



Municipality of Novi Grad Sarajevo, Bosnia and Herzegovina
ICT Software Development and Creative Services Sector



Key Highlights

As the world market for ICT evolves, Bosnia and Herzegovina (B&H) continues to take advantage of **software development, engineering, and creative services opportunities**. B&H provides a **highly talented workforce at reasonable cost**, serving as an attractive alternative to already established ICT services markets.

As the site for the internationally-renowned **Sarajevo Film Festival** - B&H and Sarajevo in particular provide **a networking platform** generated by the presence of international film and animated features expertise.

Several prominent software development companies nested their premises in the **municipality of Novi Grad Sarajevo** - Authority Partners, AtlantBH, Klika, Mistral Technologies, Simplify, Rubicon, HUB387, Academy387, NEST71 the first ICT park in BiH. These companies are delivering customized software solutions to reputable international clients across the globe. The BIT Alliance and HUB 387 Academy are providing a mechanism for ensuring highly qualified on-demand workforce in the sector - depending on company/project needs.

Although volume of labor is relatively small (having in mind the size of the country), this is offset by the talent and creativity. The skill set ranges from **ICT sector-wide competencies to specific expertise in the software development and creative services verticals**. The B&H workforce prides itself in being composed of **'out-of-the-box' thinkers**, who are able to develop and implement Intellectual Properties (IP) **from conception to market penetration**.

The workforce has the **same work ethic as western countries**; combined with similar culture and societal norms - it provides an attractive investment location on the doorsteps of the European market. **Fluency in English and German** is at a high level within the ICT industry - which boosts overall business efficiency.

In terms of infrastructure, B&H is well positioned in terms of communication networks and internet penetration, **with online connectivity growing steadily** (68.7%) and broadband take-up growing exponentially in the recent years. In addition, **operating costs are much lower than in European Union countries**.

Over the past decade, B&H has gained considerable momentum toward addressing the ICT industry's infrastructure needs as a whole. While the desired infrastructure and regulatory systems are not yet fully in place, there is **increasing support in both the public and private sectors** to make B&H one of the most attractive destinations in the Southeast Europe for ICT processes, especially in emerging verticals such as creative services.

Creative services are an important economic catalyst for economic development, as well as a trigger for the industry's development - which would increase the labor supply and continue building skills and expertise through job opportunities.

Why Invest?

- ❖ *Highly talented, creative and skilled labor*
- ❖ *Competitive labor costs*
- ❖ *Westernized work ethics*
- ❖ *Municipal support with training programs that will generate new jobs*
- ❖ *Extensive history of film and animated features, showcased by numerous awards*
- ❖ *Place of internationally renowned film festival - enabling networking platform*
- ❖ *Positioned at doorsteps of EU with compatible time zones*
- ❖ *Mechanisms to scale up the labor supply in line with client/project needs*
- ❖ *Collaborative and innovative environment*
- ❖ *Lowest VAT and Corporate Income Tax in the region*
- ❖ *Stable domestic currency*



Historically B&H has a strong presence in film production, including creative animated features, and services. Although often faced with political challenges, B&H is the land of economic opportunities. Laying the groundwork for new opportunities, B&H brings the following assets to software design and creative services projects and investment:

Qualified Human Talent

- Highly skilled personnel that offers extensive expertise in pre-production, production and post-production of animated features:
 - ❖ Over 1500 university graduates annually in IT, with mechanisms in place to be quickly profiled for work within software development and creative services.
- Highly talented and creative workforce, with ability to think ‘out of the box’ and develop and implement IPs.
- Timely and high quality work delivery.
- Fluency in English and German.

Emerging Centre for ICT Sector

- Sarajevo is an ideal location for creating IPs and new content - with multi-lingual talent pool in both traditional and new creative services niches.
- Workforce proficient at understanding client requirements and creating tailored solutions with loose guidance (comparative advantage of ‘near-sourcing’ vs. ‘out-sourcing’ to India or China markets where detailed specs are needed and are often not suited for now IP development and start-up projects).
- Delivering solutions to prominent international clients and projects such as the Google Glass.
- Nominated and received number of recognized awards in the field of film production and creative services, including i) Prix UIP award, ii) European Film Academy Award for Short Documentary, iii) International Film Festival Award, iv) Oscar for Best Foreign Film; v) New York Euro-Asian Film Festival; vi) Golden Bear Award for Best Film; vii) Silver Bear Grand Jury Prize, etc.
- Location of Sarajevo Film Festival - a leading international film festival in the region-recognized by both creative services professionals and the wider audience.
 - ❖ Expanding creative services workforce supply is enhanced by the networking platform generated by the presence of international film industry, including animated features.
 - ❖ In an emerging market of more than 140 million inhabitants, Sarajevo Film Festival serves as a common platform for film businesses from all over the region, setting the future standards creative services, with focus on film and feature promotion.

Availability of On-Demand Training and Workforce Skills Development

- The BIT Alliance and HUB 387 Academy are providing an “on-demand” training and workforce skills development platform to ICT companies, ensuring them a continuous supply of high-quality labor that is trained to their specifications at minimal cost to the company.

Success story: Local talent is already being identified and tapped by the global players animation studios, as is the case with Prime Time Production Ltd (B&H company) that is producing a B&H 3D animated feature film “Birds Like Us”, in co-production with Turkish Radio and TV, as well as direct investment from Disney (the feature is being produced in English).

Competitive Labor Cost

- Competitive labor costs given the level of quality and proficiency with an average 660€/month for ICT sector:
 - ❖ Although B&H has higher labor cost than those of classical outsourcing locations such as India and the Philippines, it offers highly talented and creative individuals, who can perform extremely well.
 - ❖ The labor cost is significantly lower than in western countries which is why many European companies are shifting to 'near-sourcing' to B&H vs. 'out-sourcing' to Asia.
 - ❖ B&H has the lowest labor cost compared to regional countries (Serbia, Croatia, Montenegro, and Slovenia).

Strategic Location - Platform where East Meets West

- As the urban capital of B&H, Sarajevo offers a unique blend of Eastern and Western cultural influences.
- Positioned at the doorsteps of European Union (EU), it offers close proximity to EU market with lower operating costs:
 - ❖ The EU's appetite for creative services, including animation, digital media, and theme entertainment is growing exponentially, providing companies that are willing to make the investment in B&H today a unique opportunity to access this market from a low-cost, high-skill platform;
 - ❖ B&H's time zone overlaps with major markets in Europe, as well as allows for time compatibility with companies in the Middle East and United States markets.

Competitive Tax Environment

- Lowest Value Added Tax (VAT) in the region (17%).
- Lowest Corporate Income Tax in the region (10%).
- Any equipment of the foreign investor being imported as part of share capital is exempt from paying customs duties.

Stable Currency

- BAM pegged to EURO, and stable macro-economic situation.

Rights for Foreign Investors

- Through Policy for Foreign Direct Investments, number of rights for foreign investors are guaranteed, including:
 - ❖ National treatment of foreign investors, i.e, foreign investors have the same rights and obligations as residents of B&H;
 - ❖ Foreign investors are entitled to open accounts in any commercial bank in domestic and/or any freely convertible currency on the territory of B&H;
 - ❖ Foreign investors are entitled to freely employ foreign nationals;
 - ❖ Foreign investors are entitled to same property rights in respect to real estate as B&H legal entities, and are protected against nationalization and/or expropriation.

Overview of ICT companies in Sarajevo



Municipality of Novi Grad Sarajevo

Coordinates:	43.848889° N 18.371111° E
Population:	approx. 130.000
Budget 2016:	39,768,000.00 KM (capital budget 51.9%)

Why to Invest in Municipality of Novi Grad Sarajevo?

- ❖ Favourable geographical location and access to local and regional markets
- ❖ Most populated municipality in the Sarajevo Canton
- ❖ Developed infrastructure
- ❖ Educated, qualified and young manpower
- ❖ Spatial resources for social and economic development
- ❖ Effective administration
- ❖ Management personnel is dedicated to local economic development

Strategic Vision

By 2020 it will become the most dynamic municipality in the Sarajevo Canton and it will be recognized as a municipality that is firmly committed to improving its business environment and attracting investment and improving the quality of life of its citizens and increasing energy efficiency.

Contact Us

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