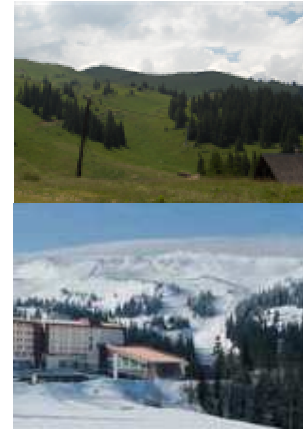


# TOURISM MASTER PLAN JAHORINA Bosnia and Herzegovina



**Client:** Ministry of Trade and Tourism, Vuka Karadžića 4  
Banja Luka, Republic of Srpska  
Bosnia-Herzegovina

**Prepared by:**



**Hypo Alpe-Adria Consultants Sarajevo**  
Dalmatinska 6  
71000 Sarajevo, Bosnia and Herzegovina  
☎ + 387 / 33 / 276 020  
Fax+ 387 / 33 / 276 029  
[www.hypo-alpe-adria.ba](http://www.hypo-alpe-adria.ba)



**Kohl&Partner**  
Tourism Consultancy Internacional  
Bahnhofstraße 8  
A-9500 Villach/Austria  
☎ +43 / 4242 / 21 123  
Fax +43/ 4242 / 29 553  
E-Mail: [office@kohl.at](mailto:office@kohl.at)  
[www.kohl.at](http://www.kohl.at)

**Horwath Consulting Zagreb**  
Member of Horwath International  
Savska cesta 144 A  
10000 Zagreb, Croatia  
☎ + 385 / (0) 1 / 48 77 200  
Fax+ 385 / (0) 1 / 48 77 205  
E-Mail: [horwath-consulting@horwath.hr](mailto:horwath-consulting@horwath.hr)  
[www.horwath.hr](http://www.horwath.hr)



# Content

<b>1. Introduction</b>	<b>4</b>
1.1. Initial Situation	4
1.2. Defined Objectives	4
1.3. Project Team members and their tasks	4
<b>2. Analysis of the current situation in Jahorina</b>	<b>7</b>
2.1. General Information	7
2.2 Access	9
2.3. Sokolac – potential airport	10
2.4 Infrastructure and public utilities	10
2.5 Tourist infrastructure on Jahorina	11
2.6 Tourist Traffic	13
2.7 Tourism organization and information	13
2.8 Key stakeholders at the destination Jahorina	14
<b>3. Competitor Analysis</b>	<b>15</b>
3.1. Kolašin - Bjelasica (Montenegro)	15
3.2. Bjelolasica (Croatia)	17
3.3. Kranjska Gora (Slovenia)	20
3.4. Kopaonik (Serbia)	22
3.5. Bjelašnica (Bosnia and Herzegovina)	24
3.6. Bansko (Bulgaria)	26
3.7. Poiana Brasov (Romania)	29
3.8. Key findings	31
<b>4. Tourism Trends</b>	<b>32</b>
4.1. 10 general trends in Tourism	32
4.2. Special Trends in Top International Mountain Resorts	37
<b>5. SWOT-Analysis</b>	<b>41</b>
5.1. Tourism strengths and weaknesses	41
5.2. Tourism opportunities and threats	42
<b>6. Strategic Concept</b>	<b>43</b>
6.1. Conclusion derived from the Analysis	43
6.2. General conditions for a successful development of Jahorina	43
6.3. The way to a successful Tourism Master Plan	44
6.4. Tourism Vision Jahorina 2016	45
6.5. Key Strategies supporting the vision	46
6.6. Pillars of the Positioning	47
<b>7. Competitiveness Plan</b>	<b>48</b>
7.1. International Planning Standards and Gaps analysis	48
7.2. Ratios for a sustainable development	51
7.3.1. Existing lifts and slopes	52
7.3.2. Capacities of vertical transportation system and accommodation	53
7.4. Investments	54
<b>8. Key projects proposal</b>	<b>56</b>
8.1. Project proposals to raise the competitiveness of Jahorina	56
8.2. Overview of the proposed Projects	58
8.3. Proposed Projects for the existing area	60
8.4. Proposed Projects for the Family and Wellness Area (Enlargement Area 1)	80
8.5. Proposed Projects for the Sport Area (Enlargement Area 2)	98
8.6. Overlapping projects	111
<b>9. Marketing Strategies</b>	<b>128</b>
9.1. Vision and positioning	128
9.2. Product marketing plan	129
9.3. Integrated marketing communication	137
<b>10. Investment and Implementation Plan</b>	<b>141</b>
10.1. Investment plan summary	141
10.2. Implementation Action Plan	146
10.3. Environment	147
10.4. Business and Management model and Privatisation	149

<b>11. Pre-feasibility Calculations for Major Investments .....</b>	<b>154</b>
11.1. Assumptions .....	154
11.2. Key projects - Accommodation .....	156
11.3. Key projects - Real Estate .....	182
11.4. Key projects - Recreational Facilities .....	182
11.5. Key projects - Gastro and Other Facilities .....	183
11.6. Business evaluation summary .....	183
11.7. Investment and Business Evaluation of Ski Infrastructure .....	184
<b>12. Conclusion and Summary .....</b>	<b>186</b>
<b>13. Appendix .....</b>	<b>187</b>
13.1. Maps of Jahorina area .....	187
13.2. Best-Practice Examples from Austria .....	188
13.3. Article ISR (International ropeway revue) .....	198

# 1. Introduction

## 1.1. Initial Situation

Hypo Alpe-Adria Consultants Sarajevo, in cooperation with Kohl & Partner Tourism Consultancy International and Horwath Consulting Zagreb has been assigned to prepare a Tourism Master Plan for the mountain resort of Jahorina.

The main aim of this Tourism Master Plan is to prepare strategic guidelines with concrete actions regarding the future development of tourism in Jahorina. The actions need to be sustainable as well as in accordance with the strategic guidelines for the spatial and economic development of the region.

## 1.2. Defined Objectives

The following key objectives have been identified for this project:

- Analysis and evaluation of the existing situation
- Recommendations concerning the reconstruction, up-grading and modernisation of the existing mountain resort area
- Examination of possible future enlargement areas
- Develop Jahorina according to International Planning Standards for successful mountain resorts
- Create a strategic framework for the future development of Jahorina
- Pointing out of the needed investment
- Sustainability (concerning environmental protection in accordance with optimized economic profitability)

## 1.3. Project Team members and their tasks

In this section the main tasks of each project team member is described.

### Hypo Alpe-Adria-Consultants Sarajevo:

- Project Leader, Coordination and Management
- Responsible for the conflation of the different project parts handed in by the different project team members
- Preparation and Design of the final report

Kohl & Partner Tourism Consultancy International:

- On-Site Visits and Interviews
- Current Tourism Trends and special Mountain Tourism Trends
- Tourism SWOT-Analysis
- Strategic Concept Development
  - General Conditions for a successful development
  - Development of a strong vision and future positioning
  - Definition of the key strategies and core competencies
  - Development of Pillars of Positioning
- Competitiveness Plan
  - Definition of International Planning Standards
  - Comparison to the current situation in Jahorina
  - Definition of the current Short-Comings
  - Framework for a sustainable development
  - Definition of Areas of Action to raise competitiveness
- Proposed Projects
  - Identification of the needed tourism infrastructure (without slope- and lift-planning) for the summer and winter season for each of 3 areas
  - Determination of the needed investment for the proposed tourism infrastructure (without investment for slopes and vertical transportation) for each defined Area
  - Best Practices examples from Austria

Horwath Consulting Zagreb:

- Site-Visits and Interviews
- Competitor Analysis
- Pre-Feasibility Studies for the proposed projects
- Marketing Strategies for Jahorina
- Concept for the future Tourism Organisation of Jahorina

Slopes- and Lift-Planners in cooperation with GEOS Consulting ZT-GmbH:

This team consisted of Mr. Bojan Krizaj, Mr. Arnold Pucher, Mr. Robert Apschner, Mr. Günter Troy (Doppelmayr), Mr. Erich Gummerer (Technoalpin) and Mr. Andreas Berchtold.

- Site-Visit
- Action Plan
  - Identification of needed actions concerning vertical transportation (type, location, carrying capacity, etc.), slopes (area, length, width, etc.) and artificial snow-making (needed snow-guns, technical data, water supply, etc.)
- Slope and lift planning
- Capacity harmonising of vertical transport system and accommodation
- Investment plan (vertical transportation, slopes, artificial snowmaking)
  - Determination of the needed investment for the modernisation and enlargement of the skiing resort Jahorina concerning vertical transportation, slopes, artificial snow-making and other related investments (e.g. tracked vehicles)
- Environmental issues
- Spatial design and mapping

TMC Hotels & Resorts, Croatia :

- Action Plan
  - Definition of the type and size of needed tourism suprastructure (= accommodation facilities) for the existing resort (hotel projects 1 – 6)
  - Location of the hotel projects
- Investment Plan
  - Determination of the needed investment for the proposed tourism superstructure for the existing resort (hotel projects 1 – 6)

Company “PROJEKT” AD, Banja Luka:

- Site-Visits
- Providing information material, maps, etc. concerning spatial planning
- Participation in different workshops
- Preparation of maps where the proposed projects are located

Company “Euomarketing”, Pale, East Sarajevo:

- Providing information concerning current situation analysis
- Site-visit and meetings organisation
- Marketing

## 2. Analysis of the current situation in Jahorina

### 2.1. General Information

**Location:** The mountain resort of Jahorina is located in the south-east part of Bosnia and Herzegovina. Jahorina spreads from 43°39' to 43°47' north geographical width and from 18°31' to 18° 43 east geographical lengths. Jahorina, with its highest peak Ogorjelica (1.916 m above sea level), belongs to Dinaric mountain system. The direction of Jahorina massif is southeast-northwest. The length of the whole Jahorina massif is between 25-30 km, and width between 5-15 km. Excellent configuration of the terrain, variety of very good quality snow, suitable climate, 20 km slope for ski disciplines as well as mild slopes (Rajska dolina) contributed that this mountain is considered among the most beautiful and well-known ski-centers. Other mountains in the same mountain range are: Čvrstica, Prena, Bjelašnica, Treskavica, Zelengora and others<sup>1</sup>.

Administratively, Jahorina is part of two municipalities: Pale (larger part of the area included in Master Plan) and Trnovo. The municipality of Pale has 26.959 inhabitants and the municipality of Trnovo has 2.594 inhabitants. There are around 70 settlements with mainly old population.

Population density in the area of Pale municipality is 54,79 people per km<sup>2</sup> and on the area of Trnovo municipality 22,97 people per km<sup>2</sup>. 30% of Jahorina area is an urban area, whilst it makes 20% of the Pale municipality area. An area of Jahorina includes one village, Šator, used by weekend residents only.

Distances from Jahorina to main cities in the region are as follows:

- Jahorina - Sarajevo 28 km
- Jahorina - Banja Luka 310 km
- Jahorina - Belgrade 320 km
- Jahorina - Zagreb 450 km
- Jahorina - Ljubljana 580 km



<sup>1</sup> Source: Dr Ljubo J. Mihaljčić "XIV Olympic games mountains Jahorina and Trebević", Pale 1987

## Climate

The natural resource of Jahorina represents a very important natural potential located in southeast part of Republic of Srpska and Bosnia and Herzegovina. It has diverse natural resource suitable for life of people and economic development of settlements in the surrounding among which are the most important forests and forest soil, water resources, mountain peaks and slopes in combination with relief in the shape of steps. Combination of different shapes of relief is exceptional favorable for development of winter tourism which has contributed that Jahorina becomes the most famous winter center in this part of Europe<sup>2</sup>.

Among natural resources which contribute to the development of tourism, and especially winter tourism, the climate has a very important part. The climate is an important natural factor in tourist valorization of the natural resource of Jahorina especially as a direct tourist value. The main factors which influence the character of the Jahorina climate are geographical position, distance from the sea, direction of the massif extension, height above sea-level, articulation of relief, forest cover etc.<sup>3</sup> This massif is pulled far towards land, approx. 120 km far from seaside and by mountain massifs Bjelašnica and Treskavica protected from stronger influence of the Mediterranean and sub-Mediterranean air (Bjelčić, 1965)

Year	Annual precipitation (mm)	Average annual temperature (°C)	Average max temperature (°C)	Average min temperature (°C)	Number of days with snow cover
1999	1231,5	-	-	-	74
2000	817,9	-	-	-	79
2001	937,3	-	-	-	62
2002	1067	-	-	-	46
2003	739,4	9,7	16,1	4,4	74
2004	805,9	9,6	15,4	4,5	63
2005	1027,5	8,4	14,7	4,4	86

All the data refers to the area of East Sarajevo and it has been collected at Meteorological Station of East Sarajevo.

## Flora and fauna

Jahorina represents the most important natural resource of the Municipality Pale. Forest and forest land occupy 16.902,95 ha with total standing stock of 5.051.198 m<sup>3</sup>. Jahorina got its name after maple-tree.

Jahorina is wealthy in bio diversity of flora and fauna and here only several are mentioned:

- Self-grown healing herbs: gentian, meadow saffron, wild blueberries, white hawthorn, mountain clover, etc.
- Forest fruits: hazelnut, wild apples and peaches, dog rose, wild strawberries, wild blackberries, raspberries, rose hip, sloe, blueberries, cranberries, blueberries etc.
- Deciduous forest (hardwood): maple, beech, and in higher ranges remains of sub-mountain beech, etc.
- Coniferous forest (softwood): spruce, pine, fir, etc.
- Wildlife: deer, bear, wolf, white marten, gold marten, boar, etc.
- Birds: hazel grouse, goshawk, eagle, etc.
- Fish: stream trout, grayling, etc.

<sup>2</sup> Source: Kujundžić S., Govedar Z., Professional paper, "The climate as tourist value of the natural resource Jahorina", Banja Luka, 2006

<sup>3</sup> Source: Kujundžić S., Govedar Z., Professional paper, "The climate as tourist value of the natural resource Jahorina", Banja Luka, 2006

Forests cover 64% of municipality of Pale.

**Note:** "Institute for protection of cultural-historic and natural heritage" of Republic of Srpska, after two-year long research and use of variety of literature information, marked won envinous bio-diversity of flora and fauna. From approximately 1006 of stated vascular plants, around 15% is endemic and the above listed species are only small portion of the total values of the mountain which function as such for years.

### **Modes of protection and regulation**

Laws regarding nature protection:

Nature protection law ("Official journal of Republic of Srpska" number 50/02)  
 Environment protection law ("Official journal of Republic of Srpska" number 53/02)  
 Air protection law ("Official journal of Republic of Srpska" number 53/02)  
 Water protection law ("Official journal of Republic of Srpska" number 53/02)  
 Waste management law ("Official journal of Republic of Srpska" number 53/02)

Regulation is in progress, based on this master plan, regulation plan of the narrow area will be finished. After that, regulation of the wider mountain area will be continued.

## **2.2 Access**

### **By air**

Closest airport is Sarajevo International Airport (Jahorina – Sarajevo 28 km). Non-stop flights to: Frankfurt, Istanbul, Köln, Stuttgart, Zagreb, Zürich, Ljubljana, Milan, Vienna, Prague, Belgrade, Munich and Budapest. Airlines operating to and from Sarajevo Airport: BHAirlines, Adria Airways, Alitalia, Austrian Airlines, Croatia Airlines, CSA, JAT Airways, Lufthansa, MALEV, Turkish Airlines. Sarajevo International Airport has annual capacity of 800.000-1.000.000 passengers and average annual number of passengers is 400.000.

### **By rail**

Closest railway station is in Sarajevo.

### **By road**

Jahorina can be reached from three directions:

1. From Sarajevo via Pale
2. From Lukavica via Trebević
3. From Podgrab via Vrhprača

### **By bus**

From bus station Lukavica, besides towns in Republic of Srpska, towns in Republic of Serbia and Republic of Montenegro can be reached with direct lines (Belgrade, Subotica, Novi Sad, Niš, Podgorica, Herceg Novi, and Ulcinj)

Also from Sarajevo bus stations there are regular lines to cities in Central and Western Europe.

### 2.3. Sokolac – potential airport

The Municipality Sokolac spreads on Glasnicka highland on the bottom of the mountain Romanija and has an area of 729 km<sup>2</sup>. Administratively, it is divided into 10 local communities and 80 neighborhoods in which around 15.500 people live. Sokolac is located in the center of Glasnica, on 870 m above sea level. This highland, with its wide meadows and pasturages, is surrounded with conifer forests and peaks of Romanija, Bogavicka Mountain, Gradina, Rabra, Crni vrh, Kopita, Kratelj. Sokolac is important cross-road of roads from Sarajevo to Beograd, Uzice or Adriatic Sea. For decades, the wood industry is a carrier of industrial development in Sokolac. Besides the capacity for primary and final processing of wood, the metal, textile and leather industry facilities, construction and merchant businesses are developed and recently, so-called small businesses are in expansion.

The airport Sarajevo is located on the west end of the city of Sarajevo (practically in a settled portion of town), on the Sarajevo field and there is no space for its expansion. There are problems when capacity and location of the Sarajevo airport are considered (considerable number of foggy days during the winter, surrounded by mountains, as well as highly populated area).

**The Municipality Sokolac with its location and weather (Glasinac has the biggest number of clear days in the year) is an ideal location for construction of the airport and this suggestion should be taken into consideration seriously.**

#### Coat of arms



#### Location in Republika Srpska



#### General Information

<b>Entity</b>	<a href="#">Republika Srpska</a>
<b>Municipality area</b>	729 km <sup>2</sup>

### 2.4 Infrastructure and public utilities

#### Water supply

From the Prača spring, potable water is transported to the several upper mountain distribution reservoirs, and then through unloading chambers to distribution network. Actual water supply capacity can only temporarily satisfy the needs, since significant increase of the accommodation capacity and services has been expected. As a first step Poljice and Šator reservoirs capacity should be increased. Artificial snow water source and technology is also to be resolved.

#### Electricity supply

Power-transmission line (35 kV) is in a good condition. Users are supplied by the 10kV electric network by the TC 35/10 kV Jahorina of a 2x4 MVA, also in a good condition. Low voltage network is in a bad condition. Due to unplanned construction it was not possible to optimally develop plan of the connections and therefore the greatest number of defects occurs here.

#### Sewage network

Existing sewage system on Jahorina is in a bad condition. From hotel "Bistrica" to "Poljice" sewage network exists and all existing buildings are connected to that system. Wastewaters are through pipes transported to Pale and released into River Miljacka. The most critical situation is between Rajska Dolina location and Šator hotel. Wastewater from that area is deposited in inadequate septic tanks and that wastewater threatens to jeopardize the water quality in lower sections.

#### Gas supply

Gas network doesn't exist. The recommendation is to have natural gas as main power.

#### Telephone network

Existing automatic telephone exchange has 273 users and enlargement is possible. It is possible to use all three existing mobile telephone networks in Bosnia and Herzegovina (MOBI's, BH Telecom, Eronet).

**Parking**

Within the location there are 993 parking places for cars and 22 places for buses.

There is no hospital on Jahorina, in the winter season there is one doctor's office. Closest fire department is situated in the City of Pale (13 km away from Jahorina). Similarly to this, the bank and police office are open only in winter season. Post office is open an all year round.

Within an expected future rehabilitation and redevelopment plan of Jahorina, entire infrastructure and public utility plan is to be reconsidered and re-planned.

**2.5 Tourist infrastructure on Jahorina**

Jahorina used to represent one of the most attractive recreational ski areas in the South-East of Europe. The mountain core area occupies approximately 650 ha where the main infrastructure has been built as a part of Winter Olympic Games program at the beginning of the 1980's. Although being significantly devastated in recent years, today, Jahorina still represents the most important tourist resource of the Republic of Srpska.

Key data on tourism infrastructure today is as follows.

**Ski slopes and ski lifts**

Total length of skiing slopes is around 20 km.

Out of which:

Blue: 32,15%

Red: 48,52%

Black: 19,33%

Vertical transport includes four two-seat ski lifts, three ski lifts and one baby lift with total length of 8,05 km and capacity of 7.200 persons per hour.

Name	Lenght (km)	Capacity (persons per hour)	Type
Skočine	1,45	1200	two-seat ski lift
Ogorjelica I and II	2,60	2400	two-seat ski lift
Poljice	1,55	1200	two-seat ski lift
Olimpik	0,95	900	ski lift
Rajska Dolina	0,95	900	ski lift
Poljice and baby lift	0,55	600	ski lift

**Accommodation facilities**

Actual bed capacity situation:

- 6 hotels with total of beds 1.022
- 17 apartment buildings with total of beds 569
- 18 boarding houses 400
- weekend cottages around 1.280
- Total around 3.270

According to the Tourism Organization of East Sarajevo categorization of the accommodation facilities hasn't been performed.

Sport offer/activities/services: skiing, snowboarding, skating (hotel Termag), swimming (hotel Bistrica, hotel Termag), wellness (hotel Termag), paragliding, walking, trekking, mountain biking, sledging, football and basketball (hotel Bistrica).

Tourist attractions in the surroundings:

KADA WELL - is located on the north-east side of Jahorina, in Vrhprača. This natural resource is publicly owned and managed. Next to the well there is a cottage where some additional services can be organized.

ORLOVAČA CAVE (Savina cave) - natural resource, located 11 km from Pale. The cave is illuminated and appropriated for visitors at the length of 650 m. Entrance fee is 4 KM. Visits are arranged through the Tourism Organization of East Sarajevo. The cave is publicly owned, but unsolved status regarding management exists. The cave is the habitat of the most endangered species of mammals in Europe, bat (*Microchiroptera*)

THE CAVE LEDENJAČA – located on the spring of Mokranjska Miljacka. The ice in this cave remains during the summer.

THE CAVE LIPOVAC – located in the Miljacka bed, it is especially interesting for the lovers of attractive photography.

WELL OF RIVER MILJACKA - located 3 km from Pale, with fish pond, restaurant and 4 apartments (privately owned).

Events on Jahorina and Pale:

ART COLONY – takes place in Pale, every July. Concerts, poetry reading, folklore are additional happenings. Number of visitors is around 1.500.

FLUTE FESTIVAL – takes place in Pale, every August. Contest of pipe players, folklore, concert of ethno music, event has around 5.000 visitors.

ART JAHORINA – Art colony which takes place on Jahorina, every December.

JAHORINA WINTER – Several events, held on Pale and Jahorina during the winter period (November – March)

PETER'S DAY TOURNAMENT – five-a-side football tournament, held every June and July in Pale. Tournament visits around 10.000 visitors.

"TOWARDS WINTER" – Tourism and catering fair, takes place on Jahorina every October. Fair visits around 2.000 visitors.

"LUTFEST"

### **Specificities:**

The remains of middle ages cities and fortifications, medieval thumb stone cemeteries are interesting cultural-historical monuments and they show that this area used to be a cross-road of very important roads.

Even though they are not investigated considerably, there are remains of the city of Pavlovac next to Prača which was built in 1415. The remains of fortified settlements on the wellspring Paljanska Miljacka are from Middle ages and they used to belong to the despot Jerina, the wife of despot Đurađ Branković.

## 2.6 Tourist Traffic

Number of arrivals and overnights 2003 – 2005 (Municipality of Pale):

	2003	2004	2005
<b>Arrivals</b>	17.749	17.867	18.744
<b>Overnights</b>	68.267	67.850	65.234

Source: Euromarketing Pale (Tourism Organization of East Sarajevo)

According to the Tourism Organization of East Sarajevo in the year 2005 the structure of guests according to nationality was following:

Serbia & Montenegro - around 60%  
 Croatia - around 15%  
 Slovenia - around 15%  
 Domestic guests - around 10%  
 Percentage of guests from other countries is very small.  
 Number of people working in tourism (2005): 364  
 Total income from tourism (2005): 509.764 KM

*Note: There are significant problems with basic statistical data regarding both supply and demand figures. This is due to the fact that entire Jahorina resort is still lacking a professional and a transparent destination marketing and management system.*

## 2.7 Tourism organization and information

With regards to the tourism sector there are two key institutional actors dealing with tourism industry in Republic of Srpska:

Firstly, **Ministry of Trade and Tourism** and its respective departments within the community Governments, which are legally and administratively responsible for the sector (Laws, inspections, taxes etc.) At this level, we have not found any major tourism development initiatives or institutions responsible for competitiveness building and investment incentives plans and programmes.

In case of Jahorina responsible State institution is the Department for Economy of the Community of Pale.

Regulations relating to tourism organization are the following:

- Tourism law ("Official gazette of Republic of Srpska" number 55/03, 63/07)
- Tourist tax law ("Official gazette of Republic of Srpska" number 118/05)
- Catering law ("Official gazette of Republic of Srpska" number 03/04, 37/06, 63/07)

Secondly, **Tourism Organization of Republic of Srpska** is supporting establishing of the tourism organizations on the Municipality levels in Republic of Srpska. Tourism Organization of Republic of Srpska is financed from tourist tax revenue (30% of total funds) and from the budget of Republic of Srpska. Tourism Organization of East Sarajevo located in Pale is directly responsible for the marketing of Jahorina.

TO of East Sarajevo is a self-financed organization where 90% of the revenue comes from tourist tax and 10% from sponsors. Funds are used for different purposes: printing tourist brochures, guides, catalogues postcards furthermore for visiting tourist fairs, promotional films, sponsoring events. TO offers its limited services to both the visitors and the local tourism industry. This means that it provides informational services for visitors, as well as the promotion, development of tourist infrastructure and coordination of activities to the local tourism industry.

70% of a total tourist tax for the East Sarajevo area goes to the Tourism Organization. Total budget of TO East Sarajevo in 2005 was 48.571 EUR. TO employs 4 persons, and the working hours are from 8 am till 4 pm.

## 2.8 Key stakeholders at the destination Jahorina

### **Municipality of Pale**

Besides the influence on a spatial and urban regulation, this municipality does not have a financial capacity to start development of the attractions and significant tourism business through public investments. The municipality will play a key future role through the development of urban infrastructure and smaller competitive programs as well as investment incentives being introduced at communal level.

### **Tourism Organization of East Sarajevo**

Today, the TO of East Sarajevo is responsible for marketing of Jahorina. Future role of TO depends on a role of a DMO. (Destination Management Organization) which is planned to be established for Jahorina itself. It is expected that the TO will closely cooperate with a DMO in terms of developing products that combine Jahorina and other resources in the area of East Sarajevo and broader mountain massif of Central Bosnia.

### **Olympic Centre Jahorina**

OC operates ski lifts, maintains ski slopes, and it also owns and operates hotel Bistrica and pension Poljice. It can be expected of the OC will have a significant role in the future. Operation of ski lifts should become core business. Accommodation facilities should be sold and OC should start to work on expanding their area of action by developing new products for summertime as well as for wintertime (e.g. Snowboard Park). OC could also be in charge for parking billing.

### **Private owners**

Presently, some private owners and investors have influence on improvement of the tourism offer on Jahorina (remarkable Termag hotel, apartments Vučko, hotel Nebojša, hotel Kristal, pension Sport on the like). More significant role of the private owners is expected in the future. New private investors will occur, investing in hotels, restaurants, etc. Private investors should be encouraged particularly for accommodation capacity development, as well as for restaurants, shopping and other services.

### **Energoinvest**

It can be expected that Energoinvest will sell or lease out their property on Jahorina (hotel Košuta).

### **Ministry of Interior**

It can be expected that the Ministry will not own nor manage hotel Rajska Dolina in the future.

### **Ex youth organizations**

There are no youth organizations on Jahorina today. It is expected that they will not have any influence in the future.

### **Republic of Srpska**

Based on an international practice, the role of the state within the development of the destination which is in a pioneer stage must be proactive. This is due to the following reasons:

- Republic of Srpska has a formal capacity in dealing with privatization process and eventual financial incentive programs for future investments;
- It has also capacity to push overall regulation of the area which is under high pressure of small individual investors and real estate seekers;
- Only Republic of Srpska can bring this project to the level of international investors market and promote this project based on general public interest maximizing value added and welfare of both local and national level.

We are very positive that only using the capacity of the Republic of Srpska Government, this project can be launched to broader market in a transparent and international competitive way.

### 3. Competitor Analysis

Although South-East Europe and its tourist destinations are still in transition, we have analyzed several of them as competing ones, since tourism market for mountain winter and summer tourism has started to recover.

Jahorina, as a part of this region is actually competing with similar destinations in Serbia, Croatia, Montenegro, Romania, Bulgaria and even Slovenia. All destinations analyzed in this region have already been carrying out different restructuring and investments plans, or they will be doing this in the very near future.

Based on the international trends regarding mountain tourism products, it is quite obvious that this region is an emerging one, since the regional population is entering into a stage where discretionary income of individuals is high enough to be distributed into this particular leisure segment.

Comparison of destinations is shown in the table at the end of the competitors overview which is done based on the following criteria:

- Location
- Product portfolio
- Accommodation capacity
- Number of arrivals and overnights
- Skiing facilities (slopes, lifts, prices)
- Ratios
- Hotel product

#### 3.1. Kolašin - Bjelasica (Montenegro)



##### a) Destination description

Situated in northern Montenegro, Kolašin is located at 954 m of altitude and offers excellent vacation both in winter and summer. Its altitude and favorable climate make Kolašin a true aerial spa. The Authority Building of the National Park Biogradska Gora is situated in the Kolašin. The NP is known for its unspoiled forests and glacier lakes. Not far from Kolašin (8, 50 km) is a Ski-centre Bjelasica with long, gentle ski slopes and steady snow cover.

b) **Products and activities**

Winter: Skiing, Snowboarding, Sledging, Ice-skating

Summer: Rafting, Hiking, Mountain biking

In the "Bianca Resort & Spa": Indoor and outdoor pool, wellness, skating-ring

c) **Accommodation capacity**

Total number of beds in Kolašin (2004): **458**

d) **Arrivals and overnights**

Number of arrivals: **2.696** (2004)

Number of overnights: **6.649** (2004)

e) **Other facilities and attractions**

A special attraction is Biogradsko Lake located within the National park "Biogradska Gora" which is one of three preserved, unspoiled virgin forest of Europe. Biogradsko Lake is at 1094 m of altitude, crossed by numerous walking paths.

Morača Monastery - monument of the first category

f) **Ski slopes**

Total length of ski slopes of Ski center Bjelasica is **3,32 km**.

Out of which:

Blue: 0,72 km

Red: 2,10 km

Black: 0,50 km

g) **Ski lifts**

Total length of ski lifts: **3,49 km** (one two-seat ski lift, three ski lifts and one baby lift).

Capacity of the ski lifts: **3.700** persons per hour

h) **Prices of ski passes**

One day ski pass: **10 EUR**

One week ski pass: **60 EUR**

i) **Ratios**

**Total tourism beds in relation to the total lift capacity**

$458/3.700 = 0,124$

**Lift capacity per kilometer of skiing slopes**

$3.700/3,32 = 1114,46$

**Total tourism beds per kilometer of skiing slopes**

$458/3,32 = 137,95$

j) **Hotel product - Bianca Resort & Spa**

**Name:** Bianca Resort & Spa

**Location:** Kolašin

**Number of stars:** \*\*\*\*\*

**Number of rooms:** 102 rooms and 15 suites

**Restaurant and bars:** A la carte restaurant "Chives", Restaurant "Bianca" - National Cuisine Restaurant, "The Pine" - Lobby Bar, "Café Vienna" - Coffee Shop, "The Tara Lounge" - Night Club, "Wild Berry" - Wellness Bar

**Other facilities:** Conference hall (50 pax), Ice-ring, Souvenir shops, Boutique shops, Indoor and outdoor pool, Gym, Wellness centre, In-house ski-shop, Ski-rental, Children playroom, Internet café

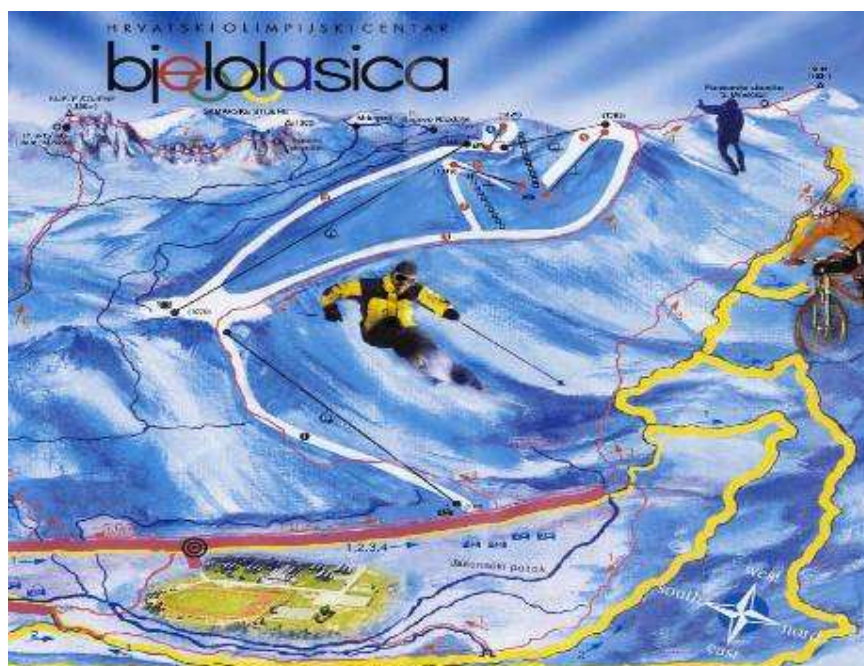
**Prices (Double room with breakfast):**

130 - 180 EUR (16.01 - 31.03.2006)

79 - 99 EUR (31.03 - 30.09.2006)

*Sources: www.biancaresort.com; www.visit-montenegro.com; www.mtc.cg.yu; www.skijanje.co.yu; The Development Plan of Mountain Tourism in Montenegro, International Tourism Institute, Ljubljana (Podgorica, March 2005)*

### 3.2. Bjelolasica (Croatia)



a) **Resort description**

Situated in Croatia, 27 km from Ogulin, in a vast valley at 620 meters above the sea level where mountain and Mediterranean climates meet in preserved nature of Gorski Kotar. An ideal place for tourism, relaxation, sport and recreation all year round for people of all ages as well as interest groups.

b) **Products and activities**

Winter: Skiing, Snowboarding, Sledging, Cross-country skiing

Summer: Walking, Climbing, Alpinism, Biking, Mountain Biking, Rafting, Kayaking, Canoeing, Rowing, Paragliding, Caving, Riding, Hunting, Fishing

Indoor or playground: Athletic Sports, Gymnastics, Football, Five-a-side football, Basketball, Handball, Volleyball, Beach volleyball, Weight lifting, Sword-playing, Tennis, Table tennis, Badminton, Bowling and Mini-golf.

c) **Accommodation capacity**

Total number of beds: **699**

d) **Arrivals and overnights**

Number of arrivals: **15.080** (2005)

Number of overnights: **40.614** (2005)

e) **Other facilities and attractions**

Nature reserve White and Samarske rocks (in immediate surroundings)

Klek Mountain - located on the eastern edge of Velika Kapela mountain chain. Klek is a cradle of Croatian alpinism and one of the best known Croatian botanist reserves with specimen of rare and protected mountain plants

Lake Sabljaci - oasis for numerous fishermen who regularly come to this region. Lake Sabljaci is often referred to as the Ogulin Sea.

f) **Ski slopes**

Total length of ski slopes of Ski center Bjelolasica is **5,71 km**.

Out of which:

Blue: 0,60 km

Red: 3,57 km

Black: 1,54 km

g) **Ski lifts**

Total length of ski lifts: **19,65 km** (three two-seat ski lift and three ski lifts)

Capacity of the ski lifts: **4.620** persons per hour

h) **Prices of ski passes**

One day ski pass: **11 EUR**

Half day ski pass: **8,25 EUR**

One week ski pass: **55 EUR**

i) **Ratios**

**Total tourism beds in relation to the total lift capacity**

$699/4.620 = 0,151$

**Lift capacity per kilometer of skiing slopes**

$4.620/5,71 = 809,11$

**Total tourism beds per kilometer of skiing slopes**

$699/5,71 = 122,42$

j) **Hotel product - Tourist settlement Bjelolasica**

**Name:** Tourist Settlement Bjelolasica

**Location:** Vrelo, Jasenak

**Number of stars:** \*\*

**Number of rooms:** 159 rooms (425 beds + 111 extra beds)

**Restaurant and bars:** Restaurant, Disco bar, Aperitif bar

**Other facilities:** Play room, Fitness club, Polyvalent hall, Sauna, Sports hall, Shop, Summer terrace, Social facilities, Congress hall (300 pax), Two smaller meeting rooms (30 pax)

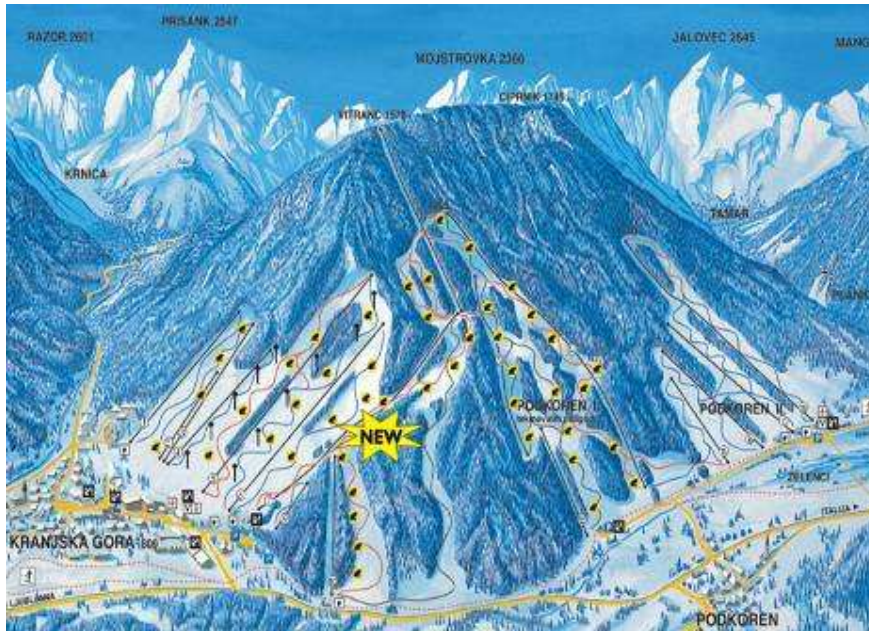
**Prices (Double room with breakfast):**

54,84 - 123,45 EUR (26.12 - 01.03)

46,63 - 109,73 EUR (01.03 - 26.12)

*Sources: [www.bjelolasica.hr](http://www.bjelolasica.hr); [www.tzkz.hr](http://www.tzkz.hr); TO City of Ogulin, +385 47 532 278, Mrs. Anika Puškarić; HOC Bjelolasica, +385 98 184 65 66, Mr. Ivica Dokli, Manager of the ski are; HOC Bjelolasica, +385 98 266 294, Mrs. Jasminka Turina Luketić*

### 3.3. Kranjska Gora (Slovenia)



a) **Destination description**

Kranjska Gora is situated in the north west of Slovenia, on the border between Austria, Italy and Slovenia at the foot of Julian Alps

b) **Products and activities**

Winter: Skiing, Snowboarding, Sledging, Cross-country skiing, Snow mobility, Ski mountaineering, Ski climbing,

Summer: Hiking, Cycling, Alpine climbing, Golf, Horse riding, Water sports, Canyon Adventures, Rafting, Hydro, Photo hunt, Fishing, Wellness, Tennis, Bike park

c) **Accommodation capacity**

Total number of beds in Kranjska Gora Resort (31. August 2003): **2.994**

d) **Arrivals and overnights**

Number of arrivals: **90.935** (2004)

Number of overnights: **334.604** (2004)

e) **Other facilities and attractions**

Sledging on removable line down the ski slope - Vitranc 1  
 World Cup race - Pokal Vitranc (slalom and giant slalom for men)  
 Nearby there is a lake and two rivers Sava and Soča

f) **Ski slopes**

Total length of ski slopes of Ski resort Kranjska Gora is **30 km**.

g) **Ski lifts**

Total length of ski lifts: **30 km** (three four-seat ski lifts, one two-seat ski lift, one one-seat ski lift and 14 ski lifts)

Capacity of the ski lifts: **19.600** persons per hour

h) **Prices of ski passes**One day ski pass: **28 EUR**Half day ski pass: **23 EUR**One week ski pass: **149 EUR**i) **Ratios****Total tourism beds in relation to the total lift capacity**2.994/19.600 = **0,153****Lift capacity per kilometer of skiing slopes**19.600/30 = **653,33****Total tourism beds per kilometer of skiing slopes**2.994/30 = **99,80**j) **Hotel product - Kompas Hotel****Name:** Kompas Hotel**Location:** Kranjska Gora**Number of stars:** \*\*\*\***Number of rooms:** 151 rooms and 5 suites**Restaurant and bars:** Restaurant, Slovenian Restaurant, Night Bar, Bistro Kompas, Ice Bar**Other facilities:** Indoor swimming pool, Children's pool, Jacuzzi, Solarium, 2 Finnish saunas, Turkish steam room, Relaxation steam room, Various massages, Gym, Sun terrace, Children's playroom, Table tennis, Kompas Club, Four tennis courts, Basketball half-court, Small climbing wall, Congress hall (360 pax), Conference hall (80 pax), 2 Meeting rooms**Prices (HB per person in double room):**

51 - 95 EUR (01.12 - 26.03)

49,07 - 66,10 EUR (26.03 - 01.12)

*Sources: [www.kranjska-gora.si](http://www.kranjska-gora.si); [www.skiresort.de](http://www.skiresort.de); [www.hoteli-kompas.si](http://www.hoteli-kompas.si); [www.hit.si](http://www.hit.si);**RTC Žičnice Kranjska Gora +386 4 580 94 00, Mrs. Polona Bačnar; Statistical Office of the Republic of Slovenia, [www.stat.si](http://www.stat.si) (Accommodation capacity, Arrivals, Overnights)*

### 3.4. Kopaonik (Serbia)



#### a) Resort description

Kopaonik is a mountain situated in a south-western part of Serbia, in a relative vicinity of cities of Kruševac and Kraljevo. Ski resort is situated on the altitude of 1.770 meters. It is approximately three hours drive away from Belgrade.

#### b) Products and activities

Winter: Skiing, Sledging, Snowboarding, Cross-country skiing

Summer: Walking, Hiking, Paragliding, Biking, Tennis, Basketball, Handball, Beach volleyball, Five-a-side football, Rafting on Ibar River

In the "Hotel Grand": Squash

#### c) Accommodation capacity

Total number of beds: **4.799** (31<sup>st</sup> of August 2005)

#### d) Arrivals and overnights

Number of arrivals: **85.000** (2005)

Number of overnights: **376.000** (2005)

#### e) Other facilities and attractions (up to 50 km from Kopaonik)

- Studenica monastery (UNESCO World Heritage from 1986)
- Stari Ras, Sopoćani Monastery, St. Peter's Church & necropolis, Monastery of Đuđevi Stupovi, Fortress of Gradina with lower town of Trgovište (UNESCO World Heritage from 1979)
- Nature reserves inside National Park Kopaonik: Kozje Rocks, Vučak, Mrkonja, Gobelja, and Samokovska River

#### f) Ski slopes

Total length of ski slopes of Ski center Kopaonik is **47,32 km**.

#### g) Ski lifts

Total length of ski lifts: **23,25 km** (five four-seat ski lifts, five two-seat ski lifts and twelve ski lifts).

Capacity of the ski lifts: **25.318** persons per hour

h) **Prices of ski passes**

One day ski pass: **17 EUR**

Half day ski pass: **9 EUR (9:00-13:00h)**

**13 EUR (12:30-16:30h)**

One week ski pass: **92 EUR**

i) **Ratios**

**Total tourism beds in relation to the total lift capacity**

$4.799/25.318 = 0,190$

**Lift capacity per kilometer of skiing slopes**

$25.318/47,32 = 535,04$

**Total tourism beds per kilometer of skiing slopes**

$4.799/47,32 = 101,42$

j) **Hotel product - Hotel Grand**

**Name:** Hotel Grand

**Location:** Kopaonik

**Number of stars:** \*\*\*\*

**Number of rooms:** 126 rooms and 45 suites

**Restaurant and bars:** Aperitif bar, Pool bar, Restaurant, A la carte restaurant, Disco bar, Tennis bar, Pizzeria, Internet club

**Other facilities:** Sports hall, Aerobics hall, Tennis courts, Outdoor sports courts (basketball, handball), Squash, Indoor pool, Sauna, Masseur, Gym, Jacuzzi, Congress hall (in Konaci settlement)

**Prices (HB per person in double room):**

20,48 - 32,53 EUR (28.04 - 05.11)

35,00 - 89,50 EUR (03.12 - 05.05)

*Sources: [www.kopaonik-genex.com](http://www.kopaonik-genex.com); [www.skijanje.co.yu](http://www.skijanje.co.yu); Statistical Office of Republic of Serbia, Statistical Yearbook of Serbia, 2006 (Accommodation capacity, Arrivals, Overnights); Public Company "Skijališta Srbije", Mr. Ljubiša Radovanović, +381 11 311 69 46; [www.raska-turizam.co.yu](http://www.raska-turizam.co.yu);*

### 3.5. Bjelašnica (Bosnia and Herzegovina)



#### a) Resort description

Bjelašnica Mountain rises only 20 km away from BH capital Sarajevo. Bjelašnica is the steepest of Bosnia's ski mountains. From the peak at 2.067 m the steep slopes quickly bring you to the bottom at 1.200 m. Together with mountains Igman and Treskavica, and a canyon on the river Rakitnica, presents a large natural park.

#### b) Products and activities

Winter: Skiing, Sledging, Snowboarding  
 Summer: Walking, Hiking, Paragliding, Biking

#### c) Accommodation capacity

Total number of beds: **1.239**

#### d) Arrivals and overnights

Number of arrivals: 5 to 6 thousands (our estimate)  
 Number of overnights: 15 to 20 thousands (our estimate)

#### e) Other facilities and attractions

One two-seat ski lift and several baby lifts on Igman  
 Slopes of Bjelašnica, hosted Olympic men's slalom, giant slalom and downhill in 1984.  
 City of Sarajevo

#### f) Ski slopes

Total length of ski slopes of Ski center Bjelašnica: **8,35 km**

#### g) Ski lifts

Total length of ski lifts: **4,26 km** (one three-seat ski lift and four ski lifts)  
 Capacity of the ski lifts: **4.950** persons per hour

h) **Prices of ski passes**One day ski pass: **13,33 EUR**Half day ski pass: **11,80 EUR**One week ski pass: **71,80 EUR**i) **Ratios****Total tourism beds in relation to the total lift capacity**1.239/4.950 = **0,250****Lift capacity per kilometer of skiing slopes**4.950/8,35 = **592,81****Total tourism beds per kilometer of skiing slopes**1.239/8,35 = **148,38**j) **Hotel product - Hotel Maršal****Name:** Hotel Maršal**Location:** Babin Do, Bjelašnica**Number of stars:** \*\*\***Number of rooms:** 57 rooms and 13 suites**Restaurant and bars:** Restaurant, Fireplace room, Aperitif bar**Other facilities:** Fitness club, Table tennis hall, Ski wardrobe, Disco club, Parking, TV room, Conference rooms, Basketball court, Five-a-side football field**Prices (Double room with breakfast):**

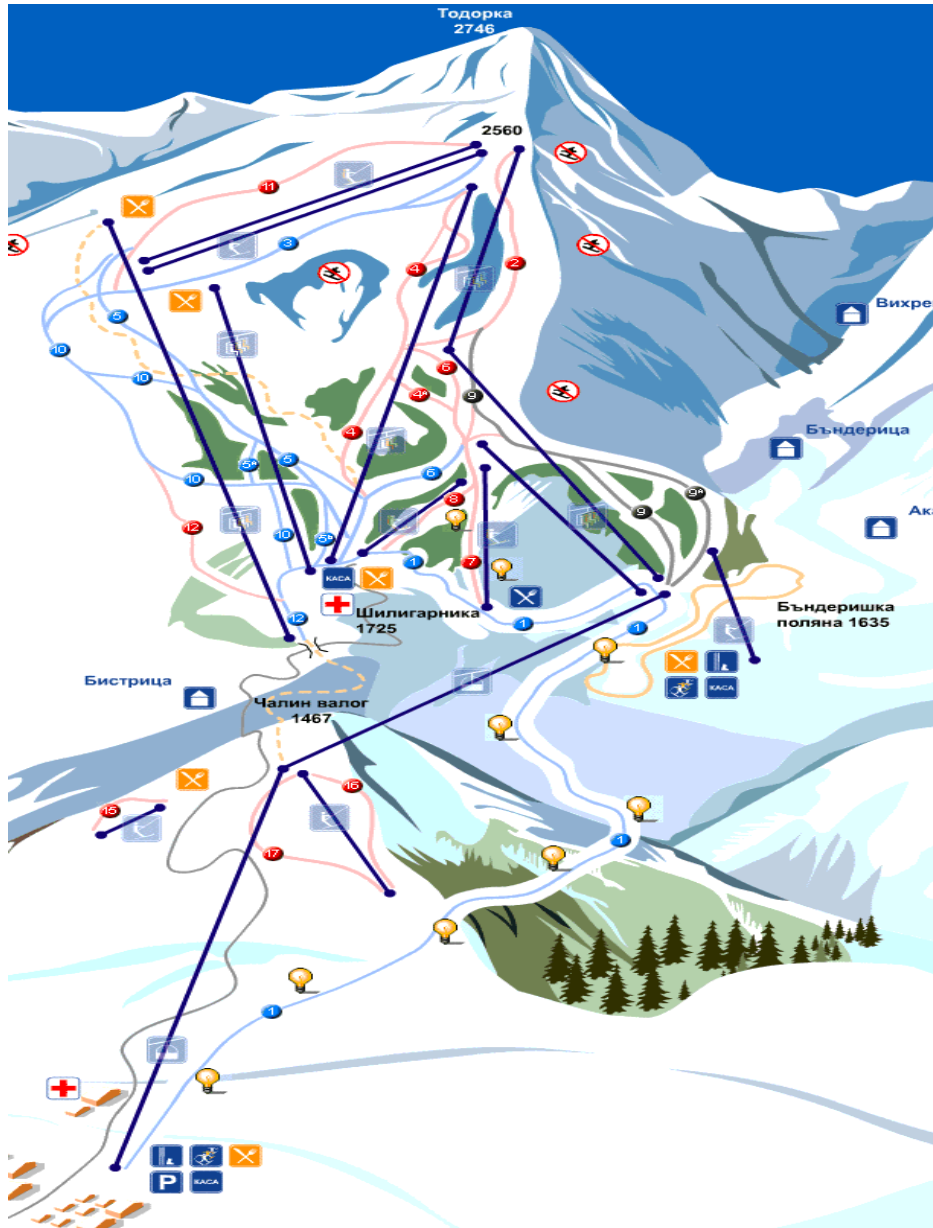
76,92 EUR (01.01 - 27.01)

66,66 EUR (27.01 - 10.03)

51,28 EUR (11.03 - 22.12)

Sources: [www.hotel-marsal.ba](http://www.hotel-marsal.ba), [www.bhtourism.ba](http://www.bhtourism.ba), Municipality of Trnovo, +387 33 439 112, Mr. Osman Smječanin

### 3.6. Bansko (Bulgaria)



a) **Destination description**

Bansko ski resort is situated in the Southwestern Bulgaria, at the foothills of one of the most beautiful Bulgarian mountains - Pirin, which is a national preserve, included in the World Natural Heritage list. The distance from Sofia to Bansko is 160 km.

b) **Products and activities**

Winter: Skiing, Snowboarding, Cross-country skiing, Snow shoe walking  
 Summer: Golf, Fishing, Hunting, Horse riding, Mountain biking, Hiking, Paintball

c) **Accommodation capacity**

Total number of beds: **7.000**

d) **Arrivals and overnights**

Number of arrivals: 40.292 (2005)

Number of overnights: 103.033 (2005)

e) **Other facilities and attractions**

South of Bansko lays the National Park Pirin included in the UNESCO list. The park is rich with lakes, waterfalls, caves, venerable trees and historical sites.

Remains of ancient fortresses in the Staroto Gradishte (Stankale) locality about 4 km southwest of the Bansko and also in the Yulen locality (downstream Demyanitsa river).

Town Bansko itself has around 120 cultural and historical monuments.

f) **Ski slopes**

Total length of ski slopes of Ski centre Bansko: **65 km**

Out of which:

Blue: 22,75 km

Red: 26,00 km

Black: 16,25 km

g) **Ski lifts**

Total length of ski lifts: **21,24 km** (one gondola, five four-seat ski lifts, one three ski lifts and five ski lifts).

Capacity of the ski lifts: around 16.800 persons per hour

h) **Prices of ski passes**

One day ski pass: **25,64 EUR**

Half day ski pass: **17,95 EUR** (after 12:30h)

One week ski pass: **143,59 EUR** (six days)

i) **Ratios**

**Total tourism beds in relation to the total lift capacity**

$7.000/16.800 = 0,416$

**Lift capacity per kilometer of skiing slopes**

$16.800/65 = 258,46$

**Total tourism beds per kilometer of skiing slopes**

$7.000/65 = 107,69$

j) **Hotel product - Hotel Tanne**

**Name:** Hotel Tanne

**Location:** Bansko

**Number of stars:** \*\*\*\*

**Number of rooms:** 25 rooms, 5 suites and 3 masionettes

**Restaurant and bars:** Restaurant "Mehana", Viennese lounge, Lobby bar, Garden, Piano bar

**Other facilities:** Fitness, Swimming pool, Jacuzzi, Sauna, Steam bath, Solarium, Massage, Ski wardrobe, Table tennis, Games room

**Prices (Double room with breakfast):**

100 EUR (15.12 - 01.03)

50 EUR (01.05 - 15.12)

*Sources:* [www.hotel-tanne.com](http://www.hotel-tanne.com); [www.banskoski.com](http://www.banskoski.com); [www.banskoinfo.com](http://www.banskoinfo.com); [www.bulgariaski.com](http://www.bulgariaski.com);  
[www.bansko.bg](http://www.bansko.bg);

### 3.7. Poiana Brasov (Romania)



#### a) Resort description

Poiana Brasov lies on a plateau at the basis of Postavarul Mountain which is part of the Meridional Carpathians Mountains. Due to its laying and exemplary beauty, Poiana Brasov is called Poiana Soarelui (Sunny Glade), too.

Located only 12 km away from the Medieval town of Brasov and at over 11020 m altitude, Poiana Brasov is a peaceful oasis for all kind of tourists and in all seasons.

Poiana Brasov is surrounded by four big mountains:

- Postavarul (maximum altitude 1.799m)
- Piatra Craiului (maximum altitude 2.238m)
- Bucegi (maximum altitude 2.505m)
- Piatra Mare (maximum altitude 1.848m)

#### b) Products and activities

Winter: skiing, snowboarding

Summer: tennis, mini-golf, football, basketball, indoor swimming-pools, paragliding, climbing, horse riding, bungee jumping, motodeltaplan

#### c) Accommodation capacity

Total number of beds: **2.578**

#### d) Arrivals and overnights

Number of arrivals: **113.921** (2004)

Number of overnights: **286.703** (2004)

#### e) Other facilities and attractions

Near-by tourist attractions such as historic city of Brasov, the Citadel of Rasnov and Bran Castle.

#### f) Ski slopes

Total length of ski slopes of Ski center Poiana Brasov: **12,80 km.**

Out of which:

Blue: 5,03 km

Red: 3,37 km

Black: 4,40 km

g) **Ski lifts**

Total length of ski lifts: **9,90 km** (three cable cars, eight ski lifts).  
Capacity of the ski lifts: **7.000** persons per hour

h) **Prices of ski passes**

One day ski pass: **17 EUR**  
Half day ski pass: **10 EUR**  
One week ski pass: **60-100 EUR** (depending on the number of climbs)

i) **Ratios**

**Total tourism beds in relation to the total lift capacity**

$2.578/7.000 = 0,368$

**Lift capacity per kilometer of skiing slopes**

$7.000/12,80 = 546,88$

**Total tourism beds per kilometer of skiing slopes**

$2.578/12,80 = 201,40$

j) **Hotel product – Hotel Alpin**

**Name:** Hotel Alpin

**Location:** Poiana Brasov

**Number of stars:** \*\*\*\*

**Number of rooms:** 144 rooms and 4 suites

**Restaurant and bars:** Restaurant, Atrium Lounge Bar

**Other facilities:** Aqua dreams (exotic bar, semi-Olympic swimming pool, 2 saunas, massage, reflex therapy), Kindergarten, The Davidoff Cigarettes Club, Conference facilities: Carpathian hall (460 pax), smaller meeting rooms

**Prices (Double room with breakfast):**

65 EUR (04.01 - 20.01)

64 EUR (21.01 - 15.03)

63 EUR (16.03 - 21.12)

*Sources: [www.brasov-hotels.ro](http://www.brasov-hotels.ro); [www.hotelalpin.ro](http://www.hotelalpin.ro); [www.poiana-brasov.ro](http://www.poiana-brasov.ro); Local Plan for Sustainable Development of Brasov Municipality, Brasov City Hall and National Centre for Sustainable Development (Accommodation capacity, Arrivals, Overnights), Smart Tours (the travel agent that manages the [www.poiana-brasov.com](http://www.poiana-brasov.com)), Mr. Alex Pop, [contact@smarttours.ro](mailto:contact@smarttours.ro).*

### 3.8. Key findings

Based on the analyzed set of competitors, we can summarize following key findings:

- a) Bansko and Kranjska Gora are already at a level of international competition where entire value chain and portfolio structure fit to their international positioning;
- b) Kopaonik and Pojana Brasov represent a set of two destinations developed in the past, which are currently in a rapid redevelopment and repositioning process;
- c) All other destinations analyzed are both going through restructuring as well as a redevelopment process looking for products and new accommodation capacity to be developed.
- d) Analyzing the key development ratios, we have come to the following results:

<b>Ratio</b>	<b>Bjelasica - Kolašin</b>	<b>Bjelolasica</b>	<b>Kranjska Gora</b>	<b>Kopaonik</b>	<b>Bjelašnica</b>	<b>Bansko</b>	<b>Poiana Brasov</b>	<b>Jahorina</b>
<b>1*</b>	<b>0,124</b>	<b>0,151</b>	<b>0,153</b>	<b>0,190</b>	<b>0,250</b>	<b>0,416</b>	<b>0,368</b>	<b>0,454</b>
<b>2*</b>	<b>1114,46</b>	<b>809,11</b>	<b>653,33</b>	<b>535,04</b>	<b>592,81</b>	<b>258,46</b>	<b>546,80</b>	<b>360</b>
<b>3*</b>	<b>137,95</b>	<b>122,42</b>	<b>99,80</b>	<b>101,42</b>	<b>148,38</b>	<b>107,69</b>	<b>201,40</b>	<b>163,5</b>

**1\*** - Total tourism beds in relation to the total lift capacity

**2\*** - Lift capacity per kilometer of skiing slopes

**3\*** - Total tourism beds per kilometre of skiing slopes

## 4. Tourism Trends

### 4.1. 10 general trends in Tourism<sup>4</sup>

#### Trend 1: Changing demography

The number of persons in older age categories will rapidly increase. Seniors will be healthier and will have higher disposable incomes than in the past. Many of them will enjoy early retirement schemes.

In view of this development, the number of more experienced senior travellers will increase faster than the development of tourism demand in general (although a gradual downgrading of pension benefits and a trend to increase the pensionable age may slow down this development in the long run).

##### Consequences for the tourism sector

- Increasing demand for quality, convenience and security.
- Increasing demand for easy transportation.
- Increasing demand for more relaxing entertainment facilities (e.g. golf courses etc.).
- Increasing demand for one-person products.
- More demand in shoulder months.
- In marketing, less emphasis should be put on age and more on comfort.
- The average number of persons per household will decrease still further, which will result in higher disposable incomes and spending power.

For tourism, this will influence demand in general, and demand for long-haul travel and short breaks in particular.

##### Consequences for the tourism sector

- Increasing demand for luxury ('small indulgences').
- Increasing demand for special products which can be obtained on impulse.
- Increasing demand for city-breaks and other short breaks abroad - in periods that used to be less favoured.
- Higher level of interest in winter sun holidays.

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<sup>4</sup> Source: European Travel Commission – „Mega trends of Tourism in Europe”

## **Trend 2: Mega trend Health**

Health-consciousness will increase still further.

Though increasing health-consciousness will not influence the volume of demand, it will certainly influence the decision-making with regard to destinations, and behaviour during holidays.

### Consequences for the tourism sector

- Destinations that are perceived as less healthy will be more quickly avoided than in the past.
- The demand for sun-holidays only will decrease still further.
- Active or activity holidays will increase in popularity, and the demand for facilities that correspond to this type of holiday will be increasingly preferred
- The demand for 'wellness' products will increase, including spas and fitness centres.

## **Trend 3: Increasing Awareness & Education**

The average level of education is increasing.

This will result in holidaymaking in which the arts, culture and history play a more important role, including more educational and spiritual holidaymaking.

### Consequences for the tourism sector

- Increasing demand for special products.
- The more prominent inclusion of elements relating to the arts, culture and history in package tours and self-organised holidays.
- The need for better and more creative communication of information.
- Demand for new destinations in Central and Eastern Europe will increase.

## **Trend 4: Less leisure time**

Modern society exerts increasing pressure on peoples' daily lives, and stimulates the wish for more leisure time and relaxation - which will have an adverse effect on the increase of free disposable incomes. For tourism, this trend is thus by definition unfavourable - also because the increase in the number of days of paid leave for holidaymaking has come to a halt.

### Consequences for the tourism sector

- An increasing need to supply additional low-cost products.
- An increasing need to offer relaxation.
- A shortening of the longer main holiday in favour of more short ones.

## **Trend 5: Increasing travel experience**

More sophisticated consumers are increasingly self-assured regarding their needs and rights. For tourism, this results in an increasingly critical attitude to quality, and to the price-quality ratio.

### Consequences for the tourism sector

- Alternative ways of spending time and money will increasingly compete with holidaymaking and within holidaymaking the preferences for destinations and accommodation.
- Destinations that do not meet up to acceptable standards will suffer more intensely, and for a longer period of time in future.
- More mixed behaviour: this holiday simple, the next one luxurious - this year long-haul, next year short-haul.
- Holiday preference will become more fragmented in future, and thus influence repeat volumes.
- Destination fidelity will continue to decrease over the years.
- More experienced tourists will increasingly result in a more critical attitude to the artificial, in favour of greater authenticity - in particular with reference to emotional satisfaction and the need to personalise; artificial supply that does not distinguish itself from others (e.g. theme parks) will decrease in importance if it does not meet with higher standards.
- Experience and critical attitudes will stimulate tourists to revisit satisfactory destinations from their travel past.
- The increasing preference for mobility will stimulate rentals of vehicles.
- Regions that offer a full, varied, totally balanced concept will be increasingly preferred, and will demand better destination management.

## **Trend 6: Changing lifestyles**

Lifestyles in Western society change gradually.

For tourism, this influences the tourist's perception of his/her personal needs and behaviour.

### Consequences for the tourism sector:

- Though relevant investments may be made, the interest in 'Bed & Breakfast' is lessening, since it is regarded as cheap.
- As 'status' is less important than it used to be, leisure behaviour is becoming more personalised, leading to increased demand for smaller sized accommodation units (like smaller authentic family hotels and tourist farms).
- The shift in perception regarding life and lifestyle results in a decline in the demand for fully escorted tours.
- Suppliers will benefit more if they are able to create completely new products, concepts and services that distinguish themselves by their added value.

- Increasing specialisation by suppliers in relation to specific hobbies and interests will become more important, and will more often be combined with holidaymaking.
- The increased preference for solid 'anchors' as secure holds in a more uncertain world stimulates the wish to possess second homes, also in areas close to smaller regional airports.
- The trend of 'back to basics' results in preferences for more simple holidays: from hotel to bungalow, from caravan to tent.

### **Trend 7: New information technology**

The penetration of the internet - and its use for information and the purchasing of tourism products and services - will continue to increase.

For tourism, the role of the internet - including new means of visual presentation - will increase still further, and will prove to be of the utmost importance in future.

#### Consequences for the tourism sector

- The ready availability of tourist information on destinations and products, and increasingly sophisticated search engines to analyse such information will lend itself to comparison, and thus influence competition more intensively via 'grazing'.
- Experienced tourists will increasingly put together their own holidays on a modular basis with direct bookings.
- The role of travel agents will decrease, as full package tours are increasingly bought directly via the net.
- Internet will transform the classical role of the National Tourism Organisations (NTOs) and Tourist Boards at an increasing speed - but will create a new role in e-marketing, including the application of Customer Relation Management (CRM) destination marketing.
- Destination marketing (e.g. better branding with public support) will increase in importance as the source to stimulate website visits.
- The availability of in-depth information on suppliers' products, either on the destination site or accessible through links, will become of more importance as the basic precondition for the success of websites.
- The possibility of 'shopping' via the internet will stimulate later bookings.
- The growing need for secure online reservations has to be stressed in relation to more experienced and self-assured tourists.

## **Trend 8: Changing transport behaviour**

The increasing availability of high-speed trains and low-cost carriers will influence classical travel flows. Road traffic will face more congestion.

### Consequences for the tourism sector

- Destinations will increasingly benefit from easy and affordable access for short breaks - in particular when major events are organised outside of the main season.
- The increasing availability of direct links by train and plane will stimulate demand for international short breaks in cities and city regions, to the detriment of rural areas.
- The use of high-speed trains for medium distances will take over a large proportion of the travel currently undertaken by scheduled airlines.
- Road congestion will negatively influence transport by private car - in particular in the high season.
- Coach trips will decrease in importance.
- Barriers which result from non-adapted schedules or inter-modal transportation which is not optimally connected will have a stronger negative influence on destinations that cannot meet the growing wish for easy accessibility.
- Cruises - not only expensive cruises, but also those in 'budget-class' - will increase in popularity, in particular for those over 50 years of age.

## **Trend 9: Rising importance of sustainability**

Environmental consciousness will continue to increase. For tourism, this will result in more demand for sustainable destinations, in which nature and population will play an increasingly prominent role. In order to mitigate the costs for sustainability, the price will increasingly be passed on to the tourists themselves.

### Consequences for the tourism sector

- The regional component in destinations will increase in importance.
- Destination management policies need to be improved through more coherent and consistent planning.
- The preference for destinations will be more strongly connected to the support given by the local population to welcoming increasing numbers of visitors.
- Regions which have suffered from overbuilding (particularly where this is not in keeping with the natural landscape) will increasingly be rejected as attractive destinations.
- Eco-tourism should not be confused with sustainable tourism.

## Trend 10: Increasing importance on safety and security

Acts of terrorism, regional wars, pollution and other crises have unfortunately become facts of daily life, and influence the need to feel safe and secure.

In tourism, this results in an increased need for safety and security, and in tourists avoiding destinations that are perceived as unsafe.

### Consequences for the tourism sector

- The quality of water (in lakes and pools, but also of tap water) will increase in importance in the selection of the destination, and demands better protection.
- The more critical tourist will more quickly make claims if the product offered does not meet up to the expected standards.
- The costs for guaranteeing safety and security will rapidly increase.
- The industry should be better prepared to meet tourism demand more flexibly in periods of crisis.

## 4.2. Special Trends in Top International Mountain Resorts

1. More and more Mountain Resorts try to create (unique) **tourism products for the summertime**



2. Increase in the development of **alternative winter tourism products** beside skiing



3. Professional, attractive and profitable **Après-Ski**



4. **Increasing average width** of the skiing slopes to make it more attractive for skiers with carving skis and to avoid conflicts of interest



5. Staging **Well-Being and Wellness** on the mountain



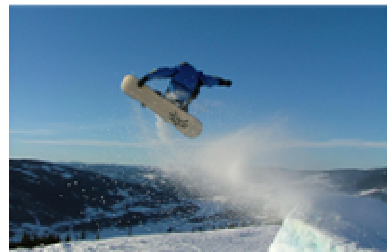
6. Marketing of the mountain goes into the direction of **“The mountain empowers me”**



- 7. Summer **attractions on top of the mountain** to increase the amount of people using the vertical transportation during the summertime



- 8. **Specialising** of mountain resorts in order to gain advantage over competitors (e.g. luxury mountain resort, snowboarder mountain resort, kids-oriented mountain resort, etc.)



- 9. **Quality improvement** concerning tourism hardware (e.g. hotels) and software (service quality)



- 10. Stay up to date – Successful mountain destinations create a **new innovation** every year



11. To decrease the dependency on natural snow it is getting more and more common to guarantee a consistent snow coverage throughout the year by using **artificial snowmaking**



## 5. SWOT-Analysis

### 5.1. Tourism strengths and weaknesses

The following table shows the most important strengths and weaknesses concerning tourism in Jahorina. The basis has been site-visits, meetings and talks with tourism stakeholders in Jahorina.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>+ Proximity to the megalopolis of Sarajevo (approximately 30 to 40 minutes by car)</li> <li>+ Traffic connection to Sarajevo</li> <li>+ Proximity to the airport of Sarajevo</li> <li>+ Natural landscape with a breath-taking panorama (e.g. High Plateau)</li> <li>+ Altitude and relative certainty of snow coverage</li> <li>+ „Smooth“ mountain landscape</li> <li>+ General infrastructure does exist (water/ sewage, electricity, etc.) – also ready for further enlargement</li> <li>+ Image and level of awareness of Jahorina as an Olympic destination (1984) and a well-known tourism destination within Bosnia-Herzegovina</li> <li>+ Amount of existing ropeways and slopes</li> <li>+ Ticketing system does exist</li> <li>+ First quality accommodation has been developed (e.g. Hotel Termag)</li> <li>+ Prospective Investors are available and engaged tourism stakeholders in Jahorina do exist</li> </ul>	<ul style="list-style-type: none"> <li>- Traffic and car parking situation</li> <li>- Hardly any tourism offers have been developed for the summertime (for tourists as well as for excursionists)</li> <li>- Only a few accommodation facilities are opened year-round</li> <li>- Missing marketable tourism highlight for the summer season</li> <li>- The ropeways do not work regularly in the summertime</li> <li>- Out-dated vertical transportation (ropeways)</li> <li>- Shortage of capacity in wintertime during high frequency days (e.g. traffic, ropeways/slopes)</li> <li>- No village centre with attractive and central leisure-infrastructure (e.g. bars, restaurants, shops, etc.)</li> <li>- Missing attractive lodge or cottage for Après-Ski</li> <li>- No tourism organisation in the sense of a Destination Management Company (e.g. for product development in Jahorina)</li> <li>- Weakly developed alternative sport offers in wintertime</li> <li>- No artificial snow-making in the winter season</li> <li>- Uncontrolled growth of accommodation facilities (e.g. new buildings without permission)</li> <li>- Not used and partly destroyed accommodation facilities negatively influence the landscape</li> <li>- Quantity and partly quality of the accommodation facilities</li> <li>- MICE-Segment (Meetings, Incentives, Conferences and Events) is poorly developed</li> <li>- Low occupancy in many of the accommodation facilities outside the winter peak season</li> </ul>

## 5.2. Tourism opportunities and threats

### Opportunities for Jahorina:

- Development possibilities and modernisation of the skiing area and the accommodation facilities
- Jahorina as a role model concerning traffic and mobility (within Jahorina and in connection with Pale and Sarajevo)
- Expansion and upgrading of the MICE-Segment
- Development of manifold sport offers for the summer and winter season (due to the "smooth landscape")
- To reapply for the Olympic Winter games in 2018
- Organisation of sport tournaments and events (like FIS World cup, Biathlon Tournament, etc.)
- Jahorina as a top excursion destination outside the winter season for locals and visitors of the region (especially of the megalopolis of Sarajevo)
- Creation of family-oriented offers for the summer and winter season
- Integrated Master plan including development plan, land use plan, tourism development plan to guarantee a sustainable and sensitive development of Jahorina
- Sensitive tourism utilisation of the high plateau
- Utilisation of the existing springs (e.g. for an artificial lake to use it for artificial snow-making or as a swimming pond).
- Further development of the quality regarding hardware and software

### Threats for Jahorina:

- Unclear positioning in comparison to other mountain resorts
- No powerful tourism organisation for product development and implementation
- Indiscriminate building development, development without concept (especially regarding accommodation facilities, ski lifts and slopes) and therefore exploitation of the nature (no sustainable development)
- No traffic concept with simultaneous further development
- No implementation power of the local stakeholders regarding the recommended measurements in the Tourism Master Plan
- Lone fighters blocking a common destination development

## 6. Strategic Concept

### 6.1. Conclusion derived from the Analysis

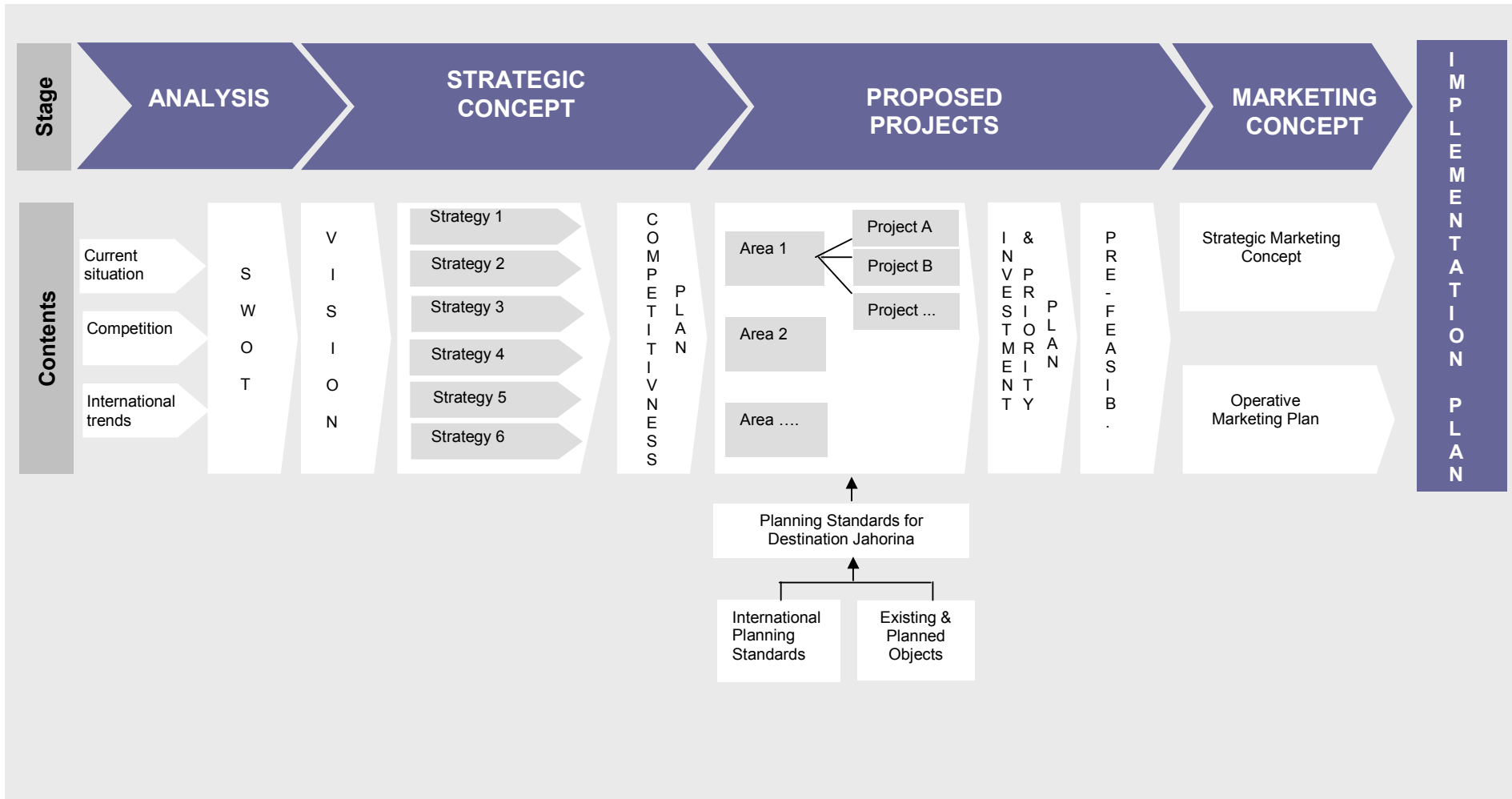
- Based on the analysis (especially regarding competitors) Jahorina has the potential to become the leading mountain resort in Southeast-Europe
- There is a realistic chance to become a well-known winter destination on the European Market (fulfilling International Planning Standards)
- Olympic Spirit is a Unique Selling Proposition (Jahorina can make use of the Image as an Olympic Winter Games location to gain attention throughout Europe)
- Strong management is necessary – based on current trends in leading mountain resorts only those with a strong management are able to operate successfully.

### 6.2. General conditions for a successful development of Jahorina

The following points would definitely support a successful destination development, but are not subject to further investigations within this report:

- Sensitive building plan and land use plan in accordance with the tourism development plan
- Expansion of the road connections to Serbia (especially Belgrade)
- Expansion of Sarajevo airport and its flight connections (potential airport Sokolac)
- Effective legal regulations concerning the construction of new buildings (from an architectural point of view)
- Further privatisation (e.g. Olympic Centre Jahorina)
- Development of the general infrastructure (electricity, water supply, waste management) in accordance with the tourism development plan

### 6.3. The way to a successful Tourism Master Plan



#### 6.4. Tourism Vision Jahorina 2016

For following vision for Jahorina for the year 2016 has been developed.

Vision:



Why have we chosen this vision for Jahorina?

1. **Unique Selling Proposition (USP)**

Not many mountain destinations in Europe can claim to be an Olympic Mountain. By including this fact in our vision it will be possible to create a strong USP that makes it possible to differentiate Jahorina from other mountain resorts.

2. Connection to the **existing image** as a scene of the Winter Olympics

Jahorina can still benefit from the fact that they have been a scene of Winter Olympics in 1984. With the chosen vision it will be possible to base the future development on the past experiences of being hosts to the Olympic Winter Games back in 1984.

3. **All year-round added value** is possible

By designing the most attractive and multi-purpose mountain resort in South-eastern-Europe it will be possible to generate an added value all year-round. Therefore it will be important to create attractive tourism products for the summertime and to develop further tourism products for the wintertime (in addition to the existing skiing products).

4. **Proximity to megalopolis of Sarajevo**

Due to the proximity to Sarajevo and its airport there is a huge potential for establishing an attractive all year-round mountain destination in Jahorina. As there is hardly any developed tourism product or tourism highlight for the summertime the potential is not used at all at the moment.

## 6.5. Key Strategies supporting the vision

Based on the future vision for Jahorina the following 6 key strategies have been derived:

### **Key Strategy 1:**

Further development of the winter tourism product (vertical transportation, artificial snowmaking, slopes, etc.) according to the International Planning Standards from leading and profitable Alpine Skiing-Resorts.

### **Key Strategy 2:**

Development of the most attractive Mountain Tourism Product for the summertime in Southeast-Europe.

### **Key Strategy 3:**

Accommodation Structure and further service providers according to the local market demand need to be developed.

### **Key Strategy 4:**

Development of a management system on destination level to guarantee a successful implementation of the Tourism Master Plan and to make sure that the added value chain is organised in the most profitable way.

### **Key Strategy 5:**

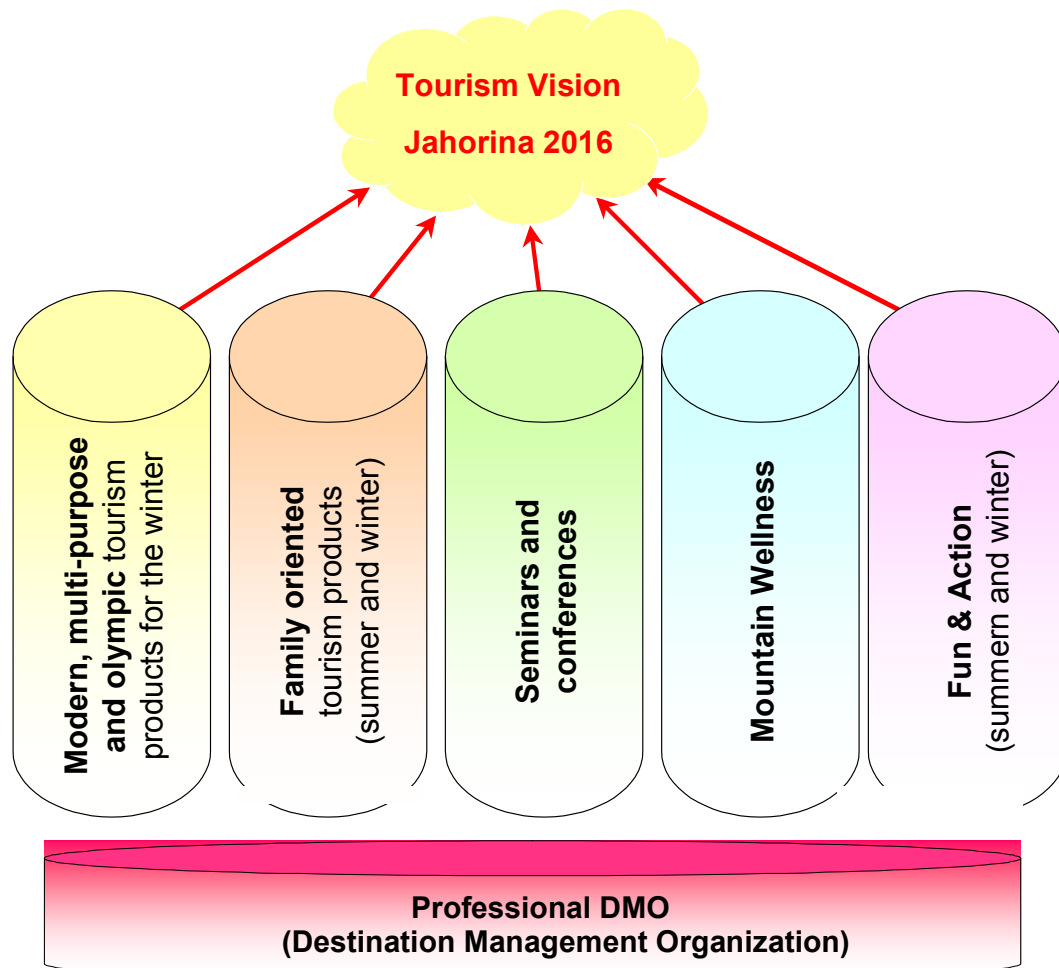
Application for the Winter Olympic Games in 2018

### **Key Strategy 6:**

Urban Planning (including traffic, parking concept, electricity, water, etc.) needs to be developed dynamically and in accordance with the proposed actions of the Tourism Master Plan.

## 6.6. Pillars of the Positioning

The 5 core pillars of the positioning of Jahorina as the “Olympic Mountain” and “the most attractive, multi-purpose and all year-round mountain destination in South-eastern-Europe” are shown in the following graphic:



The 5 core pillars of the positioning of Jahorina are:

- Modern, multi-purpose and Olympic tourism products for the winter
- Family oriented tourism products (summer and winter)
- Seminars and Conferences
- Mountain-Wellness
- Fun & Action (summer and winter)

Furthermore it will be very important to develop a professional Destination Management Organisation to guarantee a successful destination development.

## 7. Competitiveness Plan

### 7.1. International Planning Standards and Gaps analysis

According to our experience in the development of mountain resorts in Bavaria, Switzerland, Austria and Italy, the ratios of more than 30 mountain resorts and International Planning Standards for successful mountain destinations we have defined an average framework and guidelines for the development of Jahorina.

The following table gives an overview of the average amount of slopes, beds, vertical transportation capacity due to International Planning Standards for medium size mountain resorts (50 – 100 kilometres of skiing slopes).

<b>Slopes</b>	<ul style="list-style-type: none"> <li>• 180 – 220 hectare of total slopes</li> <li>• The slopes should have an average width of at least 35 to 40 metres – with some main slopes with a width of up to 60 metres</li> <li>• Artificial snow for at least 75 % - 80 % of the slopes</li> <li>• With the needed space requirement of 180 m<sup>2</sup> per skier a total slope capacity of 10.000 to 12.000 skiers at the same time is possible</li> </ul>
<b>Vertical Transportation</b>	<ul style="list-style-type: none"> <li>• Average skier have 3.000 meters of vertical difference per day</li> <li>• An average skiing day has 6 hours</li> <li>• The average loading efficiency of ski lifts is 80%</li> <li>• Therefore according to the maximal slope capacity the average vertical transport meters per hour is between 6,5 mn – 7,5 mn (=11.000 / 0,8 * 3.000 / 6)</li> </ul>
<b>Tourism Beds</b>	<ul style="list-style-type: none"> <li>• Taking approximately 5.000 to 6.000 daily skiers (estimation for Jahorina) in account it is possible to have additional 6.000 to 7.000 skiers from accommodation facilities</li> <li>• On average 80 % of accommodation guests are active skiers</li> <li>• Calculated with an high peak occupancy of 80 % 7.800 to 9.400 Tourism Beds should be offered</li> <li>• The following bed structure is recommended               <ul style="list-style-type: none"> <li>○ 5/4* category: 19 % - 23 %</li> <li>○ 3* category: 25 % - 29 %</li> <li>○ 2* category: 8 % - 10 %</li> <li>○ Private accommodation: 8 % - 12 %</li> <li>○ Youth hostels: 3% - 5%</li> <li>○ Apartments: 20 % - 24 %</li> <li>○ Others: 6 % - 8 %</li> </ul> </li> </ul>

### Expected results

- Occupancy rate during the winter season of 50 – 60 % of the total beds available in winter
- Occupancy rate during the summer season of 25 – 35 % of the total beds available in summer
- At least 70 - 80 % of the total bed capacity in winter should also be available in the summer season
- Calculated with the needed bed capacity of 8.600 beds this will lead to 1,2 Mio. overnights per year (0,85 Mio. in the wintertime and 0,35 Mio. in the summertime)

### Further requirements

- Mountain Gastronomy with a total capacity of 4.500 to 5.500 seats
- For the expected daily skiers of 7.200 – 7.500 in all three expected development zones, a total parking capacity of 2.100-2.500 parking lots (including 25 parking lots for buses) is needed

### Needed tourism infrastructure (winter)

- Ski school and ski rental
- Areas for beginners (practicing hills)
- Snowboard-Fun park
- Toboggan Run
- Snow-Bikes
- Cross-Country-Skiing
- Winter Hiking Routes
- Visitor Centre
  - Visitor Info Centre
  - Internet Terminal
  - Shops, Supermarkets
  - Bank, Cash Machine, Post
  - Gastronomy (Bars, Coffee Shop, Restaurants)
  - Show Stage
- Mountain Centre
  - Gastronomy
  - Ski school, ski rental
  - Lake
  - Show Stage

**Needed tourism infrastructure (summer)**

- Adventure and Sport Tourism Products
- Nature, Wellness and Health Tourism Products
- Family attractions
- Attractions for daily guests
- Attractions on top of the mountain to increase the number of people using the vertical transportation in the summertime

Key gaps analysis

	International Planning Standards	Jahorina 2006	Gap to International Planning Standards	Recommendations Jahorina 2016
<b>Slopes Surface</b>	180 - 220 ha	80 ha	100 - 140 ha	<b>250 ha</b>
<b>Average Width of Slopes</b>	35 - 40 m	40 m	ok	<b>40 m</b>
<b>Artificial snowmaking</b>	75 - 80 %	0%	75 - 80 %	<b>100%</b>
<b>Total slope capacity</b>	10.000 - 12.000	4.800	5.200 - 7.200	<b>15.000</b>
<b>Vertical transport meters per hour</b>	6,5 mn - 7,5 mn	2,0 mn	4,5 mn - 5,5 mn	<b>8,7 mn</b>
<b>Tourism Beds</b>	7.800 - 9.400	3.270	3.800 - 5.400	<b>9.580</b>
<b>Parking Capacity (daily skiers only)</b>	2.100 - 2.500	0	2.100 - 2.500	<b>2.700</b>

In comparison to the defined International Planning Standards for medium size mountain resorts and our experience from planning other mountain resorts the following major gaps and problems of Jahorina have been detected:

1. Out-dated vertical transportation (severe shortages of capacity)
2. Traffic and car parking situation
3. Hardly any developed tourism products for the summertime
4. Poorly developed alternative tourism products for the wintertime (beside skiing)
5. No artificial snow-making
6. Missing Après-Ski possibilities
7. No tourism organisation in the sense of a Destination Management Organisation

The recommendations for Jahorina 2016 have been made due to the fact that a slope development of nearly 250 ha is possible in Jahorina (in comparison to the 180 – 220 ha of the International Planning Standards). Therefore the other figures in the recommendation for Jahorina 2016 are also slightly higher than the International Planning Standards for medium size Mountain Resorts

## 7.2. Ratios for a sustainable development

In order to guarantee a sustainable development of the skiing destination Jahorina some important ratios need to be respected.

We have identified the following ratios as being important for the future development of Tourism Beds, Skiing Slopes and Vertical Transportation Capacity:

- Total Tourism Beds in relation to the Vertical Transport Meters per hour (VTM/h)
- VTM/h per ha of Skiing Slopes
- Total Tourism Beds per ha of Skiing Slopes

In our next step we calculated each ratio for the International Planning Standards and compared them to the actual situation in Jahorina.

	Total beds	ha of Skiing Slopes	VTM/h	Ratio Total Beds per VTM/h	VTM/h per ha Slope	Total Beds per ha Slope
International Planning Standards	8.600	200	7.000.000	0,12%	35.000	43
Jahorina 2006	3.270	80	2.000.000	0,16%	25.000	41

In Jahorina the ratio of Total Tourism Beds to VTM/h is way too high and the VTM/h per ha of Skiing Slope is too low in comparison to the International Planning Standard of medium size mountain resorts.

This is mainly due to the out-dated ropeways with modest capacities.

The first step to improve the ratios should be the modernisation of the vertical transportation facilities.

In accordance with the International Planning Standards the following VMT/h and ha of Skiing Slopes should be targeted at.

	Total beds	ha of Skiing Slopes	VTM/h	Ratio Total Beds per VTM/h	VTM/h per ha Slope	Total Beds per ha Slope
International Planning Standards	8.600	200	7.000.000	0,12%	35.000	43
Jahorina 2006	3.270	80	2.000.000	0,16%	25.000	41
Jahorina 2016	9.580	250	8.700.000	0,11%	34.800	38

In order to increase the Total Tourism Beds from 3.270 to 9.580 within the next ten years it will also be necessary to increase the ha of Skiing Slopes from 80 to 250 and the VTM/h from 2 mn to 8,7 mn.

However, we believe that this ratio will be decreased for about 7 – 12%, in order to keep most of the sustainability of the project.

### 7.3. Mountain carrying capacity and development concept

#### 7.3.1. Existing lifts and slopes

In the existing ski area 7 lifts are in operation. The number marking the capacity of a ski resort is vertical transport meters per hour (VTM/h). The present capacity of the Jahorina ski resort is about 2 Mill VTM/h. The number of skiers per day, considering the lifts capacity is 3.200.

*Table: Capacity of existing ski lifts*

SKI LIFT	PERS/H	VERTICAL METERS	VTM/H
Poljice 2-chair	1200	364	436.800
Ogorjelica I 2-chair	1200	320	384.000
Ogorjelica II 2-chair	1200	319	382.800
Skočine 2-chair	1200	368	441.600
Poljice draglift	600	129	77.400
Rajska dolina draglift	900	109	98.100
Olimpik draglift	900	196	176.400
<b>Total</b>			<b>1.997.100</b>
Capacity in 6 hours (VTM, rounded)			12.000.000
VTM per skier, day			3.000
Loading capacity			80%
Capacity (Skiers per day)			3.200

VTM = vertical transport meters

Above about 1700m sea level there is a free skiing area. This means that in the whole there is enough skiing area. Bottle-necks are the lower parts of Ogorjelica I (25m), Ogorjelica II (30m) and Poljice chair- and draglift (together 30m). The total length of slopes is given with 20 km; the average width is about 40m, so the slopes area is about 80 ha. The total number of skiers in the area at the same time, including skiers at lifts and in restaurants could be about 3.200.

The men's downhill slope for the Olympic Games was cleared as the reserve for the men's downhill in Bjelašnica and it is still kept in reserve.

(s. BERCHTOLD A.: Assessment of the ski resort Jahorina, Assistance with the preparation of the privatisation plan for the ski lift business of Jahorina Olympic ski Centrum – Jahorina/Pale. Klagenfurt 2002)

### **7.3.2. Capacities of vertical transportation system and accommodation**

The carrying capacity is the number of skiers at the same time in the ski resort. The capacity of the ski resort Jahorina, based on the design proposal for 2016 will be about 13.800 skiers:

*Table: Lift capacity*

	Lift capacity (VTM/h)	VTM/d (6 hours)	VTM/skier, day	Loading efficiency	Carrying capacity (skiers)
Existing area	3.016.000	18.096.000	3000	80%	4.826
Enlargement area 1	2.300.000	13.800.000	3000	80%	3.680
Enlargement area 2	3.344.000	20.064.000	3000	80%	5.350
Total:	8.660.000	51.960.000	3.000	80%	13.856

VTM = vertical transport meters

For this calculated capacity of vertical transportation system according demand of accommodation in hotels, apartments or chalets is in the proportion of 500 – 1000 VTM/h per bed. A good ratio for a ski resort as Jahorina with a high share of daily visitors is between 800 – 1000. For further considerations we take a ratio of 830 VTM/h per bed.

*Table: Ratio between lift and accommodation capacity*

	Lift capacity (VTM/h)	Relation VTM/h,bed	Accommodation (beds)
Existing area	3.016.000	830	3.634
Enlargement area 1	2.300.000	830	2.771
Enlargement area 2	3.344.000	830	4.029
Total:	8.660.000	830	10.434

The total number of beds in all types of accommodation (including hotels, apartments, and chalets) could be maximally about 10.400.

The 13.800 skier's maximum capacity of vertical transport system derives from accommodation and as daily skiers. About 6600 skiers are deriving from accommodation and another 7200 skiers should come as daily visitors:

*Table: Skiers deriving from accommodation (2016)*


	Existing area	Enlargement area 1	Enlargement area 2	Total
Beds 2016	5.580	3.000	1.000	9.580
Occupancy rate	0,7 - 0,8	0,7 - 0,8	0,7 - 0,8	0,7 - 0,8
Skier participation rate	0,8	0,8	0,8	0,8
Skier yield rate	0,64	0,64	0,64	0,64
Skiers from accommodation	4.096	1.920	640	6.656

Table: daily visitors (2016)


<b>Total number of skiers</b>	13.856
<b>Skiers from accommodation</b>	6.656
<b>Daily skiers</b>	7.200
<b>Skiers by line or shuttle bus</b>	500
<b>Parking space (number of daily skiers per car and bus)</b>	6.700

Daily visitors come by car or by bus. Parking space will be needed for up to 6700 skiers, mostly at the visitors centre (Jahorina dome) in a parking house.

**7.4. Investments**



MGD<sup>5</sup>



CLD<sup>6</sup>

Lift	System	Price lift (€)	Additional costs (25%)	Total price (€)
<b>Existing area</b>				
Jahorina 1	8-MGD	4.930.000	1.232.500	6.162.500
Jahorina 2	6-CLD	3.145.000	786.250	3.931.250
Jahorina 3	8-MGD	4.080.000	1.020.000	5.100.000
Jahorina 4	6-CLD	2.635.000	658.750	3.293.750
				18.487.500
<b>Enlargement area 1</b>				
Jahorina 5	8-MGD	4.930.000	1.232.500	6.162.500
Jahorina 6	6-CLD	3.145.000	786.250	3.931.250
Jahorina 7	6-CLD	3.272.500	818.125	4.090.625
				14.184.375
<b>Enlargement area 2</b>				
Jahorina 8	8-MGD	4.930.000	1.232.500	6.162.500
Jahorina 9	8-CLD	4.165.000	1.041.250	5.206.250
				11.368.750
<b>Lifts - Total (€):</b>				<b>44.040.625</b>

<sup>5</sup> MGD = gondola ropeway  
<sup>6</sup> CLD = detachable chair lift

*Slopes*

Costs	Modernisation of existing area	Enlargement area 1	Enlargement area 2	Total
New built area (ha)	20	70	80	170
(€/ha)	29.750	29.750	29.750	29.750
<b>Slopes, total (€)</b>	<b>595.000</b>	<b>2.082.500</b>	<b>2.380.000</b>	<b>5.057.500</b>

*Snowing facilities*

	Existing area	Enlargement area 1	Enlargement area 2	Total
<b>Snowing facilities</b>				
Water reservoirs	3.145.000	1.572.500	3.145.000	7.862.500
Pipes	3.485.000	2.499.000	2.575.500	8.559.500
Snow making machines, hydrants	3.878.550	2.983.500	2.983.500	9.845.550
Electricity	1.785.000	1.423.750	1.423.750	4.632.500
Pump stations	276.250	148.750	127.500	552.500
<b>Snowing facilities - Total</b>	<b>12.569.800</b>	<b>8.627.500</b>	<b>10.255.250</b>	<b>31.452.550</b>

*Total capital expenditure "Jahorina-new"*

	Existing area	Enlargement area 1	Enlargement area 2	Total
Lifts	18.487.500	14.184.375	11.368.750	44.040.625
Slopes	595.000	2.082.500	2.380.000	5.057.500
Snowing facilities	12.569.800	8.627.500	10.255.250	31.452.550
Snowcats, access control, avalanche protection, unforeseeables, ...	850.000	1.275.000	1.275.000	3.400.000
Project and planning costs	3.250.230	2.616.938	2.527.900	8.395.068
<b>Total (€)</b>	<b>35.752.530</b>	<b>28.786.313</b>	<b>27.806.900</b>	<b>92.345.743</b>

The total capital expenditure for skiing infrastructure of all three development phases is about € 92 Mill.

## 8. Key projects proposal

### 8.1. Project proposals to raise the competitiveness of Jahorina

Having in mind the competitiveness gaps and problems and using the common vision and the proposed positioning pillars the following 6 areas of action (strategic guidelines) have been derived and defined:

#### 1. Development of modern, multi-purpose and Olympic tourism products for the winter season

##### Targets:

- Jahorina should be fit for Olympic Winter Games
- Increase of attractiveness from a customer point of view in wintertime (for tourists and excursionists)
- Higher average price-level (due to increase of attractiveness)
- Extension of the capacity

#### 2. Development of “Fun and Action” tourism products for the summer- and wintertime

##### Targets:

- To make Jahorina from a customer point of view more attractive in summer and winter
- To increase the occupancy rate of the hotels during summertime
- To further improve the image of Jahorina (motto “There is something going on in Jahorina”)
- To give the guests the chance to try new things

#### 3. Development of family-oriented tourism products

##### Targets:

- To make Jahorina more attractive for families in winter and summer
- To use the proximity to the megalopolis of Sarajevo in the best possible way

#### 4. Development of “Mountain-Wellness” tourism products

##### Targets:

- To use the mega trend “Health”
- To create Wellbeing and Wellness products
- Jahorina should be known as a Wellbeing- and Wellness-Destination
- At least 3 accommodation facilities should specialise in “Mountain-Wellness”

## 5. Development of Seminar-Segment

### Targets:

- To use accommodation capacities during the shoulder season
- To use the proximity to the megalopolis of Sarajevo in the best possible way
- To increase the occupancy and the average room rate

## 6. Development of the tourism suprastructure (accommodation facilities)

### Targets:

- Qualitative improvement of the existing accommodation facilities
- Specialisation of the accommodation facilities (also existing ones)
- To increase the total capacity (mainly in the field of hotels)
- Create a well-balanced ratio of beds, slopes and lift capacity
- Restoration of the existing hotel ruins
- Development of attractive lodges and cottages for Après-Ski

According to those 6 areas of action several projects have been developed with regard to tourism infra- and suprastructure. All those proposed projects will strengthen the development of Jahorina towards the defined positioning pillars.

To make it clearer all the proposed projects have been allocated to the following areas:

1. Existing Area
2. Enlargement Area 1 (Family-/Wellness Area)
3. Enlargement Area 2 (Sport Area)

**8.2. Overview of the proposed Projects**

Existing Area	Enlargement Area 1 (Family and Wellness Area)	Enlargement Area 2 (Sport Area)
<p>Tourism Infrastructure:</p> <p>P1: Modernisation of the existing ropeways and further development of vertical transportation and skiing slopes</p> <p>P2: Slopes for Women Skiing Competitions</p> <p>P3: Trails on top of the High Plateau (outside the 3 defined areas, but close to Existing Area)</p> <p>P4: Modern Toboggan Run (like "Alpine Coaster")</p> <p>P5: High Ropes Course</p> <p>P6: Themed Walking Route "Spirit of the Mountain" (outside the 3 defined areas, but close to Existing Area)</p> <p>P7: Development of a Health Mile (outside the 3 defined areas, but close to Existing Area)</p> <p>Tourism Suprastructure:</p> <p>P8: One 5* Hotel for high standard demanding customers</p> <p>P9: One 4* MICE Hotel</p> <p>P10: One 3* Hotel for family travellers</p> <p>P11: One 2* hostel for young travellers</p> <p>P12: 3-4* Apartments</p> <p>P13: Jahorina Dome</p> <p><i>Note: In addition to existing accommodation</i></p>	<p>Tourism Infrastructure:</p> <p>P1: New vertical transportation and skiing slopes</p> <p>P2: Snowboard-Beginner Park</p> <p>P3: Ski-Beginners Park for kids</p> <p>P4: Snow Tubing Track</p> <p>P5: Summer Tubing Track</p> <p>P6: Kids-Adventure-Playground</p> <p>P7: Biathlon Area (outside the 3 defined areas, but close to Enlargement Area 1)</p> <p>Tourism Suprastructure:</p> <p>Additional 3000 beds</p> <p>P8: One 4* Family Hotel</p> <p>P9: One 3* "Mountain Wellness" hotel</p> <p>P10: One 4* "Mountain Wellness" hotel</p> <p>P11: One 3* "Log cabin" Village</p> <p>P12: 4* Chalets</p> <p>P14: Four to five 3-4* Condotels</p> <p>P15: 4* Apartments</p>	<p>Tourism Infrastructure:</p> <p>P1: New vertical transportation and skiing slopes</p> <p>P2: Sky Gliding</p> <p>P 3: Snowboard-Fun-Park</p> <p>P 4: Quad-Track</p> <p>Tourism Suprastructure:</p> <p>Additional 1000 beds</p> <p>P5: One 3* hotel for sport travellers</p> <p>P6: One 2* standard hostel</p> <p>P7: One 2* economy hostel</p> <p>P8: Two 3* small hotel-pensions</p> <p>P9: One 3* Condotel</p> <p>P10: 3* Apartments</p> <p>P11: 3* Chalets</p>

Existing Area	Family- and Wellness Area (Enlargement Area 1)	Sport Area (Enlargement Area 2)
<p><u>Overlapping projects:</u></p> <p>P1: Development of a hiking route concept (including themed routes)</p> <p>P2: Mountain bike-Park with Downhill Tracks (including biking route concept)</p> <p>P3: Cross-Country Skiing Routes</p> <p>P4: Development of a mobility concept (traffic and parking space concept)</p> <p>P5: Development of a quality improvement programme</p> <p>P6: Attractive cottages/lodges for Après-Ski</p>		
<p><u>Ideas for further projects to increase the attractiveness of Jahorina (details are not included in this Master Plan):</u></p> <ul style="list-style-type: none"> <li>• Petting Zoo</li> <li>• Create a heat able swimming-opportunity in an artificial swimming pond</li> <li>• Track for sledging</li> <li>• Ice-Climbing</li> <li>• Ice-Skating Ring</li> <li>• Tree Top Path with tree houses</li> <li>• Paintball-Area</li> <li>• Ski-Doo Track</li> <li>• Climbing Wall</li> <li>• Flying Fox</li> </ul>	<p><u>Ideas for further actions supporting a positive development (details are not included in this Master Plan):</u></p> <ul style="list-style-type: none"> <li>• Professional skiing school (with skiing courses, ski-kindergarten, etc.)</li> <li>• Create specific health packages (including accommodation, Health Check at the beginning of the holiday, Health- and Wellness-Schemes, healthy nutrition, etc.)</li> <li>• Prepare attractive packages for companies</li> <li>• Organisation of events (e.g. Open-Air Concerts, Laser Shows, Fire Shows, etc.)</li> <li>• Organisation of competitions (e.g. Mountain bike-Races, Quad Competitions, etc.)</li> <li>• Advertisement in professional journals and magazines</li> </ul>	

### 8.3. Proposed Projects for the existing area

**Project 1: Modernisation and proposal for the existing ropeways and skiing slopes and the enlargement areas (1,2)**

Project skiing facilities

- The development of the ski resort Jahorina should be carried out in three phases (see page 62):
- A) Existing area: replacing of existing lifts by 4 new ropeways, enlargement and adoption of slopes, 2 beginners areas, slopes for skiing competitions;
  - B) Enlargement area 1: family skiing area; 3 new ropeways, 70 ha new slopes, beginners park;
  - C) Enlargement area 2: sports skiing area, 2 new ropeways, 80 ha new slopes, slopes for skiing competitions;
  - D) The slopes for Olympic games should be situated in the eastern part of the existing ski area or the sport skiing area; the detailed planning and homologation of the slopes has to be carried out in the next planning phase. After detailed planning of slopes and Snowboard Park the proposal of the vertical transport system has to be adapted.

Table: Lifts proposed

Ski lift	System	Horizontal meters	Vertical meters	Hourly capacity (skiers/h)	VTM/h
<b>Existing area</b>					
Jahorina 1	8-MGD	2.400	430	2.400	1.032.000
Jahorina 2	6-CLD	1.050	225	2.600	585.000
Jahorina 3	8-MGD	1.600	350	2.400	840.000
Jahorina 4	6-CLD	690	215	2.600	559.000
					3.016.000
<b>Enlargement area 1</b>					
Jahorina 5	8-MGD	2.400	460	2.400	1.104.000
Jahorina 6	6-CLD	1.000	230	2.600	598.000
Jahorina 7	6-CLD	1.200	230	2.600	598.000
					2.300.000
<b>Enlargement area 2</b>					
Jahorina 8	8-MGD	2.500	740	2.400	1.776.000
Jahorina 9	8-CLD	2.000	490	3.200	1.568.000
					3.344.000
<b>Total:</b>					<b>8.660.000</b>

VTM = vertical transport meters  
 MGD = gondola ropeway  
 CLD = detachable chair lift



MGD



CLD

Table: Slopes

	Existing area	Modernisation of existing area	Enlargement area 1	Enlargement area 2	Total
Total length (km)	20		20	20	60
Average width (m)	40		35	40	
Total area (ha)	80	20	70	80	250
Skiers per ha (average)	60	60	60	60	60
<b>Total capacity (skiers in area)</b>	<b>4.800</b>	<b>1.200</b>	<b>4.200</b>	<b>4.800</b>	<b>15.000</b>

**Project 2: Slopes for Women Skiing Competitions during Olympic Games**



Target:

In order to be fit for possible future Olympic Games it will be necessary to develop the slopes accordingly to the FIS-Regulations concerning Women Skiing Competitions.

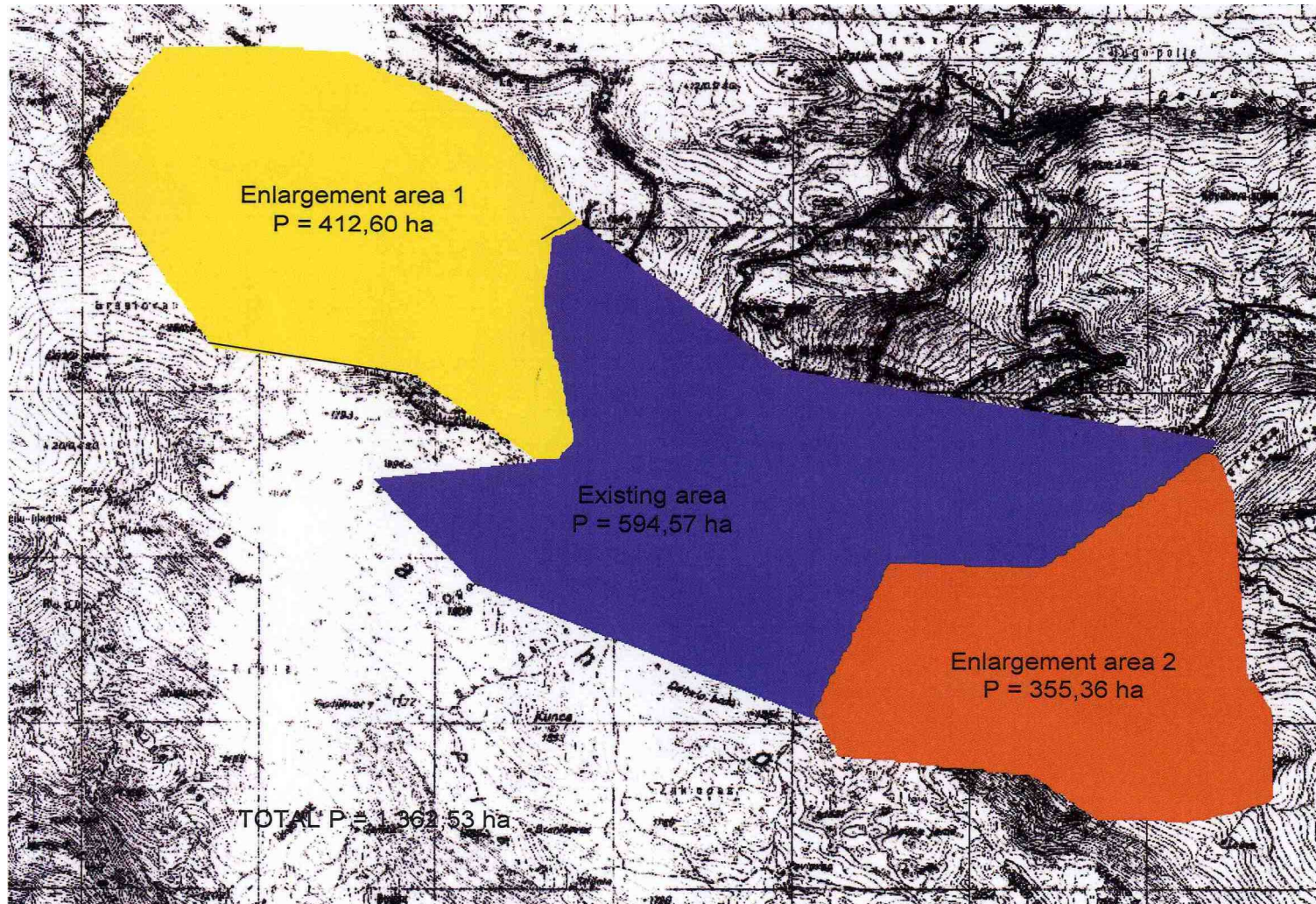
The women compete in Downhill, Slalom, Giant Slalom, Super G and Alpine Combined.

Overview FIS-Regulations:

The following table provides you with information about the FIS-Regulations for Olympic Skiing Competitions for women. It is the latest version of the International Competitions Rules.

	Downhill	Slalom	Giant Slalom	Super G
Length	500 – 800 m	140 – 200 m	250 – 400 m	400 – 600 m
Width	30 m	40 m	40 m	30 m
Further		Gradient between 33 % and 45 %	Minimal vertical drop of 300 m	

The whole International Competitions Rules can be found on [www.fis-ski.com](http://www.fis-ski.com).



### Project 3: Trails on top of the high plateau



#### Project idea and description:

The Austrian Moderate Altitude Study, conducted by the University of Innsbruck, has proved the fact, that a long stay in an altitude between 1.500 and 2.000 metres has positive effects on the human organism.

Therefore trails for Nordic Walking, Jogging and Hiking on top of the high plateau of Jahorina should be developed. The trails should be supported by health trainer and sport doctors. In the future it might also be possible to offer health-specific seminars and workshops (e.g. topic Nordic Walking). The seminars should take place in Jahorina in hotels with a capacity for seminars.

#### Targets:

To develop an attractive and professional tourism product and use the altitude of the high plateau of Jahorina.

#### Necessary steps:

- Development of a suitable and attractive circuits (2 to 3 circuits with a length between 3 and 10 kilometres)
- Negotiations with the property owners concerning the use of land
- Signage of the trail
- Development of an appropriate infrastructure
- Contact accredited health trainers and sport doctors to prepare appropriate offers

#### Investment:

Approximately € 30.000 - € 40.000 (for planning, development and signage of the trails)

## Project 4: Modern Toboggan Run (like “Alpine Coaster”)



### Project idea and description:

Development of a modern Toboggan Run in Jahorina with a length of approximately 1 kilometre. Concrete location and course needs to be clarified but should not touch sensitive mountain areas.

### Targets:

To create a “Fun & Action”-tourism product in Jahorina that also supports the summer development and the family-orientation.

Furthermore a Toboggan Run usually increases the ropeway-frequency in the summertime as many riders use the ropeway to get to the start of the Toboggan Run.

### Necessary steps:

- Clarification of the concrete location and course
- Contact possible producers
- Detailed planning together with the producer
- Feasibility Study for the Toboggan Run
- Clarification of the financing
- Realisation

### Investment:

Approximately € 525.000 - € 750.000

Standard values for the investment:

€ 500 per metre (= € 750.000 for 1 kilometre) if a vertical transportation is needed

€ 350 per metre (= € 525.000 for 1 kilometre) if no vertical transportation is needed

## Project 5: High Ropes Course



### Project idea and description:

A High Ropes Course is a grouping of different obstacles in a height of at least 5 to 6 metres above the ground. The guests complete it like a circuit, one obstacle after another. It is not only a big thrill (because of the height) but people will also have adventure-pedagogical experiences.

The proposed High Ropes Course for Jahorina should be medium size with an area demand of 2.200 to 2.900 m<sup>2</sup>.

### Targets:

To create a "Fun & Action"-tourism product in Jahorina that also supports the summer development.

### Necessary steps:

- Clarification of the concrete location and course
- Contact possible producers
- Detailed planning together with the producer
- Feasibility Study for the High Ropes Course
- Clarification of the financing
- Realisation

### Investment:

Approximately € 70.000 - € 90.000

## Project 6: Themed Walking Route “Spirit of the Mountain”



### Project idea and description:

Development of a Themed Walking Route "Spirit of Mountain" in Jahorina at the plateau on top of the mountain.

It should connect 5 points of interest representing the spirit of the mountain. The 5 points should be developed on the plateau on top of the mountain. For guests it should be possible to walk or hike to the “Spirit of the Mountain”-Route or they can use vertical transportation.

An example for a point of interest would be the Best Mountain View Point. This point of interest could be designed as a mountain cinema with a set of cinema chairs to create a unique atmosphere. Additionally a signboard should be installed to provide guests with information about the surrounding landscape (e.g. mountains, plateaus, etc.).



### Targets:

To stimulate the summer season in Jahorina and to encourage daily guests to visit Jahorina. Furthermore this Themed Walking Route supports the “Mountain Wellness”-orientation in Jahorina

### Necessary steps:

- Definition of the trail-route and the 5 points of interests
- Detailing content of each point of interest
- Contacting producers
- Sufficient signage
- Offering guided tours on the "Spirit of Mountain Mile" and creating packages

### Investment:

Approximately € 100.000 - 200.000 (depending on quality of points of interests, signage, information material)

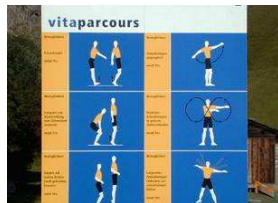
## Project 7: Health Mile



### Project idea and description:

Development of a Mountain Health Mile. It connects 10 points of fitness or health oriented activities at a distance of approximately a mile. At each point of health oriented activity there is a signboard with background information about activity, purpose and effects on health.

Examples for points of fitness activities:



Examples for points of further health oriented activities could be kneippism points, path on different soil conditions, small garden of mountain herbs with attractive resting places, etc.



### Targets:

Stimulate summer season and encourage daily guests to visit Jahorina. Additionally the Health Mile supports the "Mountain Wellness" - orientation in Jahorina.

### Necessary steps:

- Defining the location of the Health Mile and the 10 points of fitness or health oriented activities
- Detailing content of each point of interest
- Contacting producers
- Signage

### Investment:

Approximately € 40.000 - 60.000

## Project 8: One 5\* Hotel for high standard demanding customers (ex Hotel Jahorina)

In addition to existing hotel structure owned by private and public owners (Bistrica, Košuta, Tremag and others) we are proposing the following new hotel structure to built in the area of Jahorina existing zone.

### Fact Box

Category: 5\*

Amount of beds: 490

### Introduction

The long-term goal of this new Five Star Hotel for temporary lodging, restaurant, bar and entertainment will be the creation of a differentiated experience capitalizing on personalized service, the historical nature of the Jahorina area with its unique location and the opportunity to enjoy the quietness and relaxation the place inspires. The Property should be the lodging place for customers that require high value service and facilities. Our intention is to create an environment of pampered luxury that surpasses the standard of other five star hotels in the country. Expanding the new property exposure via the Internet and introducing the Five Star Hotel to people that have not yet discovered this ski resort paradise will allow us to maintain a higher than average occupancy rate and above average profits.

From November to April hotel will focus on ski market and in the rest of the year hotel will be focusing on high end vacation market.

This hotel aims to be one of the leading hotels in area of South-East of Europe and as such should be branded with one of the leading hotels chains.

### Location

The Five Star Hotel is located at the area where the Previous Hotel Jahorina was built.

### The Services

The Five Star property will offer a choice of different services and facilities. The total number of rooms will be 245 including 138 Standard Rooms, 55 Superior Rooms, 40 Deluxe Rooms, 10 Junior Suites and 2 Presidential Suites. Included in these numbers are the non smoking rooms, connecting rooms and the disabled rooms. The hotel will have a total capacity of 490 beds.

Spread out over the four buildings we will plan to have 3 restaurants, 4 bars, Spa & Beauty centre, fitness club, indoor swimming pool, indoor car park and meeting rooms for up to 250 participants. Other facilities available are: air conditioning, heating, 24 hours room service, butler service, laundry service, in-room messaging system, in-room safety deposit boxes, WiFi in rooms and public areas, car rental service, shops, satellite TV.

### Accommodation

- 108 Standard Rooms with Twin Beds

The Standard Rooms are the majority number of rooms available at the hotel. The size is of approx. 28 sqm, containing a bathroom with bathtub, shower, sink, toilet, hair drier, towel heater and bath amenities. The room will be equipped with two beds, sofa bed, air conditioning/heating system, satellite TV, movie channel, telephone, mini bar, WiFi, balcony, cabinet, bedside tables and a safe deposit box.

- 30 Standard Rooms with King Size Bed

The size is of approx. 28 sqm, containing a bathroom with bathtub, shower, sink, toilet, hair drier, towel heater, bath amenities. The room will be equipped with one king size bed, sofa bed, air conditioning/heating system, satellite TV, movie channel, telephone, mini bar, WiFi, balcony, cabinet, bedside tables and a safe deposit box.

- 40 Superior Rooms with Twin Beds

The Superior Rooms are more spacious than our standard rooms and offer more comfort and quality to our guests. The size is of approx. 30 sqm, they will have a bathroom with bathtub, shower, sink, toilet, hair drier, magnifier mirror, towel heater and bath amenities. The room will be equipped with two beds, sofa bed, air conditioning/heating system, satellite TV, movie channel, telephone, mini bar, WiFi, working desk, balcony, cabinet, bedside tables and a safe deposit box.

- 15 Superior Rooms with King Size Bed

The Superior Rooms are more spacious than our standard rooms and offer more comfort and quality to our guests. The size is of approx. 30 sqm, they will have a bathroom with bathtub, shower, sink, toilet, hair drier, magnifier mirror, towel heater and bath amenities. The room will be equipped with a king size bed, sofa bed, air conditioning/heating system, satellite TV, movie channel, telephone, mini bar, WiFi, working desk, balcony, cabinet, bedside tables and a safe deposit box.

- 30 Deluxe Rooms with Twin Beds

The size of the Deluxe Room is approx. 32 sqm, containing a bathroom with bathtub, shower, toilet, double sink, hair drier, magnifier mirror, towel heater, bath amenities. The room will be equipped with two beds, sofa bed, air conditioning/heating system, satellite TV, movie channel, telephone, mini bar, WiFi, working desk, balcony, cabinet, bedside tables and a safe deposit box.

- 10 Deluxe Rooms with King Size Bed

The size of the Deluxe Room is approx. 32 sqm, containing a bathroom with bathtub, shower, toilet, double sink, hair drier, magnifier mirror, towel heater, bath amenities. The room will be equipped with a king size bed, sofa bed, air conditioning/heating system, satellite TV, movie channel, telephone with answering machine, mini bar, WiFi, working desk, balcony, cabinet, bedside tables and a safe deposit box.

- 5 Junior Suites with Twin Beds

The size of the Junior Suite is approx. 40 sqm divided in three areas: bathroom, bedroom and a living room. The bathroom is equipped with a bathtub, shower, toilet, double sink, hair drier, magnifier mirror, towel heater and bath amenities. The room is equipped with two French size beds, sitting area with sofa bed, air conditioning/heating system, satellite TV, movie channel, telephone, mini bar, WiFi, HIFI, DVD player, working desk, balcony, cabinet, bedside tables and a safe deposit box.

- 5 Junior Suites with King Size Bed

The size of the Junior Suite is approx. 40 sqm divided in three areas: bathroom, bedroom and a living room. The bathroom is equipped with a bathtub, shower, toilet, double sink, hair drier, magnifier mirror, towel heater and bath amenities. The room will be equipped with a king size bed, sitting area with sofa bed, air conditioning/heating system, satellite TV, movie channel, telephone, mini bar, WiFi, HIFI, DVD player, working desk, balcony, cabinet, bedside tables and a safe deposit box.

- 2 Presidential Suites

The Presidential Suite will be the highest room category at the Five star hotel. It is designed for people who like to enjoy the real comfort in terms of space and service. The size of the Presidential Suite is approx. 70 sqm and it will have a main living room, one bedroom and two bathrooms.

One of the two bathrooms will be equipped with bathtub, shower, toilet, double sink, hair drier, magnifier mirror, towel heater, bath amenities and a lady sitting area. There will be a sauna and Jacuzzi next to the main bedroom and bathroom. One visitors' bathroom will be equipped with shower, toilet, sink, mirror and bath amenities.

The bedroom will be equipped with a king size bed and standing wardrobe, bedside tables and a safe deposit box. Through connecting doors additional bedrooms can be added to this suite.

The living room will have a sitting arrangement with sofas and armchairs, Hi Tech equipments, cinema plasma TV system, movie channel, fireplace, air conditioning/heating system, telephone, mini bar, WiFi, HIFI, DVD player, working desk and a large balcony.

#### Food & Beverage

The Five star hotel will have six outlets.

- Coffee shop with 350 seats. It will serve breakfast, lunch and dinner, offering a National and International cuisine concept
- Fine dining Italian restaurant with 60 seats
- Asian restaurant with 50 seats
- Lobby bar
- Sushi bar
- Cigar bar

The hotel will also offer banquet and conference facilities for up to 250 people.

#### Spa & Beauty Centre

The Spa & Beauty centre at the Five star hotel will represent a concept of simplicity, personal and warm service, and it will convey a relaxing atmosphere through the style and decor of the place. The facilities on offer will be among the best in Bosnia and Herzegovina and they will aim to maximize guests' enjoyment and fulfillment. Among the facilities offered will be a state of the art gym, beauty treatments, manicures and pedicures, wide range of massages and well-being treatments like reflexology, aromatherapy, oxygen lifting facial, mud and sea weed wrappings, hot stone massage, sauna, indoor swimming pool and Jacuzzi. The concept and management of the centre could be outsourced to one of the leading companies in the market of Spa & Beauty centre.

## Project 9: One 4\* MICE Hotel (Hotel Rajska Dolina)

### Fact Box

Category: 4\*

Amount of beds: 440

### Introduction

A four star superior hotel is recognized as a first class hotel; expensive (by middle-class standards); has all of the “standard” services but has in addition many “luxury” services (for example: massages or a health spa).

The hotel is positioned to serve MICE market of broader area of South-East of Europe.

The key attributes of a four star superior hotel include friendly service, affordable, comfortable and quality accommodation in a central location. The target group is looking for quality rooms / service and facilities for an affordable price. A 24 hour reception will ensure that every need is catered for day and night.

Hotel is physically connected with the Conference/MICE Jahorina Centre on the same which will be build on the same site.

### Location

The Four Star Hotel will be located at the area where the previous Hotel Rajska Dolina was built. The actual structure can still be partially used.

### The Services

The Four Star Hotel will offer a choice of different services and facilities. The total number of rooms will be 220 including 145 Standard Rooms, 67 Superior Rooms and 8 Junior Suites. It will include non smoking rooms, connecting rooms and disabled rooms. The hotel will have a capacity of 440 beds. The three buildings will have 4 floors offering 3 restaurants, 3 bars, fitness club, indoor swimming pool and indoor car park. Other facilities available are: air conditioning, heating, 24 hours room service, laundry service, in-room safety deposit boxes, WiFi in rooms and public areas, car rental service, shops and satellite TV.

Hotel is fully connected with the Jahorina MICE Centre and cater it from service point of view.

### Accommodation

- **110 Standard Rooms with Twin Beds**  
The size of the Standard Room is approx. 25 sqm; it will have a bathroom with bathtub and shower, sink, toilet, hair drier, towel heater and bath amenities. The room will be equipped with two beds, sofa bed, air conditioning/heating system, satellite TV, movie channel, telephone, mini bar, balcony, cabinet, bedside tables and a safe deposit box.
- **35 Standard Rooms with King Size Bed**  
The size of the Standard Room is approx. 25 sqm; it will have a bathroom with bathtub and shower, sink, toilet, hair drier, towel heater and bath amenities. The room will be equipped with one king size bed, sofa bed, air conditioning/heating system, satellite TV, movie channel, telephone, mini bar, balcony, cabinet, bedside tables and a safe deposit box.
- **45 Superior Rooms with Twin Beds**  
The size of the Superior Room is approx. 28 sqm; it will have a bathroom with bathtub and shower, sink, toilet, hair drier, towel heater and bath amenities. The room will be equipped with two beds, sofa bed, air conditioning/heating system, satellite TV, movie channel, telephone, mini bar, working desk, balcony, cabinet, bedside tables and a safe deposit box.

- 22 Superior Rooms with King Size Bed  
The size of the Superior Room is approx. 28 sqm; it will have a bathroom with bathtub and shower, sink, toilet, hair drier, towel heater and bath amenities. The room will be equipped with one king size bed, sofa bed, air conditioning/heating system, satellite TV, movie channel, telephone, mini bar, working desk, balcony, cabinet, bedside tables and a safe deposit box.
- 4 Junior Suites with Twin Beds  
The size of the Junior Suite is approx. 35 sqm divided in three areas: bathroom, bedroom and living room. It will have a bathroom with bathtub, shower, sink, toilet, hair drier, magnifier mirror, towel heater and bath amenities. The room will be equipped with two beds, sitting area with sofa bed, air conditioning/heating system, satellite TV, movie channel, telephone, mini bar, HIFI, DVD player, working desk, balcony, cabinet, bedside tables and a safe deposit box.
- 4 Junior Suites with King Size Bed  
The size of the Junior Suite is approx. 35 sqm divided in three areas: bathroom, bedroom and living room. It will have a bathroom with bathtub, shower, sink, toilet, hair drier, magnifier mirror, towel heater and bath amenities. The room will be equipped with a king size bed, sitting area with sofa bed, air conditioning/heating system, satellite TV, movie channel, telephone, mini bar, HIFI, DVD player, working desk, balcony, cabinet, bedside tables and a safe deposit box.

#### Food & Beverage

The Four star hotel will have five F&B outlets

- Main restaurant with 300 seats. It will serve breakfast, lunch and dinner
- National specialties restaurant with 60 seats
- Italian trattoria restaurant
- Lobby Bar
- Wine Bar
- Game Bar

The hotel will also offer service for banqueting and catering for up to 500 people for the banqueting outlets within Jahorina Convention Centre.

## Project 10: One 3\* hotel for family travellers (ex Hotel Mladost)

### Fact Box

Category: 3\*

Amount of beds: 300

### Introduction

This Three Star Hotel will be a middle class hotel and moderately priced. It will have daily maid service, room service, and it will have internet access and an indoor swimming pool.

Conveniently located, this hotel will offer great value for money and a warm and inviting atmosphere. Personal service and friendly staff will ensure guests have a pleasant stay.

This three Star Property fully owned by private investors will be targeting the budget traveler looking for a good price / quality relation.

The complex will consist of three buildings with each four floors, containing in total 150 rooms. It should operate for at least ten months a year, maximizing room revenue during the high season of the winter period and concentrating on volume during the summer time. It should operate as ski hotel destination during the months of November to April. During the rest of the year, from May to October, it should operate as vacation resort. It should be the place for family holidays and the general tourists with limited budgets.

### Location

The Three Star Hotel will be located in Jahorina and more exactly on the same area where the previous Hotel Mladost was built.

### The Services

This Three Star Property will contain 150 rooms, including 105 Standard Rooms, 41 Superior rooms and 4 Junior Suites. It will include non smoking rooms, connecting rooms and disabled rooms. The hotel will have a capacity of 300 beds. The three buildings will have room for two restaurants, three bars, fitness club, indoor swimming pool, car park. Air conditioning, heating, room service, laundry service, in-room safety deposit boxes, Internet corner, shops, satellite TV.

### Accommodation

#### 75 Standard Rooms with Twin Beds

- The size of the Standard Room is approx. 25 sqm; it will have a bathroom with shower, sink, toilet, towel heater and bath amenities. The room will be equipped with two beds, air conditioning/heating system, satellite TV, telephone, cabinet, bedside tables and a safe deposit box.

#### 30 Standard Rooms with King Size Bed

- The size of the Standard Room is approx. 25 sqm; it will have a bathroom with shower, sink, toilet, towel heater and bath amenities. The room will be equipped with one king size bed, air conditioning/heating system, satellite TV, telephone, cabinet, bedside tables and a safe deposit box.

#### 31 Superior Rooms with Twin Beds

- The size of the Superior Room is approx. 25 sqm; it will have a bathroom with shower, sink, toilet, towel heater and bath amenities. The room will be equipped with two beds, sofa bed, air conditioning/heating system, satellite TV, telephone, cabinet, bedside tables and a safe deposit box.

#### 10 Superior Rooms with King Size Bed

- The size of the Superior Room is approx. 25 sqm; it will have a bathroom with shower, sink, toilet, towel heater and bath amenities. The room will be equipped with one king size bed,

sofa bed, air conditioning/heating system, satellite TV, telephone, cabinet, bedside tables and a safe deposit box.

#### 2 Junior Suites with Twin Beds

- The size of the Junior Suite is approx. 30 sqm divided in two areas, bathroom, bedroom and living room together. It will have a bathroom with bathtub, shower, sink, toilet, hair drier, towel heater, bath amenities. The room will be equipped with two beds, sitting area with sofa bed, air conditioning/heating system, satellite TV, telephone, mini bar, HIFI, working desk, balcony, cabinet, bedside table, safe deposit box.

#### 2 Junior Suites with King Size Bed

- The size of the Junior Suite is approx. 30 sqm divided in two areas, bathroom, bedroom and living room together. It will have a bathroom with bathtub, shower, sink, toilet, hair drier, towel heater, bath amenities. The room will be equipped with one king size bed, sitting area with sofa bed, air conditioning/heating system, satellite TV, telephone, mini bar, HIFI, working desk, balcony, cabinet, bedside table, safe deposit box.

#### Food & Beverage

- The Three star hotel (A) will have five F&B outlets
  - Main restaurant with 230 seats. It will serve breakfast, lunch and dinner.
  - Pizzeria restaurant with 60 seats
  - Mexican restaurant with 50 seats
  - Irish Pub
  - Refuge Bar

## **Project 11: 2\* Standard hostel for young travellers (ex Partizan)**

### **Fact Box**

Category: 2\* Standard

Amount of beds: 100

#### Introduction

They are a supervised, inexpensive lodging place for travelers, especially young travelers or can be a shelter for use by hikers for staying overnight. The aim is to provide short-term accommodation to travelers or backpackers, particularly encouraging outdoor activities and cultural exchange for the young. In these hostels guests can rent a bed in a dormitory and share common bathroom, kitchen, and lounge rooms. In one of the hostels private rooms will also be available. The main benefits of a hostel are firstly the low cost of the accommodation compared to alternatives such as hotels and that one gets to meet other travelers from all over the world. Hostels are usually less formal and less expensive than hotels. They are most frequently used by young travelers. There will be an age limit, excluding travelers that do not fit in the age category of 18 to 26.

#### Location

The hostel C will be located in the area where the hotel Partizan was built.

#### Accommodation

Hostel C will consist of 1 building with 2 floors, in total there are 35 rooms with a total capacity of 100 beds.

## Project 12: Apartments

### Fact Box

Category: 4\* or 3\* standard

Amount of beds: 1.200

### Apartments A (B&B Vučko)

#### Introduction

The apartments A are in building phase, construction has started and completion of the all project is planned for 2008. The complete apartment complex, called B&B Vučko, consists of 5 buildings, each containing 3/4 floors. The complex, in addition to the apartments it offers: 25 meters indoor swimming pool, wellness centre, fitness club, skiing training area, restaurants, pizzeria, supermarket and several other services. The location is at the beginning of Jahorina centre, at the connection street to Sarajevo.

#### Accommodation

The complex offers several types of high class apartments, most of which have terrace or balcony. For the comfort of the people lodging at the B&B Vučko complex the majority of the apartments will feature among the other bathroom's facilities, shower and Jacuzzi. Cable TV, telephone, internet access, central heating and fire place are just few of the exclusive services of the B&B Vučko Apartments. The total capacity of this complex consists of 660 beds.

### Apartments B

#### Introduction

Apartments B will be located in the area where hotel Šator was. The apartment complex consists of 3 buildings, each containing 4 floors. There will be an extensive car park and it will be ideal for families with children.

The buildings will be of the same standard as a three star hotel, with fittings and accommodations appropriate to the hotel category.

#### Accommodation

The complex offers 3 apartment types, some of which have balconies:

- 3-bedroom apartments: containing 6 beds, 1 bathroom, kitchen and living room.
- 2-bedroom apartments: containing 4 beds, 1 bathroom, kitchen and living room.
- 1-bedroom apartments: containing 2 beds, this is a studio apartment.

The total capacity of this complex consists of 540 beds or 180 rooms.

1. EXISTING AREA		Beds
<b>New capacity</b>		
<b>HOTELS AND OTHER ACCOMMODATION</b>		
One 5* Hotel (ex Jahorina)		490
One 4* MICE Hotel (Rajska Dolina) (new 220 beds)		220
One 3* family hotel (ex Mladost)		300
One 2* standard hostel (ex Partizan)		100
<b>REAL ESTATE</b>		
Apartments Vučko		660
Apartments B		540
<b>Total</b>		<b>2.310</b>

## Project 13: Jahorina Dome - including Visitor Center

### **The development of Jahorina Conference Center, SPA Center Shopping Arcade, Jahorina Casino and Visitor centre Jahorina (The Dome)**

#### Introduction

In addition to what Jahorina Area can already provide as Ski Resort and leisure destination, the site has the potential to become an international center for conferences, congresses, incentives and other events. Its natural location meets all the needs a successful MICE place requires for professional and demanding companies looking for a successful and effective surrounding. The vicinity to the metropolis of Sarajevo must be considered as a big plus for the Conference Center's marketing ambitions and it can play a major role in promoting nationally and internationally the destination.

The conception of a Congress/Convention Center nowadays is not only a place with meeting and exhibition rooms, but it is developed as a massive business and activity site, creating and generating substantial revenue and financial income for hotels, restaurants, bars, commercial activities, entertainment organizations, catering units, escorts and secretarial companies, printing houses, marketing experts and several other business related. The Dome will also include a SPA Center, Casino, Bowling hall, Cinema, Visitor Centre and Shopping Arcade with several shops, supermarket, hairdresser, kinder garden, restaurants, bars and night club.

#### Location

Suggested location is within the area of Jahorina and more exactly on the ground where the old army barrack was built, nearby the area called Poljice. The new structure should be covering the complete area where other buildings are located at the moment. With the exception of the Rajska Dolina building, the other structures should be demolished and replaced with new ones. Those buildings should be connected to each other with a system of day light tunnels. This location will facilitate the development of spacious areas in a way that all the activities at The Dome can be easily accessible, offering the adequate parking space for cars, buses and lorries coming for conference deliveries.

### **The Conference Center**

#### The Company

The Conference Center should be managed by one of the leading hotels of the area (four star hotel). It should be part of the hotel organization and it should be directly linked to the management structure in place at the hotel. It should be owned by private investors and associated with well known MICE organizers and developers. The management team involved in the daily operations of the Conference Center should be part of the hotel employment system.

#### The Services

The Congress Center will offer a variety of conference halls, exhibition places, storage areas, as well as facilities for extensive events. The Center will have one large multifunctional room accommodating up to 500 guests and it will offer simultaneous translation facilities. The main meeting room can be divided in four smaller sections as per customer's request or business needs. Each room will be equipped with the latest audio visual equipment. The Center will offer services for:

- Meeting Planning
- Conventions, Congresses, Conferences, Symposia, Exhibitions, Seminars, Shows, Incentive programs, Events, Educational studies, Company training programs, Business meetings, Press conferences, Receptions, parties, banquets, business lunches, weddings, Cultural and

delightful happenings, Concerts, Festivals, Spectacles, Fashion shows, Spots shooting, Sports events that are requesting facilities for small tournaments (badminton, table tennis, chess, etc.)

The Conference Center will offer all the state of the art equipment which will include:

- State of the art Meeting rooms, Break out areas, Fully equipped business center with guest work station, Seating area with writing tables, Graphic projection equipment, Built-in sound system, Motorized screens and built-in white boards, Slide Projectors, LCD Projectors, VCR Projectors, DVD Players, Wireless Microphones, Conference HiFi Sound system, Podium and Stages, Wireless Internet connections, Laptop Connections, Hardware and Software equipment, Computerized Lights system, Tele Conference system, Satellite TV Connections.

In addition to the meeting and events facilities the Jahorina Conference Center will offer all technical equipment, organizers, expertise, F&B facilities for catering requirements, as well as a complete quality infrastructure which will meet all clients' needs and expectations. Those services will be offered by MICE hotel Jahorina (former Rajska Dolina) which will be physically connected with the Jahorina Conference Centre.

### **The SPA Center**

#### The Project

The SPA and beauty center should be managed by a major specialized company with International knowledge and experience in order to fully satisfy national and international customers coming to visit the Center. It should be owned by private investors and be part of well known associations like "The Leading Spa of the World". This will help to get the high standard exposure which would assist to successfully commercialize the product in the SPA market sector. The employees involved in the daily operations of the SPA Center should be employed by the company managing the place.

#### The Services

Spa and wellness area will feature an indoor pool, Jacuzzi, saunas, steam baths, hammam, medical beauty center, solariums and a fitness room. The Beauty Center will offer an extensive range of beauty treatments ranging from massages, facials, manicures and pedicures to individual therapies and beauty days and experiences. It will propose very exclusive beauty treatments with products of top quality ingredients. Among the several treatments there will be:

- Aromatherapy, Reflexology, Body treatments, Cosmetic applications, Facials, manicure and pedicure, Hair removal and waxing, Wide range of massages, Nail care and other treatments.
- The Fitness Club will be completely equipped with the latest state of the art cardiovascular and fitness machines. The running, rowing and step machines will have personal TV's, radio channels and adjustable training programs. The fitness room will be outfitted with the following training tools:
- Treadmills, Bikes, Weights, Step machines, Chest press, Leg curl, Leg extension, Leg press, Shoulder press, Arm curl machine, Pulley machine, Benches, Dumbbells and racks.

### **The Casino**

#### The Company

The Jahorina Casino should be managed by a major specialized company with International knowledge and experience in order to fully satisfy national and international visitors coming to gamble. This company should use their know-how to develop a plan with a successful concept which would enable to attract this travelers market and let Jahorina become part of the worldwide gambling destinations. The Casino should be owned by the four star hotel and be rented with long term contract.

### The Services

The Casino will offer all the gaming attractions which will include:

- Slot machines
- Roulette tables
- Poker tables
- Blackjack tables
- Craps tables

There will be also a restaurant, two bars and place for live entertainment.

### **The Shopping Arcade**

#### The Company

The Shopping Arcade should be managed by a major specialized company with International knowledge and experience in order to fully satisfy national and international visitors coming to the place. This company should use their know-how to develop a plan with a successful concept which would enable to combine shops and entertainment. The goal would be to create a place for tourists and visitors to be able to shop, to be entertained, to relax, and to meet with other people coming from other places and countries. The Shopping Arcade area should be owned by private investors and be rented to shop tenders with long term contracts.

#### The Services

The Shopping Arcade will offer a variety of commercial businesses which will includes:

- Sport shop, Souvenir shop, Bookshop/Newsagent, Fashion shop, Shoes shop, Supermarket, Kinder garden, Hairdresser, Local product shop, Pharmacy and Post office.

The Dome building should be among the most valuable buildings in Jahorina/Sarajevo region and it should represent a golden opportunity to enhance the appeal of the entire area. It should be also a new visitor attraction that will draw crowds and generate excitement year-round, while respecting and harmonizing with the solemnity of the area. The development of The Dome should take full advantage of the energy and know-how available in the private sector.

### **Visitor center**

#### The Project:

Within the DOM develeopment area we propose an Jahorina Visitor Center to be built. The Visitor Center should be the first contact of visitors to Jahorina. Furthermore the Visitor Center of Jahorina should be the communication place of Jahorina, where both daily visitors and guests that stay overnight can fulfil their needs and wants.

Therefore it is important to establish the following infrastructure:

- Visitor Info Center, Internet Terminal, Gastronomy (Bars, Coffee Shop, Restaurants) and Rental Service (Ski, Mountainbikes...)

### **Additional Suggestions to the Project**

The Jahorina Ski Resort area should be planned and function as a village where units and services are organized in accordance to the needs of the area. It should be easy for clients to move from the hotel where they are staying and go and use facilities of the area in an easy and well organized way.

The hotels, food & beverage outlets, additional services like entertainment, leisure, transportation, material rental, meeting spaces, etc., should be all within proximity of each other. The concept should be conceived to give the opportunity to the clients to have easy access to the services and facilities available in all the Jahorina area.

There should be a system of hotel room key cards which will allow the guest to use the card in the complete village for payment of restaurant bills, bar consumptions, leisure services, rental services, etc. This simple system will make the customers more comfortable and it will make billing accuracy and procedure more effective.

It is important to create a place where people can come and enjoy their time in Jahorina during the whole stay. Entertainment structures and programs should be created and effectively run by professional experts during the twelve months of the year. The "Village" should have:

- Heliport
- Jahorina Coordination Centre
- Cinema Hall
- Bowling Hall
- Disco
- Tennis courts (summer period)
- Karaoke Hall
- Hospital, including dentist, general doctors making house calls and a paediatrician
- Snowmobiles Rental Shop
- Indoor Kart Racing Track
- Sport Activity Hall
- Kindergarten, baby club
- Fast food outlet

Other sharing services that will give to the hotels a better logistic and help to have more efficient operations and reduced costs are:

- Centralized Laundry Services
- Centralized Warehouse
- Centralized Kitchen for Banqueting and Catering Services
- Centralized Service for Food & Beverage manpower
- Centralized Service for Housekeeping manpower
- Recreation Centre for "Village" Employees
- Centralized Transportation System to travel around the area (Shuttle services)

Easy access:

The Airport of Sarajevo needs to be equipped with the latest technology so they are capable of handling landings in heavy fog. This will prove to be an important issue, as other airports, such as Mostar, Banja Luka, Split and Dubrovnik are far away.

We also propose an alternative Airport to be developed, most probably at Sokolac area.

## 8.4. Proposed Projects for the Family and Wellness Area (Enlargement Area 1)

### Project 1: New vertical transportation and skiing slopes

See content 8.3.

### Project 2: Snowboard Beginners Park



#### Project idea and description:

Development of a Snowboard Park for Beginners. This Snowboard Park should be designed especially for snowboard beginners and should include a Snowboard-Chill-Out-Area, a conveyor, different figures, practising area, etc.

Requirements for a Snowboard Park for Beginners:

- Length of the practice slope of 50 to 70 metres
- Width of 30 to 50 metres
- Incline of 15 to 25 %
- Very flat outlet of approximately 15 metres

#### Targets:

- Increase the attractiveness for the target groups of kids and teenagers
- Increase the snowboard-competency of Jahorina

#### Necessary Steps:

- Contact prospective producers
- Planning, Concept Development, Implementation
- Organisation of the supervision

#### Investment:

Approximately € 40.000 to € 70.000 (depending on the size and type) including planning, concept development and implementation

### Project 3: Ski Beginners Park



#### Project idea and description:

Development of a Ski Park for kids, especially for beginners. It should include kids-oriented gastronomy (with observed lounge, rest and sleeping opportunities, food and drinks for kids, kids-friendly bathrooms, etc.), conveyor for kids, ski carousel, entertainment tent with a stage, snow tubing, different figures for kids, etc.

The necessary total surface needs to be at least between 12.000 and 15.000 m<sup>2</sup>.

#### Targets:

Development of a family-oriented winter tourism product. Another target is that kids who learn to ski in Jahorina will come back later as adults.

#### Necessary Steps:

- Contact prospective producers
- Planning, Concept Development, Implementation
- Organisation of the supervision

#### Investment:

Approximately € 100.000 to € 150.000 (depending on the size and type) including planning, concept development and implementation.

## Project 4: Snow Tubing Track



### Project idea and description:

A Snow Tubing facility with 5 Tubing Tracks with a length between 30 and 150 metres should be developed in Jahorina. The Snow Tubing facility should be created in the lower area of the Jahorina skiing resort.

### Target:

Development of a “Fun & Action” tourism product which creates attention.

### Necessary steps:

- Contact possible producers
- Detailed planning together with the producer
- Clarification of the financing
- Implementation
- Organisation of the supervision

### Investment:

Approximately € 15.000 - € 25.000 for the Snow Tubing Track and additional € 75.000 - € 100.000 for the conveyor (might be possible to use this conveyor also in summertime for the Summer Tubing Track)

## Project 5: Summer Tubing



### Project idea and description:

Another tourism product that makes the summer-season more attractive. The Summer Tubing Track should have a length between 120 and 150 metres with a width of 1,20 metres. The necessary and possible slope gradient should be between 10 % and 25 %.

An advantage of the Summer Tubing Track is the modular construction. This means that the length and location of the tubing facility can be changed easily.

As the tubes can also be used for winter tubing a synergy is possible.

### Targets:

Enlarge the attractiveness in summer and offer something special for kids.

### Necessary steps:

- Contact possible producers
- Detailed planning together with the producer
- Clarification of the financing
- Implementation
- Organisation of the supervision

### Investment:

Approximately € 40.000 - € 50.000 for the Tubing Track and additional € 75.000 - € 100.000 for the conveyor (might be possible to use this conveyor also in wintertime for the Snow Tubing Track)

## Project 6: Nature-Adventure-Playground for kids



### Project idea and description:

Development of a Nature-Adventure-Playground for kids with different elements, e.g. tree house, climbing area for kids, balance tree, bare-foot trails (with different surfaces), sound stations, etc. The required space should be between 1.500 and 2.500 m<sup>2</sup>.

### Targets:

To make Jahorina more attractive for families during summertime – especially for excursionists from Sarajevo and surroundings.

### Necessary steps:

- To determine the ideal location
- Contact possible producers
- Implementation

### Investment:

€ 15.000 - € 30.000 (depending on the size and type)

## Project 7: Development of Biathlon Area



### Project idea and description:

To build a Biathlon Area that is fit for hosting the Olympic Winter Games. It should consist of the stadium area and the course itself.

Located in the stadium area are the start/finish areas, shooting range, penalty loop, Relay hand-over zone, ski test area, team wax huts, spectator areas, the necessary Organizing Committee buildings and offices and parking spaces.

Biathlon consists of ten events in the Olympic program. Men compete in 10 km sprint, 12,5 km pursuit, 15 km mass start, 20 km individual and 4 x 7,5 km relay. Women compete in 10 km pursuit, 12,5 km mass start, 15 km individual, 4 x 6 km relay and 7,5 km sprint.

### Regulations for competition facilities:

The following section deals with the most important regulations for competition facilities. They are published by the IBU – the International Biathlon Union – and they had been authorized by the IBU congress in June 1998.

- The start area for Individual, Sprint and Team competitions must be approximately 10 – 12 m long and 4 – 6 m wide.
- The course is the network of ski trails to be used for the competition. It shall consist of continuously changing flats, climbs and downhill sections. Extremely long and difficult climbs, dangerous descents, monotonous flats and hills that must be sidestepped are not permitted. Changes in direction of a trail must not occur so frequently that a competitor's ski rhythm is seriously disturbed.
- The maximum altitude of any part of the course may not be higher than 1.800 m above sea level. The trails must have a minimum width of 6 m of groomed snow surface. If narrower sections such as bridges or mountain passes are unavoidable, the narrow parts may not be less than 4 m wide or longer than 50 m.
- The actual length of the course may not be more than 5 % different from the length specified for the competition.
- Trails in the competition may be used several times during a competition if they are at least 6 m wide. If trails are less than 6 m wide, they should not be used more than twice during the competition.

- A penalty loop must be set up immediately after the shooting range. The loop must be an oval trail which is 5 m wide and 150 m (plus or minus 5 m) long, measured along the inside perimeter of the loop.
- The shooting range must be located in the central area of the stadium. The shooting direction should be generally north to enhance light conditions during competitions. The distance between the front edge of the shooting ramp and the line of targets must be 50 m (plus or minus 1 m).
- The shooting ramp is divided into shooting lanes from which one competitor at a time will shoot. Every shooting lane must be at least 2,5 m but not more than 3 m wide.

Competitor	Type of Competition	Shooting Bouts	Distance between Shooting Bouts	Height Difference	Maximum Climb	Total Climb
Men	20 km individual	Between 4 km – 17 km	3,5 km	200 m	75 m	600 m – 750 m
	10 km sprint & 10 km team	Between 2,5 km – 7,5 km	3 km	200 m	75 m	300 m – 450 m
	12,5 km pursuit	At 2,5 km, 5 km, 7,5 km and 10 km	2,5 km	200 m	75 m	350 m – 500 m
	4 x 7,5 km relay	At 2,5 km and 5 km	2,5 km	100 m	75 m	210 m – 300 m
	15 km mass start	At 3 km, 6 km, 9 km and 12 km	3 km	150 m	75 m	400 m – 500 m

Competitor	Type of Competition	Shooting Bouts	Distance between Shooting Bouts	Height Difference	Maximum Climb	Total Climb
Women	15 km individual	Between 2,5 km – 12,5 km	3 km	150 m	75 m	400 m – 500 m
	7,5 km sprint & 7,5 km team	At 2,5 km and 5 km	2,5 km	100 m	75 m	210 m – 300 m
	10 km pursuit	At 2 km, 4 km, 6 km and 8 km	2 km	100 m	75 m	200 m – 350 m
	4 x 7,5 km relay	At 2,5 km and 5 km	2,5 km	100 m	75 m	210 m – 300 m
	12,5 km mass start	At 2,5 km, 5 km, 7,5 km and 10 km	2,5 km	100 m	75 m	350 m – 500 m

**Legend:**

Height Difference = the maximum permitted difference in altitude between the highest and lowest point of the competition course

Maximum Climb = the maximum permitted vertical height of an ascent without either a flat part or descent of at least 200 m in length

Total Climb = the total climb for the competition (the sum of all the ascents) for each competitor

The whole regulations can be found on [www.ibu.at/rules](http://www.ibu.at/rules).

**Necessary Steps:**

- Detailed planning of the Biathlon Area concerning slopes, shooting range, buildings, etc.
- Feasibility-Study
- Clarification of the financing
- Implementation
- First competitions (e.g. World Cup, Bosnia-Herzegovina National Championship, etc.)

**Investment:**

Approximately € 3,5 Mio. - € 4,5 Mio.

## Accommodation: Additional 3000 beds

### Project 8: Development of a 4\* family hotel



#### Fact Box

Category: 4\*

Amount of beds: 300

#### Hardware:

- Top-Family Studios with 2 sleeping-rooms/4 beds (average size of 50 m<sup>2</sup>)
- High quality “Children world” – indoor and outdoor – with intensive animation
- Wellness-Area for adults
- Indoor and Outdoor pools
- Family-Park

In the following section criteria for family-oriented accommodation facilities are presented. They are based on the most important criteria for “Kinderhotels”, a marketing cooperation for family- and kids-oriented hotels in Austria. They have created their own certification in the style of the general star-certification. “Kinderhotels” are able to get 3, 4 or 5 smileys.

#### Criteria for 3 smileys (©):

##### Location

- Children’s play area completely separate from traffic

##### Furnishings and fittings in family rooms

- Proper children’s bed
- Child-proof equipment and sockets
- Baby alarm, footstool for the bathroom, toilet seats for toddlers, baby bath, thermometer, nappy bucket, changing mat, bottle warmer, vaporiser and potty are available on request at any time

**Dining rooms**

- Family-sized tables with plenty of space
- Non-smoking areas
- Highchairs and securely attached cushions in different sizes, children's cutlery, glasses and dishes, toys to help pass the time when waiting (e.g. drawing and colouring sets, jigsaw puzzles, books, etc.), children's menus or child portions, children's drinks

**Play areas**

- Separate child-friendly playroom with toys (bright and welcoming, with windows)
- Outdoor play area with sandpit, swings, slides, etc.
- Toy cars

**Services**

- Preferential treatment for families with children
- Family-friendly atmosphere
- Daytime and evening baby-sitting service available at any time (charged separately)
- Laundry service
- Children's medical service
- Toy library
- Buggies, prams, backpacks and baby carriers/slings for hire
- Half-day childcare – minimum 20 hours care per week
- 1 childminder for every 20 children during opening hours

Additional Criteria for 4 smileys (☺):**Location**

- Children's play area completely separate from traffic – with safe direct access to the hotel
- Superior standard with an indoor swimming or play pool

**Furnishings and fittings in family rooms**

- Spacious rooms and apartments with plenty of room even if two children are sleeping in the apartment
- Baby alarm in every room
- Laundry drying facilities in the bathroom and/or on the balcony
- Bedrooms can be darkened

**Dining rooms**

- Children's table once a day on 5 days of the week with child minder
- Juice bar with a minimum of two variations (10 am to 8 pm)

**Play areas**

- Play area appropriate to the size of the hotel

**Services**

- Baby and childcare provided by trained staff five days a week, all day (minimum of 40 hours a week)
- Organised programs for the whole family at least once a week (e.g. play afternoon, children's fashion show, walk and picnic for everyone, etc.)
- Minimum of 2 childminders

Additional Criteria for 5 smileys (☺):**Location**

- 4\* hotels with hotel foyer and daytime bar
- Indoor swimming pool or health pool with solarium and sauna
- Indoor children's splash pool
- Leisure and play areas are safely enclosed for children
- Hotel grounds fenced in – no automatic doors
- Annual guaranteed safety checks

**Furnishings and fittings in family rooms**

- Toys and games for the room or apartment available from the reception on request (appropriate to the age of the children)
- Coat hooks and towel holders at child height, baby care package (cream, baby wipes, powder, etc.)
- Computerised baby monitors (warning "beeps" or cordless telephone) in every room and apartment

**Dining rooms**

- Non-smoking area in the restaurant or dining room
- All-inclusive for adults and children, accommodation in parents room or apartment
- Children's lunches, afternoon tea, basket of fruits, evening meal or afternoon ice-cream, non-alcoholic drinks are available around the clock at the Lemonade Fountain for free
- Children's table at lunchtime and in the evenings – childminder provided

**Play areas**

- Kindergarten, groups separated according to ages, with kindergarten fittings and equipment for children from 2 years of age; craft area, drawing, painting, puppet theatre, Lego and Duplo bricks
- Separate children's toilet with hand-washing facilities
- Separate baby area with nappy-changing facilities, kitchen for preparation of baby food, wash basin, disinfectant
- Outdoor playground with bouncy castle, children's attractions, sandpit, swing, slides, roundabout, toy cars, tricycles, etc.
- Indoor soft play equipment or appropriate indoor play landscape in addition to the childminding area
- Cinema and theatre for performances

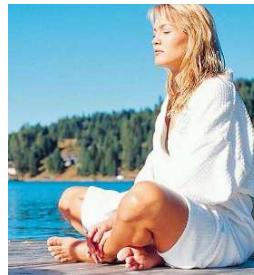
**Services**

- Separate baby and child care on at least 6 days a week, all day by several trained staff and entertainers (minimum 60 hours per week)
- At least one childminder for every 20 adults beds of 10 children present

- Adventure programs (e.g. circus, magic show, theatre, Indian Party, Knights Day, Pirates Party, etc.) on at least three days a week
- Baby care: minimum 1 baby care facility – six days a week, minimum 40 hours, care provided in a group of babies
- The hotel is used solely by families with children and babies
- Children are given a lucky mascot on arrival or they receive a leaving present
- Hotel has its own mascot

Additional information about “Kinderhotels” can be found on [www.kinderhotels.com](http://www.kinderhotels.com).

## Project 9: Development of a 3\* “Mountain Wellness” hotel



### Fact Box

Category: 3\*

Amount of beds: 400

### Hardware:

- Size and equipment of rooms as well as the general leisure infrastructure are limited to the basic demands of the customers
- Basic quality throughout the whole property (cheap & chic)
- Wellness Area (1.500 – 1.800 m<sup>2</sup>) including
  - 3 to 4 different sauna
  - Pool
  - Large relaxing area (800 – 1.000 m<sup>2</sup>)

## Project 10: Development of a 4\* “Mountain Wellness” hotel



### Fact Box

Category: 4\*

Amount of beds: 200

### Hardware:

- Average size of a basic double room should be between 35 – 38 m<sup>2</sup>
- Wellness-Area (1.400 to 1.600 m<sup>2</sup>) including different treatment areas, pools, sauna, etc.
- Beauty and Cosmetic Area

### Criteria for “Mountain Wellness” hotels

In this section criteria for “Mountain Wellness” hotels are presented. They are based on the most important criteria for “Alpine Wellness” hotels, a marketing cooperation for “Mountain Wellness” hotels in Austria.

- The hotel states its altitude and an example of what altitude can be reached and how, at a minimum of 1.200 metres
- At least one-third of the rooms must be “Mountain Wellness Rooms” with mountain/nature view, no or low level of noise and appropriate furnishing
- At least 20 % of the rooms must be declared permanent non-smoking rooms
- All catering areas of the hotel have a clearly segregated non-smoking area
- The restaurant offers as many regional products as possible – those products should be declared so that the guests recognize it
- One vegetarian, one calorie-controlled and one special “Mountain Wellness” menu is offered every day
- The whole hotel and its décor use typical mountain materials (e.g. stone, wood, flowers, etc.)
- 2 gentle mountain exercises, supervised by qualified staff, is offered at least on 5 days per week (e.g. mountain running, gentle cycle tour, meditative walking, etc.)
- The hotel must have wellness as a core business activity practised at the premises
- Availability of treatments and programs must be guaranteed daily on at last 6 days per week and 5 hours per day

- A professional cosmetic treatment must be available (in the hotel or within 15 minutes travel)
- A functional state-of-the-art fitness area must be available with at least 2 cardio and 2 strength pieces of equipment (in the hotel or within 15 minutes travel)
- At least one indoor pool and/or a heated outdoor pool and/or a whirlpool
- At least one modern sauna
- The wellness facilities are checked at least twice a day for cleanliness
- At least 2 “Mountain Wellness”-specific facilities (e.g. herbal steam bath, rock bath with local rocks, wooden bathtub, natural stream for Kneipp treatments, saline grotto, etc.)
- At least 4 “Mountain Wellness”-specific treatments or programs (e.g. relaxation massage with oils from the region, herbal salt peeling mask, mineral oil bath in a wooden bathtub, summit meditation, contemplative walking, etc.)

The whole criteria-catalogue, including information about the content of a “Mountain Wellness Breakfast” and about the different specialisations (like “Alpine Fitness” or “Alpine Health”), can be found on [www.alpinewellness.com](http://www.alpinewellness.com).

### Project 11: Development of a 3\* “Log Cabin”-Village



#### Fact Box

Category: 3\*

Amount of beds: 360

#### Hardware Cottages:

- Approximately 60 cottages for 6 persons
- Good 3\* standard in design and equipment
- Each cottage with their own kitchen, small sauna, oven and terrace
- Each cottages has approximately 90 m<sup>2</sup> - a common living area on the ground floor and the sleeping rooms on the first floor

#### Hardware Village:

Central village square with

- Gastronomy (all day long) – e.g. Italian Restaurant and a small Apres-Ski Bar – mainly for the people staying in the village but also with public access

- Swimming Pond (with 1.000 to 1.200 m<sup>2</sup> of water surface and a big recreation area) – - for swimming, playing and sailing – also open for the public
- Small indoor pool (especially designed for kids – without Wellness-Area)
- Kids adventure area (Indoor playing facility for kids in combination with an small outdoor kids adventure park) including kids-animation
- Small indoor event location (attached to the gastronomy facility and the kids adventure house) – multifunctional usage e.g. for guest animation, bad weather programme, etc.
- Shop

## Project 12: Chalets 4\*



### Fact box

Category: 4\*

Amount of beds: 574

Average Lot Size: 500 sq. meters

Number of units: 18 - 20 per hectare

Unit size: 120 - 200 sq. meters

Number of beds per unit: 50% of units will have 4-6 beds

50% of the units will have 6-8 beds

### Location:

More remote mountain and valley sites with retained natural features. Subdivisions are situated slope side fall outside the village core area. Sites may be within skier walking distance of access lifts. Development areas are easily accessible by primary and secondary road network with easy access to resort amenities.

### Site and Building Characteristics:

- Low density, this building type is limited to land with slope gradients between 15 -40%.
- Developed as individual buildings on individual development lots.
- Slope side locations, Ski in/ ski out.
- Situated in the outlying areas of the resort, further from the village core.

Zoning and Building program:

The zoning for these sites permits a single family residence. Many mountain resorts have allowed single family homes to contain a small (< 40% of the house) rental suite for employee housing..

Parking requirements & Access:

On-site parking and access must meet local setback and bylaw requirements and are at the discretion of the property owner.

## Project 13: Condotels

**Fact box**

Number of condotels: 4-5

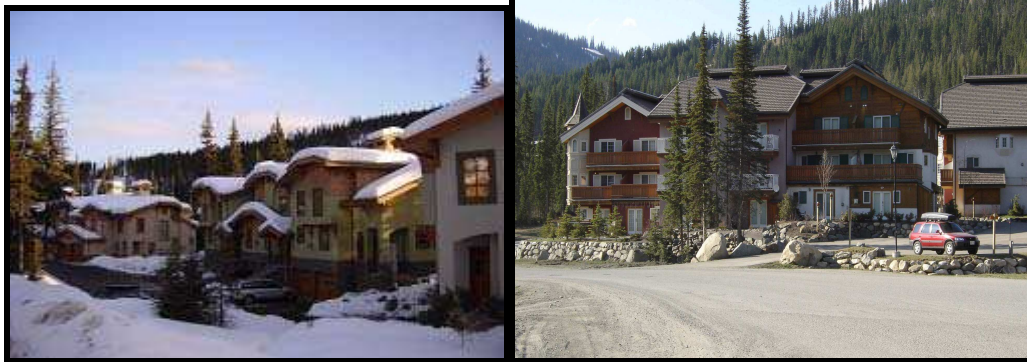
Category: 3-4\*

Amount of beds: 583

**Condotel - Limited Owner Use**

- Hotel rooms and/or suites, lobby and front desk, restaurant, retail and indoor recreation facilities contained in one building with underground parking.
- Located in central Village.
- Units are individually owned.
- Units must be placed in a rental pool offering them for nightly rental to the general public.
- Class 2 covenant restricts the owner's use of their unit to 28 days during the winter season and 28 days during the summer season. Owners may also use their unit if it hasn't been booked by the rental management company.

## Project 14: Apartments 4\*



### Fact box

Category: 4\*

Amount of beds: 583

- Apartment, stacked townhouse or townhouse style units located outside the village core and intended for public nightly rentals.
- Individual unit owners.
- Units can be in a rental pool requiring that they are available for nightly rental to the general public when the owner is not using them.
- Front desk and check-in facilities may be offered off-site.
- Apartments should be built in minimum 3 to 4 buildings.
- The structure of proposed apartments is as follows: 40% one living and one bedrooms, and 60% on living and two bedrooms, which means 45 m<sup>2</sup> -40 % and 60m<sup>2</sup> -60%.

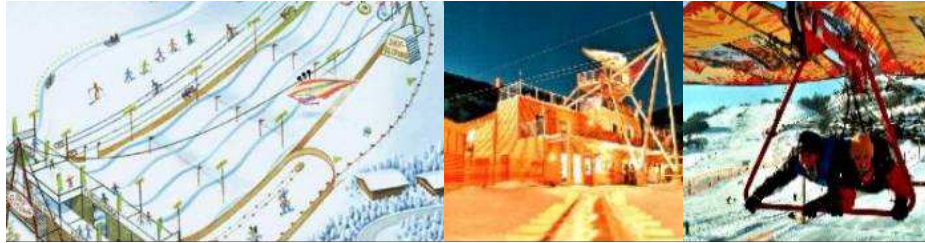
2. FAMILY- AND WELLNESS AREA		Beds
<b>HOTELS AND OTHER ACCOMMODATION</b>		
One 4* family hotel		300
One 3* "Mountain Wellness" hotel		400
One 4* "Mountain Wellness" hotel		200
<b>REAL ESTATE</b>		
3* Log cabin village		360
4* Chalets		574
Four to five 3-4* Condotels		583
4* Apartments		583
<b>Total</b>		<b>3.000</b>

## 8.5. Proposed Projects for the Sport Area (Enlargement Area 2)

### Project 1: New vertical transportation and skiing slopes

See content 8.3.

### Project 2: Sky Gliding



Project idea and description:

Development of a short Sky Gliding facility in Jahorina with an approximate length of 300 metres. Sky Gliding means flying with a paraglide connected with a rope. The thrill is supported by the limbo and high speed.

Target:

Development of a “Fun & Action” tourism product which creates attention.

Necessary steps:

- Contact possible producers
- Detailed planning together with the producer
- Feasibility Study for the Sky Gliding
- Clarification of the financing
- Implementation
- Organisation of the supervision

Investment:

Approximately € 150.000 - € 230.000

### Project 3: Snowboard-Fun-Park



#### Project idea and description:

To use one area of the skiing-resort especially for snowboarders. The core of this area should be a Snowboard-Fun-Park with a length of 0,7 km and 1,2 km.

Possible elements might be 5 meter Table, 3 meter Table, Roller Combo, Corner, 3 meter Jump, Funbox, 3 m Rainbow, 3 m Straight Rail, Roller, 15 meter Table, 20 – 25 meter table, etc.

It should be possible to perfectly drive the Snowboard-Fun-Park in one line.

#### Targets:

To develop an alternative winter product, to benefit from the latest snowboard-trend and to position Jahorina as one of the most attractive destinations for snowboarders in South-eastern Europe.

#### Necessary Steps:

- Contact prospective producers
- Planning, Concept Development, Feasibility
- Implementation
- Organisation of the supervision

#### Investment:

€ 40.000 - € 70.000 every year – the investment depends on the size and the type of the Fun-Park as well as on the natural conditions

## Project 4: Quad Track



### Project idea and description:

Quad Circuit with a length of 700 to 800 metres with an average width of 5-8 metres. The circuit should be ready for up to 7 racers at the same time.

In addition to the circuit it might also be possible to make organised adventure journeys into the mountain area.

### Target:

To develop an action product which attracts young people.

### Necessary steps:

- Contact possible producers
- Detailed planning together with the producer
- Feasibility Study
- Clarification of the financing
- Implementation
- Organisation of the supervision

### Investment:

€ 120.000 - € 200.000 depending on the size and type of the Quad Circuit

## Accommodation: Additional 1000 beds

### Project 5: One 3\* hotel for sport oriented travellers

#### Fact Box

Category: 3\*

Amount of beds: 260

#### Introduction

This Three Star Sport Hotel will be a middle class hotel; moderately priced; will have daily maid service, room service and will have internet access and an indoor swimming pool.

Conveniently located, this hotel offers great value for money and has a warm and inviting atmosphere. Personal service and friendly staff will ensure guests have a pleasant stay. The concept will be very similar to the Three Star Hotel A.

This Property should be established as a three star hotel fully owned by private investors. It would target the budget traveler looking for a good price / quality relation.

The complex will consist of three buildings with each four floors, containing in total 130 rooms.

It should operate for at least ten months a year, maximizing room revenue during the high season of the winter period and concentrating on volume during the summer time. It should operate as ski hotel destination during the months of November to April. During the rest of the year, from May to October, it should operate as vacation resort for budget market.

#### Location

The Three Star Hotel B will be located in Jahorina second enlargement area nearby Kadino Vrelo. This project will be a new construction.

#### The Services

This Three Star Property will contain 130 rooms, including 91 Standard Rooms, 35 Superior rooms and 4 Junior Suites. It will include non smoking rooms, connecting rooms, and disabled rooms. The hotel will have a capacity of 260 beds. The three buildings will have room for two restaurants, three bars, fitness club, indoor swimming pool, car park. Air conditioning, heating, room service, laundry service, in-room safety deposit boxes, Internet corner, shops and satellite TV.

#### Accommodation

- 66 Standard Rooms with Twin Beds  
The size of the Standard Room is approx. 25 sqm; it will have a bathroom with shower, toilet, towel heater and bath amenities. The room will be equipped with two beds, air conditioning/heating system, satellite TV, telephone, cabinet, bedside tables and a safe deposit box.
- 25 Standard Rooms with King Size Bed

The size of the Standard Room is approx. 25 sqm; it will have a bathroom with shower, toilet, towel heater and bath amenities. The room will be equipped with one king size bed, air conditioning/heating system, satellite TV, telephone, cabinet, bedside tables and a safe deposit box.

- 25 Superior Rooms with Twin Beds

The size of the Superior Room is approx. 25 sqm; it will have a bathroom with shower, toilet, towel heater and bath amenities. The room will be equipped with two beds, sofa bed, air conditioning/heating system, satellite TV, telephone, cabinet, bedside tables and a safe deposit box.

- 10 Superior Rooms with King Size Bed

The size of the Superior Room is approx. 25 sqm; it will have a bathroom with shower, sink, toilet, towel heater and bath amenities. The room will be equipped with one king size bed, sofa bed, air conditioning/heating system, satellite TV, telephone, cabinet, bedside tables and a safe deposit box.

- 2 Junior Suites with Twin Beds

The size of the Junior Suite is approx. 30 sqm divided in two areas, bathroom, bedroom and living room together. It will have a bathroom with bathtub, shower, sink, toilet, hair drier, towel heater, bath amenities. The room will be equipped with two beds, sitting area with sofa bed, air conditioning/heating system, satellite TV, telephone, mini bar, HIFI, working desk, balcony, cabinet, bedside tables and safe deposit box.

- 2 Junior Suites with King Size Bed

The size of the Junior Suite is approx. 30 sqm divided in two areas, bathroom, bedroom and living room together. It will have a bathroom with bathtub, shower, sink, toilet, hair drier, towel heater, bath amenities. The room will be equipped with one king size bed, sitting area with sofa bed, air conditioning/heating system, satellite TV, telephone, mini bar, HIFI, working desk, balcony, cabinet, bedside tables and safe deposit box.

#### Food & Beverage

The Three star hotel (B) will have five F&B outlets

- Main restaurant with 210 seats. It will serve breakfast, lunch and dinner.
- Indian restaurant with 60 seats
- Asian restaurant with 50 seats
- Beer House Pub
- Tavern Bar

## Project 6: One 2\* Standard hostel for young travellers



### Fact Box

Category: 2\* Standard

Amount of beds: 150

### Introduction

They are a supervised, inexpensive lodging place for travelers, especially young travelers or can be a shelter for use by hikers for staying overnight. The aim is to provide short-term accommodation to travelers or backpackers, particularly encouraging outdoor activities and cultural exchange for the young. In these hostels guests can rent a bed in a dormitory and share common bathroom, kitchen, and lounge rooms. In one of the hostels private rooms will also be available. The main benefits of a hostel are firstly the low cost of the accommodation compared to alternatives such as hotels and that one gets to meet other travelers from all over the world. Hostels are usually less formal and less expensive than hotels. They are most frequently used by young travelers. There will be an age limit, excluding travelers that do not fit in the age category of 18 to 26.

### Accommodation

2\* standard hostel will consist of 1 building with 3 floors, in total there are 60 rooms with a total capacity of 150 beds.

## Project 7: One 2\* Economy hostel for young travellers



### Fact Box

Category: 2\* Economy

Amount of beds: 150

### Introduction

They are a supervised, inexpensive lodging place for travelers, especially young travelers or can be a shelter for use by hikers for staying overnight. The aim is to provide short-term accommodation to travelers or backpackers, particularly encouraging outdoor activities and cultural exchange for the young. In these hostels guests can rent a bed in a dormitory and share common bathroom, kitchen, and lounge rooms. In one of the hostels private rooms will also be available. The main benefits of a hostel are firstly the low cost of the accommodation compared to alternatives such as hotels and that one gets to meet other travelers from all over the world. Hostels are usually less formal and less expensive than hotels. They are most frequently used by young travelers. There will be an age limit, excluding travelers that do not fit in the age category of 18 to 26.

### Accommodation

2\* economy hostel will consist of 1 building with 3 floors, in total there are 60 rooms with a total capacity of 150 beds.

## Project 8: Two 3\* small hotel-pensions



### Fact Box

Number of hotel-pensions: 2

Amount of beds: 110

One family hotel will have 25 rooms with a total capacity of 50 beds.

One family hotel will have 30 rooms with a total capacity of 60 beds.

### Location:

Mountain and valley sites with retained natural features, situated slopeside and in the valley outside the village core area. May be within skier walking distance of slopes or access lifts. Development areas are easily accessible by primary and secondary road network.

### Site and Building Characteristics:

- Medium density, this building designation is generally limited to land with slope gradients between 0 -25%.
- Developed as a large home “Bed & Breakfast” or “Country Inn”.
- Slopeside locations, Ski in/ ski out.
- Residential in character and architecture, integrated with other single family residential neighborhoods.

### Zoning and Building program:

The zoning for this site is intended for use as a tourist pension or Traveler’s Inn. The site is large enough to accommodate a principal building with 25 and 30 guest rooms and an owner/ manager’s suite. Guest rooms are smaller and more intimate, may contain ensuite or share facilities. The expected gross area is 45 to 50 sq. meters per room.

### Parking requirements & Access:

On-site parking must be provided to meet the accommodation parking requirements and meet established parking and loading regulations.

## Project 9: Condotel 3\*



### Fact Box

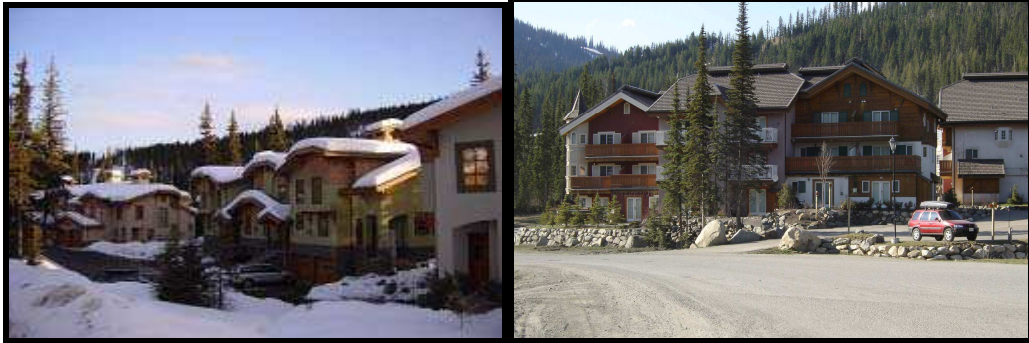
Category: 3\*

Amount of beds: 80

### Condotel - Limited Owner Use

- Hotel rooms and/or suites, lobby and front desk, restaurant, retail and indoor recreation facilities contained in one building with underground parking.
- Located in central Village.
- Units are individually owned.
- Units must be placed in a rental pool offering them for nightly rental to the general public.
- Class 2 covenant restricts the owner's use of their unit to 28 days during the winter season and 28 days during the summer season. Owners may also use their unit if it hasn't been booked by the rental management company.

## Project 10: Apartments 3\*



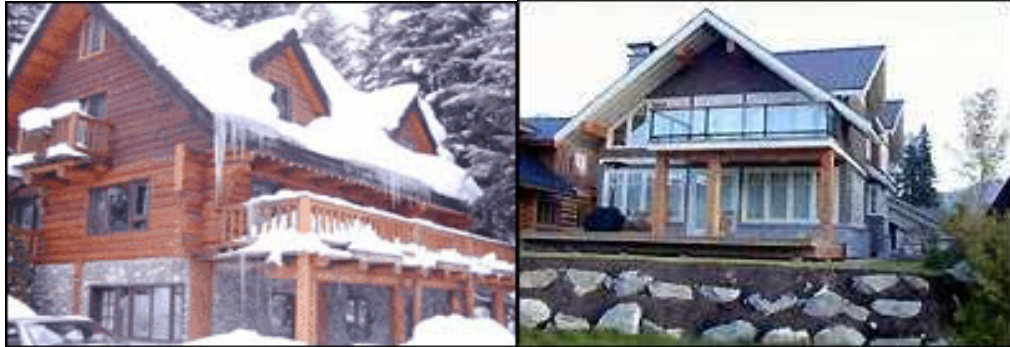
### Fact Box

Category: 3\*

Amount of beds: 100

- Apartment, stacked townhouse or townhouse style units located outside the village core and intended for public nightly rentals.
- Individual unit owners.
- Units can be in a rental pool requiring that they are available for nightly rental to the general public when the owner is not using them.
- Front desk and check-in facilities may be offered off-site.

## Project 11: Chalets 3\*



### Fact Box

Category: 3\*

Amount of beds: 150

Average Lot Size: 400 sq. meters

Number of units: 20 -22 per hectare

Unit size: 120 - 160 sq. meters

Number of beds per unit: 50% of the units 4-6 beds  
50% of the units 6-8 beds

### Location:

More remote mountain and valley sites with retained natural features. Subdivisions are situated slope-side and fall outside the village core area. Sites may be within skier walking distance of access lifts. Development areas are easily accessible by primary and secondary road network with easy access to village trail and resort amenities.

### Site and Building Characteristics:

- Low density, this building type is limited to land with slope gradients between 15 - 40%.
- Developed as individual buildings on individual development lots.
- Slope-side locations, Ski in/ ski out.
- Situated in the outlying areas of the resort, further from the village core.

### Zoning and Building program:

The zoning for these sites permits a single family residence. Many mountain resorts have allowed single family homes to contain a small (< 40% of the house) rental suite for employee housing.

Parking requirements & Access:

On-site parking and access must meet local setback and bylaw requirements and are at the discretion of the property owner.

3. SPORT AREA		Beds
HOTELS AND OTHER ACCOMMODATION		
One 3* Hotel for sport oriented travelers		260
One 2* standard hostel		150
One 2* economy hostel		150
One 3* small hotel-pension		50
One 3* small hotel-pension		60
REAL ESTATE		
One 3* Condotel		80
3* Apartments		100
3* Chalets		150
<b>Total</b>		<b>1.000</b>

**Total accommodation and real estate capacity**

<b>Hotels and real estate</b>	<b>Beds</b>
<b>1. EXISTING AREA</b>	
<b>Existing Capacity</b>	
6 hotels	1.022
17 Apartments	568
18 Boarding houses	400
Weekend cottages	1.280
<b>Total</b>	<b>3.270</b>
<b>New capacity</b>	
<b>HOTELS AND OTHER ACCOMMODATION</b>	
One 5* Hotel (ex Jahorina)	490
One 4* MICE Hotel (Rajska Dolina) (new 220 beds)	220
One 3* family hotel (ex Mladost)	300
One 2* standard hostel (ex Partizan)	100
<b>REAL ESTATE</b>	
Apartments A (B&B Vučko)	660
Apartments B	540
<b>Total</b>	<b>2.310</b>
<b>2. FAMILY- AND WELLNESS AREA</b>	
<b>HOTELS AND OTHER ACCOMMODATION</b>	
One 4* family hotel	300
One 3* "Mountain Wellness" hotel	400
One 4* "Mountain Wellness" hotel	200
<b>REAL ESTATE</b>	
3* Log cabin village	360
4* Chalets	574
4* Appartements	583
Four to five 3-4* Condotels	583
<b>Total</b>	<b>3.000</b>
<b>3. SPORT AREA</b>	
<b>HOTELS AND OTHER ACCOMMODATION</b>	
One 3* Hotel for sport oriented travellers	260
One 2* standard hostel	150
One 2* economy hostel	150
One 3* small hotel-pension	50
One 3* small hotel-pension	60
<b>REAL ESTATE</b>	
One 3* Condotel	80
3* Appartements	100
3* Chalets	150
<b>Total</b>	<b>1.000</b>
<b>TOTAL NUMBER OF BEDS</b>	<b>9.580</b>

Table above shows the number of beds in all three areas. Total number of beds is 9.580.

## 8.6. Overlapping projects

### Project 1: Hiking Route Concept



#### Project idea and description:

Development of an attractive hiking concept for Jahorina with the following main contents:

- Improvement of the existing hiking trails and development of new trails including connecting trails from one trail to the other trail
- Integration of the tourism supra-structure in Jahorina (accommodation and gastronomy) - e.g. development of "hiking friendly hotels with facilities for renting hiking equipment, hiking guides, maps of trails, cottages with gastronomy alongside the trails.

#### Targets:

To create a product that stimulates summer tourism in Jahorina. A Hiking-Route Concept also contributes to one core pillar of the positioning of Jahorina - to offer mountain wellness activities.

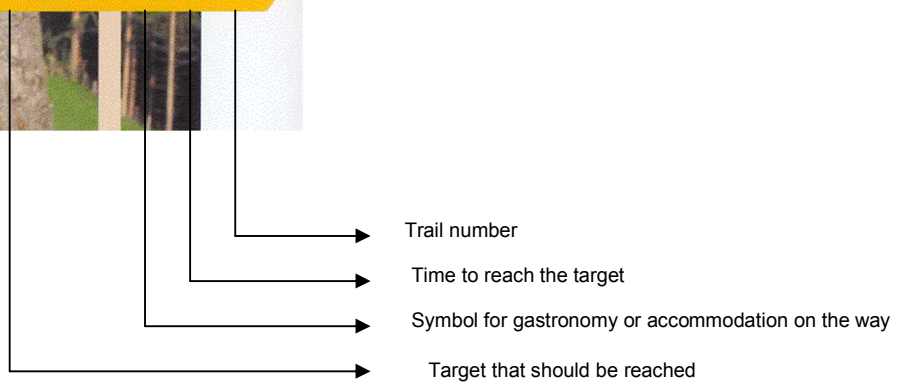
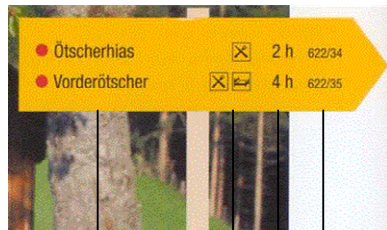
#### Necessary steps:

- Clarification of liability questions concerning land owner and operator
- Detailed course development (including different tracks with different difficulties for different target groups)
- Determine the final routing with regard to the integration of so called "Points of Interest" (e.g. unique rock formation, beautiful view, springs, etc.)
- Signage and information description with maps of trails
- Development of criteria for hiking-oriented accommodation and infrastructure facilities
- Organisation of special events

#### Investment:

Approximately € 200.000 - 300.000 (depending on the number of trails, signage, information material)

Example for signage of hiking trails



## Project 2: Mountain bike Park



### Project idea and description:

Development of different signposted mountain bike tracks, two downhill tracks, a Bike-Park and a Jahorina-Bike-Service-Center (bike rental, shop, garage, cleaning area for the bike, shower possibility for the bikers, etc.).

Some of the tracks should also be prepared to allow two or three mountain bikers to race each other at the same time.

### Targets:

To create a "Fun & Action"-tourism product in Jahorina that also supports the summer development.

### Necessary steps:

- Clarification of liability questions concerning land owner and operator
- Detailed course development (including different tracks, downhill tracks, etc.)
- Determine the final routing with regard to the integration of so called "Points of Interest" (e.g. unique rock formation, beautiful view, springs, etc.)
- Signage and information description
- Development of criteria for bike-oriented accommodation and infrastructure facilities
- Organisation of special events (e.g. Downhill World Cup, etc.)

### Investment:

Approximately € 200.000 - € 300.000 (depending on the type)

### Project 3: Cross Country Tracks



#### Project idea and description:

Development of attractive cross-country skiing-tracks in Jahorina with a total length of approximately 30 - 40 kilometres.

#### Targets:

Development of a modern, multi-purpose tourism product for the winter season.

#### Necessary steps:

Development of a concept for cross-country skiing tourism product with the following content:

- Development of cross-country ski-tracks with a total length of 30 - 40 kilometres
- Development of one track with approximately 5 kilometres with snow guarantee (artificial snow if necessary) and lighting.
- Development of a cross-country ski-track on top of the mountain high plateau
- Configuration of starting and arrival points with appropriate signage and information (e.g. map of all tracks on a large board at the starting point)
- Organisation of cross-country skiing competitions in Jahorina
- Development and selling of cross-country skiing packages (accommodation + cross-country equipment)

#### Investment:

Approximately € 50.000 - € 70.000

Example of signage:

Black cross-country ski-tracks - difficult

Red cross-country ski-tracks - medium

Blue cross-country ski-tracks - easy

Other contents: e.g. gastronomy, parking lots, Nordic centre, other points of interest



## Project 4: Mobility Concept

### Project idea and description:

At the moment Jahorina has a severe traffic and parking problem, especially during the winter time.

In order to avoid stop-and-go traffic, to minimize the negative effects for nature caused by the traffic and to improve the parking situation, a mobility concept should be developed.

At the same time the mobility concept should take in the consideration the fact that the guests want to be mobile and flexible at the vacation destination.

The first necessary action would be to eliminate as much traffic as possible from the upper area. Therefore access by car should be prohibited with the exception of hotel guests. The guarded barrier should be somewhere between Hotel Rajska Dolina and Hotel Termag. There is also alternative of the area Gnjile bare to be used as parking space for daily guests (approx. 2000 vehicles). In this case, the blue zone area – the enlargement area would be added to the Gnjile bare area over Zelena glav. and the same would be connected with the vertical transport with central ski zone)

Therefore public parking lots need to be built in the lower area before the barrier. In winter all daily guests should use these parking lots. The total capacity for the parking lots, including hotel parking, should reach 4.000 - 4.800 by 2016. For daily guests the parking capacity should be between 2.000 and 2.400 places.

No individual traffic for daily guests should be allowed in winter - only guests that stay overnight are allowed to drive to their accommodation facility.

Furthermore it should be included into the building law of the municipality that all new accommodation facilities need to have their own adequate parking lot.

The Mobility Concept includes:

- Shuttle Buses

The Shuttle Buses transport guests from Pale and Sarajevo to Jahorina and back.



- Jahorina Shuttle

The Jahorina Shuttle is a small bus that transports guests within Jahorina (e.g. from the parking lots to the High Plateau or to the Cross-Country Skiing Slopes). The shuttles have certain routes, they drive regularly and they should be free of charge.



- Private Shuttle Taxis

Private Shuttle Taxis transport people to individual points of interests in Jahorina. You need to call the taxi hotline and the privately organised taxi company will provide you with an adequate ride.



- Alternative fun vehicles for the summertime

In the summertime alternative fun vehicles are available and might be hired by rented by the guests



It might also be a good idea that the accommodation facilities offer packages including accommodation and a so-called mobility card, which includes the above mentioned transport possibilities within Jahorina.

Targets:

The objective of the mobility concept Jahorina is to create practicable and environmentally compatible transport strategies for travel to and in Jahorina. It should also aim at minimize the amount of cars on the sensitive upper area of the mountain.

Necessary steps:

- Contact the surrounding communities and Sarajevo concerning public transport to Jahorina and financing of the public transport
- Development of adequate parking lots at the entrance of Jahorina
- Make a guarded borderline between Hotel Rajski Do and Hotel Termag  
(or to orientate on the area of Gnjile bare in accordance with the above mentioned suggestion)
- Include into the building law of the municipality that every new accommodation facility needs to provide adequate in-house parking capacities
- Develop facilities for mobility in Jahorina and requesting offers for means of transport

Investment:

The public transportation (e.g. between Sarajevo and Jahorina) should be provided and operated by the county and municipalities.

Investment for the Mobility Concept including Shuttle Buses, environmentally friendly cars and alternative fun vehicles: € 500.000 - 600.000

Investment for the parking lots: € 500.000 - € 700.000 (only outdoor parking lots)

In case of building indoor parking lots (parking houses) it is necessary to calculate approximately € 8.000 - € 10.000 per parking lot.

## Project 4a: Gondola

### Suggestion – partial solution for traffic communication – Introduction of gondola



As stated earlier, Jahorina has a considerable problem with traffic and parking area.

Starting up the gondola (with 4 or 6 seats) as a traffic mean would also represent, besides the listed activities for development of mobility concept, the ideal solution for the future when the financial grounds will be insured for such project.

By constructing gondola, the number of parking spaces would decrease, it would be easier to use roads for those that have to use them and the spirit of ecotourism would be respected, this would be the practical way of enabling the easier access to Jahorina from the east side.

Pre-condition for constructing gondola is revitalization of the tourist railway Sarajevo-Pale, so that the starting station (with all the attractive contents) would be located next to the City Hall in Sarajevo.

By revitalization of this railway, there are three options of activating gondola from Pale and they are as follows:

1. from Pale over area of Dvorista by gondola to Jahorina (the most optimal solution);
2. from Pale to Podgrab, by road (tourist railway) to Vrhpraca and by gondola to Jahorina;
3. from Pale, by gondola over Cirine luke to location Gnjile bare.

It would be the best solution to have direct access to ski slopes from the last station of gondola.

The Managing County and the Municipality should primarily support such solution of mobility concept and in the near future during the implementation of this Master plan to insure all necessary steps for development of this project.

## Project 5: Quality Improvement Program Jahorina

### Project idea and description:

Determination of guaranteed and measurable quality standards for the tourism offer on accommodation-, tourism infrastructure- and destination-level. This concerns not only the hardware (physical equipment) but also the software (quality of the services).

### Targets:

Beside a high-class quality of the facilities (offers in hotels, gastronomy, tourism infrastructure) a high service quality (software factors like friendliness, reliability, atmosphere, etc.) should also be ensured in Jahorina.

Jahorina should try to continuously approach Western-European standards and to become a pioneer concerning hardware- and software-quality in tourism in South-eastern-Europe.

With a Quality Improvement Program where economic sectors are overlapping the awareness to work into the same direction should be encouraged.

### Necessary steps:

- Development of quality standards for different areas (e.g. hotels, gastronomy, etc) for the tourism hard- and software
- Development of a training program on the basis of the determined quality standards
- Regular coteries concerning quality to guarantee a continuous quality improvement
- Control of the compliance of the quality standards
- Study trip to comparable destination with a winter- and summer-season

### Investment:

Approximately € 100.000

## Project 6: Attractive lodges/cottages for Après Ski



### Fact Box

Amount: 5 – 8 lodges/cottages

Seats per lodge: 200 - 500

Estimated investment: € 3 – 5 Mio.

### Key figures

- Between 45 and 55 % of the total seat capacity should be located outside
- Self-Service only or mixed option with self-service and served area
- The lodges/cottages should be placed close to high frequency areas
- Ideal are locations with a perfect view
- Après-Ski Bar with adequate music
- Lodges/Cottages close to hotels might also offer A-la-Carte Dinner in the evenings

Beside the regular gastronomy seats in the hotels this Après-Ski lodges/cottages will increase the amount of gastronomy seats towards the defined International Planning Standard of 4.500 to 5.500.

## Project 7: Development of a professional Destination Management Organisation (DMO)

Destination Management Organizations (DMOs) are the organizations responsible for the management and/or marketing of destinations. Destination Management Organization has a key role (through her functions) in making a destination competitive. By creating different products and targeting the smallest market niches, destinations are competing more than ever since tourism has become increasingly competitive in the global market place.

It is expected that in the future Jahorina will become key player in the ski tourism in the area of South-East Europe. In order to achieve and, more importantly, maintain this position it is essential to create professional DMO. More and more it is realized that strong and professionally organized DMO as the place of cooperation and optimization of interests of all the stakeholders is the key success factor of every tourist destination. This cognition occurred based on the analysis of evaluation of historical experience in destination development (today, who is successful and why?). Also, this cognition has created a need that new destinations in early phase of positioning start do organize themselves in this way. It is less important who owns the organization (private, public, private/public), that depends on the size of the area and their interest structure. In case of a new and "empty" destination which can be developed (case with some American, Canadian, Australian destinations), private sector on their own sets structure trough acquisition or concession and in that way operates through DMO. But in case of destinations who are inhabited and already have established interest structure, DMO is being developed by existing stakeholders.

DMO has five primary functions:

1. Economic driver of a destination
2. Community marketer
3. Industry coordinator
4. Quasi-public representative
5. Builder of community pride

Operationally DMO combines its previous function and activities focussing on external marketing with recent needs which are primarily focussing destination development and competitiveness building. With this regard, DMO responsibility today is multifunctional but ultimate goal is to ensure destination's sustainable growth and ability to quickly react on external market change.

Having this new and integrated responsibility of managing and marketing the destination DMO should be structured to professionally respond to its business mission.

Within the external area of action DMO is responsible to organise all activities in order to present destination to the world and attract visitors to the destination. After completion of strategic marketing activities of image definition, branding and positioning operational marketing activities need to be put in place. Main operational marketing activities of the DMO are listed as follows:

- Web Marketing
- Events & Festivals
- Cooperative Programs
- Direct Mail
- Direct Sales
- Sales Blitzes
- Trade Shows
- Advertising
- Familiarization Tours

- Publication & Brochures

Web marketing has been put in first place because of its growing importance in terms of providing products and services online. Increasingly, customers are getting destination information and booking accommodation via Internet.

Table below lists Eight Main Functions of a DMO Website (adapted from Lu & Lu, 2002:8):

<p><b>General Publicity:</b> Provide a basic Web presence, interaction and supporting information.</p>	<p><b>Advertising Product/Services:</b> Publish the local tourism products or services without prices.</p>	<p><b>Advertising Product/Service with Price Information:</b> Provide price information for the local tourism products and services.</p>	<p><b>E-mail Enquiry:</b> Provide e-mail addresses to allow customers to make enquiries about the web-page, products, services and so on.</p>
<p><b>E-mail Booking:</b> Allow customers to make online bookings but the payment is still carried out using conventional method.</p>	<p><b>On-line Payment:</b> Provide online shopping (selling) with credit card payment.</p>	<p><b>Registration with ID:</b> Provide their customers with an account identity for direct purchase.</p>	<p><b>Others:</b> (call for information, tourism guide services, etc.).</p>

Within the internal area of action DMO is responsible for all competitive activities within the destination. In other words, it is focused on the development of: infrastructure, products, services and experience system, i.e. development desirable tourism profile of the destination. These activities are directed towards persons and organisations within the destination, so the DMOs effectiveness is measured by capability to coordinate stakeholders' interests.

Internal Destination Development Activities:

- Visitor Management
- Information/Research
- Coordinating Tourism Stakeholders
- Crisis Management
- Human Resources Development
- Finance and Venture Capital
- Resource Stewardship
- Quality of the Visitor Experience

These Internal Destination Development Activities together with above listed External Destination Marketing Activities create a content of responsibilities of one professional DMO.

Having all this in mind, it is quite obvious that Jahorina needs a new and professional DMO in order to build its position on international tourist market. The question is how to get to this level of competitive organisation.

**Present situation**

**a) A Tourism organization status quo in Republic of Srpska**

Based on Tourism Law Act (official gazette RS No 55) cities or communities can form Tourism Organisation which is regulated under the rules of public institutions. Scope of work and responsibilities of Tourist Organizations are mainly focussing on tourism promotion, information

and statistics as well as promotion of events, cultural and environmental protections of destinations. In addition, TO is also responsible for coordination of stakeholders involved in tourism business within the destinations.

The system of TO in Republic of Srpska is financed by the tourist tax, communal/cities budgets as well as by memberships and sponsorships.

The existing law enables TO to be more active and influential in building destination competitiveness and supporting its development, but since they are publicly formed and regulated institutions, their effective influence on destination development and competitiveness is very limited. Their coordinating role has been exploited via coordination meeting and action plans for preparation of the tourism seasons in respective destinations.

Government of Republic of Srpska, based on the same law, can significantly influence competitiveness programmes via financing different development, urbanity and infrastructural projects based on proposals of the responsible Ministry.

It is quite obvious that existing legal base regarding the tourism organisation in Republic of Srpska is wide enough to accommodate any new necessary form of organisation within the public ownership and public institution rules of the game. But it does not offer the possibility for building DMO based on public-private partnership. It still follows a traditional model where administrative bodies are initiating, founding and handling the organizations which are mainly focussing on external activities (marketing) and are advocating Government to undertake certain projects oriented to destination development and competitiveness building (possible investments in infrastructure, manifestation and similar). However, within the private sector, there are no significant players to be regarded as a strong and a constructive partner to the public sector in developing tourist destinations in Republic of Srpska, and Jahorina might become the first case of building a new and modern DMO.

#### **b) Jahorina DMO development proposal**

Jahorina territory is part of Tourism Organisation of East Sarajevo which includes 6 municipalities: Pale, Trnovo, Sokolac, East Old Town, East New Sarajevo, and East Ilidža. The headquarters of TO is in Pale. With the budget of approximately 50.000 EUR in 2005, main tasks of TO are: promotion and advertising (fair participation, publishing brochures, tourist guides, and postcards), organisation of events (e.g. Jahorina Winter), information distribution. TO East Sarajevo is in process of organising a new tourist-information bureau on Jahorina.

Besides some promotional and coordination activities, TO of East Sarajevo does not have financial nor operational capacity to influence fast and radical restructuring of Jahorina destination. On the other side, TO East Sarajevo has a mission to promote tourism in the entire Sarajevo-Romanija tourism region and as such, it should stay in the future as a regional tourism management organisation initiating and following the revival of tourism sector in the entire area.

Therefore, a new Jahorina oriented DMO has to be formed.

There are two basic models to install Jahorina DMO.

##### **Model 1.**

First model is to follow the existing public regulations but to adjust the existing financial model for this type of organisation. This means that the responsible body (City of Pale) forms this DMO where only partial private stakeholders are involved, mainly via its Advisory board or Committee. This organization should have an independent managing director and a marketing and development advisory Board, which will create, direct and monitor all DMO activities.

DMO in this case, should be named as Destination Management Company Jahorina, and its financing model should be as follows:

**a) Tourist tax**

- 60% of all receipts from tourist tax of minimum 1 euro per bed per night, should be kept as its revenue;
- 10% of all receipts from tourist tax of minimum 1 euro per bed per night should be kept in City of Pale for manipulative costs and other city tourism related programmes;
- 15% of all receipts from tourist tax of 1 euro per bed per night should be transferred to Regional DMO East Sarajevo;
- 15% of all receipts from tourist tax of 1 euro per bed per night should be transferred to national DMO in Banja Luka.
- Since City of Pale is organising Jahorina DMO should integrate Pale in its marketing activities as an entry gate into a mountain destination of Jahorina.

**b) Tourism contribution for companies**

Beside the accommodation facilities, all the other tourism-related companies (e.g. restaurants, bars, ropeway companies, Apres-Ski cottages, etc.) as well as all other companies in the municipality of Pale should also contribute to the budget of the Destination Management Company.

In Austria for example, all companies are divided into seven different contribution groups (e.g. contribution group 1 profit most from tourism – for example companies selling sports goods). Depending on the contribution group and the total yearly turnover of a company the “General Tourism Contribution for companies” is calculated, then levied by the municipality and afterwards transferred to the Destination Management Company of Jahorina/Pale.

Two examples from Austria illustrate this contribution. An optician (contribution group 5) with a yearly turnover of € 500.000 has to pay a “General Tourism Contribution for companies” of € 548 per year. A company selling sports goods (contribution group 1) with a yearly turnover of € 1,1 Mil. will contribute € 4.940 and a grocery (contribution group 4) with a yearly turnover of € 320.000 needs to pay € 270 per year.

This new contribution system, in case of Jahorina DMO being organized as a public body, should be defined as a part of tourism tax law.

**c) Financial support by administrative bodies**

Due to the fact that Jahorina/Pale is one of the most promising tourism destinations in Bosnia-Herzegovina it should also be possible to get financial support, at least for the first couple of years, from the public administration bodies (like the municipality of Pale itself, the Canton of Eastern Sarajevo or the Republic of Srpska). Based on the existing tourism law on Tourism organisation, it is envisaged that Government of Republic of Srpska can finance projects related to tourism infrastructure and planning, if they are evaluated and selected by responsible Ministry.

In case of applying this model, collection of tourist tax (500 to 700 thousands bed nights), contributions, and eventual financial support from the Government, Jahorina DMO will be disposing with a budget from to 700 to 800 thousand euros. With this budget this DMO would have enough space to function as a professional organisation.

**Model 2.**

In case that it is not possible to change law and redistribute receipts from tourist tax and introduce the General Tourism Contribution for Companies, the alternative is to significantly strengthen future role of Tourism Organization . In that case TO should play the key role regarding competitiveness of the destination.

By increasing the budget amount, which should be approximately between € 250.000 to € 300.000 Tourism organisation would be able to increase the number of employees and to meet all its obligations prescribed by law.

In that case Tourism organisation would employ the following staff:

- 1 Managing Director (Destination Manager)
- 2 Assistants ( for product development and marketing)
- 1 Secretary
- 2 to 3 counter staff for the information bureau

Based on professional planning Tourism organization would be able organize and realize all projects that are important for Jahorina and Municipality East Sarajevo.

Conclusion:

Development of a modern and a professional Destination Management Organisation is the prerequisite for future successful management of destination.

We assume that for a start up phase, for Republic of Srpska a first model should be more convenient since it reflects all potential DMO functions except investment and development provided by private sector.

After a minimum of 5 years of a redevelopment process, when a new market structure will be established and new owners will be settled, a potential private-public partnership should be formed.

With this regard we are proposing the following necessary initial steps:

- Verification and introduction of a new tourism tax system in Republic of Srpska and new categorisation of tourism places;
- Based on a new categorisation of tourism places in Republic of Srpska, introduction of "General Contribution for tourism companies" for "first category" of tourism destinations (places) which community of Pale and Jahorina obviously should become a part of;
- Development of a concrete Business Plan for the future Destination Management Company (including Organisation Model, Financing, Task Contribution, Job Specifications);
- Investment in this project should take place after the general business and development model including privatisation in Jahorina will take place. Approximate investment in a professional development of this new structure will be approximately 30.000 € including the services of professional recruitment process for this new organization (company).

NOTE: This model of DMO is not meant to be responsible for private investment in future Jahorina projects.

## Project 8: Application for Olympic Winter Games 2018



### Project idea:

Entire mountain potential of former Yugoslavia which is mainly concentrated in Bosnia-Herzegovina, Montenegro and Serbia provides an serious development opportunity for mountain tourism as a part of service industry.

Since this region is still in transition and is in the process of strong economic reforms, development of mountain tourism is becoming one of the important drivers for overall economic development since the potential market for this business is rapidly growing.

On the other side, economic and social integration into EU where international political and economic standards are to be implemented put this region in position to reintegrate its economic resources and to cooperate in order to faster create economic wealth.

With this regards, and having in mind that in 1984. a very successful Olympic Winter Games were held in Sarajevo, there is an great opportunity for this region to apply again for Olympic Game in 2018 with joined forces.

It is expected that this application will be positively received by international community as a symbol of final political and economic stabilisation of the Balkan area being able to overcome political crisis which took place at the end of 20-th century.

The core area for new Olympics application should be broader Sarajevo region with Jahorina and Bjelašnica as key areas for organization of mountain disciplines. However, it is advisable to enlarge the project as a cross boarder agreement where Bosnia and Herzegovina, Montenegro, Serbia and possibly Croatia make an joint proposal, thus sharing a good will to cooperate in an global project which can seriously positively change entire regional tourism potential. The whole application should be based on the idea of "Olympic Games without borders".

In 2018, almost 20 years after the armed conflicts in this region, the realisation of common Olympic Games, hosted by countries that had been former conflict parties, would be a very strong and positive signal for the whole region as well as global community.

Possible locations:

Beside Jahorina there would be several other mountain resorts within a reasonable distance like Bjelasnica-Igman, Tara, Zlatibor, Durmitor or Kopaonik. It should be subject to detailed negotiations between the involved countries to select the best-suited locations for each Olympic competition.

Due to the experience of hosting the Olympic Games in 1984, Jahorina could be the location for the Alpine Skiing Competitions of the Women and for the Biathlon Competitions.

Necessary Steps:

- Negotiations between the possible Olympic destinations
- Common agreement between the destinations with regard to the distribution of the Olympic competitions
- Preparation of a common application and handing in of the application documentation to the IOC – International Olympic Committee - until the defined deadline (most probably in 2010)

Investment:

Approximately € 450.000 - € 500.000 for the application process – most likely this money will be raised on national level (e.g. governments, Olympic Committees, etc.)

## 9. Marketing Strategies

The purpose of the marketing strategies is to communicate the vision of Jahorina Mountain, as well as to define key priorities of the marketing system in the next five years. Strategic priorities represent guidelines for future planning as well as for future development of marketing initiatives and actions. Strategic priorities of the marketing system for Jahorina are the following:

1. **Branding**
2. **Marketing communication**
3. **Internet**
4. **Market research**

### 1. Branding

Brand represents a unique collection of experiences provided by a mix of rational, emotional, sociological and cultural advantages and benefits on disposal for guest. Guests choose brands / destinations according to emotional values that brands / destinations demonstrate for them.

With development of a brand, identity of the tourism in Jahorina is created, by which Jahorina is positioned as a competitive tourism product in a much diversified market. With branding potential visitor / guest is provided with additional warranty and assurance during the decision making process of choosing the destination for vacation.

### 2. Marketing communication

Jahorina is at the beginning of professional creation and development of tourism products, where promotion activities performed in the last decade were primarily focused on current products, and were performed on an individual effort basis of few service and accommodation providers. These actions are fair, if we take into consideration the capabilities and resources available, although there is a lack of a coordinated and an integrated approach to promotion of Jahorina Mountain and its surroundings.

### 3. Internet

Web pages and e-mail marketing have taken constant and inevitable role in strategic marketing planning, and they are evolving in the way that they take bigger importance in overall tourism marketing. Internet marketing, as other media and communication tools, has to be integrated in overall marketing strategy of Jahorina tourism, by which biggest level of possibilities and potentials on tourism market are used.

### 4. Market research

As one of the main priorities of a marketing strategy development is the need for market research. For example market research can be: market trends, socio-demographic trends, travel trends, implication of trends on Jahorina tourism etc. Market research provides necessary and timely information on customer behaviour, decision making process, awareness and perception on Jahorina destination. This information together with detailed guest profiles is precondition for an efficient marketing decision-making with the best return on marketing investments.

### 9.1. Vision and positioning

Vision statement is developed for the year 2016:

***In 10 years Jahorina will become the number one mountain destination in Southeast Europe for winter and summer season. It will have the most attractive offer developed in a multi-purpose and profitable way enlightened with the spirit of the Olympic games.***

***This vision will help in economic development of the region and better quality of living for local population. Jahorina will produce memorable experiences, touching all senses and emotional part of the intellect by understanding the nature and culture.***

***Success will be achieved through sustainable development with respecting ecological standards of the next generation with entrepreneurial innovations, by which Jahorina***

***becomes the best possible example of mountain destination with financial benefit to all stakeholders involved.***

Tourism positioning of Jahorina is as follows:

***Jahorina is an ecological mountain destination offering Olympic games experience in natural surroundings for all types of active and passive guests. It is a recreational and a vacational destination which proudly offers innovative and intelligent tourism products for the whole year. Jahorina will specialise in the following centres of excellence (the 5 pillars of the positioning):***

- ***Modern, multi-purpose and olympic tourism products for the winter,***
- ***Family oriented tourism products (for summer and winter),***
- ***Seminars and conferences,***
- ***Mountain wellness,***
- ***Fun and action (summer and winter).***

***With unique values it creates memorable activities and experiences by meeting and bypassing future guest expectations.***

## **9.2. Product marketing plan**

Product marketing plan develops strategy for each product according to its individual conditions and challenges. In each of the products chances of the product are highlighted, as well as the sub-categories that each product has. Further, decision on what type of guests can each product count on, as well as from which markets will they be. At the end of each product strategies, communication and distribution tools are mentioned. All elements of the product marketing plan should be performed on an international level of performance.

**9.2.1. Business tourism – MICE (Meetings, Incentives, Conferences and Events)**

Business tourism involves individual guests travelling to certain destinations for professional reasons. On the other side, MICE product represents organized type of travel also connected to business motives. This product, in overall outcome, involves all people with business motives of travel, excluding workers on temporary work (to become or being part of labour people of one nation). Sub-segments of this product are: individual business travel and meetings, incentives, seminars, educational programs and trainings, conventions and corporate business meetings, business fairs and exhibitions. Key marketing strategies for Jahorina business tourism and MICE product are:

<b>Business tourism - MICE</b>		
		
<b>Chances</b>	<b>Segments</b>	
Every Euro spent by business guests generates new 8 - 12 Euros High loyalty level Strong influence on trade Extended value chain towards other tourism products in portfolio	Business meetings Incentive Conferences, exhibitions, events Workshops, seminars Leisure extensions to bussines travel	
<b>Type of guests</b>	<b>Markets</b>	
Corporate business guests Individual business guests Governmental and public bodies Regional agencies and societies Associations and partnerships	Western Europe Central Europe USA Russian Federation Middle East	
<b>Communication</b>	<b>Distribution</b>	
Web page Publications Product catalogue Advertising Press and familirization trips	Corporate marketing Meeting associations Specialized agencies Direct sale Agencies	

**9.2.2. Short breaks**

Short break is usually between one and four days, sometimes even longer, and represents second, third or fourth vacation in the year. Main motives of short breaks are hiding and escaping from every day life, in a relaxing resort atmosphere (couples), business (smaller groups and individuals), events (groups and families), culture, shopping and other (organised groups). This product does not have seasonality due to the fact that it is connected to the above mentioned motives of arrival to destination, but is very flexible in relation to the price. Short breaks have following strategies:

<h2>Short breaks</h2>		
		
Chances	Segments	
<ul style="list-style-type: none"> <li>World trend of taking more short vacations (2 - 4 days)</li> <li>Fastest developing tourism product</li> <li>High revenue per guest</li> <li>Easy market entry</li> </ul>	<ul style="list-style-type: none"> <li>Weekend breaks</li> <li>Activities in nature</li> <li>Visiting attractions and nature</li> <li>Workshops in nature and research</li> <li>Special occasions (honeymoon, New Year's break, annual gatherings)</li> </ul>	
Type of guests	Markets	
<ul style="list-style-type: none"> <li>Married couples without children</li> <li>Young couples</li> <li>Smaller groups of friends</li> <li>Individual guests</li> </ul>	<ul style="list-style-type: none"> <li>Eastern Europe</li> <li>Central Europe</li> <li>Western Europe</li> <li>Middle East</li> </ul>	
Communication	Distribution	
<ul style="list-style-type: none"> <li>Web page</li> <li>Publications</li> <li>Advertising</li> <li>Product catalogue</li> <li>Familirization trips</li> </ul>	<ul style="list-style-type: none"> <li>Touroperators</li> <li>Travel agencies</li> <li>Direct marketing</li> <li>Global distribution systems</li> <li>Jahorina web page</li> </ul>	

**9.2.3. Summer and winter mountain vacation**

Tourism resorts on mountains have been in last 15 years intensively developed to offer its capacities and programs during the whole year. Programs consist of different vacation and recreational activities, depending on the part of the year.

This product has two main seasons: summer from June to September, and winter from October to April. Both, winter and summer vacations are between 7 and 14 days.

Summer vacation includes following activities: sunbathing, mountain wellness, walking, hiking, mountaineering, biking, paragliding, nature activities, water activities, sports etc. Winter vacation includes following activities: alpine skiing, snowboarding, sliding, Nordic skiing, skating, carling etc.

Marketing strategies for this product are as following:

<h2 style="text-align: center;">Summer and winter mountain vacation</h2>		
		
Chances	Segments	
Whole year favourable climate Summer vacation represents primary substitute for sun & sea Winter vacation has focus on quality of services and activities Wide spectrum of services	Family vacation Holidays (public holidays) Children summer / winter break Activities on mountain Sportmen preparations Summer / winter vacation	
Type of guests	Markets	
Families with children Children groups Active individuals (up to 45 y.o.) Younger people (18 - 25 y.o.) Groups	Central Europe Western Europe Eastern Europe Russian Federation Middle East	
Communication	Distribution	
Publications Advertising Promo package Tourism fairs Press and familirization trips	Touroperators Specialized agencies Global reservation systems Direct marketing Jahorina web page	

**9.2.4. Wellness**

Wellness product is for clients who are in a good / solid state of health, which are in search for treatments that will enable or sustain this status. They are in a quest for better health, losing weight, diminishing the aging effects, lessening the pain and discomfort, removing the stress; which are also main motives for choosing this product. Wellness has following marketing strategies:

<h2>Wellness</h2>		
		
Chances	Segments	
Wellness/health becomes trend transfer from typically women on men and families Permanent demand whole year Higher level of prices in terms to other products	Mountain wellness Recuperation on mountain Sauna, massage, fitness Meditation and oriental techniques Pools, jacuzzi Kneipp therapy	
Type of guests	Markets	
Individual guests with need for health and wellness treatments Couples without children Small groups	Western Europe Central Europe Balkan countries Eastern Europe	
Communication	Distribution	
Web page Publications Advertising Specialized fairs Press and familirization trips	Touroperators Specialized agencies Business partnerships Direct marketing E- mail	

**9.2.5. Special interest**

This product consists of several market niches, and is vacation activity which is performed in an exotic, remote or wild setting. It is closely connected to high levels of guest participation, in an open space. Guests are expecting certain level of (controlled) risk and / or excitement, or on the other hand tranquillity to test their own ability in preferred activity.

Most of the activities are divided into soft (camping, walking, biking, 4x4 drive, nature exploring, riding, bird watching, fishing, hunting) and hard activities (canoeing, kayaking, caving, mountain cycling, cross country skiing, mountaineering, paragliding, rafting, rock climbing). Because it consists of numerous interests and activities, special interest product is attractive during the whole year. Key marketing strategies for this product are as follows:

<b>Special interest</b>		
		
<b>Chances</b>	<b>Segments</b>	
<ul style="list-style-type: none"> <li>Already existing base of products</li> <li>Closely connected to other products from portfolio</li> <li>Easy market penetration</li> </ul>	<ul style="list-style-type: none"> <li>Summer soft activities</li> <li>Summer hard activities</li> <li>Winter soft activities</li> <li>Winter hard activities</li> </ul>	
<b>Type of guests</b>	<b>Markets</b>	
<ul style="list-style-type: none"> <li>Families with / without children</li> <li>Active individual guests</li> <li>Group of friends</li> <li>Older people (retired people)</li> </ul>	<ul style="list-style-type: none"> <li>Western Europe</li> <li>Balkan countries</li> <li>Central Europe</li> <li>Eastern Europe</li> </ul>	
<b>Communication</b>	<b>Distribucija</b>	
<ul style="list-style-type: none"> <li>Advertising</li> <li>Publications</li> <li>Specialised fairs</li> <li>Web pages</li> <li>Product catalogue</li> </ul>	<ul style="list-style-type: none"> <li>Specialised touroperators</li> <li>Specialised agencies</li> <li>Interest associations and clubs</li> <li>Touroperators catalogues</li> <li>E-mail</li> </ul>	

**9.2.6. Rural tourism**

Rural tourism includes a wide spectrum of activities, services and additional facilities organised by rural population on farms and rural houses. Main objective is to increase income of rural households as well as to increase a number of tourism arrivals. This product is mostly focused on opening rural areas, thermal and mineral springs, rivers and lakes, and it is presenting traditional hospitality and values of the life in rural areas. With this, rural tourism becomes means for economic development and help to increase the life standards, according to the principles of sustainable development and preservation of natural resources.

Rural tourism includes different forms of tourism activities: agro tourism, rural households, farms, eco-tourism, cultural tourism and other forms of activities in rural surroundings. Key marketing strategies for rural tourism are:

<b>Rural tourism</b>		
		
<b>Chances</b>	<b>Segments</b>	
<ul style="list-style-type: none"> <li>Revitalization of abandoned rural households in the area</li> <li>Revitalization of traditional way of living in rural area</li> </ul>	<ul style="list-style-type: none"> <li>Rural experience</li> <li>Eco-tourism in rural surroundings</li> <li>Agrotourism, rural haouseholds, farms</li> <li>Ethnic tourism</li> </ul>	
<b>Type of guests</b>	<b>Markets</b>	
<ul style="list-style-type: none"> <li>Families with children</li> <li>Married couples without children</li> <li>Individuals / smaller groups with interest in activities and spec. int.</li> </ul>	<ul style="list-style-type: none"> <li>Balkan countries</li> <li>Eastern Europe</li> <li>Central Europe</li> <li>Western Europe</li> </ul>	
<b>Communication</b>	<b>Distribution</b>	
<ul style="list-style-type: none"> <li>Publications</li> <li>Web page of rural tourism</li> <li>Product catalogue</li> <li>Advertising</li> <li>Press and familirization trips</li> </ul>	<ul style="list-style-type: none"> <li>Specialized agencies</li> <li>Individual web pages</li> <li>Rural associations</li> <li>Direct marketing</li> <li>Different web portals</li> </ul>	

Each product has its own segmentation in terms of infrastructure and suprastructure to become successful in international commercialisation as well as promotion and distribution. The following chart shows summary overview of product segmentation:

Product portfolio in terms of segments, suprastructure / infrastructure and distribution and promotion			
Product	Product segments	Tourism suprastructure / infrastructure	Promotion and distribution
Business tourism / MICE	<ul style="list-style-type: none"> <li>• Business meetings</li> <li>• Incentive</li> <li>• Conferences, exhibitions, events</li> <li>• Workshops, seminars</li> <li>• Leisure extensions to business travel</li> </ul>	<ul style="list-style-type: none"> <li>• Airport</li> <li>• Hotels with 4* i 5*</li> <li>• Conference center</li> <li>• Fair</li> <li>• Modern A/V equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Meeting planners</li> <li>• Web page</li> <li>• Meeting associations</li> <li>• Publications</li> <li>• Advertising</li> </ul>
Short breaks	<ul style="list-style-type: none"> <li>• Weekend breaks</li> <li>• Activities in nature</li> <li>• Visiting attractions and nature</li> <li>• Workshops in nature and research</li> <li>• Special occasions (honeymoon, New Year's break, annual gatherings)</li> </ul>	<ul style="list-style-type: none"> <li>• Airport, highway</li> <li>• Hotels with 4* i 5*</li> <li>• Shopping</li> <li>• Museums, theater, cinema</li> <li>• Restaurants, bars, disco</li> </ul>	<ul style="list-style-type: none"> <li>• Touroperator brochures</li> <li>• Travel agencies</li> <li>• Web page</li> <li>• Publications</li> <li>• Advertising</li> <li>• Global distribution systems</li> </ul>
Summer and winter vacation on mountain	<ul style="list-style-type: none"> <li>• Family vacation</li> <li>• Holidays (public holidays)</li> <li>• Children summer / winter break</li> <li>• Activities on mountain</li> <li>• Sportmen preparation</li> <li>• Summer vacation with activities</li> <li>• Winter vacation with activities</li> </ul>	<ul style="list-style-type: none"> <li>• Hotels, private accomm.</li> <li>• Activity center with all necessary services</li> <li>• Activitiy equipment</li> <li>• Restaurants and bars</li> </ul>	<ul style="list-style-type: none"> <li>• Tourism agencies</li> <li>• Touroperators</li> <li>• Reservation systems</li> <li>• Direct marketing</li> <li>• Publications</li> <li>• Advertising</li> <li>• Press trips</li> </ul>
Wellness tourism	<ul style="list-style-type: none"> <li>• Mountain wellness</li> <li>• Recuperation on mountain</li> <li>• Sauna, massage, fitness</li> <li>• Meditation and oriental techniques</li> <li>• Pools, jacuzzi</li> <li>• Kneipp therapy</li> </ul>	<ul style="list-style-type: none"> <li>• Hotels</li> <li>• Private accommodation</li> <li>• Shopping</li> <li>• Restaurants, bars</li> <li>• Wellness centers</li> </ul>	<ul style="list-style-type: none"> <li>• Specialised agencies</li> <li>• Touroperators</li> <li>• Web page</li> <li>• Publications</li> <li>• Advertising</li> <li>• Press trips</li> </ul>
Special interest	<ul style="list-style-type: none"> <li>• Summer soft activities</li> <li>• Summer hard activities</li> <li>• Winter soft activities</li> <li>• Winter hard activities</li> </ul>	<ul style="list-style-type: none"> <li>• Hotels, private accomm.</li> <li>• Sport recreation center with all service</li> <li>• Complete sport equipment</li> <li>• Restaurants, bars</li> </ul>	<ul style="list-style-type: none"> <li>• Specialised touroperators</li> <li>• Specialised agencies</li> <li>• Interest associations and clubs</li> <li>• Advertising</li> <li>• Specialised fairs</li> </ul>
Rural tourism	<ul style="list-style-type: none"> <li>• Rural experience</li> <li>• Eco tourism</li> <li>• Agrotourism, rural households, farms</li> <li>• Ethnic tourism</li> </ul>	<ul style="list-style-type: none"> <li>• Ambiental surroundings</li> <li>• Rural houses for accomm.</li> <li>• Natural and cultural attract.</li> <li>• Traditional gastronomy</li> </ul>	<ul style="list-style-type: none"> <li>• Specialised agencies</li> <li>• Individual web pages</li> <li>• Rural association</li> <li>• Publications and advertising</li> </ul>

### 9.3. Integrated marketing communication

Trends in modern marketing activities are more and more taking into consideration integrated approach to marketing communication which includes systematic promotion (advertising, merchandising, publicity, Internet marketing). It is also necessary to integrate efforts in consistent visual identity by standardising key communication elements through creation of Jahorina image and brand.

The purpose of integrated implementation is to realise recognisability of Jahorina tourism products based on competitive quality standard, identity and differentiation.

We propose the following integrated system of marketing communication for Jahorina tourism:

Integrated marketing communication system for Jahorina			
<b>Branding</b> ✓ Isotype - symbol ✓ Logo ✓ Baseline ✓ Colours, fonts, voices, music	<b>Promotion forms and materials</b> ✓ Brochures Overall tourism brochure Product brochure Accommodation brochure Attractions brochure Event and activities brochure ✓ Promotion materials Posters, leaflets Jahorina tourism map Itinerary maps in terms of products and activities Touristic guide ✓ Web page ✓ Souvenirs and local products	<b>Communication activities</b> ✓ Sales promotion Fair participation Special promotion actions Direct marketing ✓ Public relations Press trips Familiarization trips Press conferences Newsletter, bulletin ✓ Advertising Press (newspapers, magazines) Internet banners ✓ Organization of seminars and workshops	<b>Monitoring</b> ✓ Printing quality of brochures and other promotion materials ✓ Web page content quality (accuracy, up-to-date) ✓ Quality in fair participation

#### 9.3.1. Creation of Jahorina brand

Brand represents unique collection of experiences provided by a mix of rational, emotional, sociological and cultural advantages and benefits on disposal for guest. Guests choose brands / destinations according to emotional values that brands / destinations demonstrate for them.

With development of a brand, identity of the tourism in Jahorina is created, by which Jahorina is positioned as competitive tourism product in a much diversified market. With branding potential visitor / guest is provided with additional warranty and assurance during the decision making process of choosing the destination for vacation.

Brand is consisted of four key elements:

1. *Basic values* - they represent basic values that Jahorina is communicating to the market and potential guests
  - a. Olympic spirit
  - b. Challenging environment
  - c. Magnificent scenery
  - d. Variety of activities
  - e. Welcomes everybody
2. *Basic message* - message that Jahorina is communicating to public, known as unique selling proposition. For the purpose of a sense, we propose following basic message, but for professional branding it is necessary to engage professional marketing / branding agency which will develop final proposal of the message.



3. *Basic character* - emotional brand component. They are emotions and feeling Jahorina Mountain brings out of the guests.
4. *Basic icons* - designed solutions for colours, fonts, logo, brochure design, voices on the commercials, music etc. Solutions have to be simple, strong and to consistently follow the overall story of the Olympic mountain. Key elements are isotype-symbol, logo and baseline.

### 9.3.2. Promotion forms and materials

Due to the fact that tourism in Jahorina is at the beginning, most important role will have printed brochures which will create awareness and will inform market about "new" tourism Jahorina brand. In the beginning of the Jahorina promotion process, focus needs to be put on tools that attract (pull strategies) which will encourage potential guests to try Jahorina tourism products. They are as follows:

#### Brochures

1. *Overall tourism brochure* - with description of all available supplies, and is a summary of all attractors in Jahorina Mountain (attractions, accommodation, activities etc.).
2. *Product brochure* - represents individual product in terms of specialisation and differentiation (Business tourism and MICE, Short breaks, summer and winter mountain vacation, Wellness, Special interest, rural tourism) on the Jahorina Mountain.
3. *Accommodation brochure* - individual accommodation brochures in accordance to the visual identity of Jahorina brand, with detailed description of facilities and activities in their offer.
4. *Specific attractions brochure* - view points, some natural or artificial sights, old handcrafts, museums, monuments etc.
5. *Events and activities brochure* - list of all events and festivals in one year in Jahorina and its surroundings area, by months and by type (culture, sport, art etc.).

#### Promotion materials

1. *Posters and leaflets* - they have photos with high quality level, for distribution to tour operators, travel agencies etc.
2. *Jahorina tourism map* - with highlighted main attractions and resources, distances in meters and in minutes.
3. *Itinerary maps* - different maps which are themed for different products and activities (walking, biking, cross country skiing etc.) with highlighted main attractions and markers, distances in meters and in minutes.
4. *Jahorina tourist guide* - special booklet with strong visual photos and descriptions raises interest for Jahorina.

#### Web page

Internet, as a rather new form of communication, has a great potential in terms of promoting Jahorina tourism and its surroundings. Through quality information on the Jahorina web page as

well as information on products and services, a central reservation system can be developed so potential guest from anywhere can choose and reserve accommodation on Jahorina. Web page will be focused on following content:

1. Database with all accommodation facilities and their description, photos of exterior and interior, as well as with prices
2. Interactive map of Jahorina with possibility of choosing specific accommodation facility
3. List of products and activities with detailed descriptions and photos
4. Interactive map with all attractions and resources with their detailed descriptions
5. List of all types of events, dates, as well as with description of tradition or history of the individual event
6. News, newsletter
7. As an option, development of reservation system for all of accommodation in Jahorina

### **Souvenirs and local products**

This is an additional form of tourism presentation of Jahorina with standard souvenirs for sales, but also with various types of small gifts and products which intention is to be sold as gifts (pens, calendars, stickers, magnets etc.). In terms of strengthening of Jahorina image there are also some local products produced in small volume in households or handicrafts (liqueur, honey, herbal products, wool products, gloves etc.).

#### **9.3.3. Communication activities**

According to overall communication plan we are proposing following communication activities:

##### **Sales promotion**

One of the most common forms of sales promotion is participating at tourism or similar fairs where Jahorina is promoted either independently or in cooperation with tourism organisation. Independent participation is suitable for local or regional fairs, while in international fairs there is a need for cooperation with a roof tourism organisation.

Special part of sales promotion is direct marketing which is using collected database of the guests either from accommodation questionnaires or from the web page. Special offers and teasers are being sent to people from database by e-mail or by post.

##### **Public relations**

Because of the fact that Jahorina tourism product is in the beginning of development, it is very important that public is acquainted with "new" Jahorina. Press trips are one of the forms for introducing the new product in a way that an information and introduction trip is organised for journalists. In this way journalists are getting the information from the source and them follow-up the experience in their magazines or newspapers describing what they have seen or done.

In similar way familiarisation trips for agencies and tour operators are organised in a way to push the Jahorina offer in their catalogues and lists. These groups are in detail introduced to products and itineraries.

Creation and publishing of the journal with news and new information additionally inform the public about Jahorina tourism and what has been done in upgrading the product and services. Journal has its printed form which is distributed to the public (press, public and state organizations) as well as it has electronically formed in terms of newsletter distributed via e-mail to the people from the database.

##### **Advertising**

It consists of placing the adverts in newspapers, radio or TV. Special attention has to be put on specialised magazines for special interest groups, such as school children, mountaineers,

fishermen etc. Special ways of advertising are so called banners on web pages which are used by identified target markets.

#### **Organisation of seminars and workshops**

They are for all people involved in Jahorina tourism (e.g. accommodation, activities, services etc.). Purpose of these seminars is to introduce to the people goals and objectives of tourism in Jahorina, different benchmark workshops where best practices from surroundings are identified, informative education in marketing and operative procedures, guest relationship, as well as introducing the opportunities of enrolling into tourism system of Jahorina, with elementary explanations of economical activities in tourism.

#### **9.3.4. Monitoring of performed activities**

It is necessary to follow-up and analyse all media in which Jahorina tourism is presented, to decide which media is the best in presenting Jahorina, or to identify journalist who write favourably about Jahorina.

Web page has to have accurate and punctual content, as well as possibility for guests on the web page to make comments and critics.

It is also very important to follow-up the participation in tourism or similar fairs, in terms of questions asked at stand, so additional database of question is made to prepare possible repetition of the questions in a better manner.

## 10. Investment and Implementation Plan

### 10.1. Investment plan summary

The following tables include a priority ranking (Priority 1 for the period 2007 – 2010 and Priority 2 for the period 2011 – 2016), a statement regarding “Who is normally the investor” and a rough estimation of the needed investment for each proposed project.

INVESTMENT PLAN SUMMARY

INVESTMENT	Investment type	Capacity (keys)	Investment per unit (EUR)	Total Investment (EUR)	Source of Investment			Investment priority		
					Private	Public	Private/Public	3 - 4 y	5 - 7 y.	8 - 10 y.
<b>1. HOTELS AND OTHER ACCOMMODATION</b>										
<b>Existing Area</b>										
5* Hotel (ex JAHORINA)	new	245	120.000,00	29.400.000,00						
4* Hotel (RAJSKA DOLINA)	reconstruction	220	70.000,00	15.400.000,00						
3* Hotel (ex MLADOST)	new	150	60.000,00	9.000.000,00						
2* Standard Hostel (ex PARTIZAN)	new	35	40.000,00	1.400.000,00						
Hotel BISTRICA 4*	reconstruction	160	60.000,00	9.600.000,00						
Hotel KOŠUTA 4*	reconstruction	70	60.000,00	4.200.000,00						
Apartments B	new	180	60.000,00	10.800.000,00						
Apartments Vučko	new	220	60.000,00	13.200.000,00						
<b>Total Existing Area</b>		<b>1.280</b>		<b>93.000.000,00</b>	<b>93.000.000,00</b>			<b>93.000.000,00</b>		
<b>Family- and Wellness Area</b>										
4* Family Hotel	new	75	90.000,00	6.750.000						
3* "Mountain Wellness" Hotel	new	200	70.000,00	14.000.000						





Trails on top of the plateau	new			35.000,00						
Toboggan Run	new			637.000,00						
High Ropes Course	new			80.000,00						
Themed Walking Route "Spirit of the Mountain"	new			150.000,00						
Health Mile	new			50.000,00						
<b>Total Existing Area</b>				952.000,00	717.000,00	235.000,00		722.000,00	115.000,00	115.000,00
<b>Family Area</b>										
Snowboard Beginners Park	new			55.000,00						
Ski Beginners Park	new			125.000,00						
Snow Tubing Track	new			107.500,00						
Summer Tubing	new			45.000,00						
Nature-Adventure-Playground for kids	new			22.500,00						
Development of Biathlon Area	new			3.500.000,00						
<b>Total Family Area</b>				3.855.000,00	343.750,00	3.511.250,00			2.055.000,00	1.800.000,00
<b>Sport Area</b>										
Sky Gliding	new			190.000,00						
Snowboard-Fun-Park	new			55.000,00						
Quad Track	new			160.000,00						
<b>Total Sport Area</b>				405.000,00	405.000,00					405.000,00
<b>Overlapping projects</b>										
Hiking Route Concept	new			250.000,00						
Mountainbike Park	new			250.000,00						
Cross Country Tracks	new			60.000,00						
Attractive lodges/cottages for Apres Ski (5 - 8 lodges/cottages with 200 - 500 seats each)	new			3.500.000,00						
<b>Total Overlapping Projects</b>				4.060.000,00	3.500.000,00	310.000,00	250.000,00	2.030.000,00	2.030.000,00	

TOTAL				9.272.000,00	4.965.750,00	4.056.250,00	250.000,00	2.752.000,00	4.200.000,00	2.320.000,00
5. GENERAL INFRASTRUCTURE PLAN										
Roads - parking								2.700.000,00	2.700.000,00	1.000.000,00
Potable water								1.000.000,00	1.000.000,00	300.000,00
Snowmaking water								4.800.000,00	5.400.000,00	1.200.000,00
Sewage								1.000.000,00	1.000.000,00	200.000,00
Electricity								2.500.000,00	2.500.000,00	1.000.000,00
TT								1.200.000,00	1.200.000,00	250.000,00
Mobility Concept including parking								1.200.000,00	1.200.000,00	300.000,00
Other								1.000.000,00	1.200.000,00	150.000,00
TOTAL (approximately)				36.000.000,00		36.000.000,00		15.400.000,00	16.200.000,00	4.400.000,00
6. PREOPENING COSTS (Marketing + Management)										
Quality Improvement Programme Jahorina				100.000,00						
HR Development Plan				200.000,00						
Branding				200.000,00						
Website				100.000,00						
Collateral				200.000,00						
Application for the Winter Olympics 2018				475.000,00						
TOTAL				1.275.000,00		475.000,00	800.000,00	1.037.500,00	237.500,00	
TOTAL INVESTMENT				368.882.743,00	211.255.750,00	40.931.250,00	116.695.743,00	148.342.030,00	162.133.813,00	54.006.900,00

## 10.2. Implementation Action Plan

Jahorina Master plan which was presented here represents a complex projects with its priorities and step by step management process. This plan should be followed by a clear and professional Action plan leading to the implementation of all key projects in a sustainable way.

Respecting the stakeholders analysis and business model recommended, we propose here to undertake these key steps to be organized in an period of 12 to 14 months in order to start with professional redevelopment process as well as to open new area for development in the medium run. In these types of projects, there are usually 9 steps to be undertaken in order to finally get project under way. These are as follows:

1. Forming a Jahorina Development Company as proposed where a political set up of the ownership should be agreed between Republic of Srpska and Pale Community. This process is proposed to be finished in three months time after a final approval of the plan;
2. Finalization of the Regulatory plan of Jahorina existing area (app. 600 hectares) and contracting of two new Regulatory plans for two extension areas proposed by this plan;
3. Jahorina Development Company management set up;
4. Jahorina Development Company land registration and initial financial set up;
5. Jahorina Development Company first Business plan elaboration and Company evaluation;
6. Jahorina Project Investment prospectus development;
7. Jahorina Project International Investment tender and road show organization;
8. Jahorina Project Investor and/or Strategic Partners negotiation process ;
9. Jahorina Project International/local partner's selection/decision.

### 10.3. Environment

The mountain Jahorina, around 30 km long and 15 km wide, is located between Bistrica (affluent of Miljacka), Paljanska Miljacka and Rakitnica on the north, Praca, Lisovacki spring (river) and Korijena on the east, upper flow of Koluna and Crna River on the south and Kasindolski spring (river) on the west. The highest peak of Jahorina is Gola Jahorina, which together with Ravna Planina (between Miljacka, Praca and Bistrica) makes central massive of Jahorina. The highest peaks are on Gola Jahorina, Palosevina (1892 m), Bic (1849 m), **Ogorjelica (1916 m)**, Debelo Brdo (1849 m), Kosuta (1909 m), Lokvanjsko Brdo (1913 m) and Trijeska (1806 m), and on the Ravna Planina: Grahov Dol (1607 m), Paljevine (1599 m) and Kladilo (1539 m).

The highest peaks of Jahorina are made of limestone, which give the mountain karst characteristics, the lower parts are made of slate, the east side is made of layers. Jahorina is catchments between Drina and Bosna. Below Jahorina, there are springs of Praca and Koluna, affluent of Drina; Grabovica, affluent of Praca; Paljanska Miljacka with its affluent Bistrica, affluent of Bosna; Kasindolski Potok and Crna Rijeka, affluent of Zeljeznica.

The surrounding landscape is very attractive with forests and mountain pastures. The Jahorina Mountain itself is a limestone plateau with wide gentle pastures and with high potential for soft tourist usage in winter as well as in summer.



Picture: Jahorina mountain plateau

Northern and north-east part of Jahorina is covered up to 1700 m with beech and coniferous forest. The ski slopes above about 1700m sea level are "natural" slopes on pastures. The pylons and stations of the lifts are visible in the scenery. The three lifts built between 1965 and 1972 are out of operation. They are situated next to the double-chairlifts Skočine and Poljice and the draglift Olimpik. They spoil the scene and should urgently be removed for landscape-aesthetic reasons.



Picture: Old ski-lift which is out of operation should be removed

Jahorina is gentle mountain, famous by its landscape and recognizable by the fact that it is covered with forest and grass from its bottom to the top on north and north-east side, where majority of tourist contents is planned.

Jahorina does not have significant soil erosion, except next to macadam road on the way to Gola Jahorina and on the steep cliffs.

The climate risk on Jahorina is mitigated by the fact that there are no industrial capacities and polluters in near surrounding that could endanger highly sensible ecosystems by throwing garbage disposal, throwing waste water and hazard gas and smoke<sup>7</sup>.

On the global level there are climate risks on Jahorina influenced by disturbance of ecological balance as consequence of global warming and cooling of Earth. It is result of uncontrolled gas emission with greenhouse effect. This phenomenon of global warming of Earth is characteristic for last decade of 20<sup>th</sup> century and first decade of 21<sup>st</sup> century and it is encouraged by not respecting Agreement of decreasing of gas emission from Kyoto, 1997. If global warming is continued in such a manner the negative influence could be faced in this area as well<sup>8</sup>.

### 10.3.1. Integration of environmental issues in the planning process

It is very important to take care of pro-gradation of ecosystems which will be occurring for a long number of years. Environmental issues should be integrated in the planning and decision-making process from the very beginning. Based on the master plan Jahorina (= project proposal in the figure) an initial assessment of the potential environmental problems should be undertaken. (BERCHTOLD A.: Environmental planning for ski areas. International ropeway review 9/2003, Vienna. See appendix) The Environmental impact assessment (EIA) for the intended projects should be carried out in accordance with the Council Directive 97/11/EC of 3 March 1997 amending Directive 85/337/EEC on the assessment of the effects of certain public and private projects on the environment. The environmental issues, which should be proofed in the initial assessment and the environmental impact assessment, are listed below:

Appendix: Article ISR (international ropeway revue)

#### Note:

- ❖ *The solutions which take into consideration the ecological maintenance and protection of living environment, should be harmonized with legal requests of the ministry for protection of natural and cultural heritage and the report from the Institute of protection of cultural-historical heritage of Republika Srpska – Jahorina nature park.*
- ❖ *The Institute for Protection of Cultural-Historical and Natural Heritage of Republika Srpska is in possession of the borders of protected area with separated reservation and protection measures. In future work for each intervention in protected area it is necessary to ask for an approval from the Institute, which is in the possession of all the data and can precisely set up certain measurements under which the interventions could occur.*

<sup>7</sup> Source: Kujundzic S., Govedar Z., Professional paper „The climate as tourist value of the natural resource Jahorina“, Banja Luka, 2006

<sup>8</sup> Source: Kujundzic S., Govedar Z., Professional paper „The climate as tourist value of the natural resource Jahorina“, Banja Luka, 2006

## 10.4. Business and Management model and Privatisation

### 10.4.1. Objective

Implementation of the Master Plan is associated with development of appropriate programmes to be presented on investment and management markets. In other words, an answer is to be given to the question who and how would earmark funds for development and investments that more or less comply with this Master Plan.

Since it is envisaged that the Jahorina Resort has to be entirely rebuilt and rehabilitated, it is of utmost importance to properly assign responsibilities and plan future steps in the initial stage of the development process.

Stakeholders have to be identified to assume both the ownership and management related responsibilities for the following investments:

- a) Rehabilitation and enlargement of ski facilities and infrastructure (ski runs and lifts);
- b) Rehabilitation of existing and construction of new hotels and other accommodation facilities,
- c) Rehabilitation and construction of additional catering, trade, congress halls and other similar type of facilities to render services in the Resort;
- d) Reconstruction and construction of additional common infrastructure;
- e) Construction of new winter and summer sports and recreational facilities;
- f) Capacity building, professional marketing and management of the Resort.

International standards provide fairly clear criteria as to what is to be done by public and what by private sector. Our analysis of existing ownership structure and competencies in the Jahorina Resort show that an initial step should be the establishment of a management mechanism in pursuit of future implementation of priority investments. The door must be wide open for private and public investments and their implementation clearly defined in order to gradually establish a durable market structure. The issue of privatisation is by no means to be understood trivially, but as a development oriented and meaningful management process aimed at securing access to strong markets and renowned private investors. It is impossible nowadays to have an opportunistic approach in selling either individual property units or a project as a whole, without previously drafted future plans for certain destination and structure of future stakeholders that have to properly respond to development plans and development model under the Master Plan.

Therefore, we have to examine the role and capacities of current stakeholders in Jahorina, to be able to attribute responsibilities for future development and produce a clear picture of ownership over the assets and land.

### 10.4.2. Present capacities of public and private stakeholders in the Jahorina Resort

If we exclude owners of individual small houses and cottages, predominantly unlawfully constructed, small entrepreneurs in Jahorina (pensions, hotels, restaurants, cafes, shops, etc.) are not able to take major responsibility or risk. They are mainly awaiting a better future and rehabilitation of Jahorina on a market basis.

Medium local entrepreneurs, like owners of "Termag", "Vučko" and other hotels, decided to take risk while expecting a faster restructuring and privatisation of Jahorina. They still have to cope with additional risks associated with the completion and/or enlargement of their facilities, it is therefore their best interest to see strong and important stakeholders entering Jahorina so that the Resort be able to reclaim its place on the market as soon as possible.

The Jahorina Olympic Centre, currently manages the ski resort along with "Bistrica" and "Jahorina" hotels and other real property, awaits registration of real property in their own business books and new investments through a forthcoming privatisation. Although the Centre plays a key role in Jahorina related business activities, it is also to be transformed given that it is a public company.

"Košuta" hotel is owned by "Energoinvest" and will probably be privatised in the process of portfolio clarification and privatisation of the entire company.

The ownership of “Rajska Dolina” Resort, a former military facility, has been transferred to the state (government), making it clearly eligible for privatisation.

The ownership of the former hotels and youth hostels (“Mladost”, “Šator” and “Partizan”) is not that clear, but we assume that they are state property, since their possible legal successors are in any case state/public organisations.

Pale Municipality is reasonably an important stakeholder, primarily due to the impact on the municipal infrastructure and in view of the utility standard to be reached. A Regulation Plan for the Jahorina area is being drafted in order to identify the amount of construction, set a legal framework and necessary infrastructure projects. Ultimately, Pale Municipality is an administrative centre legally responsible for the development and regulation of the Jahorina area.

The Republika Srpska, being another stakeholder, faces the challenges of ownership and privatisation related issues, is expected to provide more employment opportunities and secure economic growth in the broader Jahorina area. In addition, the Republika Srpska is at the same time standing a test of establishing a healthy and transparent development model which would create an image of Jahorina as of a competitive mountain destination in Middle and East Europe.

It can therefore be concluded that the status quo is maintained in terms of present status and position of stakeholders and any individual move made with no clear overview is destined to fail. In the event that the Republika Srpska decides to sell or privatise the Olympic Centre property, a question would be raised as to the purpose of such a sale. Whether it would be done in order to secure funds for the budget or is confident that the destination would develop and reposition on the market. In case that a customer buys the Centre, who will assume the responsibility for removing existing bottlenecks, since the destination cannot do anything to reclaim its market position without new ski capacities. The only way to avoid entering a vicious circle would be to implement a major part or the entire Master Plan, otherwise business performance could hardly be upgraded.

This should clearly be a development project and a process should be devised to boost the competitiveness of the destination. The management model should be devised to meet such needs and support the privatisation model in which the risk and responsibility would be assumed by investors.

#### **10.4.3. Structure of ownership**

Title of deed for majority of facilities and/or locations of the former facilities is only for the land under the facility, while hotels and compounds of “Termag”, “Vučko”, “Rajska Dolina”, “Partizan”, and “Mladost” are situated on shaped locations up to 15 thousand square metres and owned by both public and private entities.

We have not looked into the ownership over private houses and cottages, which should be done subsequently in the scope of completion of the regulation plan and possible decisions on pulling down illegal real property units constructed in the ski area or elsewhere in a public area.

Units in private ownership currently consist exclusively of small and medium business facilities, weekend houses and cottages which, given their financial and technologic potential, cannot significantly contribute to a faster development and market rehabilitation of the destination. Present private business on Jahorina, although important, cannot be a decisive element and expected to assume a long term responsibility for a sustainable development of the destination.

On the other hand, the state and quasi-state property is a dominant ownership on Jahorina.

Our examination of ownership structure shows that around 650 acres of land under the regulation plan and possible area for expansion (in the direction of Vrhprača and to the western side) is predominantly owned by the state.

All ski runs and ropeways are also state owned, no matter they are managed by the Jahorina Olympic Centre.

According to our information, transfer of ownership in Jahorina in favour of Pale Municipality is in progress.

Our estimate is that public property in Jahorina (owned by Pale Municipality, state owned forestry company and/or Republika Srpska directly) currently amounts to 95% of land and around half of existing real property units and locations to be rehabilitated and constructed. Free area which allows further expansion is also state owned (state forests).

It follows from the aforesaid that the state, or the Republika Srpska and Pale Municipality (either directly or through relevant public companies) are the only serious stakeholders to be taken into account when launching the project.

#### **10.4.4. Business-management model and privatisation**

A healthy business-management and privatisation model aimed at attracting investments can be developed only if the position and purpose of the state property are clearly defined in two tiers:

a) interests of the Republika Srpska and Pale Municipality as well as of state institutions to be identified (state forests, Jahorina Olympic Centre and other state and quasi-state institutions) and their relationship with private investors;

b) a clear concept to be developed as to the utilisation of state property in compliance with specific business models and types of investments.

##### **ad a)**

In terms of interests, competencies and foreseen impact on the project development, the Republika Srpska, in comparison with Pale Municipality, is imponderably stronger for the reasons as follows:

- it is competent and entitled to legally sanction possible solutions;
- it is competent and entitled to use budget funds for tourist infrastructure;
- it is competent to issue relevant guarantees and boost potential investors;
- it is competent to enforce decisions in public companies
- it is competent to promote projects on international and domestic capital markets;
- the growth and improvement of the wellbeing of population on the whole territory is in the interest of Government as well as its responsibility.

On the other side, the Pale Municipality too carries significant weight in the development of this project, especially for the following reasons:

- responsibility for utility facilities in the Jahorina destination;
- responsibility for sustainable development, space protection and planning in the area of the Municipality;
- responsibility to increase employment and wellbeing of the local population.

Thus, both institutions have objective interests, responsibilities and also different capacities to start this project, in which context, the division of responsibility is logical. Even though, over the past years, Pale, as a municipality, failed to control the destination in terms of unlawful building and infrastructure improvements, and even though the Republika Srpska so far has not been in a position to give priority to this project in terms of development and privatisation, the time has come for a rational division of responsibility for the purpose of a new rise of this destination.

On the other side, there is the market of large and small private investors who should over the period of ten or more years, on the basis of the Master Plan evaluation, realize the investment potential of about 300 - 400 million euros under the condition that a healthy business framework has been provided as well as necessary investments in the general infrastructure. This ought to be provided by the public sector, i.e. the state (the Pale Municipality and/or Republika Srpska). In that context, it is now on the public sector to make a move to provide the initial development position and, by taking careful steps in the capital market, open the process of investment and development.

**ad b)**

The issue of concepts of the use of the state property (land and buildings) with regard to certain models and types of investment is, as a rule, linked with the maturity of the achieved and expected development of a society or a country, but also with the delicacy of the destination and resources which are being used. In case of the Jahorina destination this primarily entails reaching decisions on three key issues:

- whether to sell property, land in particular, directly and fast to potential investors, and if yes, in which cases;
- whether to rely on concession as a business model, and if yes, in which cases;
- to enter the project with a strategic partner or to form a development company which would then sell some small and large projects in the capital market.

As for a fast and direct selling of property, there are two problems, or limitations. The first one is related to the market of serious investors who, as a rule, are reluctant to enter projects for which no comprehensive vision and organic development of a destination have been secured. Another problem is related to the question of who is selling and what is being sold. In case of Jahorina, it is expected that land –registry and other legal and organisational matters should be arranged beforehand in order to secure future investment and/or privatisation transactions. If it were decided today that the Olympic Centre is to be sold, the question that would arise is who is selling what. Even if the answer were that the seller is the Republika Srpska, the question would be whether the property that is being sold has been registered with this company. According to the information that we have, it has not. Therefore, in relation to any selling, the matter of ownership matters has to be resolved and it should be done in the very beginning, prior to any potential transactions.

As to concession, the experience worldwide shows that if a concession is made for a sufficiently long period (over 70 years), for the sake of investor's security and risk cover, it is, indeed, an attractive and acceptable option. Concession is increasingly being used as a business model in delicate and naturally attractive destinations. It means that if the ski business is sold, the state (or state forests) can still retain the ownership over the ski-runs as a concession would be acceptable for any potential investor. The concession relationship could be similarly arranged in case of lease of locations for construction of new hotel facilities or other real-estates, although this is less attractive for potential investors.

Finally, in relation to the dilemma between a strategic partner and setting up of an own development company and subsequent selling of certain projects on the capital market, it should be stressed that both models can be reconciled with this type of the project which, as the time goes, can be adjusted in accordance with the previously agreed exit strategies of potential partners.

Taking into account the above, we propose the initial business-management model which includes the privatisation model as follows:

1. Establish a new company (development company), "Olympic Jahorina", to which all assets of the current Olympic Centre and other state-owned real-estate should be transferred with the land under the buildings and the land that will be used to shape the hotel development locations and other real-estate property in accordance with the international standards (the alternative is to transfer the remaining state-owned property in the area of Jahorina to the existing Olympic Centre company in the same manner as described in the paragraph above).
2. Initial ownership over this company is defined in the ratio of 60% as ownership of the Republika Srpska and 40% of the Pale Municipality.
3. Ownership of the land outside the current and established locations of hotels and real-estate property, as the capital of the new company, should remain in the hands of the state while it could be used by the public. If used for business, it would be leased to the investors through concessions. It is understood that the ski-runs remain state-owned and not the capital of the new company.
4. Set up an initial and professional management of this holding company that already has certain operative businesses underway (ski-runs and hotels), as well as assets which are being prepared for investments.
5. Make a business evaluation based on new investments and in accordance with the discounted cash flow in order for the company to acquire a strategic partner in the international market by

way of international tender or with the assistance of renowned privatisation advisor. This would be achieved through selling of a share or through increase in share capital. The criteria for a strategic partner would be carefully stipulated, especially taking care of the financial strength, international reputation in mountain tourism and other elements that guarantee the implementation of the project in accordance with the Master Plan. (The alternative would be to identify, under the same criteria, two or more strategic partners for ski-runs, hotels and other investments in which case the development company (holding) with the chosen strategic partners would set up new corporations with the separated assets following the same model as in the previous paragraph).

6. Considering that the owner's (Republika Srpska and Pale Municipality) priority is that the project takes place, that the investments and development are carried out in accordance with the international standards, it is important that the initial owners remain in the ownership structure after the privatisation (selling shares or increase in share capital) for the purpose of strategic control of development. It would be reasonable that they stay in the ownership through a small control packet in accordance with the Law on Companies of the Republika Srpska. This would apply in case of one or more strategic partners.
7. In potential contracts with one or more strategic partners, initial owners (Republika Srpska and Pale Municipality) would have the possibility of exit strategy over the period of five to ten years, in accordance with the common international models. One of the models is a payout of initial value in the exit year increased by interest, and the second is a payout on the basis of market value of the share at the moment of exit. Considering that normally the strategic partner is responsible for the development, investment and management, the issue of the payout of the market value, as a rule, becomes complicated. Consequently, the first model is recommended, in particular in the public sector field.
8. To enter the international capital market, a business-investment plan should be drafted including the conceptual design for the first stage of the project, that is the period of time which according to the Master Plan is the period of 6 to 7 years. That is the scope of a reasonably clear and predictable business capacity of the project up to its market rehabilitation stage. In any event, it has to include the most important, i.e. at least 70% of all investments of the Master Plan.
9. Prior to entering the international capital market (privatisation), the development company has to secure space planning and key infrastructure solutions for reconstructions and new construction projects, in accordance with the priorities set in the Master Plan.
10. Prior to entering the international capital market, the development company has to complete all necessary legal and financial matters in order to provide internationally transparent access to business and legal documents of the company (easy and fast due diligence).

## **Conclusion**

The Jahorina Project, which, to a large extent, should follow the provisions of this Master Plan, cannot be implemented through a simple and direct privatisation because relevant and renowned investors have no guarantees that the project will run in accordance with the outlined vision and development model. That is why this project should be prepared for serious domestic and international capital market.

In the area where the project is to take place, and wider in the Republika Srpska and Bosnia and Herzegovina, there is no strong and renowned stakeholders who could take full responsibility for the project development.

Furthermore, because of unclear and unconsolidated ownership situation, it is impossible to opportunely carry out a liberal privatisation for this project through selling real-estates or tourist infrastructure (ski-runs, cable cars and similar).

Consequently, the only opportune model that arises is to found an initial development company for the purpose of consolidation of ownership and management on the current business basis and, naturally, to take on the responsibility for execution of this Master Plan through acquisition of one or more strategic partners.

In this context, the Government of the Republika Srpska and the Pale Municipality, following acceptance of this or a supplemented Master Plan, should start with the establishment of the company and appointment of professional management that would take the responsibility for the realisation of the Plan.

## 11. Pre-feasibility Calculations for Major Investments

### 11.1. Assumptions

Proposed investment projects and their business evaluation have been done on a pre-feasibility level, and in correlation to the following assumptions:

- ✓ attractiveness of each individual investments related to competition and benchmarking analysis;
- ✓ needs for new products and activities to build up a new value chain in destination;
- ✓ professional planning and project development in order to ensure long term project sustainability;
- ✓ professional management model that will ensure effective relation between existing and future stake holders.

Taking into account the above, the investment project dynamics has been set in order to gradually increase the market position of the destination.

The investment priorities have been planned in the period from 3 to 10 years, prioritised in a way to reflect a market position and synergies within the overall destination rehabilitation process.

Key investment and business assumptions can be summarised as follows:

#### A. INVESTMENTS

- Focus has been put on hotels that increase and reposition destination's image;
- Investment amount has been proposed based on a benchmark analysis for similar hotel investments in the region, adjusted to the local standards and building costs;
- Together with the investment in accommodation facilities we assumed adding value projects, as well as the projects related with the improvement of quality and management standards.
- In order to attract investors we have proposed the real-estate segment, as a risk management factor;
- Investment in public infrastructure, although not estimated individually, has been considered as prerequisite to be realized by public sector.

#### B. REVENUES

- average room rates (ADR) for accommodation facilities are being prepared based on benchmark analysis for the Southeast Europe;
- occupancy is projected based on benchmark analysis for the Southeast and Middle Europe.
- ratio between room revenues and other revenues has been projected for each property separately and it is based on standard international practice for proposed types and property category.

#### C. EXPENSES

- implementation of international cost standards in hotel industry;
- taking into account country specifics regarding certain hotel cost;
- implementation of USALI methodology;

- implementation of international standards of employment per room increased by 10% for Bosnia and Herzegovina.

Stabilization period for presented projects has been considered for 3-4 years after the investment. All financial projections are based on existing macroeconomic conditions in Bosnia and Herzegovina, which include actual tax rates and other economic conditions. Financial projections are also based on market assumptions, which include actual market status and predictable market trends, without significant market disturbances.

Revenues and expenses in Profit and Loss projections are shown in net amounts, which do not include the value added tax.

Financials are shown in EUR. The projections are made in constant prices (not inflated).

## 11.2. Key projects - Accommodation

### 11.2.1. Existing Area

5* Hotel (ex JAHORINA)	
<b>Positioning</b>	Creation of a differentiated experience capitalizing on personalized service, the historical nature of the Jahorina area with its unique location and the opportunity to enjoy the quietness and relaxation the place inspires.
<b>Category</b>	5*
<b>Location</b>	Jahorina
<b>Accommodation facilities</b>	
Total number of rooms: 245 (138 Standard Rooms, out of which 108 with Twin Beds and 30 with King Size Bed; 55 Superior Rooms, out of which 40 with Twin Beds and 15 with King Size Bed; 40 Deluxe rooms, out of which 30 with Twin Beds and 10 with King Size Bed; 10 Junior Suites, out of which 5 with Twin Beds and 5 with King Size Bed and 2 Presidential Suites) Total capacity of 490 beds.	
<b>F&amp;B Facilities</b>	<b>Facilities for meetings and conferences</b>
3 Restaurants and 4 Bars. Coffee Shop with 350 seats, Fine dining Italian Restaurant with 60 seats, Asian Restaurant with 50 seats, Lobby Bar, Sushi Bar, Cigar Bar.	Meeting rooms for up to 250 participants.
<b>Other facilities</b>	
Spa & Beauty centre offering well-being treatments (reflexology, aromatherapy, oxygen lifting facial, hot stone massage, sea weed wrappings, sauna, Jacuzzi), fitness club, indoor swimming pool, indoor car park. Other facilities: Air conditioning, heating, 24 hours room service, butler service, laundry service, in-room messaging system, in-room safety deposit boxes, WiFi in rooms and public areas, car rental service, shops, satellite TV.	
<b>Location description</b>	
On the same location where the previous Hotel Jahorina was built.	
<b>NET DEVELOPED AREA</b>	22.400 sq m.
<b>Estimated investment (EUR)</b>	29.400.000 €
<b>Priority rank</b>	First priority (3 - 4 years)



5* Hotel (ex Jahorina): Market and financial performance for stabilized year					
<b>Number of rooms</b>	245	<b>Overnights structure by distribution channel (%)</b>		<b>Overnights by country of origin (%):</b>	
<b>Operating days</b>	365	<b>individuals</b>	40%	<b>Bosnia and Herzegovina</b>	10%
<b>F &amp; B plan</b>	BB + HB	<b>groups</b>	40%	<b>South East Europe</b>	80%
<b>Occupancy</b>	65%	<b>allotment</b>	20%	<b>Other</b>	10%
<b>ADR (EUR)</b>	110 €	<b>Total net revenue (EUR)</b>		9.836.750	
<b>Net rooms revenue (EUR)</b>	6.393.888	<b>RevPAR (EUR)</b>		71,50	
<b>Ratio between rooms and other revenues</b>	65 : 35	<b>Total net revenue per available room (EUR)</b>		40.150	

## BUSINESS EVALUATION

<b>5* HOTEL (ex JAHORINA)</b>				
	years after investment	1.	2.	3.
number of rooms		245	245	245
number of beds		490	490	490
operating days		365	365	365
room occupancy (% , 365 days)		60,0%	62,0%	65,0%
bed occupancy (% , 365 days)		54,0%	55,8%	58,5%
average room price (ADR in EUR)		100,00	105,00	110,00
average bed price (EUR)		55,56	58,33	61,11
sold rooms		53.655	55.444	58.126
double occupancy factor (DOF)		1,80	1,80	1,80
overnights		96.579	99.798	104.627
<b>ROOMS REVENUE (EUR)</b>		<b>5.365.500</b>	<b>5.821.568</b>	<b>6.393.888</b>
<b>OTHER OPERATING REVENUES (EUR)</b>		<b>2.889.115</b>	<b>3.134.690</b>	<b>3.442.863</b>
<b>TOTAL NET REVENUE (EUR)</b>		<b>8.254.615</b>	<b>8.956.258</b>	<b>9.836.750</b>
<i>Daily rooms revenue per available room (RevPAR in EUR)</i>		60,00	65,10	71,50
<i>Total revenue per available room (EUR)</i>		33.692	36.556	40.150
<i>Share of rooms revenue in total revenue (%)</i>		65%	65%	65%
<b>TOTAL OPERATING EXPENSES BEFORE GOP (EUR)</b>		<b>4.952.769</b>	<b>5.373.755</b>	<b>5.902.050</b>
Out of which, total payroll and related expenses (EUR)		1.733.469	1.880.814	2.065.718
<i>Share of payroll and related expenses in total revenue (%)</i>		21,0%	21,0%	21,0%
<i>Number of employees per room</i>		0,81	0,81	0,81
<i>Full equivalent number of employees</i>		198	198	198
<b>GROSS OPERATING PROFIT (GOP in EUR)</b>		<b>3.301.846</b>	<b>3.582.503</b>	<b>3.934.700</b>
<i>Share of GOP in total revenue (%)</i>		40%	40%	40%
Fixed charges (except interests, depreciation and amortization, in EUR)		247.638	268.688	295.103
<b>EARNINGS BEFORE INTERESTS, PROFIT TAX, DEPRECIATION AND AMORTIZATION (EBITDA in EUR)</b>		<b>3.054.208</b>	<b>3.313.815</b>	<b>3.639.598</b>
<i>Share of EBITDA in total revenue (%)</i>		37,0%	37,0%	37,0%
<b>TOTAL INVESTMENT (EUR)</b>		<b>29.400.000</b>		
<i>Investment per room (EUR)</i>		120.000		
<b>RETURN ON INVESTMENT (ROI)</b>		<b>9 years after investment</b>		

<b>4* MICE Hotel (Rajska Dolina)</b>	
<b>Positioning</b>	A four star hotel is recognized as a first class hotel; has all of the "standard" services but has in addition many "luxury" services. Friendly service, affordable, comfortable and quality accommodation in central location. Hotel supports MICE center.
<b>Category</b>	4*
<b>Location</b>	Jahorina
<b>Accommodation facilities</b>	
Total number of rooms: 220 (145 Standard Rooms, out of which 110 with Twin Beds and 35 with King Size Bed; 67 Superior Rooms, out of which 45 with Twin Beds and 22 with King Size Bed; 8 Junior Suites, out of which 4 with Twin Beds and 4 with King Size Bed) Total capacity: 440 beds	
<b>F&amp;B Facilities</b>	
3 restaurants and 3 Bars. Main restaurant with 300 seats, National specialties restaurant with 60 seats, Italian trattoria restaurant with 50 seats, Lobby Bar, Wine Bar, Game Bar.	<b>Facilities for meetings and conferences</b>
	The hotel will also offer service for banqueting and catering for up to 500 people for the banquetings outlets within Jahorina Convention Centre.
<b>Other facilities</b>	
Fitness club, Indoor swimming pool, Indoor car park. Other facilities: Air conditioning, heating, 24 hours room service, laundry service, in-room safety deposit boxes, WiFi in rooms and public areas, car rental service, shops and satellite TV.	
<b>Location description</b>	
Will be located at the same area where the previous Hotel Rajska Dolina was built. The actual structure can still be partially used.	
<b>NET DEVELOPED AREA</b>	15.120 sq m.
<b>Estimated investment (EUR)</b>	15.400.000 €
<b>Priority rank</b>	First priority (3 - 4 years)



<b>4* MICE Hotel (Rajska dolina): Market and financial performance for stabilized year</b>					
Number of rooms	220	Overnights structure by distribution channel (%)		Overnights by country of origin (%):	
		<b>Operating days</b>	365	individuals	15%
<b>F &amp; B plan</b>	BB + HB	groups	50%	South East Europe	70%
<b>Occupancy</b>	61%	allotment	35%	Other	15%
<b>ADR (EUR)</b>	88 €	<b>Total net revenue (EUR)</b>		7.184.173	
<b>Net rooms revenue (EUR)</b>	4.310.504	<b>RevPAR (EUR)</b>		53,68	
<b>Ratio between rooms and other revenues</b>	60 : 40	<b>Total net revenue per available room (EUR)</b>		32.655	

## BUSINESS EVALUATION

<b>4* MICE HOTEL (RAJSKA DOLINA)</b>				
	years after investment	1.	2.	3.
number of rooms		220	220	220
number of beds		440	440	440
operating days		365	365	365
room occupancy (% , 365 days)		58,0%	59,0%	61,0%
bed occupancy (% , 365 days)		56,6%	57,5%	59,5%
average room price (ADR in EUR)		82,00	85,00	88,00
average bed price (EUR)		42,05	43,59	45,13
sold rooms		46.574	47.377	48.983
double occupancy factor (DOF)		1,95	1,95	1,95
overnights		90.819	92.385	95.517
<b>ROOMS REVENUE (EUR)</b>		<b>3.819.068</b>	<b>4.027.045</b>	<b>4.310.504</b>
<b>OTHER OPERATING REVENUES (EUR)</b>		<b>2.546.045</b>	<b>2.684.697</b>	<b>2.873.669</b>
<b>TOTAL NET REVENUE (EUR)</b>		<b>6.365.113</b>	<b>6.711.742</b>	<b>7.184.173</b>
<i>Daily rooms revenue per available room (RevPAR in EUR)</i>		47,56	50,15	53,68
<i>Total revenue per available room (EUR)</i>		28.932	30.508	32.655
<i>Share of rooms revenue in total revenue (%)</i>		60%	60%	60%
<b>TOTAL OPERATING EXPENSES BEFORE GOP (EUR)</b>		<b>3.819.068</b>	<b>4.027.045</b>	<b>4.310.504</b>
Out of which, total payroll and related expenses (EUR)		1.158.451	1.221.537	1.307.520
<i>Share of payroll and related expenses in total revenue (%)</i>		18,2%	18,2%	18,2%
<i>Number of employees per room</i>		0,70	0,70	0,70
<i>Full equivalent number of employees</i>		154	154	154
<b>GROSS OPERATING PROFIT (GOP in EUR)</b>		<b>2.546.045</b>	<b>2.684.697</b>	<b>2.873.669</b>
<i>Share of GOP in total revenue (%)</i>		40%	40%	40%
Fixed charges (except interests, depreciation and amortization, in EUR)		190.953	201.352	215.525
<b>EARNINGS BEFORE INTERESTS, PROFIT TAX, DEPRECIATION AND AMORTIZATION (EBITDA in EUR)</b>		<b>2.355.092</b>	<b>2.483.344</b>	<b>2.658.144</b>
<i>Share of EBITDA in total revenue (%)</i>		37,0%	37,0%	37,0%
<b>TOTAL INVESTMENT (EUR)</b>		<b>15.400.000</b>		
<i>Investment per room (EUR)</i>		70.000		
<b>RETURN ON INVESTMENT (ROI)</b>		<b>7 years after investment</b>		


<b>3* Hotel (ex Mladost)</b>	
<b>Positioning</b>	Conveniently located, this hotel will offer great value for money and a warm and inviting atmosphere.
<b>Category</b>	3*
<b>Location</b>	Jahorina
<b>Accommodation facilities</b>	
Total number of rooms: 150 (105 Standard Rooms, out of which 75 with Twin Beds and 30 with King Size Bed; 41 Superior Rooms, out of which 31 with Twin Beds and 10 with King Size Bed; 4 Junior Suites, out of which 2 with Twin Beds and 2 with King Size Bed). Total number of beds: 300.	
<b>F&amp;B Facilities</b>	<b>Facilities for meetings and conferences</b>
Main restaurant with 230 seats, Pizzeria restaurant with 60 seats, Mexican restaurant with 50 seats, Irish Pub, Refuge Bar.	-
<b>Other facilities</b>	
Fitness club, Indoor swimming pool, car park. Other facilities: Air conditioning, heating, room service, laundry service, in-room safety deposit boxes, Internet corner, shops and satellite TV.	
<b>Location description</b>	
Hotel will be located on the same area where the previous Hotel Mladost was built.	
<b>NET DEVELOPED AREA</b>	9.360 sq m.
<b>Estimated investment (EUR)</b>	9.000.000 €
<b>Priority rank</b>	First priority (3 - 4 years)



<b>3* Hotel (ex Mladost): Market and financial performance for stabilized year</b>					
<b>Number of rooms</b>	150	<b>Overnights structure by distribution channel (%)</b>		<b>Overnights by country of origin (%):</b>	
<b>Operating days</b>	305	<b>individuals</b>	30%	<b>Bosnia and Herzegovina</b>	30%
<b>F &amp; B plan</b>	BB + HB	<b>groups</b>	30%	<b>South East Europe</b>	60%
<b>Occupancy</b>	60%	<b>allotment</b>	40%	<b>Other</b>	10%
<b>ADR (EUR)</b>	70 €	<b>Total net revenue (EUR)</b>		3.537.692	
<b>Net rooms revenue (EUR)</b>	2.299.500	<b>RevPAR (EUR)</b>		42	
<b>Ratio between rooms and other revenues</b>	65 : 35	<b>Total net revenue per available room (EUR)</b>		23.585	

## BUSINESS EVALUATION


<b>3* HOTEL (ex MLADOST)</b>				
	years after investment	1.	2.	3.
number of rooms		150	150	150
number of beds		300	300	300
operating days		305	305	305
room occupancy (% , 365 days)		56,0%	58,0%	60,0%
bed occupancy (% , 365 days)		53,2%	55,1%	57,0%
average room price (ADR in EUR)		65,00	67,50	70,00
average bed price (EUR)		34,21	35,53	36,84
sold rooms		30.660	31.755	32.850
double occupancy factor (DOF)		1,90	1,90	1,90
overnights		58.254	60.335	62.415
<b>ROOMS REVENUE (EUR)</b>		<b>1.992.900</b>	<b>2.143.463</b>	<b>2.299.500</b>
<b>OTHER OPERATING REVENUES (EUR)</b>		<b>1.073.100</b>	<b>1.154.172</b>	<b>1.238.192</b>
<b>TOTAL NET REVENUE (EUR)</b>		<b>3.066.000</b>	<b>3.297.635</b>	<b>3.537.692</b>
<i>Daily rooms revenue per available room (RevPAR in EUR)</i>		36,40	39,15	42,00
<i>Total revenue per available room (EUR)</i>		20.440	21.984	23.585
<i>Share of rooms revenue in total revenue (%)</i>		65%	65%	65%
<b>TOTAL OPERATING EXPENSES BEFORE GOP (EUR)</b>		<b>1.808.940</b>	<b>1.945.604</b>	<b>2.087.238</b>
Out of which, total payroll and related expenses (EUR)		582.540	626.551	672.162
<i>Share of payroll and related expenses in total revenue (%)</i>		19,0%	19,0%	19,0%
<i>Number of employees per room</i>		0,60	0,60	0,60
<i>Full equivalent number of employees</i>		90	90	90
<b>GROSS OPERATING PROFIT (GOP in EUR)</b>		<b>1.257.060</b>	<b>1.352.030</b>	<b>1.450.454</b>
<i>Share of GOP in total revenue (%)</i>		41%	41%	41%
Fixed charges (except interests, depreciation and amortization, in EUR)		91.980	98.929	106.131
<b>EARNINGS BEFORE INTERESTS, PROFIT TAX, DEPRECIATION AND AMORTIZATION (EBITDA in EUR)</b>		<b>1.165.080</b>	<b>1.253.101</b>	<b>1.344.323</b>
<i>Share of EBITDA in total revenue (%)</i>		38,0%	38,0%	38,0%
<b>TOTAL INVESTMENT (EUR)</b>		<b>9.000.000</b>		
<i>Investment per room (EUR)</i>		60.000		
<b>RETURN ON INVESTMENT (ROI)</b>		<b>8 years after investment</b>		

<b>2* Standard Hostel (ex Partizan)</b>	
<b>Positioning</b>	Short-term accommodation for travelers or backpackers. Age limit (excluding travelers that do not fit in the age category of 18 to 26.)
<b>Category</b>	2* Standard
<b>Location</b>	Jahorina
<b>Accommodation facilities</b>	
35 rooms with a total capacity of 100 beds. Beds in dormitory with common bathroom, kitchen and lounge rooms. Private rooms are also available.	
	
<b>F&amp;B Facilities</b>	
1 outlet	/
<b>Facilities for meetings and conferences</b>	
/	
<b>Other facilities</b>	
/	
<b>Location description</b>	
On the same area where the previous Hotel Partizan was built.	
<b>NET DEVELOPED AREA</b>	3.300 sq m.
<b>Estimated investment (EUR)</b>	1.400.000 €
<b>Priority rank</b>	First priority (3 - 4 years)

<b>2* Standard Hostel: Market and financial performance for stabilized year</b>					
<b>Number of rooms</b>	35	<b>Overnights structure by distribution channel (%)</b>		<b>Overnights by country of origin (%):</b>	
<b>Operating days</b>	305	<b>individuals</b>	85%	<b>Bosnia and Herzegovina</b>	20%
<b>F &amp; B plan</b>	BB + HB	<b>groups</b>	10%	<b>South East Europe</b>	70%
<b>Occupancy</b>	65%	<b>allotment</b>	5%	<b>Other</b>	10%
<b>ADR (EUR)</b>	50 €	<b>Total net revenue (EUR)</b>		461.319	
<b>Net rooms revenue (EUR)</b>	415.188	<b>RevPAR (EUR)</b>		32,50	
<b>Ratio between rooms and other revenues</b>	90 : 10	<b>Total net revenue per available room (EUR)</b>		13.181	

## BUSINESS EVALUATION


<b>2* STANDARD HOSTEL (ex Partizan)</b>				
	years after investment	1.	2.	3.
number of rooms		35	35	35
number of beds		100	100	100
operating days		305	305	305
room occupancy (% , 365 days)		61,0%	63,0%	65,0%
bed occupancy (% , 365 days)		49,1%	50,7%	52,3%
average room price (ADR in EUR)		45,00	48,00	50,00
average bed price (EUR)		19,57	20,87	21,74
sold rooms		7.793	8.048	8.304
double occupancy factor (DOF)		2,30	2,30	2,30
overnights		17.923	18.511	19.099
<b>ROOMS REVENUE (EUR)</b>		<b>350.674</b>	<b>386.316</b>	<b>415.188</b>
<b>OTHER OPERATING REVENUES (EUR)</b>		<b>38.964</b>	<b>42.924</b>	<b>46.132</b>
<b>TOTAL NET REVENUE (EUR)</b>		<b>389.638</b>	<b>429.240</b>	<b>461.319</b>
<i>Daily rooms revenue per available room (RevPAR in EUR)</i>		27,45	30,24	32,50
<i>Total revenue per available room (EUR)</i>		11.133	12.264	13.181
<i>Share of rooms revenue in total revenue (%)</i>		90%	90%	90%
<b>TOTAL OPERATING EXPENSES BEFORE GOP (EUR)</b>		<b>233.783</b>	<b>257.544</b>	<b>276.792</b>
Out of which, total payroll and related expenses (EUR)		116.891	128.772	138.396
<i>Share of payroll and related expenses in total revenue (%)</i>		30,0%	30,0%	30,0%
<i>Number of employees per room</i>		0,45	0,45	0,45
<i>Full equivalent number of employees</i>		16	16	16
<b>GROSS OPERATING PROFIT (GOP in EUR)</b>		<b>155.855</b>	<b>171.696</b>	<b>184.528</b>
<i>Share of GOP in total revenue (%)</i>		40%	40%	40%
Fixed charges (except interests, depreciation and amortization, in EUR)		11.689	12.877	13.840
<b>EARNINGS BEFORE INTERESTS, PROFIT TAX, DEPRECIATION AND AMORTIZATION (EBITDA in EUR)</b>		<b>144.166</b>	<b>158.819</b>	<b>170.688</b>
<i>Share of EBITDA in total revenue (%)</i>		37,0%	37,0%	37,0%
<b>TOTAL INVESTMENT (EUR)</b>		<b>1.400.000</b>		
<i>Investment per room (EUR)</i>		40.000		
<b>RETURN ON INVESTMENT (ROI)</b>		<b>9 years after investment</b>		

Hotel Bistrica 4*	
Positioning	Sport & Relax Hotel
Category	4*
Location	Jahorina
Accommodation facilities	
160 rooms with 320 beds.	
	
F&B Facilities	Facilities for meetings and conferences
Hotel restaurant with 350 seats, A la carte restaurant with 250 seats, Aperitif bar with 100 seats.	Meeting rooms.
Other facilities	
Ski rental, ski service, ski wardrobe, children's room, indoor pool, sauna, gym, sports fields (football, basketball), shops, entertainment room.	
Location description	
Jahorina on the 1620 m above the sea.	
NET DEVELOPED AREA	approx. 10.000 sq m.
Estimated investment (EUR)	9.600.000 €
Priority rank	First priority (3 - 4 years)

Hotel Bistrica: Market and financial performance for stabilized year					
Number of rooms	160	Overnights structure by distribution channel (%)		Overnights by country of origin (%):	
Operating days	365	individuals	30%	Bosnia and Herzegovina	15%
F & B plan	BB + HB	groups	40%	South East Europe	75%
Occupancy	60%	allotment	30%	Other	10%
ADR (EUR)	80 €	Total net revenue (EUR)		4.672.000	
Net rooms revenue (EUR)	2.803.200	RevPAR (EUR)		48	
Ratio between rooms and other revenues	60 : 40	Total net revenue per available room (EUR)		29.200	

## BUSINESS EVALUATION

<b>HOTEL BISTRICA</b>				
	years after investment	1.	2.	3.
number of rooms		160	160	160
number of beds		320	320	320
operating days		365	365	365
room occupancy (% , 365 days)		56,0%	58,0%	60,0%
bed occupancy (% , 365 days)		50,4%	52,2%	54,0%
average room price (ADR in EUR)		76,00	78,00	80,00
average bed price (EUR)		42,22	43,33	44,44
sold rooms		32.704	33.872	35.040
double occupancy factor (DOF)		1,80	1,80	1,80
overnights		58.867	60.970	63.072
<b>ROOMS REVENUE (EUR)</b>		<b>2.485.504</b>	<b>2.642.016</b>	<b>2.803.200</b>
<b>OTHER OPERATING REVENUES (EUR)</b>		<b>1.657.003</b>	<b>1.761.344</b>	<b>1.868.800</b>
<b>TOTAL NET REVENUE (EUR)</b>		<b>4.142.507</b>	<b>4.403.360</b>	<b>4.672.000</b>
<i>Daily rooms revenue per available room (RevPAR in EUR)</i>		42,56	45,24	48,00
<i>Total revenue per available room (EUR)</i>		25.891	27.521	29.200
<i>Share of rooms revenue in total revenue (%)</i>		60%	60%	60%
<b>TOTAL OPERATING EXPENSES BEFORE GOP (EUR)</b>		<b>2.485.504</b>	<b>2.642.016</b>	<b>2.803.200</b>
Out of which, total payroll and related expenses (EUR)		828.501	880.672	934.400
<i>Share of payroll and related expenses in total revenue (%)</i>		20,0%	20,0%	20,0%
<i>Number of employees per room</i>		0,75	0,75	0,75
<i>Full equivalent number of employees</i>		120	120	120
<b>GROSS OPERATING PROFIT (GOP in EUR)</b>		<b>1.657.003</b>	<b>1.761.344</b>	<b>1.868.800</b>
<i>Share of GOP in total revenue (%)</i>		40%	40%	40%
Fixed charges (except interests, depreciation and amortization, in EUR)		124.275	132.101	140.160
<b>EARNINGS BEFORE INTERESTS, PROFIT TAX, DEPRECIATION AND AMORTIZATION (EBITDA in EUR)</b>		<b>1.532.727</b>	<b>1.629.243</b>	<b>1.728.640</b>
<i>Share of EBITDA in total revenue (%)</i>		37,0%	37,0%	37,0%
<b>TOTAL INVESTMENT (EUR)</b>		<b>9.600.000</b>		
<i>Investment per room (EUR)</i>		60.000		
<b>RETURN ON INVESTMENT (ROI)</b>		<b>7 years after investment</b>		

<b>Hotel Košuta 4*</b>	
<b>Positioning</b>	Family and Couples Hotel
<b>Category</b>	4*
<b>Location</b>	Jahorina
<b>Accommodation facilities</b>	
70 rooms with 140 beds.	
	
<b>F&amp;B Facilities</b>	<b>Facilities for meetings and conferences</b>
Hotel restaurant with 150 seats, A la carte restaurant with 30 seats, Aperitif bar with 50 seats, Snack bar 15 with seats	-
<b>Other facilities</b>	
Ski rental, massage, "koliba", shops, entertainment room.	
<b>Location description</b>	
Jahorina	
<b>NET DEVELOPED AREA</b>	5.000 sq m.
<b>Estimated investment (EUR)</b>	4.200.000 €
<b>Priority rank</b>	First priority (3 - 4 years)

<b>Hotel Košuta: Market and financial performance for stabilized year</b>					
<b>Number of rooms</b>	70	<b>Overnights structure by distribution channel (%)</b>		<b>Overnights by country of origin (%):</b>	
<b>Operating days</b>	365	<b>individuals</b>	55%	<b>Bosnia and Herzegovina</b>	20%
<b>F &amp; B plan</b>	BB + HB	<b>groups</b>	25%	<b>South East Europe</b>	70%
<b>Occupancy</b>	60%	<b>allotment</b>	20%	<b>Other</b>	10%
<b>ADR (EUR)</b>	85 €	<b>Total net revenue (EUR)</b>		2.004.692	
<b>Net rooms revenue (EUR)</b>	1.303.050	<b>RevPAR (EUR)</b>		51	
<b>Ratio between rooms and other revenues</b>	65 : 35	<b>Total net revenue per available room (EUR)</b>		28.638	

## BUSINESS EVALUATION

<b>HOTEL KOŠUTA</b>				
	years after investment	1.	2.	3.
number of rooms		70	70	70
number of beds		140	140	140
operating days		365	365	365
room occupancy (% , 365 days)		56,0%	58,0%	60,0%
bed occupancy (% , 365 days)		50,4%	52,2%	54,0%
average room price (ADR in EUR)		81,00	83,00	85,00
average bed price (EUR)		45,00	46,11	47,22
sold rooms		14.308	14.819	15.330
double occupancy factor (DOF)		1,80	1,80	1,80
overnights		25.754	26.674	27.594
<b>ROOMS REVENUE (EUR)</b>		<b>1.158.948</b>	<b>1.229.977</b>	<b>1.303.050</b>
<b>OTHER OPERATING REVENUES (EUR)</b>		<b>624.049</b>	<b>662.295</b>	<b>701.642</b>
<b>TOTAL NET REVENUE (EUR)</b>		<b>1.782.997</b>	<b>1.892.272</b>	<b>2.004.692</b>
<i>Daily rooms revenue per available room (RevPAR in EUR)</i>		45,36	48,14	51,00
<i>Total revenue per available room (EUR)</i>		25.471	27.032	28.638
<i>Share of rooms revenue in total revenue (%)</i>		65%	65%	65%
<b>TOTAL OPERATING EXPENSES BEFORE GOP (EUR)</b>		<b>1.105.458</b>	<b>1.173.209</b>	<b>1.242.909</b>
Out of which, total payroll and related expenses (EUR)		338.769	359.532	380.892
<i>Share of payroll and related expenses in total revenue (%)</i>		19,0%	19,0%	19,0%
<i>Number of employees per room</i>		0,69	0,69	0,69
<i>Full equivalent number of employees</i>		48	48	48
<b>GROSS OPERATING PROFIT (GOP in EUR)</b>		<b>677.539</b>	<b>719.063</b>	<b>761.783</b>
<i>Share of GOP in total revenue (%)</i>		38%	38%	38%
Fixed charges (except interests, depreciation and amortization, in EUR)		53.490	56.768	60.141
<b>EARNINGS BEFORE INTERESTS, PROFIT TAX, DEPRECIATION AND AMORTIZATION (EBITDA in EUR)</b>		<b>624.049</b>	<b>662.295</b>	<b>701.642</b>
<i>Share of EBITDA in total revenue (%)</i>		35,0%	35,0%	35,0%
<b>TOTAL INVESTMENT (EUR)</b>		<b>4.200.000</b>		
<i>Investment per room (EUR)</i>		60.000		
<b>RETURN ON INVESTMENT (ROI)</b>		<b>7 years after investment</b>		

**11.2.2. Family- and Wellness Area**



<b>4* Family Hotel</b>	
<b>Positioning</b>	Family hotel
<b>Category</b>	4*
<b>Location</b>	In the enlargement area 1 (Family- and Wellness area)
<b>Accommodation facilities</b>	
Total number of beds: 300, total number of rooms: 75 (Top-Family Studios with 2 sleeping- rooms/4 beds (average size of 50 m <sup>2</sup> ). Spacious rooms, baby alarm in every room, laundry drying facilities in the bathroom and/or on the balcony, child-proof equipment and sockets, footstool for the bathroom, baby bath, changing mat, bottle warmer...	
<b>F&amp;B Facilities</b>	<b>Facilities for meetings and conferences</b>
Restaurant and bar	-
<b>Other facilities</b>	
High quality "Children world" - indoor and outdoor - with intensive animation, Wellness-Area for adults, Indoor and Outdoor pools, Family-park, separate child-friendly playground with toys, children's medical service, toy library, baby and childcare provided by trained staff five days a week.	
<b>Location description</b>	
In the enlargement area 1 (Family- and Wellness Area)	
<b>NET DEVELOPED AREA</b>	6.000 sq m.
<b>Estimated investment (EUR)</b>	6.750.000 €
<b>Priority rank</b>	Second priority (5 - 7 years)



<b>4* Family Hotel: Market and financial performance for stabilized year</b>					
<b>Number of rooms</b>	75	<b>Overnights structure by distribution channel (%)</b>		<b>Overnights by country of origin (%):</b>	
<b>Operating days</b>	365	<b>individuals</b>	70%	<b>Bosnia and Herzegovina</b>	15%
<b>F &amp; B plan</b>	FB + HB	<b>groups</b>	5%	<b>South East Europe</b>	75%
<b>Occupancy</b>	65%	<b>allotment</b>	25%	<b>Other</b>	10%
<b>ADR (EUR)</b>	80 €	<b>Total net revenue (EUR)</b>		2.190.000	
<b>Net rooms revenue (EUR)</b>	1.423.500	<b>RevPAR (EUR)</b>		52	
<b>Ratio between rooms and other revenues</b>	65 : 35	<b>Total net revenue per available room (EUR)</b>		29.200	

## BUSINESS EVALUATION

<b>4* FAMILY HOTEL</b>				
	years after investment	1.	2.	3.
number of rooms		75	75	75
number of beds		300	300	300
operating days		365	365	365
room occupancy (% , 365 days)		61,0%	63,0%	65,0%
bed occupancy (% , 365 days)		38,1%	39,4%	40,6%
average room price (ADR in EUR)		76,00	78,00	80,00
average bed price (EUR)		30,40	31,20	32,00
sold rooms		16.699	17.246	17.794
double occupancy factor (DOF)		2,50	2,50	2,50
overnights		41.747	43.116	44.484
<b>ROOMS REVENUE (EUR)</b>		<b>1.269.105</b>	<b>1.345.208</b>	<b>1.423.500</b>
<b>OTHER OPERATING REVENUES (EUR)</b>		<b>683.364</b>	<b>724.343</b>	<b>766.500</b>
<b>TOTAL NET REVENUE (EUR)</b>		<b>1.952.469</b>	<b>2.069.550</b>	<b>2.190.000</b>
<i>Daily rooms revenue per available room (RevPAR in EUR)</i>		46,36	49,14	52,00
<i>Total revenue per available room (EUR)</i>		26.033	27.594	29.200
<i>Share of rooms revenue in total revenue (%)</i>		65%	65%	65%
<b>TOTAL OPERATING EXPENSES BEFORE GOP (EUR)</b>		<b>1.249.580</b>	<b>1.324.512</b>	<b>1.401.600</b>
Out of which, total payroll and related expenses (EUR)		370.969	393.215	416.100
<i>Share of payroll and related expenses in total revenue (%)</i>		19,0%	19,0%	19,0%
<i>Number of employees per room</i>		0,73	0,73	0,73
<i>Full equivalent number of employees</i>		55	55	55
<b>GROSS OPERATING PROFIT (GOP in EUR)</b>		<b>702.889</b>	<b>745.038</b>	<b>788.400</b>
<i>Share of GOP in total revenue (%)</i>		36%	36%	36%
Fixed charges (except interests, depreciation and amortization, in EUR)		58.574	62.087	65.700
<b>EARNINGS BEFORE INTERESTS, PROFIT TAX, DEPRECIATION AND AMORTIZATION (EBITDA in EUR)</b>		<b>644.315</b>	<b>682.952</b>	<b>722.700</b>
<i>Share of EBITDA in total revenue (%)</i>		33,0%	33,0%	33,0%
<b>TOTAL INVESTMENT (EUR)</b>		<b>6.750.000</b>		
<i>Investment per room (EUR)</i>		90.000		
<b>RETURN ON INVESTMENT (ROI)</b>		<b>10 years after investment</b>		

<b>"Mountain Wellness" hotel 3*</b>	
<b>Positioning</b>	Wellness hotel, basic quality (cheap & chic) 
<b>Category</b>	3*
<b>Location</b>	In the enlargement area 1 (Family- and Wellness Area) 
<b>Accommodation facilities</b>	
Total number of beds: 400 and total number of rooms: 200. At least one -third of the rooms must be "Mountain Wellness Rooms" with mountain/nature view, no or low level of noise and appropriate furnishing. At least 20% of the rooms must be declared permanent non-smoking rooms.	
<b>F&amp;B Facilities</b>	<b>Facilities for meetings and conferences</b>
Restaurant, bar	-
<b>Other facilities</b>	
Wellness area (1.500 - 1.800 m <sup>2</sup> ) including: 3 to 4 different sauna, pool, large relaxing area (800 - 1.000 m <sup>2</sup> ), state-of-the-art fitness area (in the hotel or within 15 minutes travel)	
<b>Location description</b>	
In the enlargement area 1 (Family- and Wellness Area)	
<b>NET DEVELOPED AREA</b>	12.000 sq m.
<b>Estimated investment (EUR)</b>	14.000.000 €
<b>Priority rank</b>	Second priority (5 - 7 years)

<b>Mountain wellness hotel 3*: Market and financial performance for stabilized year</b>					
<b>Number of rooms</b>	200	<b>Overnights structure by distribution channel (%)</b>		<b>Overnights by country of origin (%):</b>	
<b>Operating days</b>	365	<b>individuals</b>	50%	<b>Bosnia and Herzegovina</b>	25%
<b>F &amp; B plan</b>	BB + HB	<b>groups</b>	35%	<b>South East Europe</b>	65%
<b>Occupancy</b>	70%	<b>allotment</b>	15%	<b>Other</b>	10%
<b>ADR (EUR)</b>	70 €	<b>Total net revenue (EUR)</b>		5.503.077	
<b>Net rooms revenue (EUR)</b>	3.577.000	<b>RevPAR (EUR)</b>		49	
<b>Ratio between rooms and other revenues</b>	65 : 35	<b>Total net revenue per available room (EUR)</b>		27.515	

## BUSINESS EVALUATION

<b>MOUNTAIN WELLNESS HOTEL 3*</b>			
years after investment	1.	2.	3.
number of rooms	200	200	200
number of beds	400	400	400
operating days	365	365	365
room occupancy (% , 365 days)	66,0%	68,0%	70,0%
bed occupancy (% , 365 days)	59,4%	61,2%	63,0%
average room price (ADR in EUR)	65,00	67,50	70,00
average bed price (EUR)	36,11	37,50	38,89
sold rooms	48.180	49.640	51.100
double occupancy factor (DOF)	1,80	1,80	1,80
overnights	86.724	89.352	91.980
<b>ROOMS REVENUE (EUR)</b>	<b>3.131.700</b>	<b>3.350.700</b>	<b>3.577.000</b>
<b>OTHER OPERATING REVENUES (EUR)</b>	<b>1.686.300</b>	<b>1.804.223</b>	<b>1.926.077</b>
<b>TOTAL NET REVENUE (EUR)</b>	<b>4.818.000</b>	<b>5.154.923</b>	<b>5.503.077</b>
<i>Daily rooms revenue per available room (RevPAR in EUR)</i>	42,90	45,90	49,00
<i>Total revenue per available room (EUR)</i>	24.090	25.775	27.515
<i>Share of rooms revenue in total revenue (%)</i>	65%	65%	65%
<b>TOTAL OPERATING EXPENSES BEFORE GOP (EUR)</b>	<b>2.938.980</b>	<b>3.144.503</b>	<b>3.356.877</b>
Out of which, total payroll and related expenses (EUR)	867.240	927.886	990.554
<i>Share of payroll and related expenses in total revenue (%)</i>	18,0%	18,0%	18,0%
<i>Number of employees per room</i>	0,65	0,65	0,65
<i>Full equivalent number of employees</i>	130	130	130
<b>GROSS OPERATING PROFIT (GOP in EUR)</b>	<b>1.879.020</b>	<b>2.010.420</b>	<b>2.146.200</b>
<i>Share of GOP in total revenue (%)</i>	39%	39%	39%
Fixed charges (except interests, depreciation and amortization, in EUR)	144.540	154.648	165.092
<b>EARNINGS BEFORE INTERESTS, PROFIT TAX, DEPRECIATION AND AMORTIZATION (EBITDA in EUR)</b>	<b>1.734.480</b>	<b>1.855.772</b>	<b>1.981.108</b>
<i>Share of EBITDA in total revenue (%)</i>	36,0%	36,0%	36,0%
<b>TOTAL INVESTMENT (EUR)</b>	<b>14.000.000</b>		
<i>Investment per room (EUR)</i>	70.000		
<b>RETURN ON INVESTMENT (ROI)</b>	<b>8 years after investment</b>		

<b>"Mountain wellness" hotel 4*</b>	
<b>Positioning</b>	Wellness hotel
<b>Category</b>	4*
<b>Location</b>	In the enlargement area 1 (Family- and Wellness Area)
<b>Accommodation facilities</b>	
Total number of beds: 200, number of rooms 100. Average size of a basic double room should be between 35 and 38 m <sup>2</sup> . At least one -third of the rooms must be "Mountain Wellness Rooms" with mountain/nature view, no or low level of noise and appropriate furnishing. At least 20% of the rooms must be declared permanent non-smoking rooms.	
<b>F&amp;B Facilities</b>	<b>Facilities for meetings and conferences</b>
Restaurant, Bar (one vegetarian, one calorie-controlled and one special "Mountain Wellness" menu is offered every day).	-
<b>Other facilities</b>	
Wellness-Area (1.400 to 1.600 m <sup>2</sup> ) including different treatment areas, pools, sauna etc., Beauty and Cosmetic Area, at least one indoor pool and/or heated outdoor pool and/or whirlpool, at least one modern sauna, state-of-the-art fitness area (in the hotel or within 15 minutes travel)	
<b>Location description</b>	
In the enlargement area 1 (Family- and Wellness Area)	
<b>NET DEVELOPED AREA</b>	7.000 sq m.
<b>Estimated investment (EUR)</b>	9.500.000 €
<b>Priority rank</b>	Second priority (5 - 7 years)




<b>Mountain wellness hotel 4*: Market and financial performance for stabilized year</b>					
<b>Number of rooms</b>	100	<b>Overnights structure by distribution channel (%)</b>		<b>Overnights by country of origin (%):</b>	
<b>Operating days</b>	365	<b>individuals</b>	60%	<b>Bosnia and Herzegovina</b>	20%
<b>F &amp; B plan</b>	BB + HB	<b>groups</b>	30%	<b>South East Europe</b>	70%
<b>Occupancy</b>	65%	<b>allotment</b>	10%	<b>Other</b>	10%
<b>ADR (EUR)</b>	90 €	<b>Total net revenue (EUR)</b>		3.285.000	
<b>Net rooms revenue (EUR)</b>	2.135.250	<b>RevPAR (EUR)</b>		59	
<b>Ratio between rooms and other revenues</b>	65 : 35	<b>Total net revenue per available room (EUR)</b>		32.850	

## BUSINESS EVALUATION

<b>MOUNTAIN WELLNESS HOTEL 4*</b>			
years after investment	1.	2.	3.
number of rooms	100	100	100
number of beds	200	200	200
operating days	365	365	365
room occupancy (% , 365 days)	61,0%	63,0%	65,0%
bed occupancy (% , 365 days)	54,9%	56,7%	58,5%
average room price (ADR in EUR)	85,00	87,50	90,00
average bed price (EUR)	47,22	48,61	50,00
sold rooms	22.265	22.995	23.725
double occupancy factor (DOF)	1,80	1,80	1,80
overnights	40.077	41.391	42.705
<b>ROOMS REVENUE (EUR)</b>	<b>1.892.525</b>	<b>2.012.063</b>	<b>2.135.250</b>
<b>OTHER OPERATING REVENUES (EUR)</b>	<b>1.019.052</b>	<b>1.083.418</b>	<b>1.149.750</b>
<b>TOTAL NET REVENUE (EUR)</b>	<b>2.911.577</b>	<b>3.095.481</b>	<b>3.285.000</b>
<i>Daily rooms revenue per available room (RevPAR in EUR)</i>	51,85	55,13	58,50
<i>Total revenue per available room (EUR)</i>	29.116	30.955	32.850
<i>Share of rooms revenue in total revenue (%)</i>	65%	65%	65%
<b>TOTAL OPERATING EXPENSES BEFORE GOP (EUR)</b>	<b>1.805.178</b>	<b>1.919.198</b>	<b>2.036.700</b>
Out of which, total payroll and related expenses (EUR)	582.315	619.096	657.000
<i>Share of payroll and related expenses in total revenue (%)</i>	20,0%	20,0%	20,0%
<i>Number of employees per room</i>	0,80	0,80	0,80
<i>Full equivalent number of employees</i>	80	80	80
<b>GROSS OPERATING PROFIT (GOP in EUR)</b>	<b>1.106.399</b>	<b>1.176.283</b>	<b>1.248.300</b>
<i>Share of GOP in total revenue (%)</i>	38%	38%	38%
Fixed charges (except interests, depreciation and amortization, in EUR)	87.347	92.864	98.550
<b>EARNINGS BEFORE INTERESTS, PROFIT TAX, DEPRECIATION AND AMORTIZATION (EBITDA in EUR)</b>	<b>1.019.052</b>	<b>1.083.418</b>	<b>1.149.750</b>
<i>Share of EBITDA in total revenue (%)</i>	35,0%	35,0%	35,0%
<b>TOTAL INVESTMENT (EUR)</b>	<b>9.500.000</b>		
<i>Investment per room (EUR)</i>	95.000		
<b>RETURN ON INVESTMENT (ROI)</b>	<b>9 years after investment</b>		


**11.2.3. Sport Area**

<b>3* Hotel for sport travellers</b>	
<b>Positioning</b>	Conveniently located, this hotel will offer great value for money and has a warm and inviting atmosphere.
<b>Category</b>	3*
<b>Location</b>	In the enlargement area 2 (Sport Area)
<b>Accommodation facilities</b>	
Total number of rooms: 130 (91 Standard Rooms, out of which 66 with Twin Beds and 25 with King Size Bed; 35 Superior Rooms, out of which 25 with Twin Beds and 10 with King Size Bed; 4 Junior Suites, out of which 2 with Twin Beds and 2 with King Size Bed). Total number of beds: 260	
	
<b>F&amp;B Facilities</b>	<b>Facilities for meetings and conferences</b>
Main restaurant with 210 seats, Indian restaurant with 60 seats, Greek restaurant with 50 seats, Beer House Pub, Tavern Bar.	-
<b>Other facilities</b>	
Fitness club, Indoor swimming pool, car park. Other facilities: Air conditioning, heating, room service, laundry service, in-room safety deposit boxes, Internet corner, shops and satellite TV.	
<b>Location description</b>	
In the enlargement area 2 (Sport Area)	
<b>NET DEVELOPED AREA</b>	7.920 sq m.
<b>Estimated investment (EUR)</b>	8.450.000 €
<b>Priority rank</b>	Third priority (8 - 10 years)

<b>3* Hotel for sport oriented travellers: Market and financial performance for stabilized year</b>					
<b>Number of rooms</b>	130	<b>Overnights structure by distribution channel (%)</b>		<b>Overnights by country of origin (%):</b>	
<b>Operating days</b>	305	<b>individuals</b>	30%	<b>Bosnia and Herzegovina</b>	30%
<b>F &amp; B plan</b>	BB + HB	<b>groups</b>	30%	<b>South East Europe</b>	60%
<b>Occupancy</b>	60%	<b>allotment</b>	40%	<b>Other</b>	10%
<b>ADR (EUR)</b>	70 €	<b>Total net revenue (EUR)</b>		3.066.000	
<b>Net rooms revenue (EUR)</b>	1.992.900	<b>RevPAR (EUR)</b>		42	
<b>Ratio between rooms and other revenues</b>	65 : 35	<b>Total net revenue per available room (EUR)</b>		23.585	

## BUSINESS EVALUATION

<b>3* HOTEL FOR SPORT ORIENTED TRAVELLERS</b>			
years after investment	1.	2.	3.
number of rooms	130	130	130
number of beds	260	260	260
operating days	305	305	305
room occupancy (% , 365 days)	56,0%	58,0%	60,0%
bed occupancy (% , 365 days)	53,2%	55,1%	57,0%
average room price (ADR in EUR)	65,00	67,50	70,00
average bed price (EUR)	34,21	35,53	36,84
sold rooms	26.572	27.521	28.470
double occupancy factor (DOF)	1,90	1,90	1,90
overnights	50.487	52.290	54.093
<b>ROOMS REVENUE (EUR)</b>	<b>1.727.180</b>	<b>1.857.668</b>	<b>1.992.900</b>
<b>OTHER OPERATING REVENUES (EUR)</b>	<b>930.020</b>	<b>1.000.283</b>	<b>1.073.100</b>
<b>TOTAL NET REVENUE (EUR)</b>	<b>2.657.200</b>	<b>2.857.950</b>	<b>3.066.000</b>
<i>Daily rooms revenue per available room (RevPAR in EUR)</i>	36,40	39,15	42,00
<i>Total revenue per available room (EUR)</i>	20.440	21.984	23.585
<i>Share of rooms revenue in total revenue (%)</i>	65%	65%	65%
<b>TOTAL OPERATING EXPENSES BEFORE GOP (EUR)</b>	<b>1.567.748</b>	<b>1.686.191</b>	<b>1.808.940</b>
Out of which, total payroll and related expenses (EUR)	504.868	543.011	582.540
<i>Share of payroll and related expenses in total revenue (%)</i>	19,0%	19,0%	19,0%
<i>Number of employees per room</i>	0,60	0,60	0,60
<i>Full equivalent number of employees</i>	78	78	78
<b>GROSS OPERATING PROFIT (GOP in EUR)</b>	<b>1.089.452</b>	<b>1.171.760</b>	<b>1.257.060</b>
<i>Share of GOP in total revenue (%)</i>	41%	41%	41%
Fixed charges (except interests, depreciation and amortization, in EUR)	79.716	85.739	91.980
<b>EARNINGS BEFORE INTERESTS, PROFIT TAX, DEPRECIATION AND AMORTIZATION (EBITDA in EUR)</b>	<b>1.009.736</b>	<b>1.086.021</b>	<b>1.165.080</b>
<i>Share of EBITDA in total revenue (%)</i>	38,0%	38,0%	38,0%
<b>TOTAL INVESTMENT (EUR)</b>	<b>8.450.000</b>		
<i>Investment per room (EUR)</i>	65.000		
<b>RETURN ON INVESTMENT (ROI)</b>	<b>8 years after investment</b>		

<b>2* Standard Hostel</b>	
<b>Positioning</b>	Short-term accommodation for travelers or backpackers. Age limit (excluding travelers that do not fit in the age category of 18 to 26.)
<b>Category</b>	2* Standard Hostel
<b>Location</b>	In the enlargement area 2 (Sport Area)
<b>Accommodation facilities</b>	
60 rooms with a total capacity of 150 beds. Beds in dormitory with common bathroom, kitchen and lounge rooms. Private rooms are also available.	
	
<b>F&amp;B Facilities</b>	<b>Facilities for meetings and conferences</b>
1 outlet	/
<b>Other facilities</b>	
/	
<b>Location description</b>	
In the enlargement area 2 (Sport Area)	
<b>NET DEVELOPED AREA</b>	4.950 sq m.
<b>Estimated investment (EUR)</b>	2.700.000 €
<b>Priority rank</b>	Third priority (8 - 10 years)

<b>2* Standard Hostel: Market and financial performance for stabilized year</b>					
<b>Number of rooms</b>	60	<b>Overnights structure by distribution channel (%)</b>		<b>Overnights by country of origin (%):</b>	
<b>Operating days</b>	305	<b>individuals</b>	85%	<b>Bosnia and Herzegovina</b>	20%
<b>F &amp; B plan</b>	BB + HB	<b>groups</b>	10%	<b>South East Europe</b>	70%
<b>Occupancy</b>	67%	<b>allotment</b>	5%	<b>Other</b>	10%
<b>ADR (EUR)</b>	45 €	<b>Total net revenue (EUR)</b>		733.650	
<b>Net rooms revenue (EUR)</b>	660.285	<b>RevPAR (EUR)</b>		30,15	
<b>Ratio between rooms and other revenues</b>	90 : 10	<b>Total net revenue per available room (EUR)</b>		12.228	

## BUSINESS EVALUATION

<b>2* STANDARD HOSTEL</b>				
	years after investment	1.	2.	3.
number of rooms		60	60	60
number of beds		150	150	150
operating days		305	305	305
room occupancy (% , 365 days)		62,0%	65,0%	67,0%
bed occupancy (% , 365 days)		57,0%	59,8%	61,6%
average room price (ADR in EUR)		40,00	42,00	45,00
average bed price (EUR)		17,39	18,26	19,57
sold rooms		13.578	14.235	14.673
double occupancy factor (DOF)		2,30	2,30	2,30
overnights		31.229	32.741	33.748
<b>ROOMS REVENUE (EUR)</b>		<b>543.120</b>	<b>597.870</b>	<b>660.285</b>
<b>OTHER OPERATING REVENUES (EUR)</b>		<b>60.347</b>	<b>66.430</b>	<b>73.365</b>
<b>TOTAL NET REVENUE (EUR)</b>		<b>603.467</b>	<b>664.300</b>	<b>733.650</b>
<i>Daily rooms revenue per available room (RevPAR in EUR)</i>		24,80	27,30	30,15
<i>Total revenue per available room (EUR)</i>		10.058	11.072	12.228
<i>Share of rooms revenue in total revenue (%)</i>		90%	90%	90%
<b>TOTAL OPERATING EXPENSES BEFORE GOP (EUR)</b>		<b>350.011</b>	<b>385.294</b>	<b>425.517</b>
Out of which, total payroll and related expenses (EUR)		211.213	232.505	256.778
<i>Share of payroll and related expenses in total revenue (%)</i>		35,0%	35,0%	35,0%
<i>Number of employees per room</i>		0,40	0,40	0,40
<i>Full equivalent number of employees</i>		24	24	24
<b>GROSS OPERATING PROFIT (GOP in EUR)</b>		<b>253.456</b>	<b>279.006</b>	<b>308.133</b>
<i>Share of GOP in total revenue (%)</i>		42%	42%	42%
Fixed charges (except interests, depreciation and amortization, in EUR)		18.104	19.929	22.010
<b>EARNINGS BEFORE INTERESTS, PROFIT TAX, DEPRECIATION AND AMORTIZATION (EBITDA in EUR)</b>		<b>235.352</b>	<b>259.077</b>	<b>286.124</b>
<i>Share of EBITDA in total revenue (%)</i>		39,0%	39,0%	39,0%
<b>TOTAL INVESTMENT (EUR)</b>		<b>2.700.000</b>		
<i>Investment per room (EUR)</i>		45.000		
<b>RETURN ON INVESTMENT (ROI)</b>		<b>11 years after investment</b>		


<b>2* Economy Hostel</b>	
<b>Positioning</b>	Short-term accommodation for travelers or backpackers. Age limit (excluding travelers that do not fit in the age category of 18 to 26.)
<b>Category</b>	2* Economy
<b>Location</b>	In the enlargement area 2 (Sport Area)
<b>Accommodation facilities</b>	
60 rooms with a total capacity of 150 beds. Beds in dormitory with common bathroom, kitchen and lounge rooms. Private rooms are also available.	
<b>F&amp;B Facilities</b>	
1 outlet	/
<b>Facilities for meetings and conferences</b>	
<b>Other facilities</b>	
/	
<b>Location description</b>	
In the enlargement area 2 (Sport Area)	
<b>NET DEVELOPED AREA</b>	4.950 sq m.
<b>Estimated investment (EUR)</b>	2.700.000 €
<b>Priority rank</b>	Third priority (8 - 10 years)



<b>2* Economy Hostel: Market and financial performance for stabilized year</b>					
<b>Number of rooms</b>	60	<b>Overnights structure by distribution channel (%)</b>		<b>Overnights by country of origin (%):</b>	
<b>Operating days</b>	305	<b>individuals</b>	85%	<b>Bosnia and Herzegovina</b>	20%
<b>F &amp; B plan</b>	BB + HB	<b>groups</b>	10%	<b>South East Europe</b>	70%
<b>Occupancy</b>	67%	<b>allotment</b>	5%	<b>Other</b>	10%
<b>ADR (EUR)</b>	45 €	<b>Total net revenue (EUR)</b>		733.650	
<b>Net rooms revenue (EUR)</b>	660.285	<b>RevPAR (EUR)</b>		30,15	
<b>Ratio between rooms and other revenues</b>	90 : 10	<b>Total net revenue per available room (EUR)</b>		12.228	

## BUSINESS EVALUATION

<b>2* ECONOMY HOSTEL</b>				
	years after investment	1.	2.	3.
number of rooms		60	60	60
number of beds		150	150	150
operating days		305	305	305
room occupancy (% , 365 days)		62,0%	65,0%	67,0%
bed occupancy (% , 365 days)		57,0%	59,8%	61,6%
average room price (ADR in EUR)		40,00	42,00	45,00
average bed price (EUR)		17,39	18,26	19,57
sold rooms		13.578	14.235	14.673
double occupancy factor (DOF)		2,30	2,30	2,30
overnights		31.229	32.741	33.748
<b>ROOMS REVENUE (EUR)</b>		<b>543.120</b>	<b>597.870</b>	<b>660.285</b>
<b>OTHER OPERATING REVENUES (EUR)</b>		<b>60.347</b>	<b>66.430</b>	<b>73.365</b>
<b>TOTAL NET REVENUE (EUR)</b>		<b>603.467</b>	<b>664.300</b>	<b>733.650</b>
<i>Daily rooms revenue per available room (RevPAR in EUR)</i>		24,80	27,30	30,15
<i>Total revenue per available room (EUR)</i>		10.058	11.072	12.228
<i>Share of rooms revenue in total revenue (%)</i>		90%	90%	90%
<b>TOTAL OPERATING EXPENSES BEFORE GOP (EUR)</b>		<b>350.011</b>	<b>385.294</b>	<b>425.517</b>
Out of which, total payroll and related expenses (EUR)		211.213	232.505	256.778
<i>Share of payroll and related expenses in total revenue (%)</i>		35,0%	35,0%	35,0%
<i>Number of employees per room</i>		0,40	0,40	0,40
<i>Full equivalent number of employees</i>		24	24	24
<b>GROSS OPERATING PROFIT (GOP in EUR)</b>		<b>253.456</b>	<b>279.006</b>	<b>308.133</b>
<i>Share of GOP in total revenue (%)</i>		42%	42%	42%
Fixed charges (except interests, depreciation and amortization, in EUR)		18.104	19.929	22.010
<b>EARNINGS BEFORE INTERESTS, PROFIT TAX, DEPRECIATION AND AMORTIZATION (EBITDA in EUR)</b>		<b>235.352</b>	<b>259.077</b>	<b>286.124</b>
<i>Share of EBITDA in total revenue (%)</i>		39,0%	39,0%	39,0%
<b>TOTAL INVESTMENT (EUR)</b>		<b>2.700.000</b>		
<i>Investment per room (EUR)</i>		45.000		
<b>RETURN ON INVESTMENT (ROI)</b>		<b>11 years after investment</b>		

<b>Two 3* small hotels - pensions</b>	
<b>Positioning</b>	Family oriented
<b>Category</b>	3*
<b>Location</b>	In the enlargement area 2 (Sport Area)
<b>Accommodation facilities</b>	
One small hotel - pension with 25 rooms - 50 beds. One small hotel - pension with 30 rooms - 60 beds. Total number of beds in two small hotels - pensions is 110.	
	
<b>F&amp;B Facilities</b>	<b>Facilities for meetings and conferences</b>
1 outlet	/
<b>Other facilities</b>	
/	
<b>Location description</b>	
In the enlargement area 2 (Sport Area)	
<b>NET DEVELOPED AREA</b>	2.750 sq m.
<b>Estimated investment (EUR)</b>	2.475.000 €
<b>Priority rank</b>	Third priority (8 - 10 years)

<b>Market and financial performance -Small hotels - pensions</b>					
<b>Number of rooms</b>	55	<b>Overnights structure by distribution channells (%)</b>		<b>Overnights by country of origin (%):</b>	
<b>Operating days</b>	365	<b>individuales</b>	60%	<b>Bosnia and Herzegovina</b>	25%
<b>F &amp; B plan</b>	BB + HB	<b>groups</b>	35%	<b>South East Europe</b>	65%
<b>Occupancy</b>	68%	<b>allotment</b>	5%	<b>Western Europe</b>	10%
<b>Av Price (EUR)</b>	95	<b>Total net revenue (EUR)</b>		1.729.127	
<b>Net rooms revenue (EUR)</b>	1.296.845	<b>RevPAR (EUR)</b>		64,60	
<b>Ratio between rooms and other revenues</b>	70 : 30	<b>Total net revenue per available room (EUR)</b>		31.439	

## BUSINESS EVALUATION

<b>2 SMALL HOTELS - PENSIONS</b>				
	years after investment	1.	2.	3.
number of rooms		55	55	55
number of beds		138	138	138
operating days		365	365	365
room occupancy (% , 365 days)		62,0%	65,0%	68,0%
bed occupancy (% , 365 days)		49,6%	52,0%	54,4%
average room price (ADR in EUR)		90,00	92,00	95,00
average bed price (EUR)		45,00	46,00	47,50
sold rooms		12.447	13.049	13.651
double occupancy factor (DOF)		2,00	2,00	2,00
overnights		24.893	26.098	27.302
<b>ROOMS REVENUE (EUR)</b>		<b>1.120.185</b>	<b>1.200.485</b>	<b>1.296.845</b>
<b>OTHER OPERATING REVENUES (EUR)</b>		<b>373.395</b>	<b>400.162</b>	<b>432.282</b>
<b>TOTAL NET REVENUE (EUR)</b>		<b>1.493.580</b>	<b>1.600.647</b>	<b>1.729.127</b>
<i>Daily rooms revenue per available room (RevPAR in EUR)</i>		55,80	59,80	64,60
<i>Total revenue per available room (EUR)</i>		27.156	29.103	31.439
<i>Share of rooms revenue in total revenue (%)</i>		75%	75%	75%
<b>TOTAL OPERATING EXPENSES BEFORE GOP (EUR)</b>		<b>911.084</b>	<b>976.394</b>	<b>1.054.767</b>
Out of which, total payroll and related expenses (EUR)		268.844	288.116	311.243
<i>Share of payroll and related expenses in total revenue (%)</i>		18,0%	18,0%	18,0%
<i>Number of employees per room</i>		0,60	0,60	0,60
<i>Full equivalent number of employees</i>		33	33	33
<b>GROSS OPERATING PROFIT (GOP in EUR)</b>		<b>582.496</b>	<b>624.252</b>	<b>674.359</b>
<i>Share of GOP in total revenue (%)</i>		39%	39%	39%
Fixed charges (except interests, depreciation and amortization, in EUR)		44.807	48.019	51.874
<b>EARNINGS BEFORE INTERESTS, PROFIT TAX, DEPRECIATION AND AMORTIZATION (EBITDA in EUR)</b>		<b>537.689</b>	<b>576.233</b>	<b>622.486</b>
<i>Share of EBITDA in total revenue (%)</i>		36,0%	36,0%	36,0%
<b>TOTAL INVESTMENT (EUR)</b>		<b>2.475.000</b>		
<i>Investment per room (EUR)</i>		45.000		
<b>RETURN ON INVESTMENT (ROI)</b>		<b>5 years after investment</b>		

<b>TOTAL ACCOMODATION</b>			
	years after investment		
	1.	2.	3.
number of rooms	1.560	1.505	1.505
number of beds	3.388	3.250	3.250
<b>TOTAL NET REVENUE (EUR)</b>	<b>39.040.629</b>	<b>41.797.657</b>	<b>44.937.131</b>
<i>Average Total revenue per available room (EUR)</i>	25.026	27.773	29.859
<b>TOTAL OPERATING EXPENSES BEFORE GOP (EUR)</b>	<b>23.578.113</b>	<b>25.240.559</b>	<b>27.132.612</b>
Out of which, total payroll and related expenses (EUR)	7.506.441	8.046.095	8.658.835
<i>Share of payroll and related expenses in total revenue (%)</i>	19,2%	19,3%	19,3%
<b>GROSS OPERATING PROFIT (GOP in EUR)</b>	<b>15.462.516</b>	<b>16.557.098</b>	<b>17.804.519</b>
<i>Share of GOP in total revenue (%)</i>	40%	40%	40%
Fixed charges (except interests, depreciation and amortization, in EUR)	1.171.219	1.253.930	1.348.114
<b>EARNINGS BEFORE INTERESTS, PROFIT TAX, DEPRECIATION AND AMORTIZATION (EBITDA in EUR)</b>	<b>14.291.297</b>	<b>15.303.168</b>	<b>16.456.406</b>
<i>Share of EBITDA in total revenue (%)</i>	36,6%	36,6%	36,6%

### 11.3. Key projects - Real Estate

#### BUSINESS EVALUATION

<b>Real estate</b>			
		Selling price	Total revenue
	sqm	EUR/sqm	EUR
Apartments Vučko	20.880	1.360	28.396.800
Apartments B	12.960	1.360	17.625.600
3* Log cabin village	5.400	1.600	8.640.000
4* Chalets	18.240	1.920	35.020.800
4* Apartments	10.440	1.920	20.044.800
Five 3-4* Condotels	16.005	1.760	28.168.800
One 3* Condotel	1.600	1.600	2.560.000
3*Appartmetns	1.800	1.440	2.592.000
3* Chalets	4.360	1.520	6.627.200
<b>Total</b>	<b>91.685</b>	<b>1.633</b>	<b>149.676.000</b>

Note: The sale prices of real estate have been defined for the period of 4-6 years from today

### 11.4. Key projects - Recreational Facilities

#### BUSINESS EVALUATION

<b>RECREATIONAL FACILITIES</b>			
	years after investment		
	1.	2.	3.
<b>TOTAL NET REVENUE (EUR)</b>	<b>2.225.280</b>	<b>2.781.600</b>	<b>3.090.667</b>
<b>TOTAL OPERATING EXPENSES BEFORE GOP (EUR)</b>	<b>1.335.168</b>	<b>1.668.960</b>	<b>1.854.400</b>
Out of which, total payroll and related expenses (EUR)	445.056	556.320	618.133
<i>Share of payroll and related expenses in total revenue (%)</i>	20,0%	20,0%	20,0%
<b>GROSS OPERATING PROFIT (GOP in EUR)</b>	<b>890.112</b>	<b>1.112.640</b>	<b>1.236.267</b>
<i>Share of GOP in total revenue (%)</i>	40%	40%	40%
Fixed charges (except interests, depreciation and amortization, in EUR)	89.011	111.264	123.627
<b>EARNINGS BEFORE INTERESTS, PROFIT TAX, DEPRECIATION AND AMORTIZATION (EBITDA in EUR)</b>	<b>801.101</b>	<b>1.001.376</b>	<b>1.112.640</b>
<i>Share of EBITDA in total revenue (%)</i>	36,0%	36,0%	36,0%

<b>TOTAL INVESTMENT (EUR)</b>	<b>9.272.000</b>
<i>Investment per room (EUR)</i>	
<b>RETURN ON INVESTMENT (ROI)</b>	<b>9 years after investment</b>

## 11.5. Key projects - Gastro and Other Facilities

### BUSINESS EVALUATION

<b>GASTRO AND OTHER FACILITIES</b>				
	years after investment	1.	2.	3.
<b>TOTAL NET REVENUE (EUR)</b>		<b>6.470.947</b>	<b>8.088.684</b>	<b>8.987.426</b>
<b>TOTAL OPERATING EXPENSES BEFORE GOP (EUR)</b>		<b>4.206.115</b>	<b>5.257.644</b>	<b>5.841.827</b>
Out of which, total payroll and related expenses (EUR)		1.294.189	1.617.737	1.797.485
Share of payroll and related expenses in total revenue (%)		20,0%	20,0%	20,0%
<b>GROSS OPERATING PROFIT (GOP in EUR)</b>		<b>2.264.831</b>	<b>2.831.039</b>	<b>3.145.599</b>
Share of GOP in total revenue (%)		35%	35%	35%
Fixed charges (except interests, depreciation and amortization, in EUR)		194.128	242.661	269.623
<b>EARNINGS BEFORE INTERESTS, PROFIT TAX, DEPRECIATION AND AMORTIZATION (EBITDA in EUR)</b>		<b>2.070.703</b>	<b>2.588.379</b>	<b>2.875.976</b>
Share of EBITDA in total revenue (%)		32,0%	32,0%	32,0%
<b>TOTAL INVESTMENT (EUR)</b>		<b>23.700.000</b>		
Investment per room (EUR)				
<b>RETURN ON INVESTMENT (ROI)</b>		<b>9 years after investment</b>		

## 11.6. Business evaluation summary

In total business and investment summary of the whole Jahorina project can be seen from the following table:

<b>SUMMARY BUSINESS EVALUATION</b>					
	Accommodation*	Ski	Recreational	Gastro & other	TOTAL
<b>TOTAL NET REVENUE (EUR)</b>	<b>44.937.131</b>	<b>18.596.000</b>	<b>3.090.667</b>	<b>8.987.426</b>	<b>75.611.224</b>
<b>TOTAL OPERATING EXPENSES BEFORE GOP (EUR)</b>	<b>27.132.612</b>	<b>12.087.400</b>	<b>1.854.400</b>	<b>5.841.827</b>	<b>46.916.239</b>
Out of which, total payroll and related expenses (EUR)	8.658.835	3.719.200	618.133	1.797.485	14.793.653
Share of payroll and related expenses in total revenue (%)	19,3%	20,0%	20,0%	20,0%	19,6%
<b>GROSS OPERATING PROFIT (GOP in EUR)</b>	<b>17.804.519</b>	<b>6.508.600</b>	<b>1.236.267</b>	<b>3.145.599</b>	<b>28.694.985</b>
Share of GOP in total revenue (%)	40%	35%	40%	35%	38%
Fixed charges (except interests, depreciation and amortization, in EUR)	1.348.114	919.800	123.627	269.623	2.661.163
<b>EARNINGS BEFORE INTERESTS, PROFIT TAX, DEPRECIATION AND AMORTIZATION (EBITDA in EUR)</b>	<b>16.456.406</b>	<b>5.588.800</b>	<b>1.112.640</b>	<b>2.875.976</b>	<b>26.033.822</b>
Share of EBITDA in total revenue (%)	36,6%	30,1%	36,0%	32,0%	34,4%
<b>TOTAL NET REVENUE FROM REAL ESTATE (EUR)</b>					<b>149.676.000</b>
<b>TOTAL INVESTMENT (EUR)</b>	<b>206.290.000</b>	<b>92.345.743</b>	<b>9.272.000</b>	<b>23.700.000</b>	<b>331.607.743</b>

\*Note: Revenues derived from renting of real estate accommodation have not been considered within the evaluation of business potential

- Investments as well as business revenues in accommodation projects are the most relevant and the biggest individual investments within this plan. The total sum of investments into accommodation facilities is 206,3 million of euros, out of which significant part is represented with real estate investment with free and limited ownership solutions;
- Planned revenues from commercial hotel sector have been planned with cca. 45,0 million of euros without potential additional revenues from limited ownership real estate projects;
- In total, investment/revenue ratio (without apartments for sale) shows satisfactory results and represents and attractive ratio for local and international investors market provided that public sector will deliver necessary infrastructural investments into existing and new development area;

- Majority of investments in accommodation facilities are showing a pay back period of 6 to 8 years, which for this kind of investments are also satisfactory;
- Net project added value (the sum of total salaries plus gross operating profit) in stabilised year amounts approx. 40,0 million of euro, without added value from real estate business. This is a very satisfactory ratio generated by this project;
- Investments in recreational facilities, for which we did not calculate individual business evaluations, based on international benchmarking standards are generating an average pay back of three to four years, with the exemption of sport programmes related to Olympics requirements;
- Direct employment generated by accommodation and other business sectors amounts 3 to 3.5 thousand employees. With direct employment in other private hotels, ski business and other services, at the point of finalisation of the project total direct employment will rise up to 4,5 thousand employees. If we add international standard of minimum 20% of generated indirect jobs, Jahorina project, if properly developed will generate total employment of approx. 5,5 thousand people, which would represent one of the most important economic projects in Republic of Srpska and Bosnia and Herzegovina.

## **11.7. Investment and Business Evaluation of Ski Infrastructure**

### **11.7.1. Assumptions**

#### **A. INVESTMENTS**

Proposed investment in ski infrastructure includes vertical transport (equipment and installation), slopes, snowing facilities, snowcats, access control, avalanche protection, unforeseeable and project and planning costs. The total investment has been evaluated at the amount of 92.345.743 EUR.

#### **B. REVENUES**

- average number of visitors has been estimated based on the benchmark
- average price has been projected based on benchmark analyses sized down to local standards.

#### **C. EXPENSES**

- implementation of international cost standards in ski industry taking into account country specifics regarding certain cost;
- presented the cost structure has been based on adjusted international benchmarking standards for this business.

Revenues and expenses in projections are shown in net amounts, which do not include the value added tax.

Business evaluation has been presented for the stabilized year.

Financials are shown in EUR. The projections are made in constant prices (not inflated).

<b>SKI SLOPES-JAHORINA</b>			
<b>Business evaluation</b>			
Capacity (number of daily visitors) :	14000		
Season (days)	90	Occupancy	30%
Annual number of visitors:	1.533.000		
Ticket price:			
average	12 EUR		
<b>Ski lifts revenues:</b>	<b>18.396.000 EUR</b>		
<b>Other revenues:</b>	<b>200.000 EUR</b>		
<b>TOTAL REVENUES:</b>	<b>18.596.000 EUR</b>		
<b>TOTAL OPERATING EXPENSES:</b>	<b>12.087.400 EUR</b>		
<b>out of that wages:</b>	<b>3.719.200 EUR</b>		
<b>GOP:</b>	<b>6.508.600 EUR</b>		
<b>Fixed costs</b>	<b>919.800 EUR</b>		
<b>EBITDA:</b>	<b>5.588.800 EUR</b>		
<b>Average number of employees:</b>	<b>40</b>		

The investment in the ski infrastructure should be financed in the following way:

1/3 of the presented amount should be financed through the subventions, and 2/3 through public-private partnership.

## 12. Conclusion and Summary

This Tourism Master Plan should be seen as the basis for a sustainable future development and enlargement of the mountain resort Jahorina. With prospective investors, active local stakeholders as well as support from the national and regional administration it should be possible to create a professional and well-structured mountain resort which is recognised as the leading mountain resort in South-eastern-Europe.

The general conditions (e.g. Image of hosting the Olympic Games, proximity to the city and airport of Sarajevo, etc.) are very favourable and if the proposed actions concerning modernisation of the existing mountain resort and further enlargement are implemented in the right way it should be possible to once again earn the deserved reputation - according to the slogan "Jahorina – The Olympic Mountain".

HYP0 Alpe-Adria Consultants d.o.o. Sarajevo  
(For the project team)

Sarajevo, September 2007

## **13. Appendix**

### **13.1. Maps of Jahorina area**

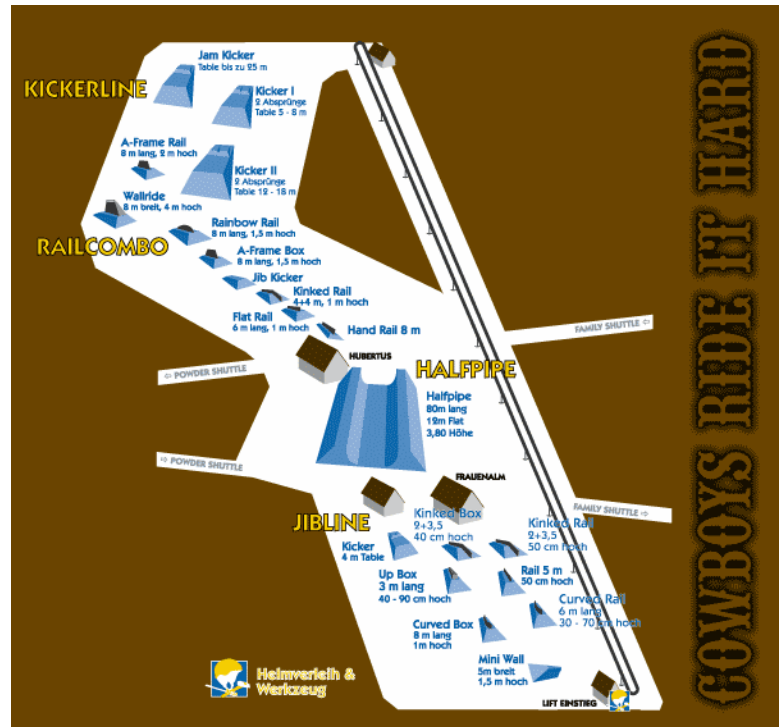
- **1. MAP of traffic**
- **2. MAP of intended use of area**
- **3. MAP of winter offer**
- **4. MAP of winter offer in detail**

### 13.2. Best-Practice Examples from Austria

In the following section successful examples from Austria will be shown to illustrate some of the proposed projects.

**Absolut Park in Flachauwinkel-Kleinarl, Salzburg (Snowboard Fun Park)**  
[www.absolutpark.com](http://www.absolutpark.com)

This Snowboard Fun Park extends over a length of 1,5 kilometres and consists of four different sections that can perfectly be driven in one line.



Section 1: Kicker line

The two kickers in the topmost section standing in one line and scoring points thanks to their broad jump are now enriched by a real fat jam kicker. The table length of this kicker reaches up to 25m. Moreover, the Kicker line is covered with artificial snow to guarantee good jumps.

Section 2: Rail combo

This section includes a Rainbow Rail, a Frame Box, a Comfortable Jib Kicker, a Flat Rail, a Hand Rail and a 2x4 metres Kinked Rail.

Section 3: Half pipe

The Half pipe has 4 metres walls, a length of 100 metres and is oriented south.

Section 4: Jib line

In this last section there are smaller obstacles perfectly suitable for jibbing and exercising – there is a Fun Box with integrated Kinked Rail and Kinked Box, a Flat Rail and up Box, a Curved Rail, a Curved Box and a Mini Wall.

**Boarders Play land in Westendorf, Tyrol (Snowboard Fun Park)**  
[www.boardplay.com](http://www.boardplay.com)

Boarders Play land in Westendorf consists of the following elements: 5 meter Table, 3 meter Table, Roller Combo, Corner, 3 meter Jump, Fun box, 3 m Rainbow, 3 m Straight Rail, Roller, 15 meter Table, 20 – 25 meter table and a Drill Area.



**Bike park in Leogang, Salzburg** (Mountain Bike Park with Downhill tracks)  
[www.bikepark-leogang.com](http://www.bikepark-leogang.com)



#### Downhill

2.200 meters of a natural track with many root parts, steep parts and jumps. The width of the downhill track is between 1 and 2,5 metres. The altitude difference is 458 metres with an average incline of 20,7 %.

#### Free-Ride

2,5 kilometres of gravel roads with numerous Step-Up and Downs, Steep Turns, Mogules, Tables and tunnels. The altitude difference is 458 metres with an average incline of 17,9 %.

#### 4-Cross

400 metres competition track (at the end of the Free-Ride section) for 2 – 4 bikers with a permanent starting grid. The altitude difference is 45 metres with an average incline of 12,4 %.

#### Dual

300 metres track for competitions between two bikers. Time measurement is free of charge. The altitude difference is 45 metres with an average incline of 14,7 %.

#### Bike-Parcours

Ideal for beginners and kids – 170 metres long circuit with little obstacles.

#### Dirt Jump

3 Lines with 5 Doubles for beginners, experts and professionals. Total size of approximately 220 m<sup>2</sup> for jumps up to 2 metres above the ground.

### North Shore

Adventure Park with 2 Drops, 4 North Shore Lines, 1 Big Drop (4 metres high), 1 Kicker (2 metres high), Rainbow Ruler, Balance Beam, etc.

### Single Trail

2,5 km downhill track with an altitude difference of 458 metres – ideal for beginners.

Beside the Bikepark there is also a Service-Center with Bike-Rental, Shop, Bike-Garage and washing opportunity for the bikes.

### Prices

- 1 Ascent with the ropeway with the bike € 11,20
- 1-Day Ticket € 28,00
- 2-Days Ticket € 55,00
- 3-Days Ticket € 79,00
- Season Ticket (Adults) € 183,50
- Season Ticket (Teens) € 146,80
- Season Ticket (Kids) € 91,80

### **Hexen-Wasser in Hochsöll, Tyrol (Themed hiking and walking path)**

[www.hexenwasser.at](http://www.hexenwasser.at)

This themed hiking and walking path invites everybody to enjoy the beauty, elegancy, liveliness and the power of mountain water. It is for everybody who likes to enjoy nature with all senses and likes to relax. The German name “Hexen-Wasser” stands for Witch-Water.



Beside “Hexenwasser” there is also a “Hexen-Bach” (Witch-Stream), “Hexen-Wald” (Witch-Forrest) and a “Barfußweg” (Bare-Foot-Path). It is important to mention, that all those attractions are on the mountain and therefore the use of the ropeway is necessary.



Prices (for all attractions - including ropeway-transportation):

- Adults € 12,00
- Kids (between 6 and 16) € 6,00

### Kids Snowfield in Serfaus, Tyrol (Ski Beginners Park for kids)

[www.serfaus-fiss-ladis.at](http://www.serfaus-fiss-ladis.at)

On a total surface of approximately 20.000 m<sup>2</sup> the Kids Snowfield in Serfaus is a truly paradise for kids.



- 1 Tubing Park
- 2 Mini Ski Doo Parcours
- 3 Transportation (Belt Conveyor)
- 4 Bouncy Castle
- 5 Long kids slide
- 6 Snow cat
- 7 Transportation (Belt Conveyor)
- 8 Play Tower
- 9 Little Kids Village
- 10 Igloos
- 11 Chairs for parents
- 12 Circus Tent for Après-Ski
- 13 Winter Toboggan Run



Beside this Kid Snowfield the tourism region of Serfaus-Fiss-Ladis also has the following attractions for kids:

- Murmli Trail (Adventure Skiing Slope with 7 different stations)
- Murmli Park (2<sup>nd</sup> Ski Beginners Park for Kids – smaller than Kids Snowfield)
- Bertas Kids Land (3<sup>rd</sup> Ski Beginners Park for Kids – even bigger than Kids Snowfield)
- Igloo Village (4 Igloos connected with tunnels with different lightning and noises)

**Alpine Coaster in Wurbauerkogel, Upper Austria (Toboggan Run)**  
[www.wurbauerkogel.at](http://www.wurbauerkogel.at)

The absolute highlight of the adventure mountain Wurbauerkogel in Upper Austria is the weatherproofed Alpine Coaster. It is a crazy ride on a sledge for two persons with a longitude of 760 metres.



Optimum safety is guaranteed by safety-belt, high-tech and video controlling.

The Alpine Coaster takes you up the mountain, where you ride through spins, steep turns, jumps and bump starts. Sometimes the track is 5 metres above the ground.

The altitude difference is 63 metres with an inclination of up to 24 %.

Prices (Uphill and Downhill for one ride)

- Adults € 4,50
- Kids (until 15) € 2,90
- Adults (5 rides) € 20,60
- Adults (10 rides) € 40,00

**High Ropes Course in Pruggern, Styria**  
[www.bac.at](http://www.bac.at)



A High Ropes Course is a series of elements assembled on posts in a height of 10 to 12 metres. It is not only a physical but also a psychological challenge.

The High Ropes Course in Pruggern is the largest one in Austria on a surface of approximately 5.000 m<sup>2</sup>.



Because of the height and for security reason it is only allowed to enter the High Ropes Course with organised tours accompanied by a qualified guide.

#### Prices

- Half-Day Program (3 to 4 hours) € 52,00
- Full-Day Program (6 to 7 hours) € 73,00

#### **Snow Tubing Track in Faistenau, Salzburg**

[www.snowtubing.co.at](http://www.snowtubing.co.at)

Going down the mountain with a tube. In Faistenau there are five prepared tubing slopes with a length of 170 metres.

The riders take a t-bar lift to go up the mountain and take one of the 75 tubes to go down in a fast way.

The latest innovation is a tubing carousel for small kids.



#### Prices

- 1 hour (adults) € 8,00
- 1 hour (kids from 6 to 14) € 6,50
- 2 hours (adults) € 11,00
- 2 hours (kids from 6 to 14) € 9,50
- 1 single ride (adults) € 1,20
- 1 single ride (kids) € 1,00
- Half day – 3 hours (adults) € 13,00
- Half day – 3 hours (kids) € 11,00

### Quad Track in Bad St. Leonhard, Carinthia

[www.erlebniswelt-moselebauer.at](http://www.erlebniswelt-moselebauer.at)

An 825 metres long circuit for those who enjoy the speed of the four wheels quads. The circuit does include steep turns, bridges, and mogule slopes.

The minimum age for riding a quad is 16 years. In Austria it is necessary that there a quad instructor is present permanently.

The only things drivers need to bring along are appropriate shoes – helmet and gloves are provided.

The circuit is used during summer- and wintertime.



#### Prices (including instructor, gas, helmet and gloves)

- Half hour € 45,00
- Kids Circuit (10 minutes) € 5,00
- Groups up to 14 quads (1 hour) € 480,00

### Tree Top Path in Kopfing, Upper Austria

[www.baumkronenweg.at](http://www.baumkronenweg.at)

This Tree Top Path in Kopfing consists of 17 towers, each of them with a height between 3 and 22 metres above ground. Due to the construction of the Path you sometimes feel as you would be more than 50 metres above ground-level.

The towers are connected with stable wooden foot bridges and rope bridges. Furthermore there are 26 stations where knowledge is communicated in a playful way.

Another attraction of this Tree Top Path is two tree houses, each with beds for up to 16 people, for overnight-stays.



Prices (Tree Top Path)

- Adults € 6,00
- Kids (between 6 and 15) € 3,50
- Seniors (over 65) € 5,50
- Kids (under 6) free of charge
- Season Ticket € 15,00

Prices (Tree Houses for accommodation per day)

- For each adult (half board) € 40,00
- For each adult (only breakfast) € 31,00
- For each kid (half board) € 35,00
- For each kid (only breakfast) € 24,00

**Summer Tubing in Hoch-Imst, Tyrol**

[www.alpine-center.at](http://www.alpine-center.at)

90 metres SunKid summer tubing track – perfectly suited for visitors of all ages. Setting off from a gentle start ramp, the track drops onto a 15 % slope before coming to the first of several thrilling banked corners a mere 20 metres further down the hill.

The course continues with a gentle curve in the opposite direction followed by a straight section of roughly 20 meters which heads straight down the fall-line. At the end there is a spectacular 90° banked corner which reduces the speed in a controlled manner.

To save guests the tiresome walk back up to the top of the facility an 80 metres long Wonder Carpet conveyor has been installed. This Wonder Carpet is also used in the wintertime by the area's ski school.



**Big Flying Fox in Hollenbach, Lower Austria**

[www.best-trip.at](http://www.best-trip.at)

By using the 370 metres long Flying Fox rope, the longest in Austria, the users glide downwards the mountain and have the feeling of flying above valleys, streams and ponds.

The altitude difference is 36 metres and the riding time is approximately 55 seconds.

The costs for two downhill rides are € 10,00.

**Sky Walk on mountain Dachstein, Styria**

[www.dachstein.at](http://www.dachstein.at)

One of the most spectacular observation platforms in Austria. It is situated 2.700 metres above sea-level on top of a 250 metres rock face. It allows its visitors unforgettable views and the entrance is free of charge in case the visitor has bought a ropeway ticket.

The building is resistant to a wind velocity up to 210 kilometres per hour and to a snow cover up to 8 metres.



13.3. Article ISR (International ropeway revue)

# Environmental planning for ski areas

Andreas Berchtold of the Austrian GEOS planning and consulting team explains how to integrate environmental factors in the ski area planning process

In the framework of ski area development and upgrade projects, there is now a growing focus worldwide on the environmental aspects. In many cases the failure to identify or solve environmental problems has caused major delays in implementation or led to the outright rejection of the plans submitted. By paying due attention to the environmental factors at an early stage, it is possible to significantly accelerate the overall planning process, depending on the regulations in place in the country involved.

### The dialogue technique

How can environmental planning be best integrated in the planning and decision-making process? It is important to remember that the environmental aspects have to be included from the very start. An effective way of doing this is to employ a dialogue technique, taking account of the technical and economic aspects of the project on the one hand and the requirements of the environment on the other.

In a dialogue, you have to formulate your point of view, give your dialogue partner an opportunity to respond, and then rethink your position in the light of what has been said. The result is a kind of planning dialectic that permits the project to move forward step by step until it is ready for submission and implementation.

For the realities of ski area development, this means that every planning step must be followed by an environmental assessment step and vice-versa. The result is an iterative process in which the ski area master plan is repeatedly adjusted and the environmental plan modified in response to each adjustment.

### How it's done

The following example will serve to illustrate a typical planning process based on this method.

The developer first puts his project proposal on the table. This is followed by an initial assessment of the potential environmental problems. Those environmental aspects that will be important for the further planning process are studied in greater detail (e.g. in the form of an impact analysis).

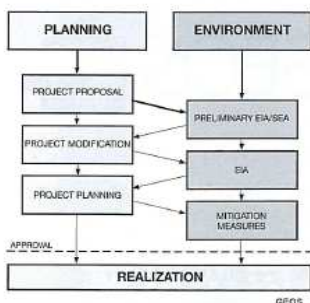
On the basis of the results of the initial environmental assessment, the project is developed further and modified as required. The modified proposal is then made the subject of a thorough environmental impact assessment. Careful study is given to all environmental aspects that are at risk from negative impacts, and measures developed to mitigate them. These environmental protection measures are then fed into the further planning process, and the final plans are drawn up on that basis. With the needs of the environment thus incorporated in the final submissions, and the laws and codes of the country involved duly respected, there should be nothing left in the way of official approval of the project. The contractors can then quickly move in to start with the implementation of a sustainable ski area development project.

ENVIRONMENT	
<b>Environmental impact assessment</b>	
<b>Geology</b>	Angle of slope Rockfall hazard Mudflows, landslides Avalanche hazard
<b>Hydrology</b>	Springs, groundwater Karst water Surface water management Waste water and garbage disposal
<b>Biodiversity</b>	Flora Fauna
<b>Landscape</b>	Land use Scenery Cultural heritage
<b>Local/regional development</b>	Labor market Sociocultural aspects Traffic Real estate development Regional economy

### The contents of the environmental impact assessment

The environmental assessment comprises a multitude of factors depending on the individual situation in the area to be developed.

Naturally, the suitability of the terrain for snow sports is a primary consideration. This involves such potential hazards as rockfalls, mudflows, landslides and avalanches, and appropriate measures must be proposed



Typical planning process

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	resort						winter activities				summer activities				general					
	hotels, appartements	street	camping	water demand	wastewater	solid waste	visitors demand	ski lifts, stations	ski slopes	peak restaurant	snowmaking system	electricity supply	water park indoor	waterpark outdoor	alpinism	equestrian	view point	traffic	increase of summer houses	increase of tourism
man																				
local development	x	xx	o	x	x	x	xx	x	o	x	o	o	x	xx	x	x	x	x	xx	xx
regional development	xx	xx	o	o	x	x	xx	x	o	x	o	o	x	x	x	x	x	x	xx	xx
labour market	xx	x	x	o	x	x	xx	x	o	x	o	o	xx	xx	x	x	o	o	x	xx
health	x	x	x	x	x	xx	x	x	x	o	x	o	x	x	o	o	x	x	x	x
security (hazards)	x	x	o	o	o	o	o	x	o	x	o	o	o	o	o	x	o	x	x	x
cultural heritage	x	x	x	o	o	o	o	x	xx	x	x	x	x	x	x	o	xx	x	x	x
biodiversity																				
flora	x	xx	x	o	x	o	o	x	xx	x	xx	x	x	xx	xx	x	o	x	x	x
fauna	x	x	x	o	o	o	xx	x	x	x	o	o	x	x	x	x	x	x	x	x
hunting	x	x	o	o	o	o	o	x	o	o	o	o	x	x	x	o	x	o	o	o
aquatic ecosystems	o	x	o	x	xx	o	o	o	x	o	o	x	x	x	x	o	o	o	o	o
forests	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	o	x	x
landscape																				
natural landscape	xx	xx	xx	x	x	x	o	xx	xx	x	xx	x	x	xx	x	x	x	x	xx	xx
cultural landscape	xx	x	x	o	o	o	o	xx	x	xx	x	o	x	xx	x	x	xx	x	x	x
soil, landuse																				
soil, erosion	x	x	x	o	x	o	o	x	xx	x	x	x	x	x	x	o	x	xx	x	x
agriculture	x	xx	x	o	o	x	xx	o	x	o	o	xx	x	x	x	o	x	x	x	x
water																				
drinking water, springs	xx	o	o	xx	x	o	o	o	x	x	xx	o	xx	xx	x	x	o	o	x	x
surface water	x	xx	x	xx	xx	o	o	x	xx	o	xx	o	x	xx	x	o	o	o	x	x
water use (agriculture)	x	x	x	xx	x	o	o	o	x	x	xx	o	xx	xx	x	o	o	o	x	x
climate, air																				
local climate	x	x	o	o	o	o	o	o	o	x	o	o	x	o	o	o	o	o	o	o
noise	x	o	o	o	o	o	o	o	o	x	o	o	x	o	o	o	o	xx	o	o
air pollution	x	o	o	o	x	o	o	o	o	o	o	x	o	o	o	o	o	xx	x	x

0: indifferent or positive impact  
 x: low negative impact  
 xx: high negative impact

Typical impact analysis

where a hazard is found to exist. In semi-arid regions in particular, a high priority must also be given to the protection of water resources for the drinking water supply and irrigation purposes. These needs are combined with considerations of snow-making and ski slope run-off under the

heading of surface water management. For the future ski area's public utility requirements, including power supply, and garbage and waste water disposal, solutions have to be found taking account of the existing infrastructure. In this context, a ski area development project can actually serve as a

catalyst in solving existing problems. The impacts on biodiversity (flora and fauna) are another subject to be addressed, as are the impacts on the scenery, land use issues and the cultural heritage.

Finally, the environmental impact assessment must take account of those aspects of local and regional development that will be affected by the ski area development project, including such questions as the effects on the labor market, traffic volumes, real estate development, and the regional economy and culture.


In spite of the large number of individual factors involved, it is equally important not to neglect the wider view. Water from the snowmaking ponds, for example, can also be used for irrigation purposes or as non-potable water for local hotels. Similarly, reforestation and regrassing measures can be combined with a reorganization in the use of agricultural land so as to improve the run-off situation on the slopes.


Considerable synergies can normally be tapped by combining local experience and know-how with the knowledge and experience of the experts brought in for the project. Due attention to identifying and integrating this local know-how is particularly important in countries that are not part of the western cultural world.

Such an assessment will ensure that the initial dialogue involving the technical, commercial and environmental aspects of the project can lead to a fully integrated planning process that is all of a piece and in the ideal case satisfies the needs and wishes of all concerned.

ANDREAS BERCHTOLD  
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## SKI RESORT PLANNING ENVIRONMENTAL IMPACT ASSESSMENT





- UVP/EIA, SUP/SEA
- feasibility studies
- ski resort planning
- snowing systems
- recultivation

A-9020 Klogenfurt, Kempfstrasse 23-27 / Tel. + +43[463]54664 / Fax 54664-4 / email: berchtold@geos.at / internet: www.geos.at