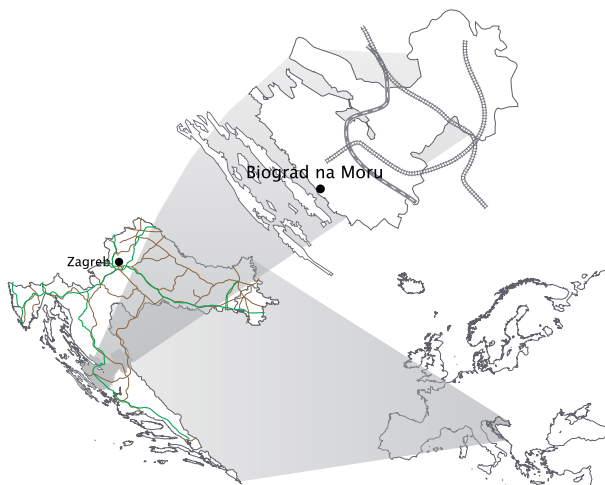


## BIOGRAD HEALTH AND TOURIST CENTER, Biograd na Moru

### PROJECT DESCRIPTION

Biograd Health and Tourist Centre is a project held by Zadar County, whose goal is a development of medical tourism offer within the Special Orthopedic Hospital in Biograd na Moru. It involves creating a new health and tourist center next to the existing hospital building.

In addition to the construction of new accommodation capacities and medical service facilities needed for various health treatments and therapies, the Project includes wellness and recreational area with indoor and outdoor amenities.



### ESTIMATED VALUE

Estimated value: 25 mil EUR.

### LOCATION

The designated location is adjacent to the Special Orthopedic Hospital in northern part of Biograd na Moru, easily accessible from Adriatic Tourist Road (Jadranska turistička cesta). Zadar International Airport is 28 km, while the Zagreb-Split Highway is 22 km away.

The Town of Biograd na Moru is surrounded by national parks (Kornati Islands, Velebit, Paklenica, The Krka Waterfalls, Plitvice Lakes) and nature parks (Telašćica

on Dugi Otok and the Vrana Lake). It is a well-known tourist and nautical center in the midpoint of the Adriatic coast, with over a century-long tourist tradition. It offers a wide variety of sports and recreational capacities, several marinas and rich gastronomic offer in numerous restaurants along the coast. In addition to its cultural heritage and vicinity to the historical cities of Zadar, Šibenik and Nin, Biograd na Moru is considered as a destination for an interesting and dynamic vacation.

### TRANSACTION MODEL

Several possibilities are offered to the potential investors, including construction/concession, public-private partnership and other contract arrangements.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

### CURRENT STATUS

In accordance with the urban development plan, the area of 60,000 m<sup>2</sup>, owned by the Special Orthopedics Hospital in Biograd na Moru, is foreseen for the construction of health and tourist facilities.

The preparation of the project documentation is currently in process. The pre-study of development of health tourism has been made by Zadar County Development Agency, ZADRA NOVA. Feasibility study as well as cost-benefit analysis have been finalized. A public tender for the creation of the urban-architectural preliminary design has been implemented and a contractor has been chosen.

The project is in accordance with the spatial planning documents and the preliminary design has been made. Public call for expressions of interest for the development of Biograd Health and Tourist Centre was announced in September 2016.



## PLANNED FACILITIES

### FACILITY SIZE:

- Gross floor area: 6,000 m<sup>2</sup>
- Ground floor size: 6,000 m<sup>2</sup>
- Total land area: 60,000 m<sup>2</sup>
- Allowed construction density: 0.3
- Allowed construction efficiency: 1.5



## ZADAR COUNTY

Population (2011): **170,017**

GDP per capita (2014): **8,197 EUR**

Unemployment rate (2016): **16.0%**

Average gross monthly salary: **963 EUR**

Zadar County is situated in northern Dalmatia in Croatia. The County's total area is 7,487 km<sup>2</sup> of both sea and land. It is well connected via road, sea and air, i.e. Zagreb-Split-Dubrovnik Highway, good ferry connections with Italy and the rest of Croatia and an international airport. The shortest maritime connections to central Italy pass through the Port of Zadar. Equally important is Zadar Airport which is a popular tourist entry point with 6.7% growth in the number of passengers in 2016 compared to 2015.

The County's most important sectors are trade (22.5%); manufacturing industry (22.4%) – food industry, metal production, production of vessels, textile industry; transport and storage (13%); fishery and agriculture (9.2%) and tourism (10.6%). The main export markets are Japan, Italy, Slovenia and Germany (while the most exported products are aluminium products, fish – fresh and processed and machinery).

Zadar County is the most successful Adriatic county regarding the production and export in the sector of mariculture. The tradition of fish processing industry in Croatia is more than 130 years old and is one of the first industries on the Croatian coast and islands.

Zadar County is the seat of the majority of the Croatian tuna farmers and of the largest grower of white fish. It also has the highest concentration of the fishing fleet in Croatia (fishing cooperatives, enterprises and numerous fishing crafts).

Zadar is also an ancient European university city with a tradition since 1396. It offers 24 academic departments, such as: Agriculture and Mediterranean Aquaculture, Economics, Traffic and Maritime Studies, English, German, Italian and French Studies, Tourism and Communication Sciences department and Humanities department. It has approximately 5,800 undergraduate, graduate, postgraduate and doctoral students.

The centrepiece of the rich tourist offer in the County is its capital – the City of Zadar which is a focal point to the archipelago of more than a hundred islands. Most of these are uninhabited and contain highly preserved sceneries and attractive coastal zones. These areas are foreseen for further development and enrichment of the tourist offer of the County.

The County is conveniently located near some of the most attractive Dalmatian sights, including national parks Kornati and Krka and a famous extreme sports location Paklenica. The County's tourism potential has been recognized internationally with brands such as Falkensteiner present in the County, while serious investments in Zadar County's marinas have been made by the renowned Dogus Group.

## CONTACTS

Croatian Chamber of Economy, International and EU Affairs Sector;  
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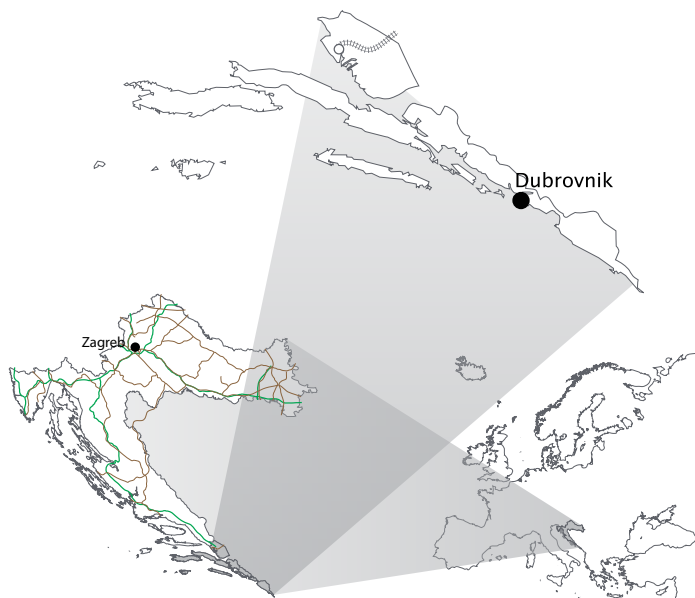
# DUBROVNIK 3 SISTERS - CROATIAN DREAM

## PROJECT DESCRIPTION

Project “Dubrovnik 3 Sisters - Croatian Dream” involves building within an area of 260 ha, whereas 40 ha is intended for a luxury resort with hotels, a tourist centre and additional facilities – 7 hotels and resorts, 400 residences within hotels, 500 apartments, sports facilities, a marine for mega yachts with 400 berths, golf course (27 holes), 220 private villas, shops, restaurants, bars, museums, galleries and many other facilities.

The project is 100% privately owned and situated in an area of special state concern of the Republic of Croatia, thus allowing certain tax reliefs with the possibility of reduction of community contributions. The total area covers 260 ha with a planned capacity of 4,100 beds.

The planned area for the golf course is 205 ha, of which 27.3 ha are intended for the buildings. The building permit inside the zone enables the building of facilities up to 5 levels, with a maximum height of 20 m, on the condition that 40% of the building plot is organised as parks and natural green areas. The entire infrastructure within the zone is set out in the planning documentation.



## LOCATION

The project is located in the tourist zone „Sestrice“, in the centre of Dubrovnik-Neretva County on the eastern Adriatic coast and at the corridor that connects Central and Eastern Europe.

The location is attractive due to its proximity to the City of Dubrovnik, the most famous Croatian city and world-class tourist centre.

The zone is only 50 km from the A1 motorway, 50 km from railway station Ploče, 60 km from Dubrovnik Airport and 40 km from the Dubrovnik Seaport.



## ESTIMATED VALUE

Estimated value: 920 million EUR.

## TRANSACTION MODEL

Looking for investor or strategic partner.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## PROJECT STATUS

- The project has a clean title property,
- All of the project contents are included in the spatial plan,
- For the tourism development zone and marina Urban Development Plan has been approved, and Environmental Impact Assessment is in progress; for the golf course Urban Development Plan and Environmental Impact Assessment are in progress,
- The preparation of a feasibility study is in progress,
- Infrastructure works have started on site.



## DUBROVNIK-NERETVA COUNTY

Population (2011): **122,568**

GDP per capita (2014): **10,177 EUR**

Unemployment rate (2016): **18.3%**

Average gross salary: **1,027 EUR**

Average gross salary in the sector (tourism): **1,168 EUR**

Dubrovnik-Neretva County is comprised of five cities and 17 municipalities. The county also includes several islands covered in thick Mediterranean vegetation and forests, smaller settlements and agricultural land (olive groves and vineyards). Its main economic activities are the tourism and hospitality industries and maritime shipping. The area also has significant agricultural potential in the Neretva River delta and on the Pelješac Peninsula, known for its production of high quality wines.

The county is very easy to reach via Dubrovnik International Airport. It is also close to the modern A1 Zagreb-Split-Dubrovnik highway, the seaport of Dubrovnik, which can handle large cruise ships, and the important cargo port of Ploče (the gateway of the future Pan-European Transportation Corridor Vc).

Dubrovnik's famous medieval old town (a UNESCO World Heritage Site 1979) and the nearby island of Korčula has positioned Dubrovnik and the county as a high-end

European and global tourist destination. Dubrovnik has been declared the best congress destination in the region in 2017 (Conventa Fair in Ljubljana) and one of the top three destinations in the congress industry in CEE in 2015 by Congress Magazine. 10BEST and USA TODAY awarded it seventh place in the category Best Cinematic Destination, and it was also declared the best cruise destination by Spanish publication "Cruise News".

Through investments in new and existing hotels, sports and infrastructure capacities and their constant development, tourism has become an industry of great strategic importance for the county, currently with 15 five-star hotels and 24 four-star hotels. There are 3 marinas in the county (Lastovo, Slano and Korčula) with total capacity of 415 berths.

The potential for high-end tourism has already been recognized by international hotel chains (Sheraton, Hilton, Radisson Blu, Rixos, Uzel Holding, Adriatic Luxury Hotels and the Luksić Group). Amanresort also plans to open a hotel in Cavtat.

Educational infrastructure relevant to the sector includes higher schools for hospitality and catering and two universities with excellent programs related to tourism (RIT Croatia - a division of the Rochester Institute of Technology, New York and the University of Dubrovnik).

## CONTACTS

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# HEALTH TOURISM CENTER STUBAKI, Stubičke Toplice

## PROJECT DESCRIPTION

The main goal of the project is to create a unique health center and thermal Riviera on an area of 24 ha, based on high environmental, human and technological standards. The concept of the project has been created on the basis of already existing Specialized Hospital Stubičke Toplice that will be reconstructed and renovated according to the standards of modern medicine.

Besides the hospital, the project includes construction of three hotels: 5-star "Grand Spa Hotel Stubičke Toplice" with capacity of 466 beds and a congress centre, and 4-star "Stubaki Wellness Hotel" and "Meditative Maksimilijan Hotel" with total capacity of 636 beds. As additional attraction within the center, a Wellness Center and Thermal Riviera is planned together with an aquapark. The project encompasses a construction of an eco-ethno village offering accommodation in 10 authentic villas enabling visitors to feel and enjoy local traditional environment. Once completed, the project will create 500 new workplaces.



## LOCATION DESCRIPTION

The project is located in the Zagorje region, Northwest of Croatia, in the municipality of Stubičke Toplice, just 45 km from Zagreb, the capital city of Croatia and its international airport. Stubičke Toplice are well connected with the European network of highways through the junction to the Pyhrn Motorway (from Nürnberg, Germany to Belgrade, Serbia) that is just 8 km away from the municipality. In addition, it is connected with Zagreb by railway, that once represented the simplest connection for trips to Stubičke Toplice, a traditional resort of Zagreb citizens.

This is a place with a long tourism tradition with beautiful scenery and rich geothermal resources in close vicinity from the most important European Spa tourism emissive markets (Italy, Austria, Slovenia, Hungary...). Within a radius of 20 km there are numerous specialized medical institutions such as the Special hospital for rehabilitation, cardio-vascular surgery, orthopedic clinics and dialysis, which contribute to the attractiveness of the destination for further development of health tourism.

## ESTIMATED VALUE

Total estimated value: 72 mil EUR.

## TRANSACTION MODEL

Public private partnership. The private partner bears the investment risk of EUR 18 mil of its own funds and EUR 54 mil have been already secured by commercial bank loan.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.





## PROJECT STATUS

The project area is in accordance with the Detailed Urban Plan of the municipality of Stubičke Toplice and has been intended for the construction of tourist and recreation facilities as well as public – health facilities.

The building licence has been issued for the access road and the construction works have started on the site. The main design for the part of the project (hotels) is in progress. The project has a strong support from the local community and Krapina Zagorje County is a partner in the project.



**Grand Spa Hotel**

## KRAPINA-ZAGORJE COUNTY

Population (2011): **132,892**

GDP per capita (2014): **6,541 EUR**

Unemployment rate (2016): **14.6%**

Average gross monthly salary: **874 EUR**

Average gross salary in the sector (tourism): **662 EUR**

Krapina-Zagorje County is located in the north-western part of Croatia, covering an area of 1,224 km<sup>2</sup>. In the West it borders with Slovenia, in the Northeast with Varaždin County, and with Zagreb County in the Southwest and Southeast. The County's location makes it an unavoidable transport route from Western Europe via Slovenia (Maribor) to the country capital City of Zagreb and further towards all main international and national routes leading to South, East and North of Croatia.

The County's economy is based on manufacturing and processing industries with production of glass and glass products, machinery and mechanical appliances, furniture, fibres, clothes and clothing accessories as the leading branches. It is traditionally oriented toward its main export partners: Slovenia, Germany, Italy and Austria.

The County has extremely rich cultural, historical, religious and eno-gastronomical offer. It abounds with many medieval castles and fortifications. The Prehistoric Park of Krapina Neanderthals (world's most important Neanderthal site) makes Krapina-Zagorje County one of the most attractive continental destinations in Croatia.

Due to its richness in thermal and drinking water springs, the County is widely known and popular destination for health and spa tourism as well.

## CONTACTS

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# HORTUS CROATIAE, The Garden of Croatia

## PROJECT DESCRIPTION

The project involves construction of a holistic Wellness & Health Resort & Green Energy production in several inter-related or independent phases that can be combined according to the interest of investor(s). Besides the developing indoor and outdoor thermal water park, spa premises, specialized hotels etc., a hybrid geothermal energy power plant of new generation based on own sustainable geothermal sources with combined production of electricity (18.6 MWe gross) and heat (75 MWth gross) will be built in Q4 2017. Additionally, the project involves construction of specialized golden age lifestyle villas and apartments surrounded by golf course; drinking and mineral water bottling plant from own well and greenhouses production of fruit and vegetables.



### THE PROJECT IS DIVIDED INTO 3 MAIN PHASES AND SUBPHASES

#### PHASE 1:

- 1a** - Construction of a Hybrid Geothermal Power Plant (6.3 MWe, 9+MWth in 2017 + extension to up to 18.6 MWe, 75 MWth by end of 2018);
- 1b** - Indoor and Outdoor Health and Water Park (6,000 m<sup>2</sup> of pools' water surfaces and 12,500 m<sup>2</sup> land plots) with horticultural gardens, 2018 - 2019;
- 1c** - Tropical Gardens; Greenhouse agriculture and fish breeding (tropical fruits and spices), 2019-2020.

#### PHASE 2:

- 2a** - Spa & MICE boutique 80 rooms 4\* Hotel with Medical Policlinic (primarily Dermatology, Cosmetology & Gynaecology);

- 2b** - 240 units in Villas & Apartments village (to be sold on RE market and managed back by the main operator company) and 9-holes golf course (one option is development of serviced apartments for active seniors).

#### PHASE 3:

Drinking and Mineral water bottling plant "Aqua Hortus". The whole Hortus Croatiae complex is envisioned as an organically structured park village in an exceptionally attractive horticultural environment with natural water and pools surfaces, resonating natural warmth, cosy atmosphere, hospitality, tradition and natural environment at a 4+\* quality level with extremely economically and financially efficient energy and water production elements.

## PROJECT HOLDER

There are two companies involved in the project: Aqua Aera Terra (AAT) Ltd. and the company AAT Geothermae Ltd. (AATG). AAT Ltd. is the owner of 500,000 m<sup>2</sup> of urbanised land and the health tourism, spa, tropical garden, water bottling and real estate & golf project, while the other AATG Ltd. is the proprietor of 75,000 m<sup>2</sup> of urbanised land, geothermal well and the ongoing sustainable hybrid geothermal energy plant project. The companies have different owners but coordinate the development activities.

## ESTIMATED VALUE

Total gross estimated value of all three phases of the project is approx. 170.5 mil EUR. The project is planned to be realised in subsequent or parallel phases in smaller investment tranches and profitable investment sub-projects.

Presentation of the planned CAPEX of development phases and sub-phases and their new investment cost (excluding existing development value/cost: urbanized land, infrastructure, development, taxes and other assets and costs already invested):

- **Phase 1a** (Year 2015-2017) = 22.5 mil EUR (enhancement of the energy power plant in further phases: additional 52.5 mil EUR in 2018-2019);
- **Phase 1b** (2018-2019) = 24.5 mil EUR;
- **Phase 1c** (2019-2020) = 14 mil EUR;
- **Phase 2a** (2018-2020) = 12 mil EUR;
- **Phase 2b** (2021-2022) = 37.5 mil EUR;
- **Phase 3** (2019-2020) = 7.5 mil EUR.

## TRANSACTION MODEL

The Developer is looking for a potential financial/strategic investor and partner to enter the project by acquisition of certain amount of the shares of the AAT company or/and AATG company; adding capital or offer a preferred equity facility or mezzanine financing facility (or other combination of capital and financing transaction if demanded by the policy of Investor/Financer). Investors can enter into each company separately or into both companies simultaneously.

The project is realised in phases and combination of equity and debt financing sources that the developers have conditions agreed upon partially with regional and international commercial and development banks.

## LOCATION

The property is situated in the Međimurje region, in Northwest of Croatia, in the City of Prelog and the Draškovec settlement, in close vicinity of the highway Zagreb-Varaždin-Budapest. The capital city of Croatia Zagreb (and its main airport) is only a 60 minute drive away. The location is in the car drive vicinity from the markets of Austria, Hungary, Italy, Slovenia, Czech Republic, southern Germany, as well as the City of Zagreb and all northern Croatia and nearest eastern European countries, which form the most important European Spa markets.



## CURRENT STATUS

The whole project consists of 560,000 m<sup>2</sup> of land planned in the County's Spatial Plan and the Detailed Urban Plan of the City of Prelog for: development and construction of tourist facilities (T1 and T2); geothermal energy and mineral water exploitation (E2, E5); residential villas and apartments units development (M - mixed use). The Detailed Urban Plan (for the 1<sup>st</sup> zone of approx. 300,000 m<sup>2</sup>), regulates the position of energy production from the own geo-thermal source and mineral water bottling exploitation facilities from the own source on the site, water & wellness & health park with recreation facilities and hotels. The building permit for water, Wellness & Health Park was obtained in October 2010 and construction works can start any time in 2017 - 2018.

Building permits for the hotels and water bottling plant can be obtained in a period of few months due to the existing conceptual designs and obtained Detail Urban Plan. For the 2<sup>nd</sup> zone (of approx. 250,000 m<sup>2</sup>) that includes Villas & Apartments village and golf course, the process of defining the final conceptual design and the Detailed Urban Plan has also been finished. Documentation for the energy permit (feed in tariff and delivery of the produced green electricity) is fully prepared. The location and building permits for connection of the power plant to the grid and power plant buildings and installation were obtained in 2014 - 2017. The research concession (approval) for the 1,100 ha of geothermal field Draškovec-AATG and mining permit for the new geothermal drills were obtained in 2013 - 2017.

The construction of the new geothermal drills has started in February 2016. The first adaptation and testing works on the existing geothermal well Draškovec-1 were finished in January/ February 2014, as well as the testing phase of the energy production plant in September 2014. The connection to the grid is planned to be finished until the end of 2017 and first production of electricity will start in Q1 2018.

The project of the power plant AAT Geothermae was applied to EU Commission's tender NER300 for rewards for innovative solutions in renewable energy and CCS. The project received a grant in the financial value of 14.7 mil EUR. AAT Geothermae will apply for additional funding for the development of its innovative technology in the EU program InnovFin and for the development of the Spa and Health tourism project "Hortus Croatiae", the company AAT will apply for funding at ERDF or Interreg fund for Croatia. The documentation for both planned applications is ready.

All the technical and financial feasibility studies for 1<sup>st</sup> phase development are prepared. The investment project of Energy Plant AAT Geothermae (Phase 1a) is ongoing, it has secured financing; renowned international investors joined it in 2017. For all phases the complete investment programs and business plans have been made, as well as the debt/loan financing conditions for their realization have been partially preliminary agreed with the local/international commercial and development banks.

## MEĐIMURJE COUNTY

Population (2011): **113,804**

GDP per capita (2014): **8,686 EUR**

Unemployment rate (2016): **12.1%**

Average gross monthly salary: **827 EUR**

Average gross salary in the sector (tourism): **591 EUR**

Međimurje County, with its county seat Čakovec, is located in the northernmost part of the Republic of Croatia bordering Slovenia and Hungary and between Mura and Drava rivers.

The county's great advantage is its close proximity to

highways (Budapest-Lendava-Graz-Vienna and Budapest-Zagreb-Rijeka) and to airports (Zagreb, Maribor) as well as railway connections).

The economy of Međimurje is export-oriented and fast-growing with highly developed food and wood processing industry, food production, production of textiles, footwear, plastics, trade and construction.

The Međimurje County Development Strategy states the improvement of the competitiveness of the economy as well as the regional development as its main goals.

## CONTACTS

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# HOTEL PROGRESS, Krk

## PROJECT DESCRIPTION

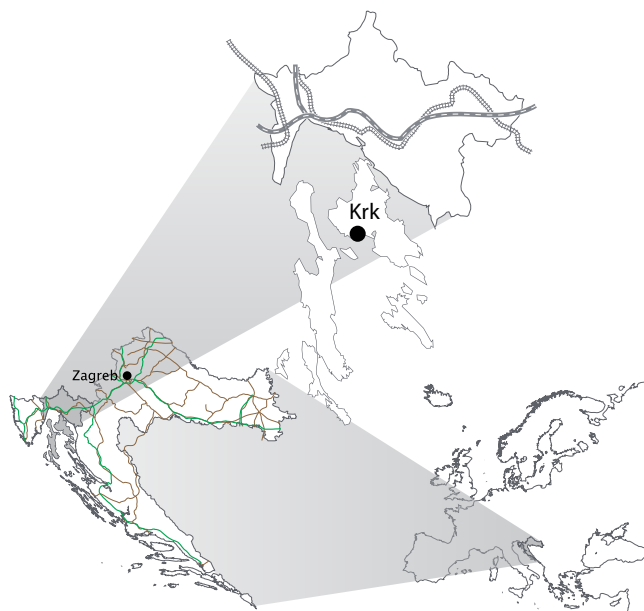
The project involves the construction of a 4 or 5 star hotel on an attractive location in the City of Krk on the Island of Krk. The project spreads on the gross area of 2,752 m<sup>2</sup> (GBA = 4,920 m<sup>2</sup>) with a planned accommodation capacity of 35 units / 70 beds and additional facilities such as pool, wellness and fitness area, restaurant etc.

The building lot is located in the attractive part of the City of Krk bordering with the port of Krk on the North and the beach Ježevac on the South-East with a sea view on the centre of Krk, the port itself and the Island of Cres.

## LOCATION DESCRIPTION

The project is located on the Island of Krk, Croatia's biggest island in the North Adriatic. Located in the centre of the Kvarner bay, it is considered one of the most attractive tourist destinations. Due to its mild Mediterranean climate, good geographical position and a variety of natural and cultural beauties, the Island of Krk was, even in ancient times, called "the golden island", whereas due to its cultural heritage, it was named "the cradle of Croatian culture".

The island of Krk is connected to the mainland by the "Krk" bridge and with the neighbouring islands of Rab, Cres and Lošinj by ferry. It is also easily accessible by air since Rijeka airport is located on the Island of Krk, just 27 km away from the City of Krk, and the island itself is just 30 kilometres away from the City of Rijeka – the traffic, business, commercial, university and cultural centre of Kvarner. Today the City of Krk is the administrative, political and economic centre of the Island of Krk with 6,281 inhabitants and almost 1 million tourist overnight stays.



## ESTIMATED VALUE

Total estimated value: 10 mil EUR.

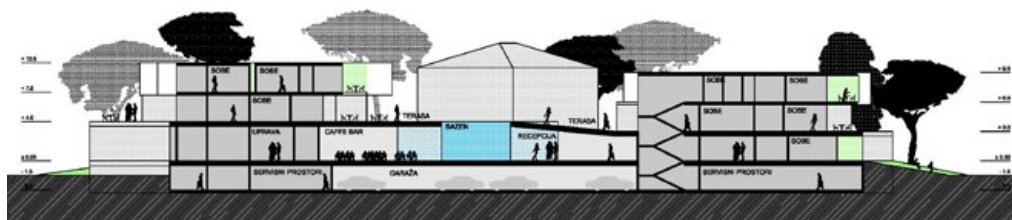
## TRANSACTION MODEL

The project holder is looking for a strategic partner. Possible sale of the project.

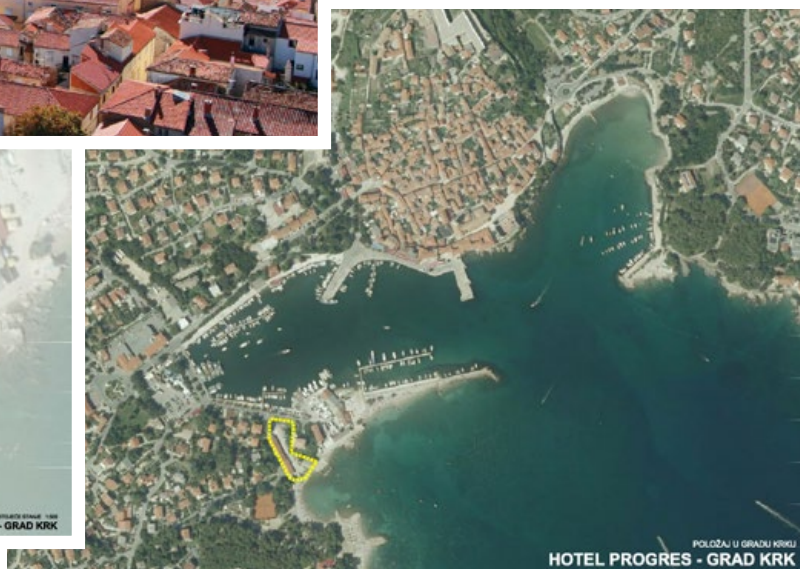
This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## PROJECT STATUS

A conceptual design of the project has been made as the basis for the assessment of the acceptability of the application for the construction of the tourist catering facility (4- or 5-star hotel). The project has been accepted by the City of Krk and the increase of the number of accommodation units (to total 80 beds) has been included into the change of the Physical Plan of the City of Krk. The process of adopting the Urban Development Plan of the City of Krk and its adjustment with the Physical Plan is in progress.







## PRIMORJE-GORSKI KOTAR COUNTY

Population (2011): **296,195**

GDP per capita (2014): **12,548 EUR**

Unemployment rate (2016): **13.0%**

Average gross salary: **1,030 EUR**

Average gross salary in the sector (tourism): **949 EUR**

Primorje-Gorski Kotar County is situated between Slovenia in the north and the Adriatic in the south. It is comprised of woodland mountains, the sea coast and islands.

A very favorable position at the junction of important road and sea routes were the reasons why inhabitants have focused on maritime affairs and other sea-related economic and tourism activities. As a consequence, the area, and especially the county seat of Rijeka, has developed into a strong transport and maritime center. While Gorski Kotar has remained a traditional forestry and wood processing area, it has also recently developed into a strong tourism region.

Primorje-Gorski Kotar County is considered the birthplace of Croatian tourism, especially Opatija and Lovran, which

previously served as holiday destinations for the Habsburg emperors. These towns have now been high-end and health tourism destinations for more than a century.

The county's education policies mirror its historical ties with tourism, especially nautical tourism. The Faculty of Tourism and Hospitality Management in Opatija is the only Croatian university fully dedicated to the education of a specialized tourism workforce. In addition, there are two secondary education institutions dedicated to tourism or hospitality education.

The county is also especially attractive for nautical tourism. According to the Ministry of Tourism, there are 11 marinas with a total of 2,747 berths.

The county is well connected with continental Croatia and the neighboring countries. Rijeka is a major ferry port with regular connections to the nearby islands and the southern Adriatic. There are several airports within a 200 km radius (Pula, Rijeka, Zadar, Zagreb, Split, Trieste, Venice, and Ljubljana).

## CONTACTS

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# ISTRIA ESTATE & COUNTRY CLUB, Marlera Golf

## PROJECT DESCRIPTION

The Istria Estate & Country Club in Croatia provides a unique investment opportunity with the possibility to participate in a premier high-end integrated golf and real estate development, with direct access to the sea and in a truly fascinating natural environment. The current master plan for the overall envisioned development stretching over 126 hectares of land is to include:

- five star luxury hotel with 170 rooms, extensive spa & wellness facilities, conference facilities, restaurants, bars, and a casino,
- 114 residential units: 87 apartments with two or three bedrooms and 27 luxury villas,
- 27 hole golf course and amenities.

The golf course architect Graham Cooke & Associates from Canada has originally designed the golf course for the Project, while Bull Stockwell Allen, a San Francisco based design firm was responsible for designing Marlera's facility architecture including clubhouse. GTC has also partnered up with Mark Hamlin of the SE Group, responsible for landscape architecture, environmental and land planning.



Among others, the unique selling points of the project include the suitability of the site for the resort development, its excellent location and accessibility, the favorable building permits obtained, the freehold residential ownership options and the owner's development track record.

## OWNERSHIP STRUCTURE

GTC Group, headquartered in Poland, is a leading developer in Central and Eastern Europe. The company has a diverse experience in real estate development projects within the office, residential and commercial sectors, having played a major role in several large-scale projects.

Marlera Golf LD Ltd. & Nova Istra Ideaus Ltd. are the entities that own the land where the Istria Estate & Country Club is to be developed. Ultimately, both subsidiaries are controlled by GTC Group.

## ESTIMATED VALUE

### KEY INVESTMENT HIGHLIGHTS

#### Residential component

- Total Gross Floor Area – 23,300 m<sup>2</sup>
- Total estimated sales proceeds – approx. 90 to 100 mil EUR

#### Hotel component

- Total Gross Floor Area – 29,200 m<sup>2</sup>
- Estimated stabilised EBITDA – approx. 3.7 to 4 mil EUR

#### Golf component

- 27 hole golf course – 113 hectares
- Clubhouse – Total Gross Floor Area – 1,800 m<sup>2</sup>
- Estimated stabilised EBITDA – approx. 1 to 1.25 mil EUR

Total estimated development cost including land: 100 mil EUR

Total development costs excluding land: approx. 70 to 75 mil EUR

## LOCATION DESCRIPTION

The project is located on the southern tip of the Istria peninsula, with incredible views on the Adriatic Sea, where the tranquility of the countryside meets the untouched seashore, only a few kilometers from vibrant Pula, the region's administrative center.

## TRANSACTION MODEL

Looking for investor or strategic partner.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## PROJECT STATUS

The project is in an advanced development stage. To date, the following project preparatory work has been completed:

- ✓ Market assessment
- ✓ Concept and master plan development
- ✓ Financial feasibility studies
- ✓ Design and architectural planning
- ✓ Permits

For all zones, including infrastructure, building permits are in place except for the hotel for which there is a location permit in place.



## ISTRIA COUNTY

Population (2011): **208,055**  
 GDP per capita (2014): **12,724 EUR**  
 Unemployment rate (2016): **8.4%**  
 Average gross monthly salary: **1,026 EUR**  
 Average gross salary in the sector (tourism): **1,167 EUR**

Istria County is located on the largest Croatian peninsula of Istria, on an area of 2,820 km<sup>2</sup> and has excellent transport connections with main European motorways (Istrian "Y" motorway connects Istria with highways in Slovenia, Italy and Austria) and by air (International Airport in Pula). Istria is one of the most developed Croatian regions with dominant industry (shipbuilding, production of building materials, tobacco products, furniture, glass and electrical machinery and parts for the automotive industry), tourism (total of 23.1 million of overnights, or 29.6% of all overnight stays in 2016) and trade sector.

In recent years, great attention was paid to the revitalization of agriculture (especially olive growing and organic food production) and the related development of enogastronomic tourism (autochthonous wines Malvasia, Teran, highly esteemed white truffle) and agro-tourism, particularly in the hinterland of Istria, which is recognized as the "Tuscany of Croatia". There is a very long tradition of tourism that has been developing from the period of the Roman Empire through the Austro-Hungarian Empire (when tourist centres Umag, Poreč, Rovinj, Pula, Rabac, including the Brijuni Islands

were strongly developed). In the past decade, intensive investments in a construction of new and reconstruction of existing primarily high-class hotel facilities were made, resulting in a significant increase of five-star hotels (total of 5) and four-stars hotels (total of 42).

According to the Istria Tourist Board, in the structure of accommodation, from a total of 272,645 units, camps are the most represented (43%), followed by private accommodation (31%) and hotels (18%). Main markets in terms of overnight stays are Germany (29.9%), Slovenia (12.8%), Austria (12.6%) and Italy (8.9%). Strong domestic brands (Istraturist Umag, Maistra and Valamar) prevail but international brands such as the Park Plaza, Kempinski Hotel and Sol Melia are present as well, primarily as management companies. The wide and diversified range of facilities enables the development of various kinds of tourism: sports tourism (currently 2 out of 4 golf courses in Croatia are in Istria - Umag and Brijuni, and the International ATP tournament takes place in Umag), cultural tourism (Motovun Film Festival, performances by world-renowned artists in Vespasian's Roman amphitheatre - Pula Arena, Theatre Ulysses), nautical, convention, hunting, fishing and diving tourism.

Further development of tourism in this region will be ensured with new projects, notably the Brijuni Riviera which is to be developed on three locations (Pineta, Hidrobaza, Sv. Katarina and Monumenti), and should additionally profile the County as a tourist destination with a wide range of capacities of the highest category.

## CONTACTS

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# PAŠMAN RESORT, Island of Pašman

## PROJECT DESCRIPTION

The project Pašman Resort is a greenfield project that includes the design and construction of hotels, tourist apartments and villas with accompanying facilities and adequate infrastructure. It is located in the southern part of the Island of Pašman, Zadar County, in one of the best preserved and most attractive areas in the Adriatic Sea near the Kornati National Park with its numerous islands. The location is easily accessible due to a short distance from the mainland (good ferry connections to Zadar and Biograd, and international ferry lines between Zadar and Ancona), and Zadar International Airport (18 kilometres).

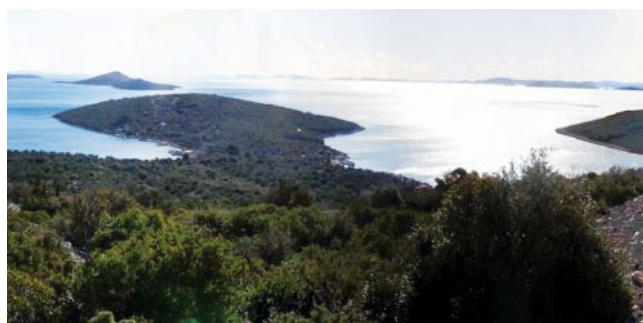
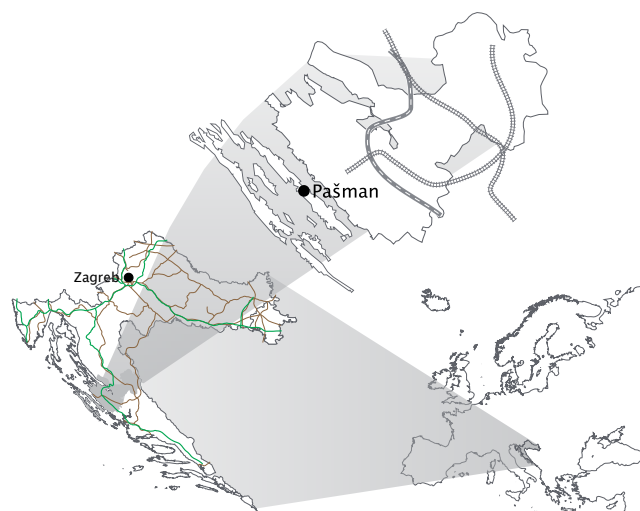
The development area of the project is 260 hectares, located along an 8 km long sea shore, out of which 100 hectares is a construction area (2 zones per 50 hectares with landscaping area within zones about 80 hectares and logistic zone) and 160 hectares is recreational & agriculture area (with landscaping about 100 hectares).

The owner of 97% of total 260 hectares of land for the project implementation is the Municipality of Pašman, the project holder.

The project will be developed in two phases over 6 years:

**I phase:** Soline Bay, Recreational & agriculture area, Logistic zone, Supporting infrastructure

**II phase:** Žinčena Bay.



## PLANNED CAPACITIES

### SOLINE BAY

**Hotel 4\*;** 2 levels, 400 rooms/800 beds, conference centre, size 27,000 m<sup>2</sup> gross developed area (GDP),

**Villas;** 2 levels, 6 units/60 beds, size 2,100 m<sup>2</sup> (GDP),

**Town Houses;** 2 levels, 110 units/572 beds, 15,180 m<sup>2</sup> (GDP),

**Apartments;** 1 and 2 levels, 116 units/568 beds, 11,930 m<sup>2</sup> (GDP).

**Other facilities:** Wellness Centre, Harbour for 200 berths, Fisherman harbour, Maritime Club, Diving & Water ski centre, Bowling centre, Town centre, Artificial beach, Outdoor sport courts, Boccia field, Amphitheatre, Equestrian club, Agricultural House, Botanical House (total 66,000 m<sup>2</sup> GDP) / Landscaping (about 400,000 m<sup>2</sup>).

The project will have the recreational & agriculture area (viewing platforms and rest areas, jogging trails and pathways and landscaping, etc. on around 100 hectares), logistic zone (main entrance, logistic centre, heliport, garage, supermarket, etc. on total 31,000 m<sup>2</sup> GDP) and supporting infrastructure.

### ŽINČENA BAY

**Hotel 5+\*;** 2 levels, 80 rooms/160 beds, 12,800 m<sup>2</sup> (GDP),

**Hotel 5\*;** 2 levels, 130 rooms/260 beds, size 12,000 m<sup>2</sup> (GDP),

**Villas;** 2 levels, 36 units/226 beds, size 7,090 m<sup>2</sup> (GDP),

**Town Houses;** 2 levels, 109 units/604 beds, size 15,600 m<sup>2</sup> (GDP),

**Apartments,** 1 and 2 levels, 153 units/750 beds, 15,765 m<sup>2</sup> (GDP).

**Other facilities:** Spa&Wellness, Meditation garden, Star Observatory, Town centre, Academy of traditional living, Outdoor sport courts, Sports centre, Playground and Kindergarten.

## ESTIMATED VALUE

Total estimated value: 430 mil EUR.



## TRANSACTION MODEL

**Contract model** DBFMO (Design, Build, Finance, Maintain, Operate) model

**Contract period** Long term contract: 99+ years

Municipality of Pašman gives right to build and land lease to investor during contract period for an agreed fee. Investor manages project during contract period, pays all finance and operating expenses and commercializes the project.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## PROJECT STATUS

Basic documentation for project implementation has been prepared (urban development plan will be created after the selection of eligible investors) while contract and tender documentation is currently in the making.

International tender for potential investors is going to be announced in July 2017, while **"Questioner for potential investors"** is available on project website [www.pasman-rivijera.hr](http://www.pasman-rivijera.hr).

Tender process will consist of step 1. qualification and step 2. competitive dialogue. Project documentation:

- **Spatial plan of Municipality of Pasman** (main documentation basis that presents mandatory conditions),
- **Terms of reference** – Master plan (starting base for competitive dialogue where competitors can develop and propose own concept solutions).

## ZADAR COUNTY

Population (2011): **170,017**

GDP per capita (2014): **8,197 EUR**

Unemployment rate (2016): **16.0%**

Average gross monthly salary: **963 EUR**

Average gross monthly salary in the sector (tourism): **1,011 EUR**

Zadar County is situated in northern Dalmatia in Croatia. The County's total area of 7,487 km<sup>2</sup> consists of both sea and land. It is well connected via road, sea and air, i.e. the Zagreb-Split-Dubrovnik Highway, good ferry connections with Italy and the rest of Croatia and an international airport. The shortest maritime connections to central Italy pass through the Port of Zadar. Equally important is Zadar Airport which is a popular tourist entry point with 6.7% growth in the number of passengers in 2016 compared to 2015.

With tourism gaining a more prominent role in the County's economic structure, there is an emphasis on extending local accommodation capacities. According to

Zadar County Tourist Board, they amount to 150,150 beds, with a majority (57.2%) in private accommodation. There are 42 hotels (one 5-star and 18 4-star). As a successful tourist region in Dalmatia, Zadar County recorded 7.4 million overnight stays in 2016 (10.2% of all overnight stays in Croatia), most of these by foreign guests.

The centrepiece of the County's rich tourist offer is its capital – the City of Zadar which is a focal point to the archipelago of more than a hundred islands. Most of them are uninhabited and contain highly preserved sceneries and attractive coastal zones. These areas are foreseen for further development and enrichment of the County's tourist offer. The County is conveniently located near some of the most attractive Dalmatian sights, including national parks Kornati and Krka and the famous extreme sports location Paklenica. The County's tourism potential has been recognized internationally with brands such as Falkensteiner present in the County, while serious investments in Zadar County's marinas have been made by the renowned Dogus Group.

## CONTACTS

Croatian Chamber of Economy, International and EU Affairs Sector;  
[www.hgk.hr](http://www.hgk.hr), [www.investincroatia.hr](http://www.investincroatia.hr), e-mail: [investicije@hgk.hr](mailto:investicije@hgk.hr)  
Ms Silva Stipić Kobali, Managing Director

Project owner: Pašman Municipality, [www.pasman.hr](http://www.pasman.hr), e-mail: [opcina.pasman@zd.t-com.hr](mailto:opcina.pasman@zd.t-com.hr)

Project developer: Hosting International Ltd.

Project manager: Mr Eugen Sorić, e-mail: [eugen.soric@hosting-international.hr](mailto:eugen.soric@hosting-international.hr), [info@pasman-rivijera.hr](mailto:info@pasman-rivijera.hr)



# SEEMAR RESIDENCE HEALTH & TOURIST RESORT RIJEKA

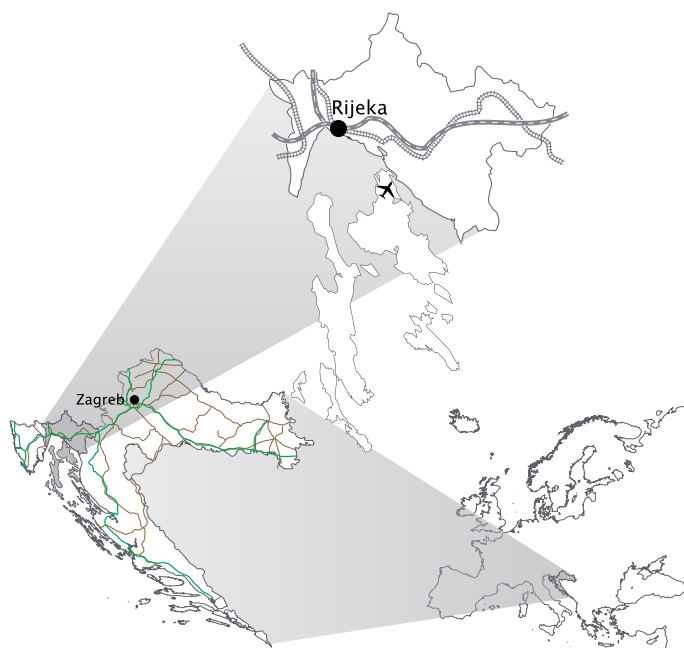
## PROJECT DESCRIPTION

This real-estate project involves the construction of a modern health, tourist and residence complex in the area of the City of Rijeka. The Seemar project consists of six construction locations spreading on the total surface of 21,424 m<sup>2</sup> and the total gross building area (GBA) of 71,960 m<sup>2</sup> with multiple purpose and confirmed urbanistic conditions in multiple phases for the construction of specialized health clinics, a sports rehabilitation centre, an exclusive hotel, luxurious apartments and a contemporary home for the elderly.

Three construction locations (Object Dp – 10: GBA = 25,632 m<sup>2</sup>, building lot area: 6,408 m<sup>2</sup>; Object Dp-9: GBA = 20,476 m<sup>2</sup>, building lot area: 5,119 m<sup>2</sup>; Object Dp -2: GBA = 7,074 m<sup>2</sup>, building lot area = 2,021 m<sup>2</sup>) offer a possibility of construction of a hotel (business hotel, hotel with a congress centre, wellness hotel, exclusive tourist resort); specialized health clinics (rehabilitation centre, dental polyclinic, orthopaedic clinic etc.); residential area (luxurious apartments and contemporary homes for the elderly).

Object Dp – 8a (GBA = 4,142 m<sup>2</sup>, building lot area = 2,022 m<sup>2</sup>) offers a possibility of constructing an apartment house with a total of 26 different size apartments adjusted to the needs of senior citizens or used as senior resorts.

Objects Bp –6a (GBA = 7,798 m<sup>2</sup>, building lot area = 3,119 m<sup>2</sup>) and Bp – 6b (GBA = 6,838 m<sup>2</sup>, building lot area = 2,735 m<sup>2</sup>) are intended for the construction of residential and business towers or senior resorts.



## LOCATION DESCRIPTION

The project is located in the Adriatic sea in the Kvarner Bay, Primorje-Gorski Kotar County, between the cities of Rijeka and Opatija. Rijeka is Croatia's main international seaport and the 3rd largest city with approx. 129,000 inhabitants. The location of the construction site (part of Rijeka called

Martinkovac) has excellent traffic connections, it is situated in the vicinity of A7 (E61) highway Rupa-Križišće, connected to A6 (E65) Zagreb-Rijeka highway, close to the Port of Rijeka, ACI marine Opatija and some 30 km away from the Airport Rijeka on the Island of Krk.

## ESTIMATED VALUE

Total estimated value: EUR 50 mil.

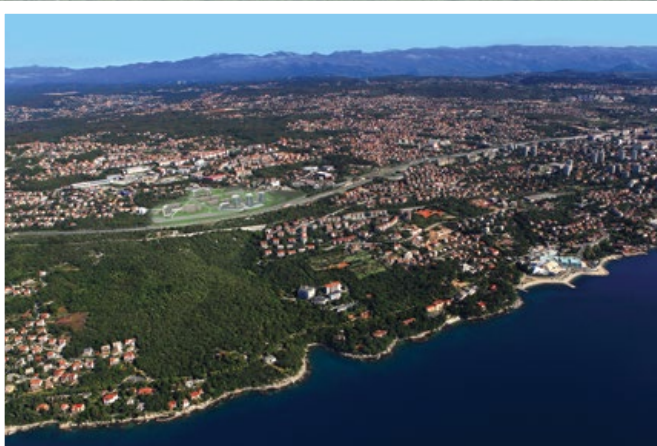
## TRANSACTION MODEL

Looking for a strategic partner or possibility of sales of the whole or parts of the project.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## PROJECT STATUS

The project area is in accordance with the Detailed Urban Plan of the residential area Martinkovac and with the physical plan of the City of Rijeka. For two of the existing building lots a main design has been submitted, and a construction permit is about to be issued, while for other four locations, a conceptual design has been made, and the main design will be made in accordance with potential investors.



## PRIMORJE-GORSKI KOTAR COUNTY

Population (2011): **296,195**

GDP per capita (2014): **12,548 EUR**

Unemployment rate (2016): **13.0%**

Average gross salary: **1,030 EUR**

Average gross salary in the sector (tourism): **949 EUR**

Primorje-Gorski Kotar County is situated between Slovenia in the north and the Adriatic in the south. It is comprised of woodland mountains, the sea coast and islands.

A very favorable position at the junction of important road and sea routes were the reasons why inhabitants have focused on maritime affairs and other sea-related economic and tourism activities. As a consequence, the area, and especially the county seat of Rijeka, has developed into a strong transport and maritime center. While Gorski Kotar has remained a traditional forestry and wood processing area, it has also recently developed into a strong tourism region.

Primorje-Gorski Kotar County is considered the birthplace of Croatian tourism, especially Opatija and Lovran, which

previously served as holiday destinations for the Habsburg emperors. These towns have now been high-end and health tourism destinations for more than a century.

The county's education policies mirror its historical ties with tourism, especially nautical tourism. The Faculty of Tourism and Hospitality Management in Opatija is the only Croatian university fully dedicated to the education of a specialized tourism workforce. In addition, there are two secondary education institutions dedicated to tourism or hospitality education.

The county is also especially attractive for nautical tourism. According to the Ministry of Tourism, there are 11 marinas with a total of 2,747 berths.

The county is well connected with continental Croatia and the neighboring countries. Rijeka is a major ferry port with regular connections to the nearby islands and the southern Adriatic. There are several airports within a 200 km radius (Pula, Rijeka, Zadar, Zagreb, Split, Trieste, Venice, and Ljubljana).

## CONTACTS

Croatian Chamber of Economy, International and EU Affairs Sector

[www.hgk.hr](http://www.hgk.hr), [www.investincroatia.hr](http://www.investincroatia.hr), e-mail: [investicije@hgk.hr](mailto:investicije@hgk.hr), Ms Silva Stipić Kobali, Managing Director

GP Krk Plc, [www.gp-krk.hr](http://www.gp-krk.hr)

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e-mail: [zoran.puric@gp-krk.hr](mailto:zoran.puric@gp-krk.hr), phone: +385 51 654 400, fax: + 385 51 654 418, mob: + 385 91 654 4058





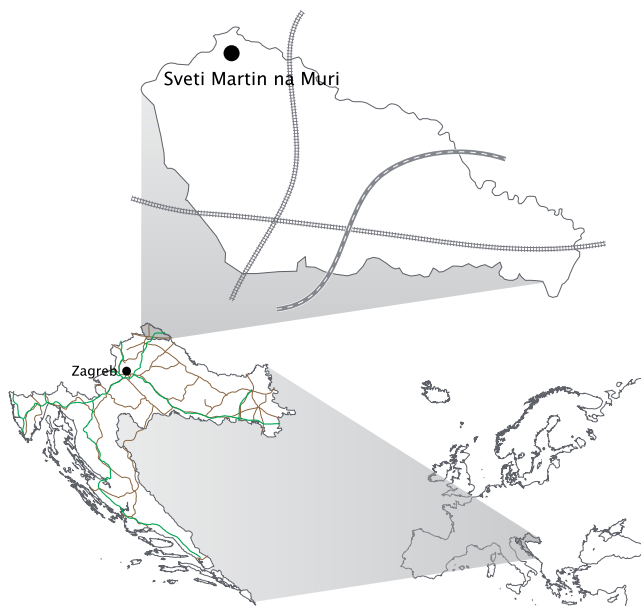
# SVETI MARTIN HOTELS AND RESORT, Sveti Martin na Muri

## PROJECT DESCRIPTION

The company Toplice Sveti Martin Plc. is located in the very North of Croatia in Međimurje County, minutes away from the borders with Slovenia and Hungary, and 120 km from the capital of Croatia, Zagreb. It is well-connected by main roads to the Budapest-Lendava-Graz-Vienna (10 km) and Budapest-Zagreb-Rijeka (20 km) highways and main airports in Croatia and the neighboring countries.

The Company was founded in 2003, and up to now approximately 83 million EUR has been invested in the resort, which today is one of the leading Croatian inland SPAs, that caters for individual, corporate and sports customers.

The current investors/owners plan to upgrade and extend the existing complex (with 147-key lifestyle 4\* hotel, self-contained wellness club, reconstruction and expansion of the water park with an adventure park, auto camp, football field with a heated ground and construction of infrastructure facilities for energy independence and sustainability) and are in search for a joint venture partner. The scope of partnership with a new investor is open for discussion. All documentation necessary for the new investment is ready.



This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## ESTIMATED VALUE

Estimated value of new investment: 32 million EUR.

## FINANCIAL DATA (in EUR:)

Year	2014	2015	2016
Operating revenues	4,197,909	5,225,802	5,472,885
Operating expenses	5,508,878	5,599,535	5,766,583
EBIT	(1,310,969)	(373,733)	(293,698)
EBITDA	(281,996)	357,904	380,499
Net income	(2,461,621)	(3,766,566)	(308,569)
Total assets	19,229,189	15,500,288	15,684,025
Total liabilities	22,837,710	23,925,419	14,564,846
Number of employees	171	159	166



## REAL ESTATE PORTFOLIO

### EXISTING FACILITIES:

- 81-key apartment complex Regina 4\* with 214 beds, a restaurant for 300 persons and three multi-purpose halls,
- Indoor swimming pool complex (1,050 m<sup>2</sup>) with a spinal therapy and physiotherapy centre and restaurant,
- Multifunctional building with restaurants, small shops, summer changing rooms with lockers, and 2,850 m<sup>2</sup> of summer swimming pools with whirlpools and 5 types of water slides, a landscaped swimming area of 10,000 m<sup>2</sup> with 2,000 deckchairs and 4 summer cafe restaurants with approximately 900 seats,
- 157-key Spa Golfer 4\* hotel (151 rooms and 6 suites with 314 beds and 25 extra beds) with a multifunctional conference hall for 500 persons, a 1,800 m<sup>2</sup> wellness centre, restaurants and kindergartens,
- Recreation area (a golf course with 9 holes and driving ranges, a football pitch, 4 tennis courts with floodlights, a basketball court, 2 bocce courts and a beach volleyball court),
- Golf club with shops, restaurants and a golf simulator, covering gross floor area of 30,000 m<sup>2</sup>.

## MEĐIMURJE COUNTY

Population (2011): **113,804**

GDP per capita (2014): **8,686 EUR**

Unemployment rate (2016): **12.1%**

Average gross monthly salary: **827 EUR**

Average gross salary in the sector (tourism): **584 EUR**

Međimurje County is located in the northernmost part of the Republic of Croatia bordering Slovenia and Hungary and between Mura and Drava rivers. The County's great advantage is its close proximity to highways (Budapest-Lendava-Graz-Vienna and Budapest-Zagreb-Rijeka) and airports (Zagreb, Maribor), as well as railway connections, which are nowadays the main backbone route of Middle and East Europe towards northern Adriatic parts. Čakovec, the County seat and also the biggest city of the County is about 90 kilometres North-East of Zagreb, the Croatian capital.

The most important factors that determine the economy and development of the County are its geographical position, natural resources and population, as well as the tradition of entrepreneurship and favourable business environment.

The economy of Međimurje is export-oriented and fast-growing with highly developed food and wood processing industry, food production, production of textiles, footwear, plastics, trade and construction. It is export-oriented (to Germany, Austria, Italy, France, Slovenia and the Netherlands) and based on small and medium-sized enterprises.

Natural beauty of Međimurje county with numerous slopes of foothills, lowland interior intersected by hundreds of smaller lakes and waterways, its preserved natural and built resources of high quality potable groundwater and thermal water, rich cultural and natural heritage, well-built infrastructure, with an emphasis on a preserved environment are excellent prerequisites for the further development of tourism. Međimurje is also known as a Flower Garden of Croatia.

So far the tourism focus has solely been on the Adriatic coast and the summer tourism. However, over the last several years the potential of the inland tourism has been recognized and both investments and promotion in this segment have increased which together with a recent development of gastro and wine tourism fostered tourism growth. Međimurje is one of the fastest growing counties in terms of tourist overnights.

There is also a 9 hole golf resort in the County (Sveti Martin Golf Resort) with heated artificial turf and putting greens, among first of this kind in Europe.

## CONTACTS

Croatian Chamber of Economy, International and EU Affairs Sector, [www.hgk.hr](http://www.hgk.hr),  
[www.investincroatia.hr](http://www.investincroatia.hr), e-mail: [investicije@hgk.hr](mailto:investicije@hgk.hr)  
Ms Silva Stipić Kobali, Managing Director

Toplice Sveti Martin na Muri, Plc., Contact person: Mr Rudolf Radiković, e-mail: [rradikovic@yahoo.com](mailto:rradikovic@yahoo.com)



**PRIVATE PROJECTS**

**OTHER REAL  
ESTATE PROJECT**

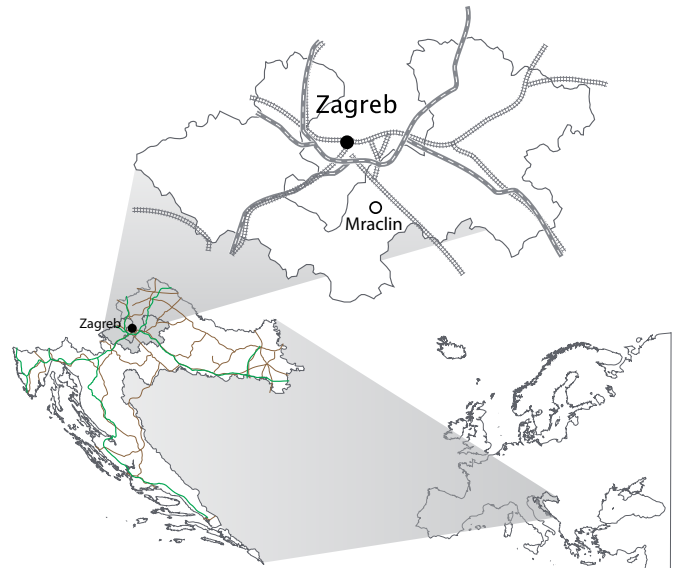
**Mraclin Business Zone**

## LOCATION

The project is located on the outskirts of the small village Mraclin, in the central part of Croatia, 20 km away from the capital city of Zagreb, 5 km from Zagreb airport and 5 km from the speedway to Sisak, with connection to road and rail routes to the state border with Bosnia and Herzegovina (80 km).

Due to its rich history, the area has an archaeological site from stone age. Its old architecture is known for its specific wooden houses.

The village of approximately 1,100 inhabitants is pleasant for living and has a kindergarten, elementary school, church, fire station, playground, shops, restaurants and shooting range for hunters. The main economic activities are the production of building components: bricks, concrete elements and wood flooring, as well as processing of plastics.



## EXISTING CONDITION

The project land is owned by a local family, which is also the owner of the buildings on two of six lots. Surrounded by hedges, the land has approximately 33,000 m<sup>2</sup>, of which 1,000 m<sup>2</sup> is under the buildings.

In the central part of the land, there are a crane and a concrete plant with the capacity of 10 m<sup>3</sup>, with underground tunnels, and a closed part of a production line for concrete elements, lathes and the office space in construction. Infrastructure is partially built, and includes connection to the telecommunication and electricity network, as well as direct connection to the public road, and the own water pump with the possibility to connect to the public water supply system. The construction of public sewage systems is ongoing.

The best-known producer of building materials and wood elements in the region operates in the immediate neighbourhood of the project.



## PROJECT DESCRIPTION

According to the physical plan, the land is situated in the industrial zone, and is planned for production-business purposes. The aim of the project is to develop a small business zone, and the owner is looking for a partner.

The possibilities are numerous: due to a large allowed construction density on the existing land, it is possible to build new open and covered facilities or buildings.

Various activities may be developed in the zone, such as metal or wood processing, production of construction elements, storage and recycling services, and other activities.

## ESTIMATED VALUE

The estimated value of the property is 0.5 mil EUR, while the total investment value depends on activities that will be implemented by investors.



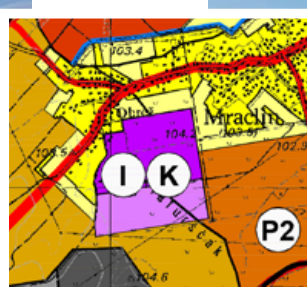
## TRANSACTION MODEL

Various forms of partnership are possible, including joint venture, lease or sale of the project land.

## PROJECT STATUS

Currently a part of already built offices is in the process of acquiring permits from state authorities.

It is estimated that the project can be implemented within one year from the beginning of investment in the business zone.



## ZAGREB COUNTY

Population (2011): **317,606**

GDP per capita (2014): **7,894 EUR**

Unemployment rate (2016): **15.1%**

Average gross monthly salary: **1,011 EUR**

Zagreb County is located in the central part of northwestern Croatia, and surrounds the capital city of Zagreb. With its horseshoe-shaped surface and the area of 3,078 km<sup>2</sup>, it is the sixth, and according to the population, it is the fourth largest county in Croatia and one of the most prosperous economic areas in the region.

With its 9 cities and 25 municipalities, the County of Zagreb forms natural, cultural, scientific, financial, production and population unit. It is well connected with the main roads, as all the cities are linked to fast highways from Zagreb: to the North (connects the County with Central and Northern Europe), to the East (Eastern Europe and further) and to the South (Adriatic Coast). Apart from highways, all the important rail, air and energy corridors also pass through Zagreb County, and make an economic ring around the city. The biggest town is Velika Gorica which has approximately 63,500 inhabitants.

The County has a pleasant continental climate: warm summers and mild winters. The landscape differs: a hilly and mountainous region is predominant in the West, while lowlands are mostly in the South and East. The biggest river is Sava, and there are several ponds, one of which is in an ornithological reservation. In the vicinity of the project area there is an artificial lake created by gravel extraction.

The majority of small business zones are located in Zagreb County, as well as two clusters. 2/3 of revenues are generated from industry and trade, while the rest of revenues mostly comes from agriculture and transport.

The County has oil and natural gas bearings and crude oil processing industry. The first Croatian communal biomass heating was introduced in this County.

The economic potential of Zagreb County has already been recognized by the presence of many domestic and foreign entrepreneurs and companies which contribute to attractiveness of the region as an investment destination.

The whole County is also an attractive recreational destination for year-round trips. In addition to historical buildings and events from its rich history, it offers other numerous attractions (wine roads, sport and recreational possibilities).

## CONTACTS

Croatian Chamber of Trades and Crafts

e-mail: [savjetodavna\\_sluzba@hok.hr](mailto:savjetodavna_sluzba@hok.hr), phone: +385 1 4806 666

Mr Nikola Cvetnić, e-mail: [betonski-cvetnic@inet.hr](mailto:betonski-cvetnic@inet.hr), phone: +385 1 6268 246; +385 98 1689 650



## **PRIVATE PROJECTS**

## **INDUSTRY SECTOR PROJECTS**

**Meat Production and Processing Facility  
Solvis  
Vedrana Ltd.**

# MEAT PRODUCTION AND PROCESSING FACILITY, Sisak

## PROJECT DESCRIPTION

The goal of this project is to invest in construction and equipping of new slaughtering and meat production facilities in the South industrial zone in Sisak. With the construction of new slaughtering facilities, the existing slaughterhouse will be closed down. Investment in this project will ensure the construction and equipping of a construction unit of a total area of 2,629 m<sup>2</sup>.

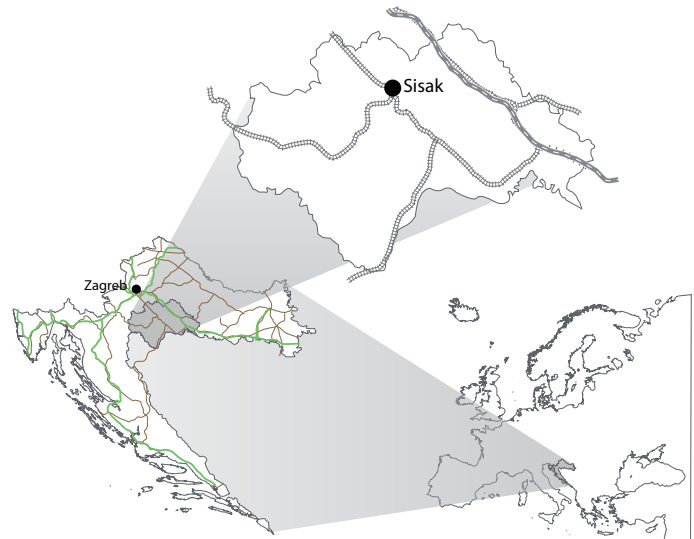
In accordance with the existing legal provisions, the new slaughtering facilities will be licensed as objects engaged in:

- slaughtering and cutting of cattle, sheep and pig livestock,
- manufacture of processed meat products – sausages, bacon, smoked meat etc.

### PROJECTED DAILY SLAUGHTERING CAPACITY OF THE NEW SLAUGHTERING FACILITIES:

- 210 pigs/day (30 pigs/h),
- 35 head of cattle/day (5 head of cattle/h),
- 5t processed meat products/day – 70% pasteurized, 30% dried meat.

The funding of this project will ensure that the existing trade business meets business standards equivalent to the community standards, which will help it achieve business sustainability and compete adequately in the open EU market.



## TRANSACTION MODEL

The Project holder is looking for a strategic partner.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## ESTIMATED INVESTMENT VALUE

3.5 million EUR for the construction and equipping of the new slaughtering and processing facilities.

## TRADE BUSINESS

The Promes-Cvanciger trade business was established in 1990 in Sisak, Sisak-Moslavina County. In 1989, after spending considerable time working in the meat industry, Slavko Cvanciger (the father of the current owner) opened a trade business of selling, preparing and processing meat and meat food products in Caprag market in Sisak. In 1990 Slavko Cvanciger's son Adolf decided to join his father, turning the initial market shop into a family business.

The business's main products are fresh livestock meat and a wide range of processed meat products. In 1995 the family bought Sisak's Town Slaughterhouse, which they reconstructed in 1998, obtaining all necessary licenses and permits together with a registration number 990 issued by the Ministry of Agriculture. As the business increased

its production capacities, so did its retail network in Sisak-Moslavina County grow.

Today, the business owns 10 retail butcher shops. In addition, the business distributes its products to schools, kindergartens, restaurants and companies, as well as to hotels in the county and beyond.

The business is recognized in the market for its quality domestic livestock, as well as for its flexibility when conducting business. The production meets all HACCP standards, and the business is constantly striving to improve its business processes to keep up with the newest technologies, which is why it is necessary to invest in this new development project.



## CURRENT PROJECT STATUS

The Promes-Cvanciger trade business is the owner of project land. The project is in a high stage of readiness as the location permit has been obtained and the main project confirmed.

## FINANCIAL DATA (in EUR:)

	2014	2015	2016
Operating income	2,453,751	1,753,571	2,312,681
Operating expenses	2,428,764	1,732,391	2,293,903
EBIT	24,987	21,180	18,778
EBITDA	67,808	32,976	41,390
Net income	19,334	15,354	9,997
Total assets	556,373	540,261	1,002,883
Total liabilities	1,109,043	999,424	974,859
Number of employees	39	36	36

## CURRENT INFRASTRUCTURE AND CAPACITIES

In 1998, the business undertook a reconstruction of its slaughtering facilities, acquiring all necessary permits to operate, and therefore received the registration number 990 issued by Croatian Ministry of Agriculture. Since then, it has worked in the existing facilities with the following slaughtering capacities:

- 20 pigs/hour,
- 3 head of cattle/hour,
- 1t processed meat products/day.



## SISAK-MOSLAVINA COUNTY

Population (2011): **172,439**

GDP per capita (2014): **7,409 EUR**

Unemployment rate (2016): **32.3%**

Average gross monthly salary: **924 EUR**

Sisak-Moslavina County is the third largest county in Croatia with an area of 4,468 km<sup>2</sup>, covering 7.89 per cent of Croatian territory. 39 entrepreneurial zones are planned

to be built in the county area, 10 of which are entirely or nearly completed and equipped with the necessary infrastructure.

The most important production sector is processing industry, which includes food production industry, wood processing industry, production of refined oil products, manufacture of metal and metal products, manufacture of chemicals and chemical products, etc.

## CONTACT

Promes-Cvanciger, Butcher's trade business

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## SHORT PROJECT DESCRIPTION

SOLVIS is a photovoltaic modules producer based in Croatia, City of Varaždin. Our geographical, technological and commercial diversification, our solid asset base – the skills of a team of 80 professionals with unprecedented know-how in the sector, and the competitive advantage of having our own PV solutions are just some of the differentiating features that strengthen our position in the market. The production capacity is easily expandable as SOLVIS has sufficient surface to double its capacity.

Solvis is present on the global market from 2009 with dedication to produce environmentally friendly and affordable source of energy taking greater responsibility for the well-being of the planet. Our products are the result of our own product development and research. With sustained investment in human resources, equipment and research and development, Solvis established competitiveness of the company on the global market. Production is based on strict quality control criteria and the usage of top quality raw materials obtained from the leading producers in the world. Our products have a fifteen-year warranty on quality and a 25-year limited warranty on output power. We work closely together with customer to come up with the best solution that will work providing innovative system integration services. Almost 50% of all installations in Croatia are done with SOLVIS products. So, there is a significant experience with turnkey solutions as well.



## TRANSACTION MODEL

Capital increase or equity financing.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## QUALITY ASSURANCE PROGRAM

SOLVIS production has been certified in quality management, environmental management and health and safety management.

SOLVIS implemented Quality Management System according to EN ISO 9001: 2008 and Environmental Managements System according to EN ISO 14001: 2009 from 2009., and occupational Health and Safety Management System according to OHSAS 18001: 2007 has been implemented from 2011. Furthermore, SOLVIS modules are tested and certified according to EN IEC 61215: 2004 for quality and according to EN IEC 61730-2: 2007 for safety.

The company will use new funding to accelerate growth primary through expansion of its capacity.

## INVESTMENT SIZE

4-6 million EUR.

## CUSTOM DESIGNED MODULES

The range of Solvis standard products is wide, and they are basically divided into two designs: the polycrystalline version and the monocrystalline version. Modules are available in 36, 48, 60 and 72 cells versions.

As speciality, Solvis is one of only few companies in Europe manufacturing special and custom designed modules with different power, cell, backsheet or frame color.

Special products such as glass-glass modules, Solrif modules

for building integration replacing conventional roof covering of pitched roofs, are unconventional approach in finding new methods which are different from the current industry standards. Special dimensions and size, as well as specially cut glass are some of the fine details which separate these products from others available on the market. SOLVIS can also offer to customer made in Europe modules as OEM production with customers brand by doing a short co-licensing procedure with certification body.



**Custom designed modules**

## CONTACT

HAMAG BICRO- Croatian Agency for SMEs, Innovation and Investments,  
[www.investcroatia.hr](http://www.investcroatia.hr), e-mail: [investments@hamagbicro.hr](mailto:investments@hamagbicro.hr)

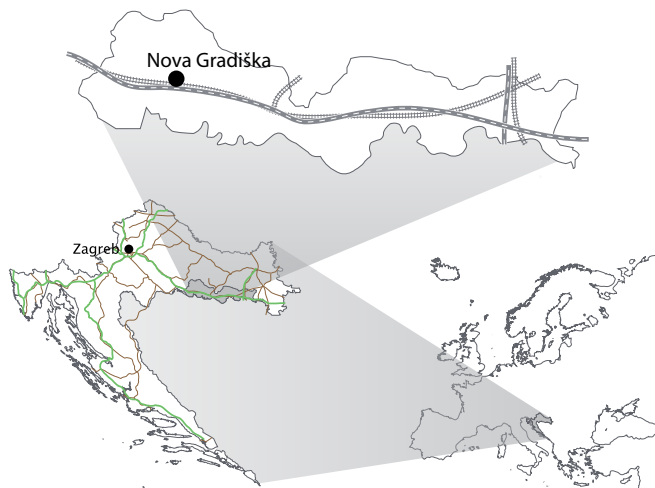
## COMPANY DESCRIPTION

The aim of the investment is capacity increase and development of wood-processing manufacturer Vedrana Ltd.

The company Vedrana Ltd. was founded in 1998 and it started the production of edged glued and finger jointed solid panels in 2011. In the period of 2011 till 2015 the company expanded its production capacities to 150 m<sup>3</sup>/ per month of massive (solid) oak and beech panels, with a yearly production in 2015 of more than 1,870 m<sup>3</sup> of final panels.

The factory produces edged glued and finger jointed solid oak, ash and beech panels class A/B and B/C, oak and ash wooden floorings, oak and beech massive panels. The company employs 75 people and 95% of products is exported to the EU countries (Italy, Austria, Germany, Slovenia, France).

The company wishes to increase the production capacities and start further development of the production plant, more specifically they want to become more final product oriented (start the production of tables, beds and floorings). The investment would secure employment of at least 30 new people. The plan is also to build briquette factory with the capacity of 100 t / per month and co-generation power plant of 1.2 MWh of electrical energy and 3.8MWh of heat energy.



## LOCATION DESCRIPTION

The production plant is situated in Industrial Park Nova Gradiška, 2 km from the exit of A3 highway and 0.5 km from the city centre Nova Gradiška.

The county capital Slavonski Brod is situated 45 km away, whereas the country capital Zagreb is located 145 km away. The nearest sea port Rijeka is 303 km away, while the nearest river port Vukovar is 158 km away (possibility of river transport via Danube). The state border with Serbia is 150 km, Hungary 122 km and Slovenia 174 km away. The plant is situated in the area rich with the forests of the deciduous trees.



## ESTIMATED VALUE

Total estimated value: 6.3 mil EUR.



## TRANSACTION MODEL

The project holder is looking for an investor or a strategic partner.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

## PROJECT STATUS

The required investment is for working capital (1.75 mil EUR), equipment for the drying plant (1.15 mil EUR) and purchase of already contracted real estate and movables (3.4 mil EUR). Until now, the project holder has selected the equipment for the drying plant, has signed contract for design and consulting services, the new silos and the ventilation equipment with the return of warm air have been installed.

## BROD-POSAVINA COUNTY

Population (2011): **158,575**

GDP per capita (2014): **5,661 EUR**

Unemployment rate (2016): **27.1%**

Average gross monthly salary: **884 EUR**

The main competitive advantage of Brod-Posavina County is its exceptional geo-strategic position as it is situated on the crossing of important European traffic corridors: Pan-European Corridor X which connects Western Europe with South-East Europe and Middle East, and Pan-European Corridor Vc connecting Northern and Eastern European countries with the Adriatic Sea.

The County is intersected with railway, highway, inland waterways, telecommunications networks and oil pipeline. There are four capital cities (Zagreb, Budapest, Belgrade and Sarajevo) within 350 km radius of the County seat, Slavonski Brod. The river Sava, which represents a natural border with Bosnia and Herzegovina, enables waterway traffic with Central and South Europe as the most cost-effective way of transporting commodities and cargo. The Port of Slavonski Brod is connected by road and railway infrastructure with international infrastructure corridors.

Most represented business activities in the County (measured by their share in total revenue) are

manufacturing/processing industry - metal processing, wood processing and furniture manufacturing, chemical industry and food processing (46.5%), trade (15.6%), construction (15.6%) and agriculture, forestry and fishery (7.4%).

The processing industry has the largest part in the revenues from exports (predominantly metal industry, followed by wood processing, agriculture and production of furniture and chemical products), with its most important export markets in Bosnia and Herzegovina, Austria, France, The United Kingdom and Italy.

The County offers a possibility of studying at Mechanical Engineering Faculty Slavonski Brod offering vocational, undergraduate, graduate and postgraduate studies in Production Engineering and Mechanical Engineering and Slavonski Brod Polytechnics with vocational studies in mechanical engineering and management, as well as at Teachers Academy.

In Slavonski Brod is also industrial zone Đuro Đaković located. In addition to industrial zone, there is a very well developed Industrial Park Nova Gradiška and business zones Bjeliš, Rižino polje and Davor as well as business incubators: BRODIN – Brod Business Incubator and Business Innovation Support Centre (BISC) Nova Gradiška.

## CONTACTS

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## **PRIVATE PROJECTS**

## **ENERGY SECTOR PROJECTS**

**Biogas Plant - Trpinja I**  
**CCPP 600 Slavonski Brod**  
**CPP Slatina**



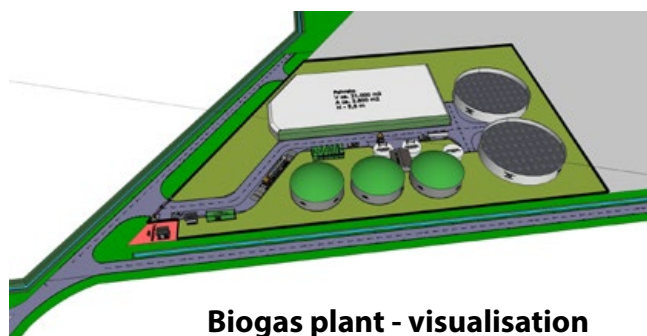
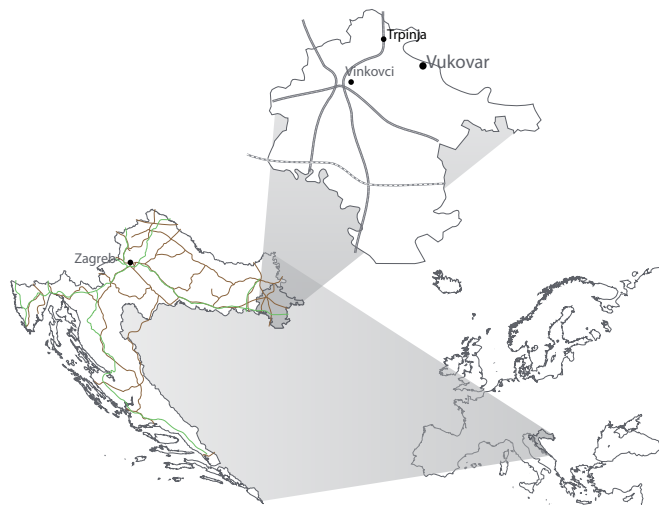
# **BIOGAS PLANT - TRPINJA I, Vukovar-Srijem County**

## **PROJECT DESCRIPTION**

The project involves the construction of 1MW biogas power plant in the Eastern part of Croatia, Vukovar-Srijem County for production of electrical energy and heat. In first years of its operation, the plant will run on manure and maize silage. Afterward it will gradually change the source of operation to fuels from the remains of the food-processing industry.

The raw material will be supplied by the local farmers whose agricultural lands are located in the surrounding areas. Manure will be provided by the farmers, and maize silage will be obtained where appropriate. Raw materials ferment in biogas reactors, after which they are stored until the fertilizing season. Liquid fermented substrate will be delivered to farmers that have contracts for the supply of manure and maize silage. It will be supplied from tanks directly to cistern and will be used on agricultural lands as valuable fertilizer.

Biogas will be stored in foil tanks above the fermenters, and it will be used in cogeneration aggregate for the production of electrical energy and heat. Electrical energy will be sold to local electricity supplier HEP Plc., and the additional heat will be used as energy for additional processes in the biogas power plant, while remaining heat will be used for heating of the plant premises.



**Biogas plant - visualisation**

## **CAPACITIES**

FACILITY SIZE	FERMENTOR	FINAL STORAGE	SILO FOR MAIZE SILAGE
Gross floor area m <sup>2</sup>	415.26	1,133.54	3,800
Capacity	2,600 m <sup>3</sup>	7,400 m <sup>3</sup>	20,000 t/year

## **LOCATION DESCRIPTION**

The project is located in the Eastern part of Croatia, Municipality Trpinja, 12 km from the City of Vukovar.

The lot size is 18,660 m<sup>2</sup> and is located 100 meters of air distance from the state road D2 (the main state road in the Northern Croatia, connecting the country with Slovenia on the West and Serbia on the East). The power plant location is a part of the construction zone owned by Trpinja Municipality which is intended for economic projects. There are additional 33,947 m<sup>2</sup> of construction land available.

## **ESTIMATED VALUE**

Total estimated value: 3.7 mil EUR.

## **TRANSACTION MODEL**

Looking for investor or strategic partner / project sale.



## PROJECT STATUS

The project is in an advanced development stage and it might be finished within 7 months upon securing funding e.g. after finding a strategic partner/ investor. The following project preparatory work has been completed:

- ✓ Building permit,
- ✓ Contract for accession to the power grid with HEP Plc. (national electricity company),
- ✓ Signed agreement for access road and water connection with Trpinja municipality (Final building permit),
- ✓ Signed the Electricity Purchase Contract with the Croatian Energy Market Operator,
- ✓ Clear title property.

The subject land is owned by Trpinja Municipality that has conferred the right of construction of the biogas plant on the land to the company Relaxo Ltd. according to the Contract on establishing the right of construction. The right of construction is valid for the next 20 years under the agreed fee. The project is exempt from communal contribution fee by the Municipality of Trpinja.

## VUKOVAR-SRIJEM COUNTY

Population (2011): **179,521**

GDP per capita (2014): **5,897 EUR**

Unemployment rate (2016): **29.7%**

Average gross monthly salary: **863 EUR**

Vukovar – Srijem County is situated in the Eastern part of Croatia, between the rivers Danube and Sava, bordering with Serbia in the East and Bosnia and Herzegovina in the South. Due to its geographic location, the County represents important international traffic road and rail routes intersection from the east towards the west next to the Danube river and from the north over the Sava river towards the Adriatic Sea.

Three Pan-European international corridors pass through the county, making it an essential part of major European transport routes: Corridor VII – the international fluvial route of the Danube river; road and railway Corridor X which connects Western and Eastern Europe, road and railway Corridor Vc connecting Western Europe with the South Adriatic. In addition, important energy corridors cross the

County ensuring the distribution, supply and efficient use of electric energy, gas and thermal energy.

The local countryside is mainly flat and the County has 150,000 ha or 62% of total land area of extremely fertile soil. Hence, the primary sector has higher share in the county's economy compared to Croatian average. Grain production is taking the most significant part with a share of 75% of the surface while other cultures such as oilseeds, sugar beets, fodder plants, tobacco and other take 25% of the total surface. Great wealth consists of preserved ancient forests covering an area of 70,000 ha with high quality wood such as oak. Manufacturing industry has great significance, accounting for 31% of total turnovers of the County with long tradition especially in food processing and wine industry, textile and leather industry, wood industry.

The administrative, economic, cultural and educational centre is the City of Vukovar. Located in the very East of Croatia, it is the most important Croatian city and river port on the Danube. The opportunities provided by the important European waterway Danube represent excellent platform for transforming the city of Vukovar into an important economic centre.

## CONTACTS

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Ms Silva Stipičić Kobali, Managing Director

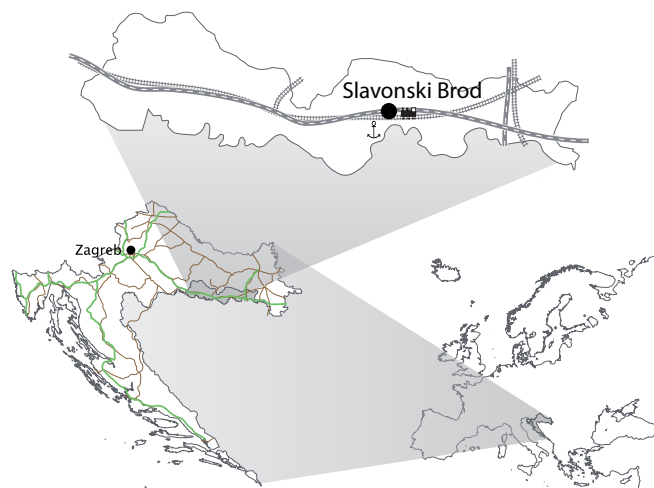
Relaxo Ltd., Mr Igor Popović, Director, e-mail: igor@relaxo.hr

## PROJECT

Project includes a greenfield phased construction of 600 MW combined cycle gas power plant near city of Slavonski Brod (CCPP Slavonski Brod). The first phase of CCPP Slavonski Brod is of net rated capacity up to approximately 240 MW. Estimated value of the total investment is 450 million EUR and for the first phase is 190 million EUR.

### COMPLETED ACTIVITIES:

- ✓ Preparatory studies,
- ✓ Prefeasibility study,
- ✓ Conceptual and basic design,
- ✓ Building plot procured (concession contract for 35 years),
- ✓ Location is equipped with utilities and infrastructure and ready for construction,
- ✓ Environmental impact study and technical-technological solution,
- ✓ Provisional authorization for connection to electrical power system obtained,
- ✓ Decision on project eligibility for environment and decision on integrated environmental protection requirements obtained (Environmental permit),
- ✓ Special requirements obtained,
- ✓ Location permit obtained from Ministry of Construction and Physical Planning.



### CURRENT ACTIVITIES:

- ✓ Adjustment of issued documentation to the phased construction,
- ✓ Gas supply, electricity and services sales, business, investment and financing model.

## TRANSACTION MODEL

**CRODUX ENERGETIKA Ltd., a 100% privately owned company, is looking for potential financial/strategic investors and partners to enter the project by acquisition of certain amount of the company's shares. Inclusion of other investors after the final investment decision.**

## INVESTMENT OPPORTUNITY

The power plant will offer electricity, ancillary services, balancing energy for electrical power system as well as for gas system on the market.

Most of the open energy market participants are often not able to realize projects like this one by themselves. Therefore, there is a potential and possibility for joint venture of investors and market participants in order to provide the production capacities with necessary characteristics within the energy system and market, and simultaneously minimize risks for all involved parties.

Investors and project participants have opportunity for profit from sales of broad portfolio of products and services that CCPP Slavonski Brod can offer on open energy market in Croatia, the EU and Energy Community (especially the South East Europe region).

The investment for the first phase of CCPP Slavonski Brod is approximately 190 million EUR, whereof 30% of own funds are provided by the founders in the company's equity (equity shareholders) and 70% from financial market by long-term debt.

Financial success is achieved throughout the estimated period of the project (20 years), generating future positive cash flows and fulfilling all financial obligations within the planned life of the project. Investment is therefore justified because it guarantees to the investors maintaining of a long-term financial stability, strengthening and increasing of its financial power, successful business and appropriate profit.

**Indisputably, all research and analyses conducted by the developing Company confirm that such power plant is needed and necessary in the energy market.**

## PROJECT DESCRIPTION

CCPP Slavonski Brod is in accordance with Energy Development Strategy of the Republic of Croatia as well as Spatial Planning Strategy of the Republic of Croatia and Spatial Planning Programme of the Republic of Croatia. The first phase of CCPP Slavonski Brod is designed as multi-shaft solution with gas and steam turbines to provide very flexible electricity production supporting peak, variable and intermediate load requirements. It is fast and efficient, with improved efficiency and reduced emissions at part load and with capability for frequent starts and stops and fast cycling. Due to its characteristics it contributes to security of electricity supply, increase of reserves and stability of electric power system (EPS) and development of energy market and it is suitable to back-up electricity production from power plants using renewable energy sources.

The power plant's flexibility and dynamic stability is in line with requirements of today's and future EPS. EPS requires fast, flexible and efficient power plants of sufficient capacity which can contribute with their products and services to reliability and stability of EPS operation and its control capabilities. The latter is especially significant due to increase of electricity production from power plants using renewable energy sources.

The project is based on the state-of-the-art technology of the world's leading equipment manufacturers, which



attains and ensures competitiveness of the power plant as well as its minimum impact on environment. Location of CCPP Slavonski Brod, set in Slavonski Brod Port Authority area, is carefully examined and researched, fully equipped by relevant infrastructure (waterway, road, railroad, public water supply and drainage, main gas pipeline, electric power transmission system, gas transport system) and ready for construction.

This power plant has exceptionally positive effect on the electricity supply in Croatia, in particular eastern Croatia and Slavonia, as well as South East Europe region in general. Since existing electricity production capacities in Croatia are not competitive in open electricity market, Croatia imports approximately 30% of its electricity demands. In dry season and during peak load hours the electricity import reaches 70% of Croatian demands.

## GAS SUPPLY

CCPP Slavonski Brod is fuelled by natural gas, the only currently available and accessible indigenous energy source in Croatia. Majority of Croatian natural gas needs are covered from local production and estimated reserves of this energy source in Croatia are sufficient for its long-term supply with natural gas.

Security of gas supply is guaranteed by good connectivity of gas transport system by interconnections with adjacent countries' gas transport systems and connections to main gas supply corridors.

## ENVIRONMENTAL PROTECTION

In accordance with principles of sustainable development and transition to low-carbon economy, the best available techniques and natural gas as a fuel have been selected and the strictest criteria of environmental and nature protection in accordance with EU legislation have been applied, which ensures that this project contributes to the improvement of the environment.

Space for managing future carbon capture and storage requirements has been reserved within the power plant location.



## CONTACTS

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Center for Monitoring Business Activities in the Energy Sector and Investments, [www.cei.hr](http://www.cei.hr), e-mail: [cei@cei.hr](mailto:cei@cei.hr)

## PROJECT HOLDER

The project is located in the Virovitica – Podravina County, near Town of Slatina, in Business Zone Trnovača, on the lot area of 21,679 m<sup>2</sup>, above the rich reservoirs of geothermal water sources.

The owner and project holder, the private company Dravacel Ltd., envisages the development of three green-field projects on the same location: construction of a new factory for pulp and paper production, construction of 10 MW geothermal power plant (cogeneration of electricity and heat production from geothermal energy) and construction of 15 MW biopower plant (cogeneration of electricity and heat production from biomass).



## PROJECT DESCRIPTION

The whole project of Geothermal Power Plant, based on a very high temperature of geothermal water sources (190-220°C), consists of four units and envisages to be implemented in two phases.

The first phase includes the construction of first unit, cogeneration for electricity and heat production from geothermal energy. Other three units (hot water over 100°C distribution system foreseen for the needs of the Town of Slatina, hot water under 100°C distribution system for the needs of particular subproject and process water distribution system) are planned to be implemented two years after the start of operation of cogeneration plant.

Construction, installation and start of operation for the geothermal power plant is expected to be completed till the end of 2017 with capacities:

- ✓ 10 MW of electricity,
- ✓ 65 t/h of heat production,
- ✓ 30 t/h of hot water.

Total land area required for the project is 5,000 m<sup>2</sup>.

Currently, the project is not included in energy sector incentive system defined by National Action Plan for Renewable Energy Sources (NAP).

## TRANSACTION MODEL

Dravacel Ltd., a 100% privately owned company, is looking for strategic investors to develop the project (project sale). Estimated investment value of the geothermal power plant is 54 million EUR.

## PROJECT STATUS

### COMPLETED ACTIVITIES:

- ✓ ESIA - Environmental Impact Assessment Study for development of project completed,
- ✓ Location and building permits obtained,
- ✓ Technical project documentation completed,
- ✓ Pre-investment study completed,
- ✓ Concession rights for exploration of geothermal energy obtained.

### CURRENT ACTIVITIES:

- ✓ Energy permit is in progress by Ministry of Economy, Entrepreneurship and Crafts.





## VIROVITICA-PODRAVINA COUNTY

Population (2011): **84,836**

GDP per capita (2014): **5,655 EUR**

Unemployment rate (2016): **32.7%**

Average gross monthly salary: **824 EUR**

Virovitica-Podravina County is located in northeastern Croatia and covers the area of Slavonia and Podravina. It is bordered by Bilogora, Papuk and Krndija from the South, with its slopes gradually merging with the Pannonian Plain. The County's northern border is the River Drava which also makes a natural border with Hungary in the largest part of its hundred kilometre long course.

The city of Virovitica is an administrative, economic, cultural and educational centre, in which tourism is developed through a variety of traditional and contemporary forms with numerous cultural, historical, theatrical and sporting events, exhibitions and concerts.

Fruit growing, horticulture and cattle breeding has a long tradition due to the wealth of natural resources. While corn and wheat, medicinal herbs, tobacco and sugar beet of the highest quality are grown on fertile Slavonia and Podravina fields, the slopes of Bilogora and Papuk are covered with vineyards.

The county has also a high energy potential in biomass and geothermal energy. Because of numerous farms (crop and livestock) in this area, there is a significant potential for the construction of biogas plants that would also ensure the adequate disposal of biodegradable agricultural waste.

Since the county is located in the Pannonian Plain region, characterized by high values of the heat flux density and high geothermal gradient, the geothermal potential is vast but still not exploited enough.

## CONTACTS

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**PRIVATE PROJECTS**

**HIGH-TECH  
PROJECTS**

**Hipersfera  
IThome**

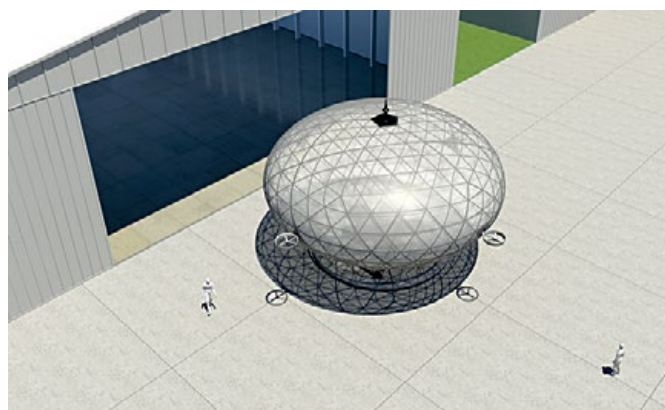
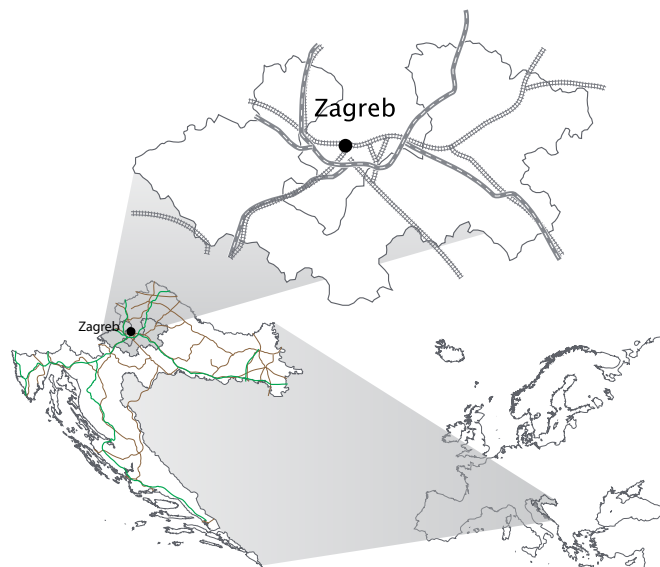
### SHORT PROJECT DESCRIPTION

Hipersfera Ltd. is a startup R&D Company from Zagreb, Croatia, that is developing a Hypersphere system for continuous surveillance which represents a disruptive innovation for two major fast growing industries: unmanned aerial vehicles and remote sensing (market size of USD 14.9 billion by 2020, with a CAGR of 8.12%, from 2015-2020).

#### THE PROJECT IS DIVIDED INTO 2 INVESTMENT PHASES:

- The first phase (36 months) was finished at the end of 2011, with a budget of 1,200,000 EUR. The lead investor was the Croatian Government in addition to 30% provided by private investors. The purpose of the first phase was to build a scaled prototype to prove the concept. Seven independent financial and technical audits have been conducted and a fully functional 1st scale model has been built and flown for over 500+ test hours. In addition a PCT patent has been granted (WO-2012025769-A1).
- For the second phase (Hypersphere HS-5k) we are looking for an investment of 5,000,000 EUR, in order to develop the HS 5k airship (fully operational commercial platform), over a time span of 18 months.

The Hypersphere project is built around an airship as “an eye in the sky” that can continuously monitor the Earth, over particular geographical area, beating satellites and airplanes both in price and performance. Depending upon the type of payload the airship is carrying, data could be used as a traffic control tool, for border control or an early warning fire prevention system, etc.



**Hypersphere HS-5k**

### COMPLETE TURN-KEY SOLUTION

The Hypersphere project offers a turn key solution for continuous surveillance. Hypersphere HS-5k system for continuous surveillance is comprised of a MALE UAV unmanned aerial vehicle with extended endurance (24 to 100 hours of continuous flight, depending on environmental conditions), and communication and ground infrastructure required for providing ground information in real time.

Data collected with the surveillance equipment is sent for processing to the central database, where it is available to the OPS center as well as to personnel on the ground. HS-5k system operator has complete control over the entire (encrypted) data chain, which is often not the case for surveillance systems offered by other manufacturers.

### INVESTMENT VALUE

The investment value is 5 million EUR.



## THE MOST COST-EFFECTIVE CONTINUOUS SURVEILLANCE SYSTEM

With per-flight hour expenses ten to fifteen times lower than other unmanned systems in the same class, the HS-5k system enables a considerable increase in profitability for use of unmanned aerial systems in public and commercial domains, as well as a significant market application

expansion. Furthermore, in the remote sensing industry the price per square kilometer for a very high resolution image (e.g. 20 cm/px) is more than 200 times higher than the production expense of the equivalent remote sensing data obtained through the HS-5k system.

## HYPERSPHERE HS-5K AIRSHIP

Hypersphere HS-5k aircraft is classified as an autonomous unmanned airship of medium altitude long endurance, so called MALE UAV. It uses helium to maintain its altitude, while the attitude and position control is done via electrically driven vectored actuators. This significantly reduces overall power and energy requirements, enabling extended and very stable performance.

HS-5k airship has a payload capacity of 100 kg, which is sufficient for a sophisticated set of surveillance devices. Integrated camera systems enable human detection in optical and mIR (thermal) spectra, including reduced visibility situations. It is possible to integrate other sensor systems (mSAR, LIDAR, hyperspectral camera) on demand. An important feature is the aircraft's availability of at least 50%. In other words, expected flight time per year is at least 4,400 hours. Availability this high (significantly higher than most UAVs on the market) is the result of modular airship design, lean fleet operations, as well as a high range of operational altitude – from 2 to 5 km above sea level. Cruise airspeed is 40 kph, while the maximum airspeed is 65 kph. Those airspeeds, in combination with a wide operating altitude range, enable airship operations throughout the year, in almost all weather conditions.

Take-off and landing is performed vertically and can be performed during rain, fog and snow, in up to 40kph wind irrespective of direction. SOP for take-off and landing requires crew of only 4 to 6, while one shift in the operative base can do up to four take-off and landings per day. Control of the airship during take-off and landing can either



**Hypersphere HS-5k Airship**

be automatic or performed by a remote pilot from the base. Modular design enables quick MRO cycle (service in-between two consecutive flights), uninterrupted availability of spare parts, and simple and efficient upgrade of individual subsystem. Aforementioned features are responsible for very low operative costs, less than 100 EUR per flight hour, including fuel, spare parts, human resources and other operative expenses.

HS-5k aircraft has a modern transponder MODE S/C, and can fly within the air-traffic control system (ATC) or individually. Mission Plan is given by the ground control operator, before the mission, but it can also be updated in flight, as a reaction to the situation on the ground, such as tracking of an object or subject. Expected lifespan of the aircraft, with regular and proper maintenance, is at least fifteen years.

## GLOBAL MARKET

HS-5k as a tool for continuous surveillance represents a product targeting a global market, while competing in two major industries: unmanned aerial vehicles and remote sensing. The remote sensing market is expected to show a robust growth in future, accounting for USD 14.9 Billion by 2020, thereby registering a CAGR of 8.12%, from 2015-2020. Hypersphere is capturing the value at the top end of Remote sensing industry value chain. Data collection and data processing, as processes in the value chain, constitute

66% of the market. Existing platforms, satellites and airborne platforms are main competitors of Hypersphere, generating revenues in the same part of the value chain. Hypersphere incorporates the best characteristics of satellites and airborne platforms. Being a unique, state of the art, high-tech product and taking first mover advantage, Hypersphere airship will take significant percentage of market share after being commercialized (in > 18 months), but more important, it will create new markets which do not exist at present.

## CONTACT

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[www.investcroatia.hr](http://www.investcroatia.hr), e-mail: [investments@hamagbicro.hr](mailto:investments@hamagbicro.hr)

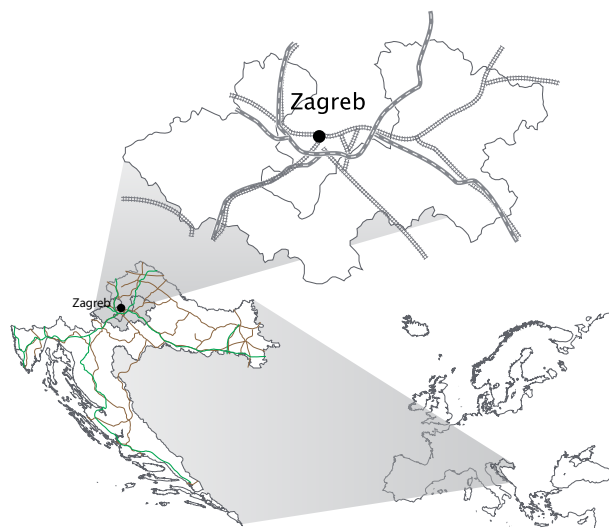
## IThome Ltd., SME: Home Automation, Smart Home

### SHORT PROJECT DESCRIPTION

IThome system is first Croatian smart solution for energy efficient and safe home, it is adaptable to any user; because of its energy efficiency, it delivers 30% of financial savings, and enhances safety and quality of life. Innovative IThome system connects and manages almost all technical systems in living space used for housing. "One click" on your mobile phone to manage your lighting, power sockets, cooling systems, heating systems, shutters, awnings, and also monitor the security system. IThome equipment is based on wireless technologies, thus this solution is applicable in any type of home.

Intelligent Home Ltd. is the first company in Europe that offered a "cloud based home automation" system, which is not exclusively intended for luxury homes and installation in new buildings. Development first started in 2010. which included complete development of software (IThome Cloud, Android and iOS applications), and corresponding hardware.

Intelligent Home Ltd is still continuously working on developing new IThome system features, making this system even more enhanced and accessible.



### TRANSACTION MODEL

Capital increase or equity financing.

### INVESTMENT SIZE

0.5 to 0.75 million USD.

### SIMPLE WIRELESS INSTALLATION

IThome system can be installed in every home; it does not matter when the building was built. No construction work or changes on existing installations are required.

An additional advantage is that system is technologically based on cloud and wireless technologies, meaning that all servers are outside the user's apartment.

Modules are installed in the apartment behind selected switches in an hour, and a thermostat is connected to the power source in any room according to user's preference.

### SECURITY

Prevention of unwanted situations is also characteristic for a smart IThome system, which contributes to safety of your home and carefree household.

- IThome offers home security by preventing burglary with IThome life simulation and by using IThome alarm system with sensors alert for burglary, flood, gas, fire or emergency.
- IThome life simulation sets lights or other appliances to be switched on and off randomly. So, from the outside it looks like someone is at home.
- In case of alarm user is notified with email or sms.

## ENERGY SAVINGS

By using IThome system in accordance with basic rules of energy saving, you can achieve up to 30% of yearly budget savings in an average apartment. IThome system saves energy and contributes to environment protection. Energy used in offices or homes releases carbon dioxide into the atmosphere. An average household releases more carbon dioxide than an average car. IThome offers home energy savings by:

- Program heating/air-condition when needed by using IThome smart wireless thermostat,
- Setup heating temperature online anytime any place,
- Control of air-condition split system online and/or via program using IThome clima control,
- Advanced functions IThome thermostat functions like adaptive forecast control, open window,
- Set up light intensity based on needs (reducing light intensity- dimmer),
- Switching off appliances in standby mode.

## BUSINESS MODEL

Income is generated through subscription fee, hardware and installation. Subscription fee is also the major profit driver and depends on the type of sales channel.

Target sales channels include telecom operators, network of certified partners and online sales. Profit margins on hardware and installation are minimal. Installation is done over network of certified partners.

The company will use new funding to accelerate business expansion primary through sales and marketing activities and working capital.

TARGET SALES CHANNELS	REVENUE STREAMS	TARGET CUSTOMERS
<ul style="list-style-type: none"> <li>✓ Telecom operators</li> <li>✓ Network of certified partners</li> <li>✓ Online</li> </ul>	<ul style="list-style-type: none"> <li>✓ Subscription fees</li> <li>✓ Hardware sales</li> <li>✓ Installation via certified partners</li> </ul>	<ul style="list-style-type: none"> <li>✓ Mass market</li> <li>✓ Households</li> <li>✓ Smartphone users</li> <li>✓ People taking care about savings</li> <li>✓ People taking care about environment</li> </ul>

## CONTACT

HAMAG BICRO- Croatian Agency for SMEs, Innovation and Investments,  
 www.investcroatia.hr, e-mail: investments@hamagbicro.hr





## **TECHNOLOGY INCUBATORS**

**Start-up Incubator Jagodnjak**

**Start-up Incubator Požega**

**STeP Ri**

**Technology Innovation Centre Međimurje Ltd.**

**Technology Park Varaždin**

**Technology Park Zagreb**

**Zagreb Entrepreneurship Incubator**

# START-UP INCUBATOR JAGODNJAK MUNICIPALITY

## SHORT DESCRIPTION

The purpose of the project is to create the conditions for the growth of small and medium-sized enterprises (SMEs) in the municipality of Jagodnjak and in Osijek-Baranja County. Construction of a start-up incubator will increase the competitiveness of small producers of agricultural and food products, with a particular focus on the production of "Croatian Baranja Kulen." Access to incubator services will directly facilitate the merging, finalization and product improvement for small manufacturers.

Kulen is a type of fermented preserved sausage made from pressed pork meat, seasoned with ground paprika, garlic and pepper and stuffed into the end of a pig's large intestine, and it is traditionally produced in the Slavonia and Baranja regions of Croatia.



Republic of Croatia entered the name "Baranjski kulen" in the register of protected designations of origin and protected geographical indications under Regulation (EU) No 1151/2012.

## "KULIN" INCUBATOR

To improve the production of Croatian Baranja Kulen, the municipality of Jagodnjak, in cooperation with the Faculty of Agriculture in Osijek, the Baranjski Kulen Association and the Baranjski Kulen Cluster from Jagodnjak (kad. plot nr. 206/2, Cadastral unit Jagodnjak) plans to develop a Start-Up Incubator for kulen. The incubator will allow producers of kulen and similar products to use smoking and cooling chambers located in the incubator by renting them for at least three years. The goal of the project is to enable small producers to increase production and to enhance their status as producers of Baranjski kulen and other original and traditional Baranja meat products.

A laboratory located in the incubator will control product quality with advanced technology. Manufacturers will also be able to provide expert assistance in the kulen incubator, such as conducting production, finance and marketing seminars for producing Baranjski kulen and other traditional, dry meat products.



## REQUIRED INVESTMENT

The land for the construction of the building is owned by Jagodnjak Municipality. No investment for land purchase is required. The project documentation is prepared and a request for a building permit has been submitted.

The total land size is 1,760 m<sup>2</sup>, while the net area of all project-related buildings is 885 m<sup>2</sup>.

The estimated cost for the construction of the buildings is HRK 6,500,000. The estimated cost for equipping the facility is HRK 1,000,000.

The estimated project implementation time is 18 months from the start of the construction.

# START-UP INCUBATOR POŽEGA

## SHORT DESCRIPTION

The Start-up Incubator Požega will be a modern support system for small and medium-sized enterprises (SMEs) aimed at the introduction of innovative change and support mechanisms through collaboration between the public and a private sector. The development of a modern, solid business infrastructure will increase the level of entrepreneurial knowledge, provide start-ups with knowledge and the capital, increase the survival rate of companies, and raise the level of awareness of the importance of self-employment and entrepreneurship in Croatia.

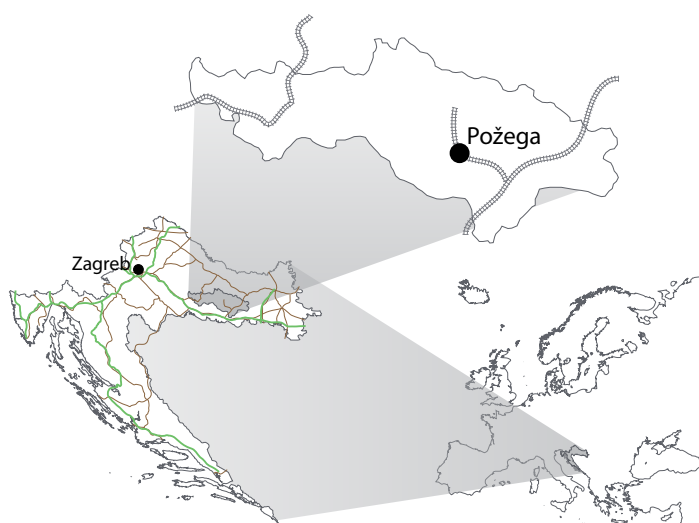
## START-UP INCUBATOR POŽEGA

After construction, the Start-up Incubator Požega will have the following capacities:

- nine offices of 18 m<sup>2</sup> (three of which will be shared working space of 18 m<sup>2</sup>) and one office of 37 m<sup>2</sup>,
- a conference room of 76 m<sup>2</sup>,
- a multifunctional room of 55 m<sup>2</sup> equipped with multimedia equipment, and
- four production halls of 144 m<sup>2</sup>.

The project is at a high level of technical readiness and has all of the required documentation. This includes: a valid building permit, a main design, a detailed design with a bill of quantities, a decision of the Ministry of Environment and Energy confirming that an environmental impact study is unnecessary, a decision on compliance with the requirements of Directive 2011/92/EU of the European Parliament, a feasibility study and analysis, and public procurement documentation.

Total land area (cadastral plot number 4482/12) is 5,726 m<sup>2</sup>, while land area under construction is 1,089.59 m<sup>2</sup>. The land is owned by the city of Požega. There are no outstanding disputes over land ownership. Since the city is the sole landowner and plans to build an incubator, the value of the land is not included in the total estimated project value.



## REQUIRED INVESTMENT

Since the city is the sole owner of the land for the construction of the building, no investment is required for land purchase.

The planned total value of construction is 1,870,800 EUR.

The required communal service connection charges are estimated to be 46,800 EUR, while the estimated cost for landscaping is 111,500 EUR. The cost of required office equipment is estimated at 158,200 EUR.

Contingency costs of 10% (building construction + environment) are expected in the amount of 198,200 EUR.

The project's estimated implementation time is 18 months from the beginning of construction.

# STeP RI - UNIVERSITY OF RIJEKA

## Science and Technology Park

Technology incubators and parks assist technology-oriented entrepreneurs in the start-up and early development stage of their firms by providing workspace, shared facilities and a range of business support services. Particularly important for early development stage firms is the availability of sources of business financing, especially forms of equity and semi-equity capital that is crucial for further development. The intention of this Catalogue is to present technology incubators and parks as a source of investment projects (start-up firms) for business angels and venture capital funds.

### STeP Ri

The Science and Technology Park STeP Ri offers a perfect environment for emerging companies, combining superb accommodation with integrated business support services. STeP Ri offers off-site and on-site incubation services, education, R&D and innovation management, consulting as well as growth and go-to-market support. It is situated within the new University Campus, in four buildings with 3,000 m<sup>2</sup> available space for offices and laboratories. Apart from offering the basic business and incubation services STeP Ri aims to become a regional leader recognised as an innovative "think tank" where both start-ups and established major companies could get first class innovation management knowledge and global up-to-date best practice training. The Science and Technology Park STeP Ri won the award for best supporting entrepreneurial institution - Technological Park in Croatia for year 2012.



- Science and technology park managed incubator established by University of Rijeka in 2008,
- STeP Ri was partially funded (1.8 mil EUR) by the Business Innovation Agency of the Republic of Croatia (BICRO) through Technology Infrastructure Development Programme (TECHRO),
- 3,000 m<sup>2</sup>, 55 offices,
- International partner projects – EEN, FIDES, SLIM, Trans2care (MoU),
- Investment plan - development of new 60,000 m<sup>2</sup> Science and Technology Park Step2 with financial assistance from the European Union.

### SERVICES

#### PRE - INCUBATION STAGE

- ✓ Initial assessment of idea
- ✓ Training
- ✓ Business plan

#### INCUBATION STAGE

- ✓ Access to finance (early stage)
- ✓ Physical incubation
- ✓ Legal and administrative support
- ✓ Mentoring and coaching
- ✓ Access to funding
- ✓ Networking

### TENANTS

27 TENANTS, 249 EMPLOYEES



**WhoAPI** (example of tenant) is globally oriented submission of detailed information on more than 200 million domains. Examples of such information are: commitment, information about the owner of the domain registration and expiration date, various data on a server that is located domains, value domains, report on the market and many other domains information.



# TECHNOLOGY INNOVATION CENTRE MEĐIMURJE LTD. Incubation center for innovative startup companies

Technology incubators and parks assist technology-oriented entrepreneurs in the start-up and early development stage of their firms by providing workspace, shared facilities and a range of business support services. Particularly important for early development stage firms is the availability of sources of business financing, especially forms of equity and semi-equity capital that is crucial for further development. The intention of this Catalogue is to present technology incubators and parks as a source of investment projects (start-up firms) for business angels and venture capital funds.

## TECHNOLOGY INNOVATION CENTRE MEĐIMURJE LTD.

Established in 2011 as part of the Knowledge Centre of Međimurje, Technology Innovation Centre Međimurje (TICM) is a dynamic system connected to the regional economy and higher education institutions and is integrated in the international environment. TICM is also a technology incubator which supports technology based businesses and enterprising individuals in the development and implementation of technologically advanced business ideas and provides customer support through facilitation of workspace and technology equipment.

TICM itself employs professionals active in providing mentoring services to incubated companies and students working on real-life projects, organizing basic and specific trainings and seminars for incubated companies and other stakeholders. TICM offers:

- 1,200 m<sup>2</sup> of newly refurbished office space,
- large multimedia hall for 100 participants, fully equipped,
- meeting room for up to 20 people and modular computer classroom with 20 personal computers,
- IT lab equipped with technology for web and mobile application development, 3D scanning and modelling, professional video production and advanced multimedia presentation development.



## SERVICES

### PRE - INCUBATION STAGE

- ✓ Initial assessment of idea
- ✓ Training
- ✓ Business plan

### INCUBATION STAGE

- ✓ Access to finance (early stage)
- ✓ Physical incubation
- ✓ Legal and administrative support
- ✓ Mentoring and coaching
- ✓ Access to funding
- ✓ Networking

## TENANTS

21 TENANTS / 66 EMPLOYEES



### Tenants (example of tenants)

**TRIA** is a company which develops custom web and mobile applications. They fulfill this either by working directly for the client or by being an outsource partner for a third party. **ENTITAS** services range from on-site and remote IT infrastructure management, hosting and collocation services, advanced VoIP solutions to high speed wireless internet access. **Axiom LTD Business GIS solution** is an independent software vendor specialized in cemetery management and utility industry. Their software suites combine a set of very powerful enterprise-grade modules with user simplicity to deliver an unmatched ROI and TCO.

# TECHNOLOGY PARK VARAŽDIN Ltd.

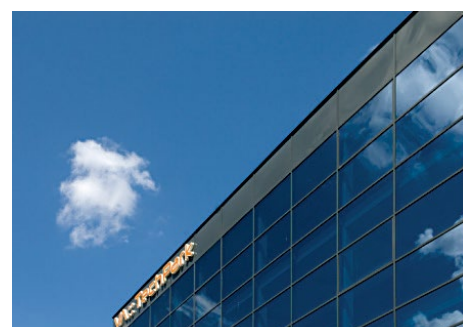
## Incubation center for innovative startup companies

Technology incubators and parks assist technology-oriented entrepreneurs in the start-up and early development stage of their firms by providing workspace, shared facilities and a range of business support services. Particularly important for early development stage firms is the availability of sources of business financing, especially forms of equity and semi-equity capital that is crucial for further development. The intention of this Catalogue is to present technology incubators and parks as a source of investment projects (start-up firms) for business angels and venture capital funds.

### TECHNOLOGY PARK VARAŽDIN Ltd.

Technology park Varaždin Ltd. (TPV) is a company that manages an incubation centre for innovative start-up companies, offers training for improvement of existing technologically innovative companies, transfer of knowledge from universities and development centres into the economy, networking between companies, education institutions, development agencies and innovative individuals. The Technology Park Varaždin Ltd. won the award for best Technological Park in Croatia for year 2009.

- The Owners are City of Varaždin, Faculty of Organization and Informatics and University of Applied Sciences in Varaždin,
- TPV was partially funded (0.75 mil EUR) by the Business Innovation Agency of the Republic of Croatia (BICRO) through Technology Infrastructure Development Programme (TECHRO),
- TPV is a member of International Association of Science Parks and Areas of Innovation (IASP),
- International partner projects – EEN, YICT, FIDES, INTERINO, SOCPD, DANUBE PIE,
- Investment plan - development of a new 25,000 m<sup>2</sup> facility with financial assistance from the Ministry of science and education and Ministry of Regional Development and EU Funds.



### SERVICES

#### PRE - INCUBATION STAGE

- ✓ Initial assessment of idea
- ✓ Training
- ✓ Business plan

#### INCUBATION STAGE

- ✓ Access to finance (early stage)
- ✓ Physical incubation
- ✓ Legal and administrative support
- ✓ Mentoring and coaching
- ✓ Access to funding
- ✓ Networking

### TENANTS

45 TENANTS/ 257 EMPLOYEES



Evolva (example of tenant) is a software company engaged in developing custom made business web applications and advanced Java web technologies for the application development. Customers use Evolva business solutions and development technology Evolution Framework to save time and money, and to simplify and automate their business processes. Evolution Framework is a Java web framework for the development of modern business web applications. It is a set of advanced visual tools for design, development, deployment and monitoring of business web applications which include features such as document and workflow management, reporting, etc. Evolva mission is to facilitate the implementation of their client's business objectives by using advanced information technologies and capabilities of the web architecture.

# TECHNOLOGY PARK ZAGREB

## Incubation center for innovative startup companies

Technology incubators and parks assist technology-oriented entrepreneurs in the start-up and early development stage of their firms by providing workspace, shared facilities and a range of business support services. Particularly important for early development stage firms is the availability of sources of business financing, especially forms of equity and semi-equity capital that is crucial for further development. The intention of this Catalogue is to present technology incubators and parks as a source of investment projects (start-up firms) for business angels and venture capital funds.

## TECHNOLOGY PARK ZAGREB

Established in 1994 by providing appropriate infrastructure, services and promotion, Technology Park motivates the entrepreneurial potential in the City of Zagreb and helps realize knowledge-based entrepreneurial initiatives with great potential.

Technology Park (1,100 m<sup>2</sup> office space) today brings together 22 high tech companies (mostly start-ups). The number of members is constantly on the rise as more and more companies recognize the advantages and benefits of being a member in such an internationally - focused entrepreneurial and support environment.

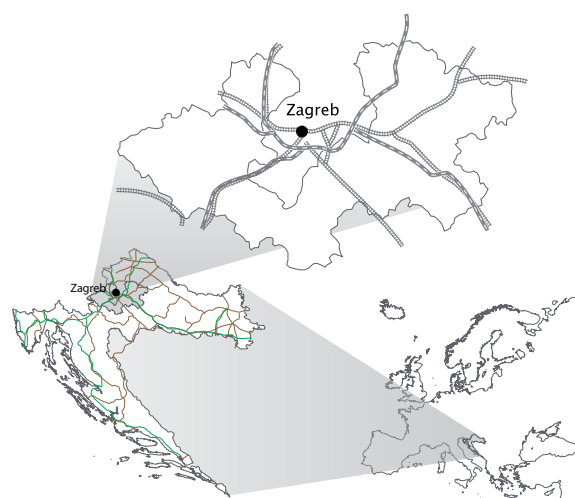
Technology Park offers its tenants full entrepreneurial support from very beginning - initial stage of product / service growth and development. As part of its program Technology park provides expert knowledge and develops the best innovative practices for the growth of companies and supports the new businesses in high technology or new sectors with high value added.

The Ministry of Entrepreneurship and Crafts awarded Technology Park Zagreb as best technology park and incubator for 2012.

Development Agency Zagreb – TPZ Ltd. manages the Technology Park Zagreb.

22 years after its foundation, success is attributed to:

- 113 successfully incubated companies, 203 awards for innovation, 15 patents,
- 51 start up companies,
- 1,100 m<sup>2</sup>, 40 offices, 100% occupancy of space,
- International partners from the region and EU,
- Investment Plan - new Science and Technology Centre „Nikola Tesla“.



## SERVICES

### PRE - INCUBATION STAGE

- ✓ Initial assessment of idea
- ✓ Training
- ✓ Business plan

### INCUBATION STAGE

- ✓ Access to finance (early stage)
- ✓ Physical incubation
- ✓ Technology Transfer
- ✓ Mentoring and coaching
- ✓ Access to funding
- ✓ Networking

## TENANTS

22 TENANTS, 88 EMPLOYEES (IN TENANT COMPANIES)



### Tenant (example of a tenant)

XEE Tech, a roof brand for two sister companies from Zagreb Technology Park, is not about sole functionalities it provides across the three main expertise areas (branding, mobile apps and web, embedded systems), it is the sum of those. As technology changes the world, XEE Tech helps businesses adapt to capitalize on it.

# ZAGREB ENTREPRENEURSHIP INCUBATOR

## Technology Startup Incubator

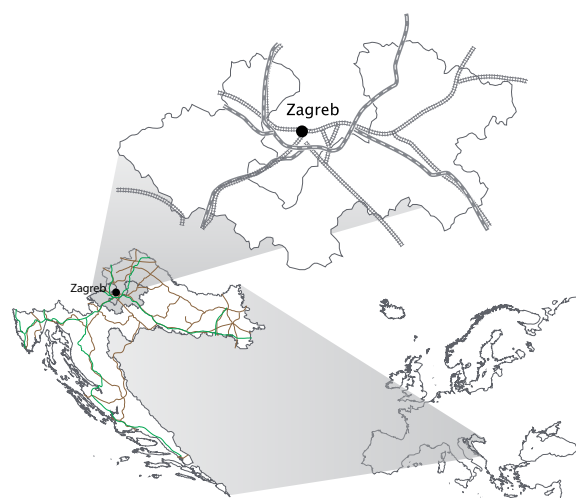
Technology incubators and parks assist technology-oriented entrepreneurs in the start-up and early development stage of their firms by providing workspace, shared facilities and a range of business support services. Particularly important for early development stage firms is the availability of sources of business financing, especially forms of equity and semi-equity capital that is crucial for further development. The intention of this Catalogue is to present technology incubators and parks as a source of investment projects (start-up firms) for business angels and venture capital funds.

### ZIP

Zagreb entrepreneurship incubator (ZIP) is the first privately funded technology startup incubator with the goal of helping aspiring entrepreneurs from the region of South-Eastern Europe to develop their companies. At ZIP they are provided with the key resources necessary to develop their products. Entrepreneurs are given access to a strong, international network of mentors who advise them on how to set up their business model and gain access to the global market.

Members of ZIP advisory board are mentors from international accelerators, like Dave McClure, Sith Lord, 500 Startups (Silicon Valley), Carlos Eduardo Espinal, Partner, Seedcamp (London), Stefan Glaenger, Partner, Passion Capital / White Bear Yard (London), Nenad Marovac, Managing partner, DN Capital (London), Antti Ylimutka, Captain, StartupSauna (Aalto, Finland), Jon Bradford. ZIP has established a strategic cooperation with the University of Zagreb and some of the largest private companies in Croatia as well as the Croatian Business Angel Network - Crane.

- First privately funded technology startup incubator in Croatia,
- Currently focused on pre-incubation process through 3+3 months program,
- Strong international and domestic network of mentors,
- Connecting teams with science community and leading companies in Croatia,
- Connecting graduated teams with investors, media and public through demo day, organized conferences and visits to UK/USA.



### SERVICES

#### PRE - INCUBATION STAGE

- ✓ Initial assessment of idea
- ✓ Training
- ✓ Business plan

#### INCUBATION STAGE

- ✓ Access to finance (early stage)
- ✓ Physical incubation
- ✓ Legal and administrative support
- ✓ Mentoring and coaching
- ✓ Access to funding
- ✓ Networking

### TENANTS

#### PORTFOLIO OF CURRENT PROJECTS









## **SUMMARY OF THE ACT ON INVESTMENT PROMOTION**

# INCENTIVE MEASURES FOR INVESTMENT PROJECTS

## BENEFICIARY OF INCENTIVES MEASURES – ENTERPRISE

**Beneficiary of incentives measures** is an entrepreneur - natural person (craftsman) that is subject to income tax or company, which are registered in the Croatian territory. Undertaking in difficulty as prescribed in Article 2 point 18 of the Commission Regulation (EU) N°651/2014 of 17 June 2014 and an undertaking which is subject to an outstanding recovery order following a previous Commission decision declaring an aid illegal and incompatible with the internal market **cannot be beneficiaries of incentives measures.**

ENTERPRISE CATEGORY*	STAFF HEADCOUNT**		ANNUAL TURNOVER**		ANNUAL BALANCE SHEET TOTAL**
Large	≥ 250		> 50 million €		> 43 million €
Medium	< 250	and	≤ 50 million €	or	≤ 43 million €
Small	< 50		≤ 10 million €		≤ 10 million €
Micro	< 10		≤ 2 million €		≤ 2 million €

\*in accordance with Annex I of Commission Regulation (EU) N°651/2014 of 17 June 2014

\*\* when calculating staff headcount and financial amounts one has to take into account also partner enterprises (proportional to the percentage interest in the capital or voting rights (whichever is greater) and linked enterprises (100%) as prescribed in Annex I of Commission Regulation (EU) N°651/2014 of 17 June 2014

## APPLICATION

According to the procedure for applying for incentive measures under the Act on Investment Promotion (OG, No. 102/15) an enterprise intending to acquire the status of a beneficiary of incentive measures must **file an Application for the use of incentives** using the prescribed forms **to the Ministry of Economy, Entrepreneurship and Crafts.**

**Start of investment** means the earlier of either the start of construction works relating to the investment, or the first legally binding commitment to order equipment or any other commitment that makes the investment irreversible. Buying land and preparatory works such as obtaining permits and conducting feasibility studies are not considered start of investment.

## INCENTIVE MEASURES

**Incentive measures for investment projects in the Republic of Croatia are regulated by the Act on Investment Promotion and pertain to investment projects in:**

- manufacturing and processing activities,
- development and innovation activities,
- business support activities,
- high added value services.

**Incentive measures cannot be granted** to export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other current costs linked to the export activity; sector of processing and marketing of agricultural products, where the amount of the aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the undertakings concerned or where the aid is conditional on being partly or entirely passed on to primary producers; fishery, aquaculture and primary agricultural production sector, as prescribed in Article 1 paragraph 3 subparagraphs (a) and (b) and Article 2 point 9 of the Commission Regulation (EU) N°651/2014 of 17 June 2014; steel, coal, synthetic fibres and transport sector as well as the related infrastructure, as prescribed in Article 2 points 13 and 43-45 of the Commission Regulation (EU) N°651/2014 of 17 June 2014; energy generation, distribution and infrastructure; broadband infrastructure; research infrastructure; and shipbuilding sector.



**Incentive measures can be used by enterprises** registered in the Republic of Croatia investing in fixed assets the minimum amount of:

- € 50,000 together with creating at least 3 new jobs for microenterprises,
- € 150,000 together with creating at least 5 new jobs for small, medium and large enterprises,
- € 13,000,000 together with creating at least 10 new jobs requiring university degree (for newly established enterprises).

**Investment** is an investment in tangible and intangible assets related to the setting-up of a new establishment, extension of the capacity of an existing establishment, diversification of the output of an establishment into products not previously produced in the establishment or a fundamental change in the overall production process of an existing establishment. For aid granted for a **fundamental change in the production process**, the eligible costs must exceed the depreciation of the assets linked to the activity to be modernised in the course of the preceding three fiscal years. For **aid granted for a diversification of an existing establishment**, the eligible costs must exceed by at least 200% the book value of the assets that are reused, as registered in the fiscal year preceding the start of works.

**The minimum period for maintaining the investment and newly created jobs** linked to an investment is five years after the completion of works for large enterprises, and three years after the completion of works for micro, small and medium-sized enterprises, but no less than the period of use of the incentive measures.

**Completion of works** is the date when business operation certificate is issued or the date when the material assets associated with the investment project become operational.

## AID INTENSITY

The amount of aid shall be calculated as a **prescribed percentage of investment value, which is determined on the basis of eligible investment cost.**

**Eligible investment costs are:**

- tangible (new, not previously used) and intangible assets (patent rights, licences, know-how or unpatented technical knowledge), or
- costs of job creation calculated as gross wage of newly employed workers calculated over a period of two years.

**As eligible costs of investment cannot be calculated** costs of acquiring land, previously constructed buildings / facilities and used equipment / machinery. For large undertakings, costs of intangible assets are eligible only up to a limit of 50% of the total eligible investment costs for the project.

**Job creation means** a net increase in the number of employees in the establishment concerned compared with the average over the previous 12 months after deducting from the apparent created number of jobs any job lost during that period. In the tourism sector seasonally employed persons shall also be included in the number of employees in accordance with their annual labour units fractions (but for these workers investor cannot receive incentives for job creation).

## TAX INCENTIVES

INVESTMENT AMOUNT (€ MIL.)	NEWLY EMPLOYED	PERIOD (YEARS)	PERIOD OF EMPLOYMENT (YEARS)	PROFIT TAX RATE
0,15 -1 (>0,05 for micro)	5 (3 for micro)	10 (5 for micro)	3 (SME), 5 (large)	50% lower
1-3	10	10	3 (SME), 5 (large)	75% lower
>3	15	10	3 (SME), 5 (large)	0%

## EMPLOYMENT INCENTIVES

COUNTY UNEMPLOYMENT RATE	INCENTIVE RATE IN RELATION TO ELIGIBLE COSTS OF JOBS CREATION*	INCREASE FOR DEVELOPMENT AND INNOVATION ACTIVITIES**	INCREASE FOR BUSINESS SUPPORT ACTIVITIES*** AND HIGH ADDED VALUE ACTIVITIES****
<10%	10% (max. 3,000 €)	+50% (1,500 €)	+25% (750 €)
10-20%	20% (max. 6,000 €)	+50% (3,000 €)	+25% (1,500 €)
>20%	30% (max. 9,000 €)	+50% (4,500 €)	+25% (2,250 €)

\* The specified amount of the grant refers to the long-term unemployed, regardless of length of service and level of education, who are registered as unemployed with Croatian Employment Service (CES) for at least 6 months, persons older than 50 years registered as unemployed with CES, persons without work experience registered as unemployed with CES, persons whose contract was cancelled because of the bankruptcy proceedings. For other categories of workers the incentive rate is 40% of the above specified amount.

\*\* Development and innovation activities – activities that affect the development of new and significantly improving existing products, production series, manufacturing processes and / or production technologies

\*\*\* Business support services:

1. Customers / Clients relationship centres - all types of call centres, multimedia contact centres and other types of contact and service centres focused on technical support and problem solving for customers / clients.
2. Centres of outsourced business activities - focused on outsourcing and pooling of business activities, such as finance, accounting, marketing, product design, audio - visual activities, human resources development and development of information technology.
3. Logistics and Distribution Centres - aimed at establishing and building high - technology logistics and distribution centres providing intermodal transportation, warehousing, packaging and handling in order to significantly improve logistics and distribution activities within business process and delivery of goods, which relate to investment projects in production and processing activities.
4. ICT System and Software Development Centres: development and application of information systems, outsourcing of IT management operating systems, development of telecommunications network operation centres and development and application of new software solutions.

\*\*\*\* High Added Value Activities:

1. Creative service activities: activities in the field of architecture, design, different forms of media communication, advertising, publishing, culture, creative industry and other activities in the field of fine arts
2. Hospitality and tourism activities - hospitality and tourism accommodation facilities categorized as four or five stars, such as hotel, aparthotel, tourist resort and camps; heritage hotels, other types of accommodation facilities created by renovation of cultural and historical structures, with the mandatory submission of conservation requirements of reconstruction; supporting services of the aforementioned types of accommodations; health tourism, congress tourism, nautical tourism, cultural tourism, entertainment and/ or recreation centres and parks, ecological tourism projects and other innovative projects in tourism with high added value.
3. Management, consulting, education services,
4. Industrial engineering services.

## INCENTIVES FOR INVESTMENT IN DEVELOPMENT AND INNOVATION ACTIVITIES

For investment in development and innovation activities, a non-repayable grant shall be approved for the purchase of plant/ machinery amounting to 20% of the actual eligible costs for purchasing plant/machinery, in the maximum amount of EUR 500,000 in equivalent HRK value, provided that the purchased plant/machinery represents high technology equipment.

## INCENTIVE MEASURES FOR LABOUR-INTENSIVE INVESTMENT PROJECTS

>100 NEWLY CREATED JOBS*	>300 NEWLY CREATED JOBS*	>500 NEWLY CREATED JOBS*
+ 25%	+ 50%	+ 100%

\*On incentive rate in relation to eligible costs of jobs creation.

## INCENTIVES FOR EDUCATION AND TRAINING

<b>up to 50%</b> of the eligible costs of education and training*	<b>+10%</b> if the training is given to workers with disabilities	<b>+10%</b> if the aid is granted to medium-sized enterprises	<b>+ 20%</b> if the aid is granted to small and micro-sized enterprises
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\* Incentives for education cannot exceed 70% of eligible costs of education and training or 50% of incentive in relation to eligible costs of jobs creation.

\*\* The eligible costs for the purpose of training may include trainers' personnel costs, for the hours during which the trainers participate in the training; trainers' and trainees' operating costs directly relating to the training project such as travel expenses, materials and supplies directly related to the project, depreciation of tools and equipment, to the extent that they are used exclusively for the training project; costs of advisory services linked to the training project; trainees' personnel costs and general indirect costs (administrative costs, rent, overheads) for the hours during which the trainees participate in the training. Accommodation costs are excluded. Incentives will not be awarded for the training conducted to ensure compliance with the mandatory training prescribed by national norms.

## INCENTIVE MEASURES FOR THE CAPITAL COSTS OF THE INVESTMENT PROJECT

Eligibility conditions for incentive measures for capital expenditures in an investment project: investment in long-term assets of at least EUR 5 million and with the condition of opening at least 50 new work places.

COUNTY UNEMPLOYMENT RATE	INCENTIVES FOR CAPITAL EXPENSES
10-20%	10% of the eligible costs of investments in long-term assets (max. 500.000 €)*
>20%	20% of the eligible costs of investments in long-term assets (max. 1.000.000 €)*

\* eligible costs of investments in long-term assets are construction of the new factory, production facility and buying of new machines, i.e. production equipment, with the condition that the part of investment in the machines/equipment equals at least 40% of the investment and that at least 50% of those machines/equipment are of high technology.

## INVESTMENT INCENTIVES FOR THE INVESTMENT OF THE NEWLY ESTABLISHED ENTERPRISE IN THE MINIMUM AMOUNT EQUIVALENT TO € 13,000,000 PROVIDED THAT A MINIMUM OF 10 NEW JOBS REQUIRING UNIVERSITY DEGREE AND RELATED TO THE PROJECT ARE CREATED

INCENTIVES TO MAINTAIN UNCHANGED BUSINESS CONDITIONS	INCENTIVES FOR INVESTMENT	INCENTIVES 50% - 50%	GRACE PERIOD FOR TAX LIABILITIES
through co-financing up to the differences in tax liabilities and liabilities arising from contributions determined in accordance with the regulations that were in force at the time of filing the application for approval of the status of aid beneficiary and tax liabilities and liabilities arising from contributions in accordance with the regulations in force at the time of calculation of those commitments, for a period of 10 years from the beginning of investment	through co-financing of the part of the tax liabilities to the state other than value added tax, or part of the amount of the obligatory contributions in the period to 10 years from the initial investment	through co-financing of:  up to 50% of tax due on income from employment,  and/or:  up to 50% of income tax liability and advance payment of income tax.	through interest-free loan from the competent ministry for the payment of tax liabilities, except value added tax, for a period of three years from the beginning of investment

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