



## TANNERY, BUGOJNO

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| **Project title** | Investment in technology, building and equipment repair in Tannery Bugojno | |
| **Sector** | Textile sector | |
| **Location** | Bugojno Municipality | |
| **Location description** | Tannery is located in Bugojno, central part of Bosnia and Herzegovina, 70 km away from the main Vc Corridor in Bosnia and Herzegovina. | |
| **Company description** | Established in 1948 Tannery Bugojno is one of the rare examples of the leather processing industries that survived over the transitional period in the region of Western Balkans. The land with production and administration buildings as well as linking roads cover large area with surface of 43.361 $m^2$. Tannery currently operates at only 25% of capacity, but its easily achievable daily production-processing capacity is 1.000 pieces of small skins and 5 tons of large skins. | |
| **Project status** | Business plan | |
| **Project description** | The project proposes the investments in three major fields: technology investments, working capital investments and repair (current building and equipment). The total investment may be implemented within six months with simultaneous working capital infusion. According to calculations the investment achieves 11% IRR with ten years' period of its predicted life-time. Preferred investment concept is capital increase, especially if the investors root is leather industry (future customer or otherwise related partner). | |
| **Estimated total investment cost** | 3 020 000 EUR | |
| **Inputs provided by local partner** | 1.700.000 EUR | |
| **Inputs required from foreign partner** | **Value** | **Description** |
| | 1.320.000 EUR | • Parts of the new technology: 260.000 EUR<br>• Repair of the existing technology: 100.000 EUR<br>• Buildings refreshing and certain repairs: 55.000 EUR<br>• Waste water treatment project: 400.000 EUR<br>• Existing financial structure balancing: 155.000 EUR<br>• Working capital needed: 350.000 EUR |
| **Supporting information available** | For additional information about this project, please contact FIPA either by e-mail: fipa@fipa.gov.ba or phone number: +387 33 278 080. | |