BUSINESS ZONES
BUSINESS OPPORTUNITIES AND BENEFITS FOR INVESTMENT AND EMPLOYMENT IN THE POKOLPJE REGION
www.pokolpje.si
Pokolpje (Slovenian for Kolpa River Valley) is situated in the Southeast Slovenia and stretches along the Slovenian-Croatian border. It represents the area around the Kolpa River. The area is one of the most naturally preserved parts of Slovenia and even Central Europe. This wine-growing region is distinguished by its karst, mainly forested landscape and its biodiversity. Throughout the history, this area was settled by various ethnic nationalities that formed a culture of high working ethics and hospitality. Pokolpje covers the area of seven municipalities, namely Črnomelj, Kočevje, Kostel, Loški Potok, Metlika, Osilnica and Semič.
DEVELOPMENT BENEFITS OF THE POKOLPJE REGION

QUALITY LABOUR FORCE

A large number of plots fully-equipped with infrastructure at attractive prices intended for economic activity.

STRATEGIC LOCATION BETWEEN THE CENTRAL AND SOUTH EUROPE

on the border with the Republic of Croatia. Ljubljana, the capital of the Republic of Slovenia, and Zagreb, the capital of the Republic of Croatia, with international airports are in the vicinity and easily accessible, as are the important ports for Central Europe – the ports of Koper, Rijeka and Trieste.

SPECIAL TAX INCENTIVES

for investments in the Pokolpje region.

EXTREMELY WELL-PRESERVED NATURAL AND CULTURAL HERITAGE

for development of tourism.

WEALTH OF RENEWABLE ENERGY SOURCES

Forest landscape and weal of renewable energy sources (wood biomass, solar, water and geothermal energy).

SUPPORT TO POTENTIAL INVESTORS

Investors by development institutions.

HIGH QUALITY OF LIFE

In the Pokolpje region, there are 40 locations intended for economic activities. This brochure presents the six most important ones.
Quality labour force is the main driving force of development in each company.

Typical and traditional industries in the Pokolpje region are wood, metalworking, textile, chemical, mechanical and electro-mechanical industries. The development of tourism is on the increase.

A high percentage of population in Pokolpje is skilled at performing various technical tasks. Given the unemployment rate in the Pokolpje region, qualified and competitive labour force is available for the investors. Kočevje (16,505 inhabitants) and Črnomelj (14,714 inhabitants) are the biggest municipalities in the Pokolpje region, as well as educational centres for the region. In Črnomelj, there is a secondary school which offers pupils two programmes – a general upper secondary school programme gimnazija and a vocational secondary programme for a mechanical engineering technician. In Kočevje, there is also a secondary school which offers pupils a general upper secondary school programme gimnazija and vocational programmes for an economic technician, a wood technician and shop assistant. In Metlika, there is a vocational secondary programme for a pre-school teacher. Adult Education Institute in Kočevje and Institute for Education and Culture Črnomelj as well as secondary school in Črnomelj provide adult education in the region, offering programmes of vocational secondary education, foreign language courses, computer courses, programmes of national vocational qualifications, university of the third age and many other programmes.

‘A typical Slovenian is computer literate and speaks one or more foreign languages. English is taught at school, while German and Italian are also widely used. Slovenian labour force is proverbially hard-working, reliable and loyal.’

Registered unemployed persons in the Pokolpje region by level of education (%), August 2012

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A typical Slovenian is computer literate and speaks one or more foreign languages. English is taught at school, while German and Italian are also widely used. Slovenian labour force is proverbially hard-working, reliable and loyal.'
EXCELLENT LINKS TO REGIONAL MARKETS
An ideal location for investors looking for opportunities on traditional European markets and fast-growing Balkan markets.

The largest market for Slovenian companies is European Union, followed by markets in South-eastern Europe. Companies in the Pokolpje region export mainly to EU member states, mostly to Germany, Italy and Austria, but also to countries of South-eastern Europe, mainly to Croatia, Serbia and Bosnia and Herzegovina. With the accession of Croatia (the first country of South-eastern Europe) to the EU, becoming a full member on 1st July 2013, movement of goods and services will be liberalised and many administrative barriers will be removed. The Pokolpje region is situated on the border with the Republic of Croatia, so the companies in this region expect increased and easier trade with the neighbouring country. The ties Slovenian companies and individuals have with the Western Balkans are very precious.

POKOLPJE – individual private entrepreneurs and companies by size and according to revenues from sale on domestic and foreign markets in million €, 2011 | Source: AJPES, Annual Reports 2011.

<table>
<thead>
<tr>
<th>Companies by size and individual private entrepreneurs</th>
<th>Number</th>
<th>Revenues from sale on domestic market in million €</th>
<th>Revenues on foreign markets in million €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual private entrepreneurs</td>
<td>1,232</td>
<td>84</td>
<td>12</td>
</tr>
<tr>
<td>Micro</td>
<td>653</td>
<td>119</td>
<td>26</td>
</tr>
<tr>
<td>Small</td>
<td>28</td>
<td>75</td>
<td>21</td>
</tr>
<tr>
<td>Medium-sized</td>
<td>9</td>
<td>33</td>
<td>103</td>
</tr>
<tr>
<td>Big</td>
<td>8</td>
<td>60</td>
<td>151</td>
</tr>
<tr>
<td>Total for Pokolpje region</td>
<td>1,930</td>
<td>372</td>
<td>313</td>
</tr>
</tbody>
</table>

Pokolpje – percentage of revenues on foreign markets or companies by size, 2011
Source: AJPES, Annual Reports 2011.

Pokolpje – percentage of revenues on domestic and foreign markets, 2011
Source: AJPES, Annual Reports 2011.


<table>
<thead>
<tr>
<th>Market</th>
<th>Million €</th>
</tr>
</thead>
<tbody>
<tr>
<td>DE Germany</td>
<td>4,389</td>
</tr>
<tr>
<td>IT Italy</td>
<td>2,474</td>
</tr>
<tr>
<td>AT Austria</td>
<td>1,613</td>
</tr>
<tr>
<td>FR France</td>
<td>1,406</td>
</tr>
<tr>
<td>HR Croatia</td>
<td>1,403</td>
</tr>
<tr>
<td>RU Russia</td>
<td>747</td>
</tr>
<tr>
<td>PL Poland</td>
<td>648</td>
</tr>
<tr>
<td>XS Serbia</td>
<td>616</td>
</tr>
<tr>
<td>BA Bosnia and Herzegovina</td>
<td>570</td>
</tr>
<tr>
<td>GB Great Britain</td>
<td>494</td>
</tr>
</tbody>
</table>
Another advantage of the Pokolpje region is its vicinity to important European markets, international airports and ports important for the Central and Eastern Europe, as well as quality transport and communication connections with regional administrative, commercial and industrial centres.

The Pokolpje region is situated in the vicinity of the A2 motorway Austria (Karavanks)–Ljubljana–Zagreb (30 km) and in the vicinity of Croatian motorways Zagreb–Rijeka and Zagreb–Split (20 km). There are 3 international border crossings in the area and 2 regional railways connecting the region with Ljubljana and Croatia. The towns of Črnomelj and Kočevje have a freight railway station.

The distance from the area to Ljubljana, the capital of Slovenia, and Zagreb, the capital of Croatia, or Rijeka is about the same (120 km). In these towns, international airports are located. The construction of the development axis 3 and 3a for additional connection of the Pokolpje region with Ljubljana, Austria and Croatia is planned in the near future.

The Port of Koper is the only international freight port in Slovenia. Its geographical location enables the shortest connection of the Central and Eastern Europe with Mediterranean. The port including important shipwrights from all over the world maintains sea connections with all parts of the world.

Business zones in the Pokolpje region have all necessary infrastructure in place (water supply, sewerage, power supply and telecommunications network and public lighting).

**Pokolpje region - time distance to important nearby centers**

<table>
<thead>
<tr>
<th>TIME</th>
<th>DESTINATION</th>
<th>1-2 hours</th>
<th>2-3 hours</th>
<th>3-4 hours</th>
<th>5-6 hours</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ljubljana (international airport)</td>
<td>Port of Koper</td>
<td>Graz</td>
<td>Vienna</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Zagreb (international airport)</td>
<td>Port of Trieste</td>
<td>Venice</td>
<td>Budapest</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rijeka (port and international airport)</td>
<td></td>
<td></td>
<td>Munich</td>
<td></td>
</tr>
</tbody>
</table>

**BUSINESS ZONES** | Business opportunities and benefits for investment and employment in the Pokolpje region
Unspoiled nature, rich natural and cultural heritage and well-preserved culture landscape are typical features of the Kolpa River Valley. The destination River Kolpa was awarded the title European Destination of Excellence (EDEN 2010) by the European Commission in 2010.

The Kolpa River Valley is a perfect destination for tourists searching for active holidays. Fauna and flora in the region are so special and diverse that the area boasts two regional parks – the Regional Park Kolpa and the Regional Park Lahinja. While the region of Bela krajina is notably a wine-growing region known for its various top-quality wines, the area of Kočevsko features a mainly wooded landscape noted for production of the Kočevje forest honey.

The variegated landscape is intertwined by marked hiking and bicycle trails winding among the villages and vineyards. The intact and warmest Slovenian river Kolpa enables the visitors to bathe and leisurely lie on the riverbanks or to enjoy recreation sports, such as kayaking or canoeing, rafting and fishing. In addition, paragliding, skiing and hunting present further possibilities for spending one’s free time actively.

90% of the Kočevje landscape is forested. The region is especially proud of the primary forest remains; it boasts six of the twelve such remains in Slovenia. The Kočevje forests are home to various autochthonous species of wild animals – bears, wolves, wildcats and lynxes.

In the area, there are also two airfields: the Prilozje airfield managed by the flying club Aeroklub Bela krajina and the “Novi Lazi” - Kočevska Reka airfield managed by the flying club Letalski klub Kočevje. Both clubs offer panoramic flights and the possibility of obtaining various flight permits and licences.
In 2011, the government of the Republic of Slovenia adopted the programme Pokolpje with 7 development measures, 5 of which are intended for strengthening and developing entrepreneurship.

Public tenders for the Pokolpje region: The objective of the public tender is to reduce initial costs for investors whose investment will have favourable effects on employment, technological development programmes or on promoting development of entrepreneurship or tourism. The public tender is also open to foreign companies, however, the recipient of funds can only be a company registered in the Republic of Slovenia. The amount of co-financing cannot exceed 50 per cent of the value of eligible costs for small enterprises, 40 per cent of the value of eligible costs for medium-sized enterprises and 30 per cent of the value of eligible costs for big enterprises.

Reimbursement of employer’s social security contributions: An employer who employs an unemployed person from vulnerable groups shall receive a one-off aid in the form of the reimbursement of social security contributions paid for this worker for a period of one year. An employer who employs a disabled worker shall receive the reimbursement of social security contributions for the entire period from 2011 to 2016, if the worker remains employed.

Tax reliefs for hiring and investing: Employers may claim reduction of the tax base for 70 per cent of costs for the worker from vulnerable groups (gross salary and mandatory employer’s social security contributions), but only up to the amount of the tax base and up to the highest allowed amount according to the rules of state aid. Companies may claim reduction of the tax base for investments up to 70 per cent of invested amount for new initial investments in equipment and intangible assets, but only for investments in the Pokolpje region and only up to the amount of tax base and up to the highest allowed amount according to the rules of state aid.

Guarantees with interest rate subsidy for investment loans available to companies in the Pokolpje region in the framework of the regional guarantee scheme for Southeast Slovenia: The objective is to provide comprehensive aid for investments to companies in the Pokolpje region. Two types of guarantees are available, namely guarantees with interest rate subsidy for investment loans for micro, small and medium-sized enterprises and guarantees for working capital for micro-enterprises.

Tenders of the Ministry of Agriculture and the Environment: Entrepreneurs from the Pokolpje region receive additional points on some invitations to tender.
The industrial park is situated along the state road Kočevje–Črnomelj, south of Predgrad. It is located 25 km from the international border crossing with the Republic of Croatia and 30 km from the nearest connection to the Croatian motorway, as well as 50 km from the nearest connection to the Slovenian motorway.

The park is partially equipped with public utility infrastructure – access to the public road, connection to water and power supply network and also telephone network.

LOCATION

The park is 2.7 ha approx. available. 2 ha of vacant land are still available.

INFRASTRUCTURE

INDENTED USE

Industrial activity.

PRICE

8 €

m²
The business park TRIS Kanižarica is situated southwest of the town of Črnomelj, along the regional road Kanižarica–Vinica. There is the Novo mesto–Črnomelj–Karlovac (Croatia) railway line nearby. The park is situated 35 km from the connection to the Slovenian motorway and 40 km from the connection to the Croatian motorway. The distance to the nearest Slovenian airport for international traffic (Ljubljana) is 119 km and 100 km to the airport in Zagreb, Croatia.

The park has infrastructure in place. All buildings have very pleasant surroundings. At the entrance into the park, there is a parking area for trucks. Other parking spaces have been provided at each plot. Service and connecting roads within the zone are paved. The area is equipped with all needed infrastructure. There is water supply, separate sewerage system, power supply, telecommunications and gas network, as well as public lighting. Waste water and power as well as telecommunications conduits run along the transport routes. Waste collection is organized on regular basis. The business park grounds have been consolidated and are not subject to flooding, so construction works will be safe and fast.

The area in different terraces is intended for business and manufacturing activities. The central area is mostly occupied with manufacturing and storage buildings and business premises; however, there are some vacant plots available in between. The central area is suitable for industrial, manufacturing, business, retail and service activities. The area along the regional road is intended for central activities only. Within the business park, a large number of plots are available, measuring from 2,000 sq m up to 10,000 sq m, while their position allows uniting individual units in accordance with the needs of the investor.
The zone is situated along the regional road Ručetna vas-Štrekljevec, opposite the company Iskra kondenzatorji d.d., near Semič town centre and has good connections to Črnomelj, Metlika and Novo mesto. Semič is also near the railway line Novo mesto–Karlovac (Croatia). The zone is situated 30 km from the connection to the motorway, 4 km from the passenger railway station and 11 km from the freight railway station and industrial railway siding.

Connection to optic-fibre or cable communications network, telephone network, water supply network, sewerage and process water network and power supply network.

Industrial activity.

It is possible by purchase of land owned by private persons.

The zone can be expanded another 7.9 ha of land are available for construction.

ZONE SURFACE 19.7 ha
AVAILABLE AREA 40%

ZONE CAN BE EXPANDED

PRICE m² 10€
The business zone is situated behind the existing Business zone LIK I and the company NOLIK d.d. in the northern part of Kočevje, along the main road Kočevje–Novo mesto and in the immediate vicinity of the railway line. The zone is situated 50 km from the connection to the motorway. Distance to the railway line is 100-500 m and 80 km to the nearest airport for international traffic.

<table>
<thead>
<tr>
<th>ZONE SURFACE</th>
<th>AVAILABLE AREA</th>
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<tr>
<td>13.5 ha</td>
<td>50%</td>
</tr>
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</table>

Approximately 7 ha of the land is available to future investors either as one or separate plots.

The business zone area is fully equipped with public utility infrastructure - access to the public road, connection to power supply, water supply, sewerage and telephone network, there is also public lighting.

Industrial activity.

Price:

17.4 €

m² + VAT
The zone is located in the northern part of the town of Metlika along the regional road Novo mesto–international border crossing Metlika and is very easily accessible. There are a regional road, railway line, international border crossing, sport airfield and service zone (the post office, bank, shops) nearby. The zone is situated 1.5 km from the passenger and freight railway station and industrial siding. It is also situated 30 km from the connection to the motorway. The zone is situated 124 km from the nearest Slovenian airport for international traffic in Ljubljana and 88 km from the airport for international traffic in Zagreb (Croatia).

The area is equipped with basic public utility infrastructure – water supply, power supply, telephone lines, sewerage, and access to the public road.

The business and service zone area is intended for central activities, such as home building, administrative-business premises, retail and service activities, catering and entertainment establishments, and also for small crafts (storage, service and business activities and activities of small industry).

Enlargement of the existing zone from 17.5 ha to 34 ha is planned, as well as the construction of building with a floor space of 1,200 sq m for a networking incubator.

Approx. 21.10 € (excluding VAT), according to the adopted Rules on the allocation of municipal funds for encouraging small entrepreneurship in the Municipality of Metlika, the price of a square metre of land for the purpose of building business premises can be decreased by 50% of the estimated value.

21.1€

m²

+VAT
The business zone is situated in the northern part of Kočevje, at the crossroads of two state roads, namely Kočevje–Novo mesto and Ljubljana–Kočevje–Petrina, and is therefore well accessible. There is a railway line nearby which is currently undergoing reconstruction. The zone is situated 50 km from the connection to the motorway. Distance to the railway line is 100–500 m and 80 km to the nearest airport for international traffic.

The business zone area is fully equipped with public utility infrastructure – access to the public road, connection to power supply, water supply, sewerage and telephone network, there is also public lighting.
DEVELOPMENT AND INFORMATION CENTRE BELA KRAJINA is a public institution for tourism and entrepreneurship promotion in the Bela krajina region that also implements the Pokolpje programme in this region. In the field of entrepreneurship, it offers free counselling on open invitations to tender, it represents the interests of entrepreneurs in eliminating administrative and other development barriers and it also offers information on investment opportunities in the Bela krajina region to domestic and foreign investors. In the field of tourism, Development and Information Centre Bela krajina prepares and implements strategies for the development of tourism, develops a comprehensive tourist offer, enhances development of tourism and promotes the Destination River Kolpa in Slovenia and abroad.

DEVELOPMENT CENTRE KOČEVJE RIBNICA d.o.o. is a development and counselling agency, established to enhance development of small entrepreneurship. It also implements the Pokolpje programme in the Kočevje region. It is one of the VEM-access points where registration of companies and sole traders is possible. It offers help in preparing projects and tenders, in accessing financial resources for realisation of development programmes (guarantee schemes, micro-credits) and in eliminating administrative barriers the entrepreneurs face. Development centre Kočevje Ribnica also manages the local action group ‘Heritage trails from Idrijca to Kolpa’.

BUSINESS INCUBATOR KOČEVJE (PIK) creates the supportive environment for start-ups and enhances the growth of young, innovative and technologically-oriented businesses in the region. PIK rents office, production, storage and other associated spaces to young, innovative and technologically-oriented businesses under subsidized prices. It offers counselling in the field of business, finances, taxes, as well as legal, staffing and marketing counselling. PIK provides help in preparing applications for (co)financing activities of incubated enterprises and help in finding financing resources. It also organizes business and educational meetings, as well as implements the Pokolpje programme in the Kočevje region.
