1. **PROJECT TITLE**
   FABRIKA MOTORA SPECIJALNE NAMJENE A.D. PALE

2. **SECTOR**
   Metal industry sector

3. **LOCATION**
   Territory of the municipality of Pale

4. **BRIEF PROJECT DESCRIPTION**
   Project purpose is to revive the existing production capacities of company Fabrika Motora Specijalne Namjene a.d. Pale, which are located in the territory of the municipality of Pale.

Present activity:
- production and overhaul of special-purpose engines,
- services of thermal treatment, sandblasting, painting, precision measurement, and surface protection
- production of parts for machine building

Production possibilities/installed capacities (currently):
- Tank engines (150 pc/year)
- Engine overhaul (100 pc/year)
- Camshafts (5,000 pc/year)
- Housing (3,000 pc/year)
- Thermal treatment (600 ton/year)
- Sandblasting (1,200 ton/year)
- Lacquering and paint baking (100 ton/year)

The production capacities are fitted with complete infrastructure (electricity, water, sewerage, freight vehicle access).
5. **PROJECT DETAILS:**

**WHAT TYPE OF PROJECT IS IT?**
*Greenfield, brownfield, ownership share in existing company, other (specify)*

Brownfield – strategic partner sought for:
- state-owned capital privatization in the company,
- share in company ownership,
- lease of business building.

**PROJECT STATUS**
*Specify current level of project preparation, e.g. business idea only, preliminary project/feasibility study prepared; project documentation prepared, other*

Company Fabrika Motora Specijalne Namjene a.d. Pale is 52.99% owned by the Government of the Republic of Srpska which is seeking a strategic partner.

**REASONS TO INVEST IN THE PROJECT**
*How will investor’s commercial interest be achieved, list motivating factors for investing in the project such as e.g. existing labor, available raw material base, number of potential suppliers, infrastructure availability, competition in the vicinity etc.*

- Favorable geographic position. Project location is 3 km from the settlement of Pale. The municipality of Pale is located in the eastern Republic of Srpska. Distance from Sarajevo is about 16 km (railway, airport), and from Belgrade 297 km (railway, airport).
- Long industrial tradition, quality and availability of highly skilled labor, at competitive labor costs.
- Free production capacities available to be put into function.

6. **PROJECT FINANCING**

**SPECIFY ESTIMATED PROJECT VALUE IN EURO**

The sale of the state-owned capital is conducted in compliance with the Law on privatization of state-owned capital in enterprises, by issue of a tender or by method of direct buyer selection. In their offer, the strategic partner (buyer) will propose a purchase price, as well as an investment plan, an employment plan and other intents. The strategic partner will also propose a price of lease of production capacity, a joint venture or another form of cooperation, in a letter of intent to be submitted to the Ministry of Industry, Energy and Mining.
PLANNED SOURCES OF FINANCING

*complete project financing by the potential investor, public-private partnership, concession, etc.*

Complete project financing by potential investor or joint venture.

INPUTS BY LOCAL PARTNER/applicant

*(list e.g. incentives, land, ownership share, etc. if any)*

The Government of the Republic of Srpska’s employment incentives, tax and duty reliefs, favorable treatment of foreign investors, agreements on investment promotion and protection, etc.

7. PHYSICAL LOCATION FOR PROJECT IMPLEMENTATION

*Has physical location for project implementation been identified? If so, please provide the following information: precise project location, planning document identifying the location, ownership status, level of supporting infrastructure*

The facility is located on the grounds of company Fabrika Motora Specijalne Namjene a.d. Pale and 52,99 % owned by the Government of the Republic of Srpska.
Available area: 32,107 m² of land, of which 15,012 m² is developed.

8. HAVE THE ACTIVITIES ON PROJECT IMPLEMENTATION ALREADY STARTED

*e.g. issued ... permit prepared feasibility study etc.*

Yes. The Government of the Republic of Srpska is endeavoring to find a strategic partner.

9. PROJECT APPLICANT AND CONTACT INFORMATION

**FABRIKA MOTORA SPECIJALNE NAMJENE A.D. PALE**

Tel: +387 57 223 628;
E-mail: fmsn@paleol.net
Web site: www.fmsn.info