



# THIS IS REPUBLIKA SRPSKA 2015



РЕПУБЛИКА СРПСКА  
РЕПУБЛИЧКИ ЗАВОД ЗА СТАТИСТИКУ  
REPUBLIKA SRPSKA  
INSTITUTE OF STATISTICS

# THIS IS REPUBLIKA SRPSKA 2015

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## PREFACE

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Dear Readers,

In an effort to make this eighth issue of our annual and popular publication "This is Republika Srpska" even "smoother", as it is an edition designed for a wide range of users, we have decided to enhance it with stories and wise sayings about wine. And not by accident. Proverbs and sayings are adornments of speech, while wine, along with bread and salt, has always been symbols of friendship and understanding among people. The Republika Srpska Institute of Statistics will always welcome you, both in reality and virtually, so hereby we invite you with an open heart, not only because most of you provide us with valuable data, thus taking part in the design of this book, but also because we believe it is our duty to be available to users through our activities.

This pocket edition of ours contains thousands of interesting data on Republika Srpska. One of these suggests that the number of planted grapevines in Republika Srpska in 2014 increased by 332.7% compared to 1996. Srpska, especially in Herzegovina (rich in stones and sun, with a favourable climate) have excellent conditions for viticulture, and thus for the production of fine wines. Our region is already well-known for this, so this positive trend is expected to be continued. This is one of the reasons to write about wines while presenting statistical data, as wine represents national treasure and a trademark of countries such as France, Portugal, or Chile.

Bearing in mind that "This is Republika Srpska" is a publication intended for the popularisation of statistics, we have chosen short, but numerous and comprehensive statistical information about Republika Srpska, presented in a picturesque and hopefully interesting way, through thematic chapters. This publication is also available, free of charge, at the website of the Republika Srpska Institute of Statistics.

Readers will certainly be provided with a more comprehensive view of Republika Srpska, as statistical data given in it are also compared with data referring to the neighbouring countries.

I would like to thank everyone who participated in the preparation and development of this publication, as well as users for their suggestions aimed at the improvement of the content quality of this year's edition.

Banja Luka, December 2015

Radmila Čičković, PhD,  
Director General of the Republika Srpska Institute of Statistics



**The first kiss and the first glass of wine are the best.**

Marty Rubin

Someone has wisely said that life is too short to drink bad wine. Perhaps the only bad wine that is actually good is "Loše Vino" ("Bad Wine"), supremely poured by Arsen Dedić. If "in wine there is truth", and the author of this saying is the renowned Roman historian Publius Cornelius Tacitus (56-117), whose name is longer than the saying itself, we have to believe him, as this story about wine has been around for almost 2,000 years. Tacitus literally means silent, which is a paradox, as he was a well-known speaker, and it is reasonably doubted that wine was speaking from the silent one. It is not without reason that Armenians claim that wine turns a mute man into a nightingale.

It is not easy to keep a beautiful woman and a vineyard near the road – the tradition warns. This must have been said by someone whose grapes were savoured by others. It is not easy, but it is beautiful nevertheless. And it is perfectly fine to compare a vineyard with the beauty of woman, as there is no vineyard without love.

We could make a vain attempt to transform words into wine, although words, same as wine, keep endless memories. Even Andrić, the man whose words as testimonies are turned into relics of time, wrote about wine with great inspiration: "I only write about real joys that are eternal, because they have once existed. Everything which I praise in these words has once passed through my senses and my consciousness, pleased me and strengthened me and left me the idea of itself as the only reality. One of these joys is wine. In a drop of that light liquid – enough to spill over a grave – left behind my quenched thirst, I was once able to drown not only everything I am, everything I was and everything I saw and knew about life, but also all the wines in this world and the world itself with all changes and all creatures and humans, living, dead and still unborn."

Statistics is similar, alive and living; it follows the world itself and all changes in it, things alive and those that are not, with things that are still to be born waiting readily. And so, a single statistical data woven between the covers of this book, the one referring to grapevines, launched and delivered a series of associative images and thoughts. Among such a multitude of data, we could have chosen another one – it would certainly spark the thought. This is one of the reasons why this book is also a small encyclopaedia and a large picture book telling a story about Republika Srpska.

P.S.

If you are lightened by gentleness while you are drinking wine produced by grapevines springing from our soil, please remember that this is because in each droplet the sunshine over Srpska is captured. Winemakers would briefly say – now, that's geographic origin for you!

Editor in Chief:  
Velimir Savić



Dear Users,

The aim of this publication is to provide readers with main indicators of the situation and changes in the economic and social life of Republika Srpska, in a modern and brief manner.

Regular statistical activities carried out by the Institute of Statistics are the main source of data for tables and graphs for which source of data is not specified.

For all tables and graphs which present data collected and processed by other authorised bodies and organisations, source of data is given under the given table or graph.

For easy reference, data in certain tables and graphs are given in larger units of measure (thousand, million), while, due to the rounding-off, total amounts do not always correspond to sums of data for individual categories.

Data presented by specific level of the activity classification are presented pursuant to the KD BiH 2010, which is in its content and structure fully harmonised with the EU Statistical Classification of Economic Activities NACE Rev.2. Recalculation of data to the KD BiH 2010 was performed for the period between 2005 and 2010. For 2011 and 2012, data collection and processing were directly based on the KD BiH 2010.

Note: In chapters which provide tabulated data by section of the KD BiH, sections of the activity classification are specified by English alphabet letter codes, in accordance with international labeling, while a full explanation of these codes is given at the beginning of this publication, in the chapter entitled "Sections of Economic Activity".

When using data from this publication, we would appreciate it if you cited the source (Republika Srpska Institute of Statistics and the title of this publication).

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## SYMBOLS AND ABBREVIATIONS

-	no occurrence
...	data not available
0	data lower than 0.5 of the given unit of measure
Ø	average
( )	less reliable data – coefficient of variation (CV) lower than 0.2 and equal to or higher than 0.1, or expressed in percentage as follows $10\% \leq CV < 20\%$
(( ))	unreliable data - coefficient of variation (CV) lower than 0.3 and equal to or higher than 0.2, or expressed in percentage as follows $20\% \leq CV < 30\%$
•	extremely unreliable data - coefficient of variation (CV) equal to or higher than 0.3, or expressed in percentage as follows $CV \geq 30\%$
:	statistically unreliable data (up to 20 occurrences)
*	corrected data
***	confidential data
<sup>1)</sup>	symbol for footnote in a table
°C	degree Celsius
m	metre
m <sup>2</sup>	square metre
m <sup>3</sup>	cubic metre
km	kilometre
km <sup>2</sup>	square kilometre
elev.	elevation
ha	hectare
t	tonne
kW	kilowatt
GWh	gigawatt hour
thous.	thousand
mill.	million
pcs	pieces
Sm <sup>3</sup>	a cubic metre of gas under a standard condition
HBS	Household Budget Survey
LFS	Labour Force Survey
GDP	Gross Domestic Product
COICOP	Classification of Individual Consumption by Purpose
ISCED	International Standard Classification of Education
NACE Rev. 2	European Classification of Economic Activities
KM	Convertible Mark (BAM)
KD	Classification of Economic Activities



## SECTIONS OF ECONOMIC ACTIVITY<sup>1)</sup>

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A	Agriculture, forestry and fishing
B	Mining and quarrying
C	Manufacturing
D	Electricity, gas, steam and air-conditioning supply
E	Water supply; sewerage, waste management and remediation
F	Construction
G	Wholesale and retail trade; repair of motor vehicles and motorcycles
H	Transport and storage
I	Accommodation and food service activities
J	Information and communication
K	Financial and insurance activities
L	Real estate activities
M	Professional, scientific and technical activities
N	Administrative and support service activities
O	Public administration and defence; compulsory social security
P	Education
Q	Human health and social work activities
R	Arts, entertainment and recreation
S	Other service activities
T	Activities of households as employers; undifferentiated goods- and services- producing activities of households for own use
U	Activities of extra-territorial organisations and bodies

<sup>1)</sup> Pursuant to the Regulation on the Classification of Economic Activities of Republika Srpska ("Official Gazette of Republika Srpska", No. 8/14).

## 1 – GENERAL INFORMATION



Republika Srpska was proclaimed on 9<sup>th</sup> January 1992, while as an entity within Bosnia and Herzegovina it was verified by the Dayton Peace Agreement and peace ratification in Paris, on 14<sup>th</sup> December 1995. Today, Republika Srpska is a parliamentary republic, with limited international subjectivity. The largest city in Republika Srpska is Banja Luka and it is the administrative, economic and cultural centre of Republika Srpska.

	<b>Name</b>	Republika Srpska
<b>Symbols</b>	<b>emblem</b>	
	<b>flag</b>	
	<b>Official languages</b>	language of the Serbian people, language of the Bosniak people, language of the Croatian people
	<b>Official scripts</b>	Cyrillic alphabet, Latin alphabet
	<b>Population (2014, estimate)</b>	1,421,310
	<b>Surface area<sup>1)</sup></b>	24,641 km <sup>2</sup>
<b>Territorial organisations</b>	<b>municipalities</b>	58
	<b>cities</b>	6
	<b>Currency</b>	Convertible Mark (KM)
	<b>International banking code (ISO code)</b>	BAM

<sup>1)</sup> Preliminary data on the surface area of Republika Srpska, excluding a portion of Brčko District.  
Source: Republic Administration for Geodetic and Property-Legal Affairs

## 2 – GEOGRAPHICAL AND METEOROLOGICAL DATA

**A meal without wine is like a day without sunshine.**

French proverb

### Geographical location of Republika Srpska

The latitude and longitude of the territory of Republika Srpska are between 42°33'N and 45°17'N and 16°12'E and 19°38'E respectively, that is, its territory covers northern and eastern parts of the geographical area of Bosnia and Herzegovina. The surface area of Republika Srpska is 24,641km<sup>2</sup>.

Republika Srpska belongs to the group of continental areas – it has no access to the sea and it is located at the meeting point of two large natural geographic and socio-economic regional units – Pannonian and Mediterranean.

According to the territorial organisation, the territory of Republika Srpska consists of six cities: Banja Luka, Istočno Sarajevo, Prijedor, Doboj, Bijeljina and Trebinje, and 58 municipalities. While five cities have no municipalities in their composition, the City of Istočno Sarajevo consists of the following municipalities: Istočna Ilidža, Istočno Novo Sarajevo, Pale, Sokolac, Istočni Stari Grad, and Trnovo. The City of Banja Luka is the largest city in Republika Srpska and the administrative, economic and cultural centre of the country.

### Republika Srpska is located at the intersection of vital communication links

In terms of transport and geography, the location of Republika Srpska is of particular importance. This is especially the case when it comes to the meridional direction which, by means of the river valleys of Bosna and Neretva, while going through the Dinara mountain complex, connects Central European with Mediterranean macroregion. No less important is the zonal direction which connects Republika Srpska with the Central Balkans and Western European area. It is necessary to mention the importance of Republika Srpska's access to the river Sava, by means of which it is connected to the European Rhine – Main – Danube Canal.

### Natural features of Republika Srpska

Complex and curious natural features of Republika Srpska result from it being part of various natural and geographical units and their geomorphological evolution.

In the northern, Peri-Pannonian part, the hilly terrain composed of Cenozoic deposits gradually descends to the flat land with alluvial plateaus and fluvial terraces, and this is at the same time the most fertile part of Republika Srpska. There are only a few scattered mountains in this area – Kozara, Prosara, Motajica, Vučijak, Ozren and Trebovac, as well as the furthestmost northeastern slopes of Majevica. Towards the south, the flat land gradually turns first into the hilly terrain and then into the mountainous region which covers the largest portion of the territory of Republika Srpska. The highest mountain peak on the territory of Republika Srpska is Maglić, located at 2,386 metres above sea level, on the mountain also named Maglić.

The longest rivers in Republika Srpska are Drina (305 km), Sava (202 km), and Vrbas (117 km), and these belong to the Black Sea drainage basin. All waters south of the mountain pass Čemerno, in Eastern Herzegovina, belong to the Adriatic drainage basin (Trebišnjica, Neretva). Other large rivers in Republika Srpska are Bosna and Trebišnjica. The largest lake in Republika Srpska is Bilečko (on Trebišnjica), with the square area of 27.064 km<sup>2</sup>, and this lake is also the largest artificial lake in the Balkan Peninsula. The largest natural lake is Štirinsko (on the mountain Zelengora), with the square area of 0.129 km<sup>2</sup>.

## 2.1. GEOGRAPHICAL COORDINATES OF THE EXTREME POINTS

	North geographic latitude	East geographic longitude <sup>1)</sup>	Municipality	Settlement
North	45° 16' 36"	16° 56' 08"	Kozarska Dubica	Donja Gradina – Municipality of Kozarska Dubica
South	42° 33' 18"	18° 26' 45"	Trebinje	Podštirovnik – Municipality of Trebinje
East	44° 02' 59"	19° 37' 44"	Bratunac	Žlijebac – Municipality of Bratunac
West	44° 56' 52"	16° 12' 18"	Krupa na Uni	Srednji Bušević – Municipality of Krupa na Uni

<sup>1)</sup> by Greenwich

## 2.2. THE HIGHEST MOUNTAINS AND MOUNTAIN PEAKS

Mountain	Peak	Height above sea level, m
Maglić	Maglić	2,386
Volujak	Volujak	2,336
Lelija	Velika Lelija	2,032
Zelengora	Bregoč	2,014
Klekovača	Klekovača	1,961
Crvanj	Žimomor	1,920
Jahorina	Ogorjelica	1,916
Vitorog	Veliki Vitorog	1,906
Trebova planina	Velika Košuta	1,872
Bjelasnica (Gatačka)	Bjelasnica	1,867
Sniježnica (Tjentište)*	Sniježnica	1,787
Baba	Đed	1,735
Vučevo (Površ)	Živanj	1,696
Vučevo	Žrvanj	1,696
Romanija	Veliki Lupoglav	1,652
Trebević	Trebević	1,629
Javor	Veliki Žep	1,537

Source: Faculty of Natural Sciences and Mathematics Banja Luka, Department of Physical Geography

## 2.3. THE LONGEST RIVERS

Rivers	Length, km	
	total	in Republika Srpska
Drina	341.0	305.0
Sava	945.0	202.0
Vrbas	249.9	117.0
Vrbanja	95.4	95.4
Sana	157.7	85.0
Una	212.5	82.0
Ukrina	80.9	80.9
Bosna	279.4	79.0

Source: Public Institution "Vode Srpske", Bijeljina

## 2.4. THE LARGEST LAKES AND FISHPONDS

	Surface area, km <sup>2</sup>	Height above sea level, m	Maximum depth, m	Water volume, mill. m <sup>3</sup>
<b>ARTIFICIAL LAKES</b>				
Bilečko (on Trebišnjica)	27.064	400	104.0	1,280.0
Peručačko (on Drina)	12.401	290	70.0	355.0
Zvorničko (on Drina)	8.876	140	28.0	89.0
Višegradsko (on Drina)	8.900	336	78.0	161.0
Boćac (on Vrbas)	2.330	282	62.0	52.7
<b>NATURAL LAKES</b>				
Štirinsko (on Zelengora)	0.129	1,672	4.5	0.255
Kotlaničko (on Zelengora)	0.044	1,528	10.0	0.250
Uloško (on Crvanj)	0.043	1,058	14.0	0.255
Donje Bare (on Zelengora)	0.021	1,475	4.5	0.057
Orlovačko (on Zelengora)	0.021	1,438	5.0	0.054
<b>FISHPONDS</b>				
Saničani (on Gomjenica)	11.179	143	4.0	...
Bardača (on Matura)	7.472	90	2.2	...
Prnjavor (on Vijaka)	6.664	134	3.5	...
Sjekovac (on Ukrina)	3.980	85	3.0	...

Source: Faculty of Natural Sciences and Mathematics Banja Luka, Department of Physical Geography

**Natural resources** are certainly one of the key factors in the present and future development of Republika Srpska and its economic and geographical formation. In this sense, the most important natural resources are agricultural land, forest areas, hydro-climatic conditions, and mining and mineral resources.

#### Climatic characteristics

Various climatic influences in force on the territory of Republika Srpska are result of the natural factors and rules of general circulation of air masses in this region. Thus, there are three climate types on the territory of Republika Srpska, and these are:

**1. Northern Peri-Pannonian region, with its moderate continental climate.** This region's climate is characterised by moderately cold winters and warm summers. Average annual air temperature ranges for this climate type are between 12°C and 19°C.

**2. Alpine and Pannonian climate**, covers the largest part of Republika Srpska. Mountain ranges are characterised by short and cool summers and cold and snowy winters, with high snow cover which persists for a long time. Average annual air temperature is between 5°C and 7°C. Hilly terrain, hollows and valleys are however characterised by a somewhat milder climate. Average annual air temperature in the areas with the Alpine and Pannonian climate is approximately 10°C. Winters are moderately cold, with snow, common temperature inversions, and fog. Summers are moderately warm.

### 3. Modified Mediterranean-Adriatic climate

The southern region of Republika Srpska, also known as lower Herzegovina, is characterised by the modified Adriatic climate. This region is called Humine, as opposed to the region called Rudine which covers higher mountainous parts of the karst of Herzegovina with a variant of both the Alpine climate and the climate of Humine. Average annual air temperature is between 14°C and 14.7°C. Trebinje, the warmest city in Republika Srpska, is located in this climatic region.

#### 2.5. ANNUAL VALUES OF MAJOR METEOROLOGICAL PARAMETRES AND AVERAGE MONTHLY AIR TEMPERATURES, 2014

Measuring station	Air temperature, annual average, °C	Cloudiness, tenths	Humidity, %	Insolation, hours
Banja Luka	13.0	6.6	77	1,742.1
Bijeljina	13.0	6.2	80	1,789.6
Bileća	12.8	8.6	75	2,167.0
Višegrad	12.3	7.3	76	...
Gradiška	13.0	6.0	81	...
Istočni Drvar	7.6	6.2	...	...
Doboj	12.7	6.9	82	1,279.0
Drinić	10.0	...	...	...
Mrkonjić Grad	11.0	6.6	77	1,494.0
Novi Grad	12.3	6.5	77	...
Prijedor	13.0	6.6	78	1,666.5
Ribnik	11.8	6.3	72	...
Rudo	11.9	...	...	...
Sokolac	8.8	6.5	79	1,649.3
Srbac	12.2	...	77	...
Srebrenica	12.0	6.8	79	1,243.8
Trebinje	15.2	5.0	66	...
Foča	11.6	7.0	...	...
Han Pijesak	8.0	6.2	89	1,544.5
Čemerno	7.6	6.1	81	1,682.3

Source: Republic Hydrometeorological Service

## Earthquakes in Republika Srpska

The Balkan Region is affected both by the large lithospheric plates of Eurasia and Africa, as well as by smaller units such as the Arabian plate and the Adriatic microplate. In addition, numerous tectonic shifts located inland contribute to pressure accumulation, which from time to time produces major seismic activity.

### 2.6. EARTHQUAKES

Place - location	Date	Hypocentre time <sup>1)</sup>	Latitude	Longitude	Magnitude <sup>2)</sup>	Intensity <sup>3)</sup>
Bočac	20 Feb 1996	14:12:13	44.50	17.23	4.7	6-7
Teslić	26 Feb 1998	12:09:20	44.72	17.71	4.1	5-6
Istočni Drvar	15 Apr 1998	23:30:47	44.37	16.63	4.1	5-6
Trebinje	22 Jul 2001	20:08:16	42.79	18.18	4.6	6-7
Kotor Varoš	29 Mar 2002	16:04:01	44.60	17.39	4.0	5-6
Milići	14 Dec 2003	10:09:29	44.08	19.09	5.1	6-7
Nevesinje	21 Sep 2004	04:46:09	43.18	18.13	4.2	5-6
Berkovići	27 Sep 2005	00:25:34	43.22	18.15	5.1	6-7
Nevesinje	17 Jun 2006	20:01:10	43.39	18.09	4.3	6
Nevesinje	17 Jun 2006	20:09:26	43.36	18.15	4.2	5-6
Trebinje	14 Nov 2008	13:26:05	42.56	18.60	4.7	6-7
Pale	31 Mar 2009	01:46:03	43.84	18.54	4.1	5-6
Volujak	25 Jan 2013	18:52:26	43.26	18.70	4.1	6
Volujak	3 Feb 2013	12:01:00	43.22	18.67	4.1	6
Srebrenica Region	28 Aug 2013	05:16:41	44.02	19.23	3.1	4-6

<sup>1)</sup> Time of earthquake is presented by UTC (Coordinated Universal Time)

<sup>2)</sup> Magnitude of earthquake is expressed in the Richter scale units.

<sup>3)</sup> Intensity of earthquake at the epicentre is rated by the MCS (Mercalli-Cancani-Sieberg) scale ('MCS).

Source: Republic Hydrometeorological Service



### DID YOU KNOW?

**Bilečko Lake** is located in the municipality Bileća, in eastern Herzegovina. It was created in 1968, when a dam Grnčarevo was built on the river Trebišnjica, near Bileća. The dam is 123 metres high and 439 metres wide at the top. Bilečko Lake is one of the largest artificial reservoirs in the Balkans, being 18 km long and 3-4 km wide. Surface area is approximately 33 square kilometres, depending on the water level. The maximum depth of the lake is 104 metres and it is located at around 400 metres above sea level. Its volume amounts to 1,280 million m<sup>3</sup>, with the useful volume of 1,100 million m<sup>3</sup>. Rising water level flooded houses and farms in the villages Panik, Orah, Čepelica, Zadublje and Miruše. Together with the villages, water also flooded the area of the monastery Kosijerevo, which was built in the first half of the 14th century. For this reason, in 1966, the monastery was timely relocated to the village Petrovići. As a result, the monastery still exists as a temple, but as a new architectural piece of work.

## 3 – REGISTER OF BUSINESS ENTITIES

**I don't care where the water goes if it doesn't get into the wine.**

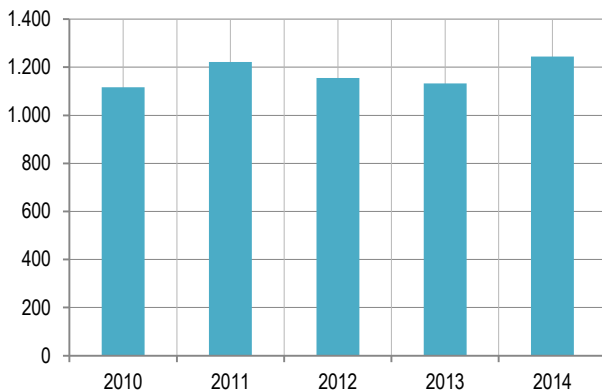
Noah

Data on business entities were obtained from the Register of Business Entities with headquarters on the territory of Republika Srpska. Physical entities engaged in entrepreneurial activity are not entered into the Register.

Through the establishment of a one-stop system in the business entity registration procedure, pursuant to the Law on registration of business entities in Republika Srpska ("Official Gazette of Republika Srpska", No. 67/13) and Law on the Agency for Intermediacy, IT and Financial Services ("Official Gazette of Republika Srpska", No. 96/05, 74/10 and 68/13), on 1<sup>st</sup> December 2013 the Agency for Intermediacy, IT and Financial Services became responsible for the procedure of registration and classification of business entities by activity in the Register of Business Entities.

### **Increase in number of established business entities in 2014 compared to the previous year**

Simplification of the business entity registration procedure, achieved through the one-stop system, resulted in a significant increase in the number of established business entities. The number of established business entities in 2014 in Republika Srpska was 9.9% higher compared to 2013.



Graph 3.1. Number of established business entities

Source: For 2013 and 2014, Agency for Intermediacy, IT and Financial Services

The highest number of business entities was established in the section Wholesale and retail trade; repair of motor vehicles and motorcycles and in the section Other service activities, and these accounted for 23.1% and 22.6% respectively.

#### Trade activity is still the most common activity

One third of all registered business entities, based on their predominant activity, are classified into the section Wholesale and retail trade; repair of motor vehicles and motorcycles.

#### 3.1. NUMBER OF BUSINESS ENTITIES BY SECTION OF ACTIVITY CLASSIFICATION, AS ON 31<sup>ST</sup> DECEMBER

	2011	2012	2013 <sup>1)</sup>	2014 <sup>1)</sup>
TOTAL	25,173	26,233	27,207	28,348
A	912	938	983	1,025
B	157	161	169	176
C	3,462	3,576	3,701	3,840
D	125	136	158	168
E	192	203	214	226
F	1,401	1,438	1,479	1,534
G	7,958	8,087	8,272	8,510
H	1,203	1,253	1,286	1,337
I	329	343	359	374
J	447	458	487	510
K	164	165	167	177
L	112	126	144	151
M	1,117	1,173	1,241	1,326
N	299	307	322	346
O	507	468	341	342
P	514	528	548	570
Q	489	603	646	691
R	1,849	1,968	2,092	2,154
S	3,935	4,301	4,597	4,890
U	1	1	1	1

<sup>1)</sup> Source: Agency for Intermediacy, IT and Financial Services

#### DID YOU KNOW?

Establishment of a limited liability company requires financial capital in the amount of only 1 KM.

## 4 – POPULATION

### Insane men battle, wise ones drink wine.

#### Folk saying

The Census of Population, Households and Dwellings in BH and Republika Srpska, as the most complex and comprehensive statistical survey, was carried out in 2013. In the meantime, preliminary data have been published, while final and complete results of the Census are going to be published by field before 1<sup>st</sup> July 2016.

The estimated number of citizens in Republika Srpska in 2014 was 1,421,310, which was 4,239 citizens fewer than in the previous years. One of the reasons for such estimation is a negative natural increase, with the rate of – 3.5‰.

#### Live-born children

Average age of mother at birth of the first child in Republika Srpska was 26.9 years and compared to the previous year their age remained almost at the same level. Average age of mother at birth of the first child in the EU (according to the latest available data provided by Eurostat, referring to 2013) was 28.7 years. Data indicate that women postpone giving birth, thus the age of mother at birth has been increasing. Average age of mother at birth in Republika Srpska in 2014 was 28.7 years.

In the previous period, observing live-born children and the five-year average, approximately 82% of live-born children have been born in marriage.

#### Deaths in Republika Srpska

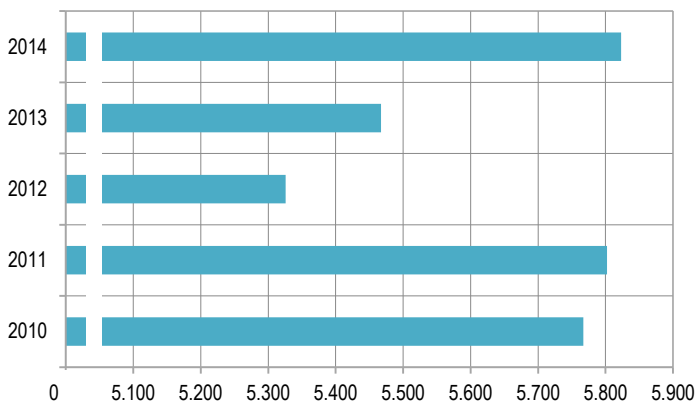
In comparison with the previous year, the total number of deceased persons increased by 3.0% in 2014. In Republika Srpska, the average age at death was 73 years. On the average, women live approximately six years longer than men. More than a half of all deceased persons died due to diseases of the circulatory system, while approximately one fifth died due to malignant tumors. Per one thousand live-born babies, on the average three babies up to one year of age decease. Republika Srpska has a low infant mortality rate when compared with the neighbouring countries and it amounted to 3.1‰ in 2014.

#### 4.1. DEATHS IN REPUBLIKA SRPSKA

	2010	2011	2012	2013	2014
ALL	13,517	13,658	13,796	13,978	14,409
Male	6,935	7,001	7,064	7,237	7,386
Female	6,582	6,657	6,732	6,741	7,023

## New marriages

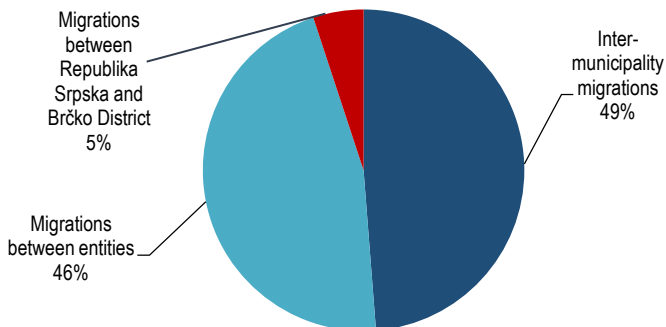
In Republika Srpska, there are approximately four new marriages per one thousand citizens. Although the number of new marriages in Republika Srpska has been decreasing since 2007, an evident increase was recorded in 2014 compared to the previous year. The oldest groom in 2014 was 83 years old, while the oldest bride was 82 years old. The youngest groom was 15 years old and the youngest bride was also 15. Average age of bride at marriage was 28.2, while women enter into their first marriage at the average age of 26.7. Average age of men at marriage was 31.7 years and grooms enter their first marriage at the average age of 30.1.



Graph 4.1. New marriages

## Migrations in Republika Srpska

The largest population movements were recorded in the age group of 25 to 34 godine. When it comes to this age group, women opt for moving more often than men. In the age group of 35 years and older, participation of men in migration is higher than that of women.



Graph 4.2. Internal migrations (immigrations/emigration) in Republika Srpska, 2014

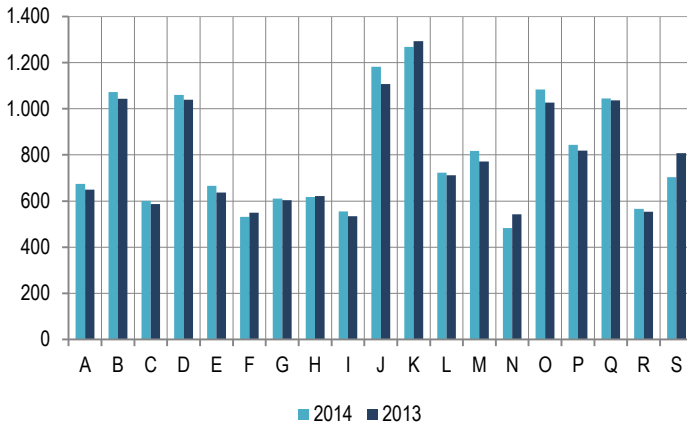
### DID YOU KNOW?

A long-term trend in internal migrations, by which the number of immigrants to Republika Srpska is higher than the number of immigrants to the Federation of BH, has been continued. Thus, there were 760 emigrants from the FBH to Republika Srpska in 2014 and this number is 21% higher than the number of emigrants from Republika Srpska.

**When a miller has water – he drinks wine; for want of water – he drinks water.**  
Hungarian proverb

### Increase in average net wage in 2014 compared to the previous year

After two years of consecutive growth and a decrease which was recorded in 2013, the average net wage increased again in 2014, recording a nominal increase by 2.1%. The highest nominal increase in net wage was recorded in the sections Information and communication 6.7% and Professional, scientific and technical activities 6.0%. On the other hand, the highest nominal decrease in net wage was recorded in the sections Other service activities 13.1% and Administrative and support service activities 10.8%.



Graph 5.1. Average net wages by section of activity classification

Real index of average net wage, which represents the ratio between the nominal index of average net wage and consumer price index in certain period, also recorded an increase, after a consecutive decrease recorded in the past four years. Thus, compared to 2013, the real growth of average net wage amounted to 3.3% in 2014 in Republika Srpska, with similar trends being recorded in the neighbouring countries as well. In Montenegro, average net wage was really 0.3% higher, in the Federation of Bosnia and Herzegovina and in Croatia it was 0.5% higher and in Slovenia 0.7% higher. On the other hand, average net wage in 2014 in Serbia was really 1.5% lower compared to 2013.

**DID YOU KNOW?**

The highest increase in average net wage in the five-year period, by 15.2%, was recorded in the section Information and communication, so it now amounts to 156 KM more.

In the past five years, average net wage increased by 5.2%. The highest wage was still that of those employed in the section Financial and insurance activities, in which every second employee has completed a higher education school or has a university degree. They account for 2.7% of the total number of employed persons and receive on the average 1,268 KM per month. In 2014, the lowest net monthly wage, 483 KM, was earned by those employed in the section Administrative and support services, which employs 1.2% of the total number of employed persons. In this section, 65.9% of employed persons completed secondary school, while 17.1% of them completed a higher education school or have a university degree.

**5.1. AVERAGE NET WAGES BY SECTION OF ACTIVITY CLASSIFICATION**

	KM				
	2010	2011	2012	2013	2014
TOTAL	784	809	818	808	825
A	604	638	645	650	675
B	947	990	1,015	1,044	1,072
C	544	565	579	587	601
D	1,008	1,022	1,017	1,039	1,060
E	611	625	631	637	666
F	552	587	578	549	531
G	586	601	601	603	610
H	632	645	624	621	618
I	525	541	546	534	555
J	1,026	1,053	1,068	1,107	1,182
K	1,212	1,252	1,280	1,293	1,268
L	689	836	784	712	723
M	712	789	824	771	817
N	571	575	532	542	483
O	1,048	1,063	1,081	1,027	1,083
P	885	883	875	819	843
Q	1,024	1,038	1,045	1,037	1,045
R	594	579	585	554	566
S	812	891	829	808	703



**Wine makes gods and devils of men.**

German proverb

Labour market of Republika Srpska has started its recovery from negative effects of the global economic crises. After the unemployment rate increased by 0.9 percentage points in 2009, by 2.2 percentage points in 2010, by 0.9 percentage points in 2011, by 1.1 percentage points in 2012, and by 1.4 percentage points in 2013, it decreased by 1.3 percentage points in 2014.

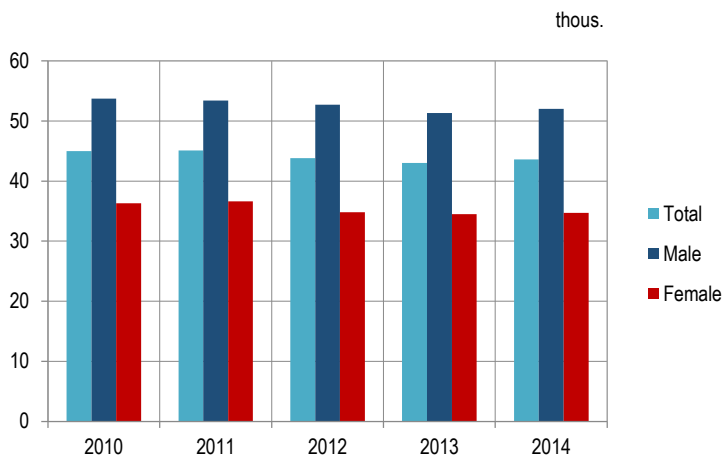
By sex, female unemployment rate in 2014 was 1.1 percentage points lower than in the previous year, while male unemployment rate decreased by 1.5 percentage points.

**6.1. UNEMPLOYMENT RATES**

	2010	2011	2012	2013	2014
УКУПНО	23.6	24.5	25.6	27.0	25.7
Мушки	22.0	23.0	23.8	25.3	23.8
Женски	25.9	26.5	28.2	29.5	28.4

The structure of employed persons by group of sections of activity in 2014 was as follows: agricultural 30.4%, industrial (non-agricultural) 23.8% and services 45.8%. By type of employment, the structure was: employed persons working for a wage (employees) 66.5%, self-employees 25.5% and unpaid supporting family members 8.0%.

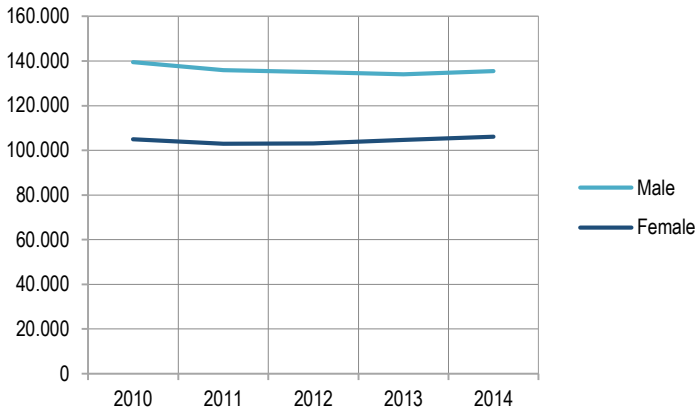
Developed countries are characterised by a dominant share of those employed in the services sector, as well as high participation of those employed for a wage in total employment



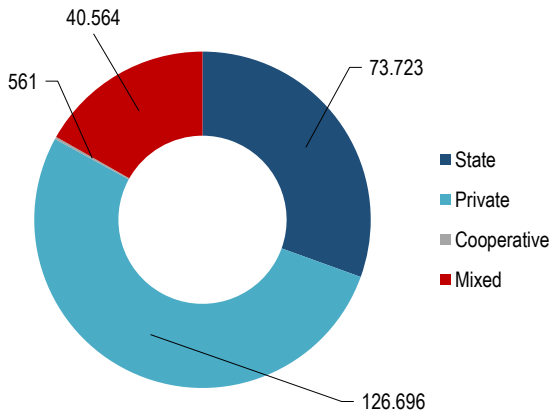
Graph 6.1. Employment rates (15–64 years of age)

**DID YOU KNOW?**

The employment rate of male population was 16.9 percentage points higher than that of female population.



Graph 6.2. Employed persons by sex, annual average



Graph 6.3. Employed persons by type of ownership, 2014.

Every second employed person works in business entities in private ownership, while every sixth is an entrepreneur or works for an entrepreneur.

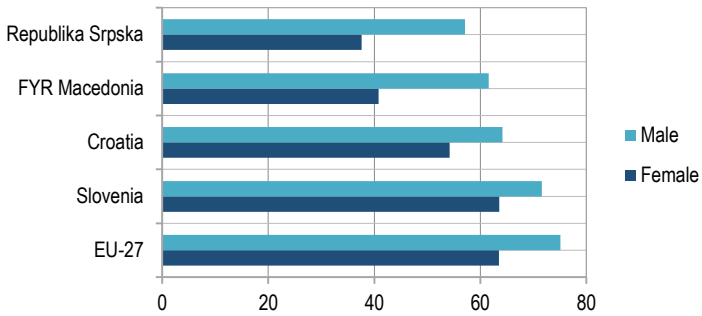
Half of all employed persons in Republika Srpska work in Manufacturing, Trade and Public Administration. Every second employed person has completed secondary education, and every fourth has completed a higher education school or has a university degree.

Every sixth employed person is under 30 years of age, while one in four employed persons is older than 50.

Every second person seeking employment has completed secondary education, while every fifteenth person has completed a higher education school or has a university degree. One in three unemployed persons is under the age of 30, while one in five is older than 50.

## 6.2. EMPLOYED PERSON BY SECTION OF ACTIVITY CLASSIFICATION, ANNUAL AVERAGE

	2010	2011	2012	2013	2014
TOTAL	244,453	238,956	238,178	238,640	241,544
A	8,176	8,159	7,816	7,788	8,307
B	4,841	4,918	4,932	4,866	5,155
C	48,816	46,372	45,968	45,844	48,935
D	7,101	6,952	7,114	7,166	7,565
E	4,524	4,498	4,566	4,637	4,828
F	13,763	12,590	11,702	11,003	10,970
G	49,344	47,447	45,902	44,750	41,983
H	11,512	11,316	11,032	10,970	11,479
I	12,848	11,840	11,330	11,345	11,181
J	5,030	5,034	5,106	5,088	5,081
K	5,122	5,252	5,616	5,664	5,608
L	756	623	608	670,	508
M	6,752	6,880	6,938	7,084	6,809
N	2,540	2,599	2,550	2,540	2,719
O	22,444	22,394	23,198	23,681	23,843
P	20,126	20,778	21,156	21,484	21,917
Q	14,784	15,394	16,350	16,755	16,785
R	2,355	2,500	2,540	2,814	3,123
S	3,619	3,410	3,754	4,491	4,748



Graph 6.4. Employment rates in the neighbouring countries  
(20–64 years of age)

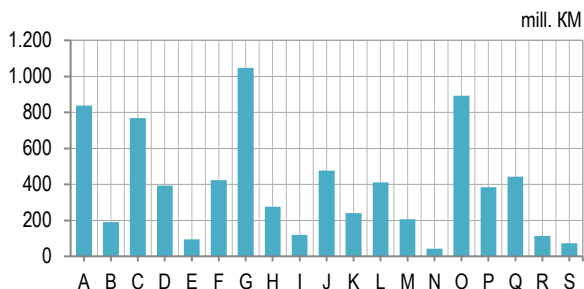
## 7 – GROSS DOMESTIC PRODUCT

**A barrel of wine can work many miracles.**  
German proverb

Economic activity of Republika Srpska, measured with the real growth rate of GDP, increased by 0.2% in 2014.

### 7.1. GROSS DOMESTIC PRODUCT AND GROSS VALUE ADDED, 2014

	Current prices, thous. KM	Real growth rate, %
Agriculture, forestry and fishing	837,926	-8.2
Mining and quarrying	191,622	-3.4
Manufacturing	769,227	5.9
Electricity, gas, steam and air conditioning supply	393,439	-9.0
Water supply; sewerage, waste management and remediation activities	94,632	17.1
Construction	422,983	12.9
Wholesale and retail trade, repair of motor vehicles and motorcycles	1,047,646	-2.8
Transport and storage	276,123	8.3
Accommodation and food service activities	119,398	-5.5
Information and communication	478,029	0.1
Financial and insurance activities	240,771	1.2
Real estate activities	411,684	-0.3
Professional, scientific and technical activities	206,399	-5.4
Administrative and support service activities	44,180	3.8
Public administration and defence; compulsory social security	892,855	1.4
Education	385,062	0.9
Human health and social work activities	443,992	0.9
Arts, entertainment and recreation	114,132	7.0
Other service activities	73,505	12.4
FISIM ( minus )	177,285	-5.0
<b>Gross value added</b>	<b>7,266,320</b>	<b>0.2</b>
Taxes on products minus subsidies on products	1,580,801	0.2
<b>Gross domestic product</b>	<b>8,847,121</b>	<b>0.2</b>



Graph 7.1. Gross value added, current prices, 2014

### Over 1.3 billion KM of Gross value added originated from industrial activities

In the total Gross domestic product in 2014, the section Manufacturing had a share of 8.7%, Electricity, gas, steam and air conditioning supply 4.4%, while Mining and quarrying had a share of 2.2%. In terms of employment, these sections were also dominant, as they employ approximately a quarter of the total number of employed persons.

### 7.2. GROSS DOMESTIC PRODUCT AND GROSS VALUE ADDED, CURRENT PRICES, STRUCTURES

	%				
	2010	2011	2012	2013	2014
Agricultural activities (A)	10.5	10.2	9.7	10.4	9.5
Non-agricultural activities (B,C,D,E,F)	21.0	20.8	19.6	21.0	21.2
Service activities (G,H,I,J,K,L,M, N,O,P,Q,R,S)	53.2	53.3	54.5	53.3	53.4
FISIM (minus)	2.1	2.2	2.3	2.1	2.0
Gross value added	82.6	82.1	81.5	82.6	82.1
Taxes on products and services, subsidies on products excluded	17.4	17.9	18.5	17.4	17.9
Gross domestic product	100.0	100.0	100.0	100.0	100.0

In terms of its scope, the economy of Republika Srpska is small. Thus, it is not realistic to expect its structure to change significantly in a short period of time. It is characterised by a dominant share of activities that rely on domestic resources, such as agriculture, forestry, mining and energy. In the observed five-year period, slight shifts in the structure of GDP have been observed; the share of agricultural activities has been decreasing, while the shares of non-agricultural and service activities has been increasing.

#### DID YOU KNOW?

Of the total number of market enterprises in the section Manufacturing, 1.8% are large enterprises, which generate 35.4% of Gross value added.

### 7.3. GROSS VALUE ADDED BY INSTITUTIONAL SECTOR, CURRENT PRICES, STRUCTURES

	%				
	2010	2011	2012	2013	2014
Non-financial sector	49.2	49.6	49.0	50.4	50.9
Financial sector	3.2	3.3	3.5	3.3	3.2
Government sector	21.9	22.8	23.5	22.3	22.7
Households sector	27.2	25.8	25.7	25.6	24.6
Sector of non-profit institutional units serving households	1.0	1.1	1.1	1.0	1.0
FISIM (minus)	2.5	2.6	2.8	2.6	2.4
Gross value added	100.0	100.0	100.0	100.0	100.0

### 7.4. GROSS DOMESTIC PRODUCT

	2010	2011	2012	2013	2014
Gross domestic product, current prices, thous. KM	8,318,217	8,682,397	8,584,972	8,761,456	8,847,121
Gross domestic product per capita, KM	5,805	6,073	6,006	6,146	6,225
Gross domestic product, real growth rates, %	0.8	0.8	-1.1	1.9	0.2



Gross domestic product per capita, as an indicator of the achieved level of welfare of the population of an economy, amounted to 6,225 KM in 2014, which represented an increase by 7.2% compared to 2010.

**The largest part of the Gross domestic product is allocated for compensation of employees**

#### DID YOU KNOW?

Other payments to employees (various benefits not included in the wage) account for 20.4% of the total compensation of employees.

Allocation of the Gross domestic product realised in 2014 was as follows: 48.6% for compensation of employees, 33.4% for gross operating surplus and gross mixed income and 18.0% for net taxes on products and production.

#### 7.5. INCOME COMPONENTS OF GROSS DOMESTIC PRODUCT, CURRENT PRICES

thous. KM

	2010	2011	2012	2013	2014
Gross domestic product	8,318,217	8,682,397	8,584,972	8,761,456	8,847,121
Compensation of employees	3,937,423	4,233,305	4,247,460	4,235,444	4,304,115
Net taxes on products and production	1,413,153	1,538,634	1,583,303	1,543,182	1,592,993
Gross operating surplus/Gross mixed income	2,967,641	2,910,458	2,754,209	2,982,830	2,950,013

## 8 – STANDARD OF LIVING AND POVERTY

**Wine perishes, conversation too; treasure perishes, friends too.**  
Folk saying

Data collected in 2,437 surveyed households in Republika Srpska during 2011 indicate that the average monthly expenditure for consumption of an average household amounted to 1,381.45 KM.

There were on the average 2.95 members per household.

### 8.1. CONSUMED QUANTITIES OF FOOD AND BEVERAGES IN HOUSEHOLDS (ANNUAL AVERAGE PER HOUSEHOLD MEMBER)

	Јединица мјере	2004	2007	2011
Flour and other cereals	kg	120.48	104.35	95.73
Bread (regular and special types)	kg	54.83	55.01	38.59
Pasta	kg	8.95	9.70	7.12
Beef and veal (fresh and frozen)	kg	11.25	10.30	8.38
Pork (fresh and frozen)	kg	12.30	11.57	15.12
Lamb and goat meat (fresh and frozen)	kg	2.96	2.16	2.63
Poultry (fresh and frozen)	kg	17.96	15.82	18.27
Dried and smoked meat (all kinds), salami, sausages, ham and other meat products	kg	9.10	12.15	11.38
Canned meat, including those with additions	kg	1.00	1.23	1.62
Edible oil (sunflower-seed oil, cornseed oil, soybean oil, etc.)	l	21.77	21.20	15.57
Fresh milk, pasteurized and sterilized	l	78.44	72.01	62.75
Yoghurt and sour milk, Kefir, including yoghurts with sugar and fruit additions, etc.	l	17.86	17.85	18.02
Kajmak (cream made from boiled milk)	kg	3.61	2.38	1.57
Other dairy products	kg	4.62	4.54	4.80
Cheese, all types	kg	8.93	10.73	9.97
Eggs	pcs	288.00	282.00	239.14
Fresh leafy vegetables (lettuce, spinach, mangold, radicchio)	kg	4.19	3.85	3.58
Cabbages (cabbage, cauliflower, kale, collard greens, Brussels sprouts, broccoli)	kg	18.97	16.16	12.85
Potato	kg	52.24	46.23	46.43
Tomato, pepper, cucumber, eggplant, zucchini	kg	27.85	28.20	30.68
Fresh citrus fruit (lemon, orange, mandarin, grapefruit, clementine, kiwi, etc.)	kg	11.46	9.80	11.37
Banana	kg	16.40	16.30	11.71
Apple	kg	19.66	19.36	16.05
Pear	kg	2.95	2.88	3.43
Sugar	kg	34.89	29.13	20.69
Jam, marmalade, jelly, compote, honey	kg	7.26	6.97	5.63

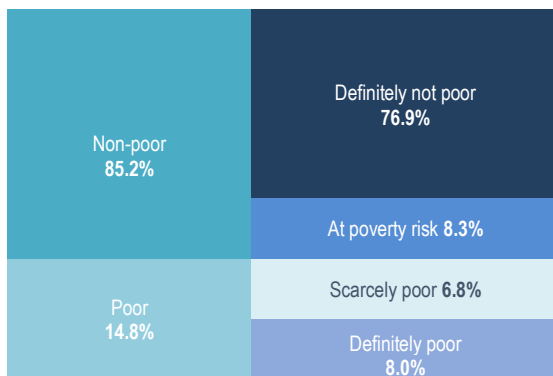
8.1. CONSUMED QUANTITIES OF FOOD AND BEVERAGES IN HOUSEHOLDS (ANNUAL AVERAGE PER HOUSEHOLD MEMBER) - continued

	Unit of measure	2004	2007	2011
Chocolate	kg	1.74	1.97	1.55
Coffee	kg	7.22	7.08	5.67
Mineral water	l	26.07	37.46	29.24
Soda-based non-alcoholic beverages	l	18.96	17.34	14.03
Non-carbonated beverages (fruit and vegetable juices, energy drinks, ice tea, etc.)	l	15.22	14.76	13.02
Жестока алкохолна пића	l	4.48	2.44	3.96
Wine	l	3.26	3.34	2.22
Beer	l	34.20	37.06	27.32

**DID YOU KNOW?**

Although prices of tobacco and cigarettes have been increasing constantly, their consumption in households has increased (in 2007 it accounted for 1.8% of total consumption, while in 2011 it accounted for 2.2%).

Relative poverty line allows for comparisons of standards of different categories of population within a society, depending on their consumption expenditure on the observed territory.



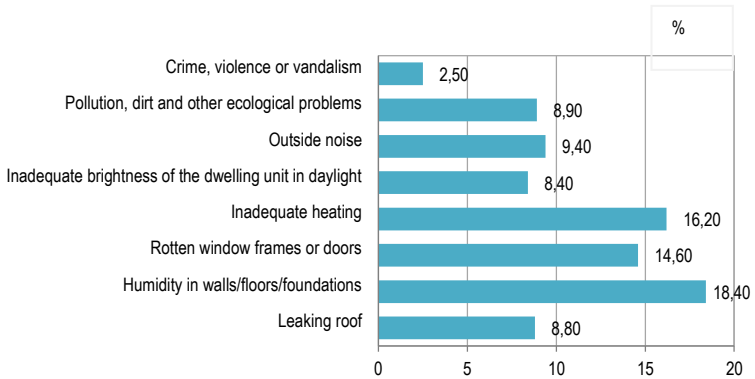
Graph 8.1. Poor and non-poor households by three different poverty lines, 2011

## 8.2. POVERTY LINE

Poverty line	
50% of expenditure median (317.57 KM)	8.0%
60% of expenditure median (381.09 KM)	14.8%
70% of expenditure median (444.60 KM)	23.1%
Definitely poor	8.0%
Scarcely poor	6.8%
At poverty risk	8.3%
Definitely not poor	76.9%

**Median** is the value of the indicator in the middle of the series whose data are arranged by size, from smallest to largest value, or vice versa.

**Material deprivation** is measured by establishing the lack of certain durable consumer goods in the household, as well as by establishing the inability to meet certain needs considered in the society the household belongs to.



Graph 8.2. Households' problems with dwelling units, 2011

## 9 – GROSS FIXED CAPITAL FORMATION

**He who has good wine, has a good friend.**

Portuguese proverb

Gross fixed capital formation in 2014 increased significantly in comparison with the previous year, namely by 29.1%, while financing of gross fixed capital formation increased by 17.9%.

A significant increase in gross fixed capital formation was recorded in the section Mining and quarrying by 233.7%, in Education by 220.5% and in Administrative and support service activities by 28.0%.

### 9.1. GROSS FIXED CAPITAL FORMATION IN FIXED ASSETS BY ACTIVITY OF INVESTOR , 2014

	Value of gross fixed capital formation, thous. KM	Structure, %
Total gross fixed capital formation	1,995,499	100.0
Agriculture, forestry and fishing	41,741	2.1
Mining and quarrying	588,652	29.5
Manufacturing	266,794	13.4
Electricity, gas, steam and air conditioning supply	202,934	10.2
Water supply; sewerage, waste management and remediation activities	13,464	0.7
Construction	61,098	3.1
Wholesale and retail trade; repair of motor vehicles and motorcycles	124,739	6.2
Transport and storage	48,340	2.4
Accommodation and food service activities	6,440	0.3
Information and communication	118,941	6.0
Financial and insurance activities	32,468	1.6
Real estate activities	4,254	0.2
Professional, scientific and technical activities	35,286	1.8
Administrative and support service activities	7,394	0.4
Public administration and defence; compulsory social security	353,673	17.7
Education	46,290	2.3
Human health and social work activities	30,628	1.5
Arts, entertainment and recreation	7,347	0.4
Other service activities	5,016	0.2

By activity of investor, the highest shares in the structure of gross fixed capital formation were those of the following sections: Mining and quarrying, Public administration and defence; compulsory social security, Manufacturing, and Electricity, gas, steam and air-conditioning supply. By purpose of gross fixed capital formation in new fixed assets, the highest shares referred to the sections Electricity, gas, steam and air-conditioning supply, Construction, and Manufacturing.

### Over one billion KM was invested in construction structures and spaces

By its technical composition, almost a half of the total gross fixed capital formation was invested in construction structures and spaces. In 2014, the highest gross fixed capital formation in construction structures was that of business entities from the section Mining and quarrying with 39.8%, followed by Public administration and defence; compulsory social security with 26.0% and Electricity, gas, steam and air-conditioning supply with 9.5%.

The highest gross fixed capital formation in machinery, equipment and transport equipment was that of business entities from the section Manufacturing, with 25.8%.

When it comes to gross fixed capital formation in non-monetary (intangible) fixed assets, the section Mining and quarrying had a share of 39.1%, Manufacturing participated with 12.3%, and Electricity, gas, steam and air-conditioning supply with 11.4%.

### 9.2. STRUCTURE OF GROSS FIXED CAPITAL FORMATION IN FIXED ASSETS BY TECHNICAL COMPOSITION

	2010	2011	2012	2013	2014
Gross fixed capital formation	100.0	100.0	100.0	100.0	100.0
Construction structures and spaces	55.6	52.9	41.2	46.5	60.0
Machinery, equipment and transport equipment	40.2	42.8	43.9	43.3	33.7
Other	4.2	4.3	14.9	10.2	6.3

Gross fixed capital formation in 2014 was mostly financed from financial loans (43.5%), followed by own financial assets (41.3%), assets of budgets and funds (6.1%), other sources (3.9%), joints assets (3.2%) and financial leasing (2.0%).

## 9.3. FINANCING OF GROSS FIXED CAPITAL FORMATION AND GROSS FIXED CAPITAL FORMATION

	thous. KM				
	2010	2011	2012	2013	2014
Financing of gross fixed capital formation	1,443,308	1,367,206	1,630,244	1,515,773	1,786,951
Gross fixed capital formation	1,446,629	1,359,836	1,622,047	1,546,014	1,995,499

**DID YOU KNOW?**

In 2014, gross fixed capital formation in the section Education was more than three times higher than in 2013.



## 10 – STRUCTURAL BUSINESS STATISTICS

**In victory, you deserve champagne; in defeat, you need it.**  
Napoleon

**Real estate activities was the most profitable section of activities in 2013, while Information and communication was the most productive one.**

Average profitability rate, as a measure of the share of gross operating surplus in turnover, amounts to 10.9% in Republika Srpska.

By business operations in 2013, the section Information and communication may be singled out as one of the most successful sections of activity in the economy of Srpska. With approximately 200 enterprises and about 5,000 employed persons, this section has a share of around 12% in the total value added. It also realises the highest labour productivity with 84,560 KM and its labour costs per employed person and profitability rate are high, namely 25,467 KM and 40.0% respectively.

### 10.1. INDICATORS OF SUCCESS OF NON-FINANCIAL BUSINESS ECONOMY

	Turnover per employed person	Value added per employed person (productivity)	Labour costs per employed person	Gross operating surplus per employed person
TOTAL	119,395	27,457	14,451	13,045
Industrial activities	96,480	24,994	15,321	9,711
Construction	86,285	27,828	11,045	16,842
Trade	242,333	26,313	12,226	14,126
Non-financial service activities	63,393	33,709	16,033	17,705

Market enterprises in the sections of industry employ almost half of all employed persons, while they also provide the greatest contribution to the formation of total value added at factor cost, which in 2013 amounted to 3.4 billion KM.

In the non-financial business economy, every third enterprise operates in the trade sector, which employs 21.3% of the total number of employed persons. The section Electricity, gas, steam and air-conditioning supply involved the lowest number of enterprises, namely 0.6%, but this section also had the highest average personnel costs, with 26,923 KM.

**DID YOU KNOW?**

Of all economic activities in Republika Srpska, the highest turnover is realised by trade; it accounts for approximately half of the total turnover, but it also has the lowest profitability rate.

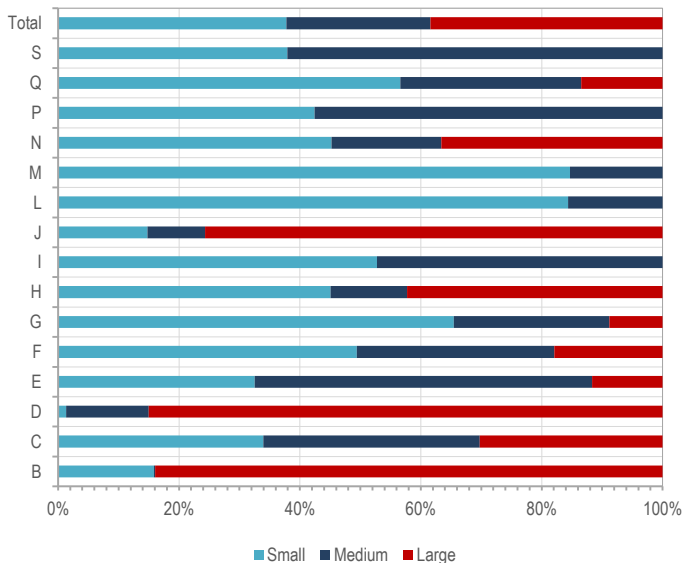
**10.2. INDICATORS OF BUSINESS ACTIVITIES OF NON-FINANCIAL BUSINESS ECONOMY, STRUCTURES**

	Number of enterprises	Number of employed persons	Turnover	Value added at factor cost	Gross operating surplus
TOTAL	100.0	100.0	100.0	100.0	100.0
Industrial activities	23.1	47.8	38.6	43.5	35.6
Construction	8.5	8.6	6.2	8.7	11.1
Trade	38.3	21.3	43.4	20.5	23.1
Non-financial service activities	30.1	22.3	11.8	27.3	30.2

**In the structure of large enterprises in Republika Srpska, almost half of enterprises are those from the section Manufacturing.**

By size of enterprises, the highest profitability was realised by large enterprises, namely 19.1%, which was 8.2 percentage points higher than the Republika Srpska average.

In addition, large enterprises were the most productive, with 34,837 KM, while the lowest productivity was realised by medium enterprises, 21,751 KM. At the level of Republika Srpska, realised productivity amounted to 27,457 KM.



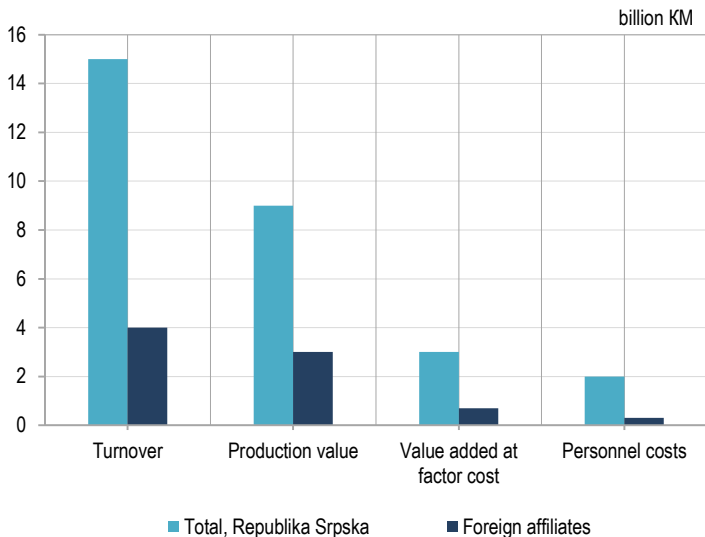
Graph 10.1. Value added at factor cost, by size of enterprise, 2013

**DID YOU KNOW?**

In 2013, of the total number of enterprises in Republika Srpska, 94% were small enterprises, with less than 50 employees.

**Enterprises in the sections Manufacturing and Wholesale and retail trade; repair of motor vehicles and motorcycles are the most interesting for foreign investors**

Foreign affiliates, or enterprises which are majority foreign-owned, operated in 2013 with the profitability rate of 9.4%.



Graph 10.2. Indicators of business activities of foreign affiliates in the non-financial business economy of Republika Srpska

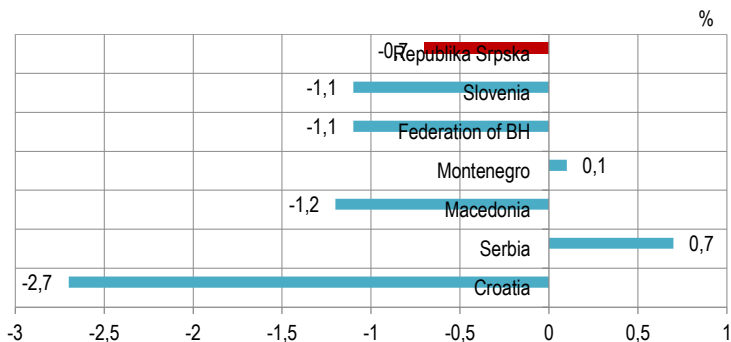
Where everyone is paying, wine is not expensive.  
Portuguese saying

**Producer prices of industrial products in 2014 decreased on the average by 0.7% compared to 2013**

By section of industrial production, based on the Classification of Economic Activities BH, the highest increase in prices in 2014, compared to 2013, was recorded in the section *Manufacturing*, namely in the divisions Manufacture of chemicals and chemical products 6.7% and Manufacture of coke and refined petroleum products 4.5%.

#### 11.1. PRODUCER PRICE INDICES OF INDUSTRIAL PRODUCTS

Section of activity classification	previous year=100				
	2010	2011	2012	2013	2014
TOTAL	102.2	104.7	100.4	100.0	99.3
Mining and quarrying	101.2	111.2	102.8	101.1	99.7
Manufacturing	101.4	106.0	100.4	99.9	98.8
Electricity, gas, steam and air-conditioning supply	103.9	100.0	100.1	100.0	100.0



Graph 11. 1. Rates of producer prices of industrial products, 2014 (comparison)

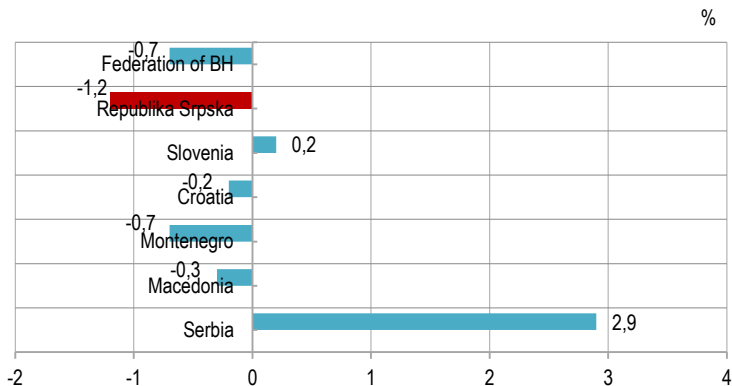
**Consumer prices in Republika Srpska in 2014, compared to 2013, decreased on the average by 1.2%**

By main division of consumption by purpose, the highest increase in prices in 2014 was again recorded in the division Alcoholic beverages and tobacco, while the highest decrease in prices was recorded in the division Clothing and footwear, 7.1%,

11.2. CONSUMER PRICE INDICES ACCORDING TO THE COICOP

Name	previous year=100				
	2010	2011	2012	2013	2014
TOTAL	102.5	103.9	102.1	100.0	98.8
Food and non-alcoholic beverages	99.2	105.6	101.7	100.4	97.1
Alcoholic beverages and tobacco	120.5	108.0	109.1	105.4	106.3
Clothing and footwear	96.3	95.4	96.1	91.7	92.9
Housing, water, electricity, gas and other fuels	104.1	102.8	101.2	100.3	99.9
Furnishings, household equipment and routine maintenance of the house	99.8	101.1	101.1	99.9	98.8
Health	102.8	99.0	99.9	100.0	101.3
Transport	106.5	108.1	105.4	99.1	98.8
Communication	108.3	110.3	104.3	99.9	103.9
Recreation and culture	100.0	100.3	99.8	100.5	99.2
Education	105.4	99.8	100.3	101.4	100.6
Restaurants and hotels	100.4	100.7	100.2	100.0	100.0
Other goods and services	100.7	99.5	100.5	100.2	99.6

In 2014, an average decrease in consumer prices was also recorded in most of the neighbouring countries, except Serbia and Slovenia, where an increase was recorded, by 2.9% and 0.2% respectively.



Graph 11. 2. Inflation, 2014 (comparison)

#### DID YOU KNOW?

A long-term increase in prices of tobacco and tobacco products occurred as a result of the harmonisation of excise rates in BiH with the current EU excises.

## 12 – AGRICULTURE

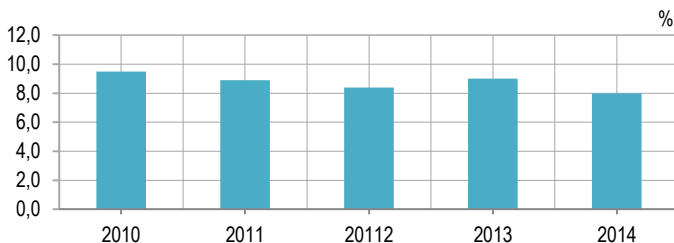
### Vineyard seeks a servant and wine a master.

#### Folk wisdom

#### Share of agriculture in the GDP formation was 8.0%

In 2014, the share of agricultural Gross value added in the formation of Gross domestic product was 8.0%, which represented a decrease by 1.0% compared to the share realised in the previous year and a decrease by 1.5% compared to the one realised in 2010.

With a share of 10.9% in the Gross domestic product formation, divisions of agroindustry<sup>1)</sup> (production and processing of agricultural products) represent the most significant divisions of the Republika Srpska economy.



Graph 12.1. Share of agricultural Gross value added in the structure of GDP

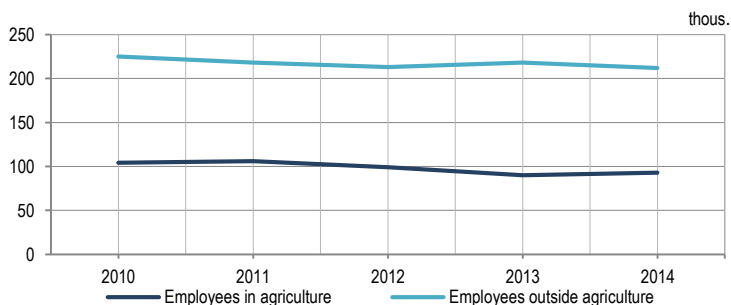
#### Primary agriculture employs 30.5% of all employed persons

In Republika Srpska, according to the Labour Force Survey results, 93 thousand persons were employed in agriculture in 2014, which represented an increase by 3.3% compared to the previous year. The number of employees in agriculture accounts for 30.5% of the total number of employed persons or 10.7% of the total working-age population.

<sup>1)</sup> Section A division 01 and section C division 10 and division 11 of the Classification of Economic Activities, based on NACE Rev.2



Of the total number of persons employed in agriculture, 78.4% were full-time employees, while the remaining 21.6% were part-time employees. The average weekly working hours in agriculture in 2014 amounted to 42.4 hours, namely 44.6 for men and 39.1 for women.



Graph 12.2. Number of persons employed in agricultural and non-agricultural activities

### Value of realised external trade of agricultural products was 263.7 million KM

The value of total external trade of agricultural products in 2014 amounted to 263.7 million KM, which represented an increase by 8.7% (or 21 million KM more) in comparison with 2013.

Total import of agricultural products in 2014, compared to the same period of 2013, increased by 15.5 million KM or 7.6%, while total export increased by 5.3 million KM or 13.2%.

The share of agricultural products in total export was 1.9%, while in total import they participated with 4.4%. The coverage of import with export amounted to 20.9%, which represented an increase by 1.1% compared to 2013.

### 12.1. EXPORT AND IMPORT OF AGRICULTURAL PRODUCTS

	million KM		
	Export	Import	Coverage of import with export
2010	50,104	194,555	25,8%
2011	41,028	218,624	18,8%
2012	34,825	203,304	17,1%
2013	40,181	202,450	19,8%
2014	45,473	217,913	20,9%

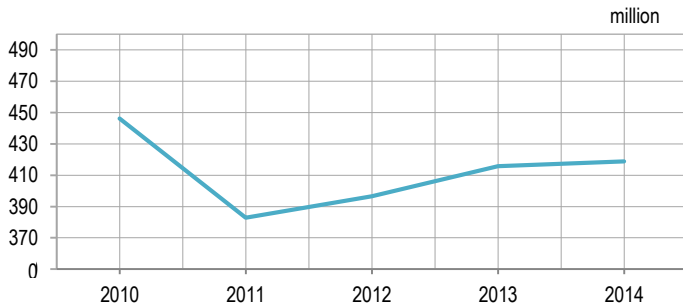
Fresh apples, plums and quinces are the products with the highest share in the structure of total export, with 7.6 million KM or 16.7% of the total value of export of agricultural products realised during 2014. The largest amount of apples, plums and quinces was exported to Russia, namely 59.2% of the total value.

In the structure of import, the most represented agricultural product was maize. The value of imported maize in 2014 amounted to 57.7 million KM or 29.7% of the value of total realised import in the section of agriculture. The largest amount of maize was imported to Serbia, namely 88.6% of the total value.

The most significant partner of Republika Srpska in external trade of agricultural products in 2014 was Serbia, with a share of 49.4% (96.2 million KM) in total realised import and a share of 20.4% (10.2 million KM) in total realised export of agricultural products.

### Production of chicken eggs

In 2014 in Republika Srpska, 2.1 million laying hens produced a total of 418.9 million chicken eggs, which is 3.1 million eggs more than in 2013 – an increase by 0.7%.

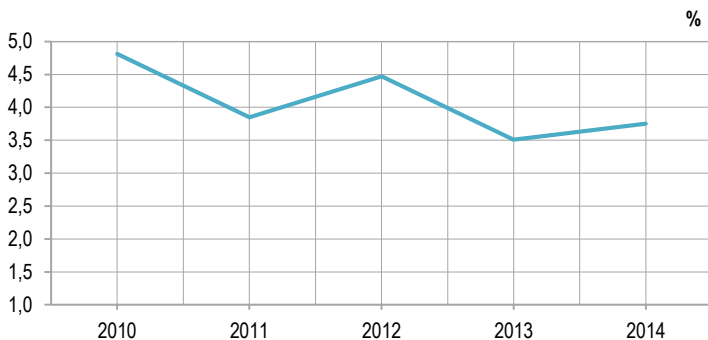


Graph 12.3. Production of chicken eggs

Of the total number of produced chicken eggs, 90.7% were spent for consumption, 5.5% were used for hatching, 3.0% went to industrial processing, while 0.8% were recorded as a loss.

In 2014, the average price of eggs was 0.14 KM per consumable egg and 0.42 KM per egg for hatching. Realised annual value of production of chicken eggs in 2014 amounted to 58.6 million KM, which represented 3.8% of the total value of realised agricultural production.

Republika Srpska exported 10.1 million chicken eggs during 2014 and their value amounted to 5.8 million KM. On the other hand, 11.6 million eggs worth 3.1 million KM were imported. Thus, a surplus in the amount of 2.7 million KM was recorded in external trade of chicken eggs.



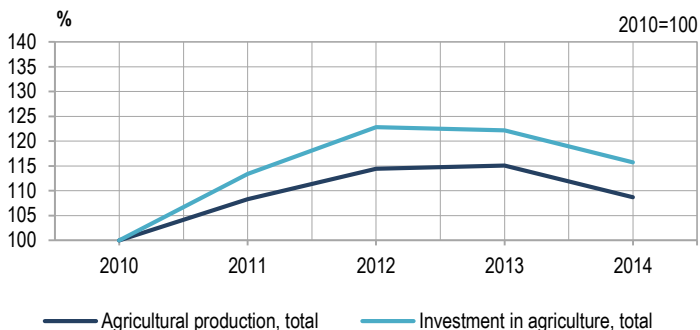
Graph 12.4. Share of the value of production of eggs in the total value of realised agricultural production

Republika Srpska exported the largest amount of chicken eggs, worth 3.9 million KM, to Montenegro. On the other hand, the largest amount of eggs, worth 1.5 million KM, was imported from Serbia.

### Trends in price indices in agriculture

In 2014, compared to the base year 2010, an increase was recorded both in prices of a significant number of agricultural products (output) and in investment in agriculture (input). Compared to the previous year, a decrease in price indices was recorded for all inputs and for most agricultural products.

As in previous years, compared to the base year 2010, the increase in investment in agriculture was higher than the increase in prices of agricultural products (Graph 12.5).



Graph 12.5. Annual price indices of input and output

Total price index of investment in agriculture in 2014 was 15.7% higher than in the base year 2010. On the other hand, compared to 2013, total price index of investment in agriculture was 5.4% lower.

Total price index of agricultural products in Republika Srpska in 2014 was 8.7% higher than in the base year 2010, while it was 5.6% lower than in 2013.

#### DID YOU KNOW?

There were 1,846,950 grapevines in Republika Srpska in 2014, which represents an increase by 332.7% compared to 1996.

### The vineyard does not need a prayer, but a hoe.

Bulgarian proverb

A large part of the territory of Republika Srpska is covered with dense and vast forest complexes. As such, along with numerous water streams, it represents an almost ideal habitat for many plant and animal species. The people of our region have always been connected with forests, with an unbreakable bond of mutual dependence. Forests of Srpska are managed in a sustainable way and to the extent which continuously maintains and improve their productivity, biodiversity, regeneration capacity and vitality. In this way, the fulfillment of economic, ecological and social functions of forests is ensured in the present and in the future.

Ecologically, forests of Republika Srpska belong to different biogeographical regions and are adapted to different natural conditions. The Adriatic Sea in the south, high mountains in the central part and fertile plains in the north have a favourable effect on the diversity of forest communities and on a significantly higher average annual growth in comparison with the surroundings.

Average annual increase of timber in high forests with natural regeneration amounts to 8.18 m<sup>3</sup>/ha (state forests). Of the total surface area of Republika Srpska, 50% are areas covered with forests, which is approximately 0.75 ha per capita. Approximately one million hectares of forests and forest lands are in state ownership, while private forests cover approximately 20% of the total forest area in Republika Srpska.

#### 13.1. FOREST EXPLOITATION

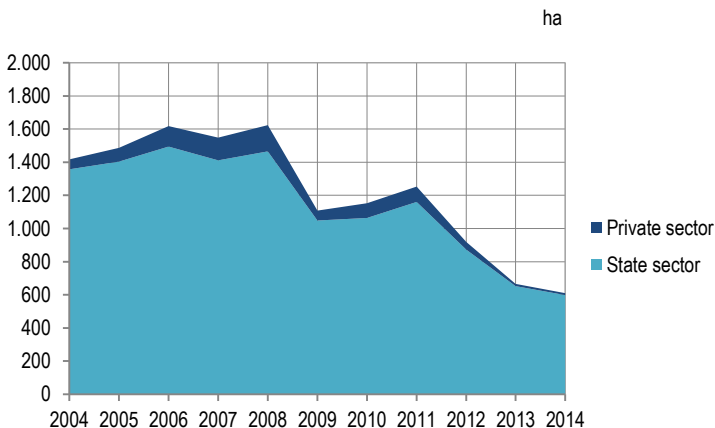
	Gross felled timber					thous. m <sup>3</sup>
	total	state forests	private forests	broadleaves	conifers	
2010	2,550	2,314	236	1,523	1,028	
2011	2,838	2,555	283	1,640	1,198	
2012	2,853	2,558	296	1,585	1,269	
2013	2,966	2,670	297	1,617	1,350	
2014	3,016	2,742	274	1,550	1,466	

Gross felled timber in the forest and outside the forest in 2014 increased in comparison with 2013 and it amounted to approximately 3 million m<sup>3</sup>. Out of this sum, approximately 2.7 million m<sup>3</sup> belongs to the state sector, which is significantly more than in the private sector, as the state sector covers 90% of the total felled timber.

## 13.2. PRODUCTION AND SALE OF FOREST ASSORTMENTS IN STATE FORESTS

	2010	2011	2012	2013	2014
Production, total	1,771,841	1,893,542	1,848,712	1,925,029	1,944,658
Logs for cutting	812,047	866,875	862,997	931,740	943,848
Sale, total	1,809,701	1,955,500	1,815,978	1,892,033	1,908,874
Logs for cutting	847,965	910,105	862,869	922,327	939,572

Collected data indicate that forest afforestation activities in Republika Srpska have been decreasing for years. Thus, total afforested area in 2014 covered 611 ha, which represents a decrease by 8.4% compared to 2013, while compared to 2012 it was 33.4% lower. Conifer afforestation covered an area of 495 ha, which accounted for almost 81% of the total area afforested during 2014.



Graph 13.1. Artificial afforestation

### 13.3. AVERAGE PRICE OF SOLD FOREST ASSORTMENTS IN STATE FORESTS, VAT EXCLUDED

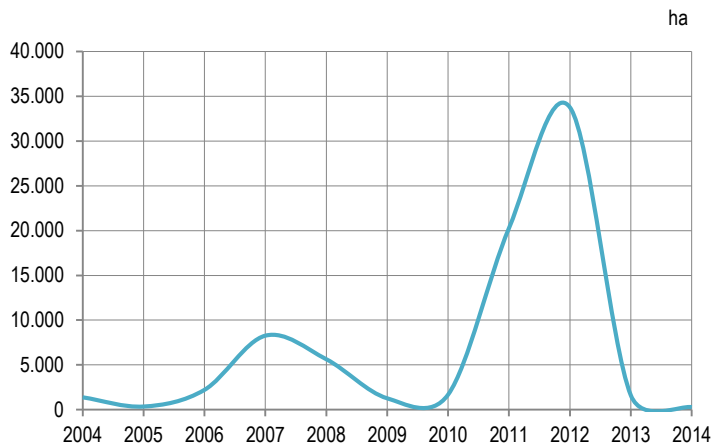
	KM		
	TOTAL	Conifers	Broadleaves
2010	77.13	94.65	64.95
2011	78.13	96.27	64.78
2012	79.92	97.96	65.29
2013	82.50	97.30	70.49
2014	82.67	96.08	70.16

### 13.4. GROSS VALUE ADDED IN THE FORESTRY SECTOR

	2010	2011	2012	2013	2014
Forestry gross value added, thous. KM	99,643	109,500	109,318	124,255	129,624
Gross domestic product at market prices, thous. KM	8,318,217	8,682,397	8,584,972	8,761,456	8,847,121
Share of forestry in the structure of GDP, %	1.2	1.3	1.3	1.4	1.5

In accordance with the Standard International Trade Classification (SITC Rev.4), commercial forestry and industry<sup>1)</sup> based on wood as raw material had a significant share in the structure of export of Republika Srpska in 2014, with 15.2%, and its value was 409 million KM.

<sup>1)</sup> Cork and wood, pulp and waste paper, cork and wood manufactures and paper, cardboard and pulp products (excluding furniture) - divisions 24, 25, 63 and 64.



Graph 13.2. . . Forest area and forest land affected by fire

Damages caused by fire in 2014 were recorded over an area of 290 ha, with 630 m<sup>3</sup> of damaged felled timber, which represented a significant decrease in comparison with the previous year.

#### DID YOU KNOW?

Of the remaining and rare European rainforests, four are located in Republika Srpska (Preučica, Janj, Dormiševica and Lom). There are also two national parks in Republika Srpska – Sutjeska and Kozara.



### Wine is sunlight, held together by water.

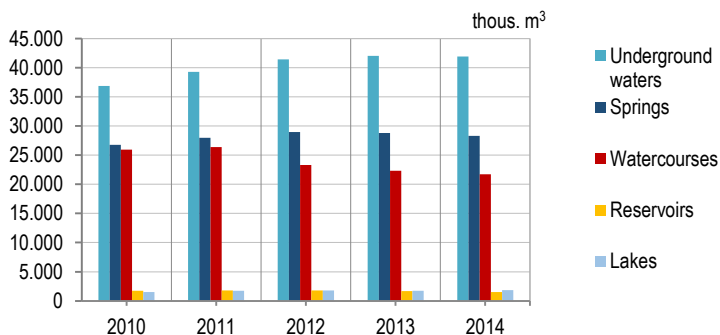
Galileo Galilei

Sufficient quantity and availability of pure water is one of the preconditions for the preservation of the ecosystem balance, human health and progress of social communities in general. Despite the many achievements of modern civilization, a large number of countries are facing a shortage of drinking water, which is, as a natural resource, the cause of conflicts in some societies. In addition, many forms of increasingly frequent climate changes, from frequent and severe droughts to large-scale floods, affect the movement of water in nature. All these and many other facts indicate the importance and need of preserving water resources, both through the reduction of water consumption and through the measures aimed at pollution prevention and adequate wastewater management.

Republika Srpska is fortunately not directly threatened by the lack of drinking water. However, this does not diminish the importance of protecting existing watercourses and improving the wastewater management system.

### Underground waters – main source of drinking water

Availability and quality of underground waters in Republika Srpska is the reason why underground waters, including springs, are the predominant source of drinking water for households, industry, agriculture, and other consumers. During the five-year period between 2010 and 2014, water captured from underground waters and springs accounted for 70% of total captured water, with a slight increasing trend.

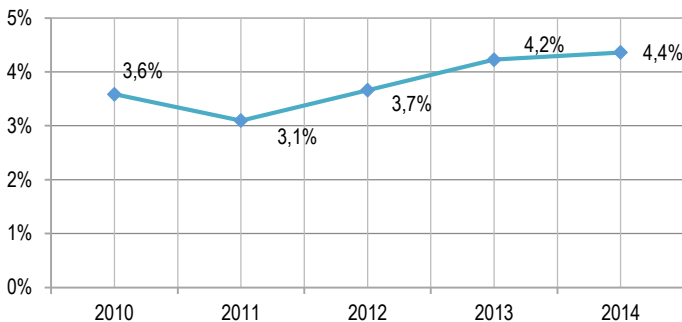


Graph 14.1. Water capture by water source

### Surface waters – water recipients for municipal and industrial wastewater

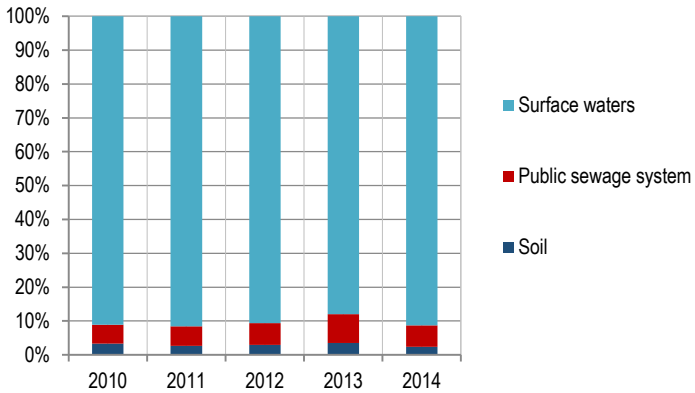
While underground waters represent a source of drinking water, surface waters are recipients for approximately 95% of municipal wastewater. Of the total amount of municipal wastewater discharged into surface waters in 2014, only 4.7% was purified before being discharged.

The percentage of purified municipal water in relation to water discharged into surface and underground water recipients is 4.4%. Although low, the percentage of purified water compared to total discharged municipal wastewater has been increasing slightly during the period between 2010 and 2014.



Graph 14.2. Purified municipal wastewater

Surface waters are a recipient for over 90% of wastewater from industry. In 2014, approximately 91% of discharged wastewater from industry ended up in surface waters. A similar trend was also recorded in the period between 2010 and 2014.



Graph 14.3. Recipients of industrial wastewater

**DID YOU KNOW?**

The number of water connections in Republika Srpska increased by approximately 28% during the ten-year period between 2005 and 2014.

## 15 – INDUSTRY

**Metal is tested by fire, man by wine.**

Japanese proverb

### Industrial production increased by 0.6% in 2014 compared to 2013

Industrial production has been increasing constantly in the previous period, except in 2012, when a decrease was recorded. In 2014, an increase by 0.6% was recorded compared to 2013.

Manufacture of electricity, manufacture of food products and manufacture of wood, mining of coal, mining of metal ores, manufacture of refined petroleum products, manufacture of metal and concrete products and manufacture of footwear were the most important.

For comparison, in the same year an increase in industrial production was also recorded in FYR Macedonia (4.8%), Slovenia (1.6%), Croatia (1.2%) and the Federation of BH (0.1%), while a decrease was recorded in Serbia (-6.5%).

#### 15.1. INDICES OF INDUSTRIAL PRODUCTION BY SECTION OF ACTIVITY CLASSIFICATION previous year =100

Section	2010	2011	2012	2013	2014
INDUSTRY TOTAL	105.4	104.8	96.0	104.1	100.6
B	109.1	118.2	96.1	104.1	96.6
C	105.5	104.3	95.6	104.2	104.9
D (except group 35.3)	103.0	100.0	96.3	101.1	91.0

#### 15.2. INDICES OF INDUSTRIAL PRODUCTION BY SECTION OF ACTIVITY CLASSIFICATION 2010=100

Подручја КД	2011	2012	2013	2014
INDUSTRY TOTAL	104.8	100.5	104.7	105.4
B	118.2	113.6	118.3	114.3
C	104.3	99.8	103.9	109.1
D (except group 35.3)	100.0	96.3	97.4	88.7

**In 2014, investments in industry were 82.4% higher than in the previous year**

Almost 70% of gross fixed capital formation in new fixed assets in industrial activities, totaling 1,018 million KM, was invested in *Electricity, gas, steam and air-conditioning supply*.

The share of industry in the Gross domestic product in 2014 was 15.4%, with *Manufacturing* having the highest share with 8.7%.

At the end of 2014, there were 4,249 registered industrial enterprises, of which 88.0% were in private ownership.

In 2014, 182 business entities were recorded into the Register of Business Entities and classified into industrial activities.

Most industrial enterprises, namely 90.4% of them, were engaged in *Manufacturing*, while 4.1% were engaged in *Mining and quarrying*, 4.0% in *Electricity, gas, steam and air conditioning supply*, and 1.5% in *Materials recovery*.

Industrial enterprises employ slightly more than 56 thousand workers, of which 76.9% in *Manufacturing*. Workers employed in industrial enterprises accounted for 27.4% of the total number of employed persons in Republika Srpska.

**DID YOU KNOW?**

Of the total gross fixed capital formation in new fixed assets by purpose of investment in Republika Srpska in 2014, 55.4% was invested in industrial activities.

Sale of industrial products in 2014 was 5.8% higher compared to 2013.

According to reports of industrial enterprises, sale of industrial products in 2014 amounted to 5,185 million KM, with products of *Manufacturing* accounting for 73.0% of the total value of sale.

Over two thirds of the total value of sale of industrial products are realised by five industrial divisions, namely *Electricity, gas, steam and air conditioning supply* 21.7%, *Manufacture of coke and refined petroleum products* 21.5%, *Manufacture of food products* 13.6%, *Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials* 6.5%, and *Manufacture of fabricated metal products, except machinery and equipment* 5.3%.

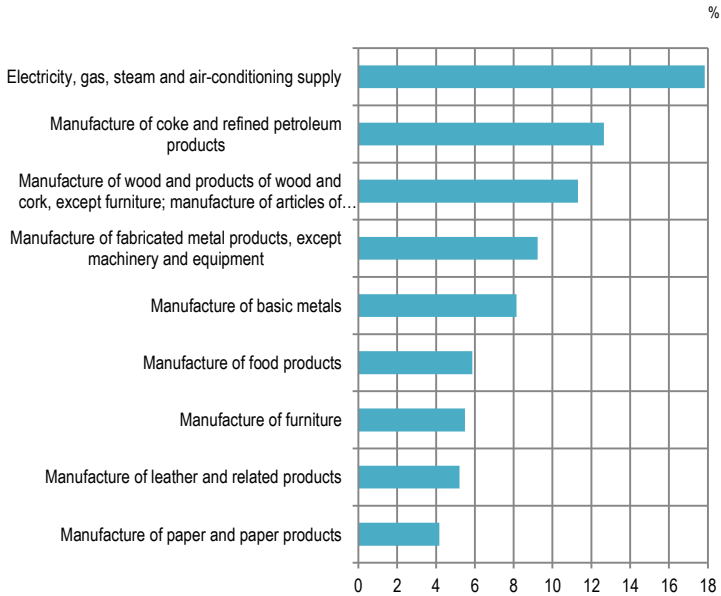
## 15.3. VALUE OF SALE BY INDUSTRIAL DIVISION

INDUSTRIAL DIVISION	mill. KM				
	2010	2011	2012	2013	2014
INDUSTRY TOTAL	3,415	3,864	5,032 <sup>1)</sup>	4,901	5,185
Mining of coal and lignite (brown coal)	35	45	61	63	72
Mining of metal ores	90	114	135	141	137
Other mining and quarrying	28	31	32	33	32
Mining and quarrying support service activities	-	-	-	0	-
Manufacture of food products	537	574	609	649	703
Manufacture of beverages	57	57	72	76	80
Manufacture of tobacco products	7	5	4	5	3
Manufacture of textiles	42	39	36	28	29
Manufacture of wearing apparel	36	38	33	41	49
Manufacture of leather and related products	77	88	71	95	113
Manufacture of wood and of products of wood and cork	214	260	269	290	337
Manufacture of paper and paper products	93	106	103	108	114
Printing and reproduction of recorded media	19	16	14	12	30
Manufacture of coke and refined petroleum products	97	133	1,331 <sup>1)</sup>	1,174	1,116
Manufacture of chemicals and chemical products	64	40	60	52	76
Manufacture of basic pharmaceutical products and pharmaceutical preparations	12	31	38	42	34
Manufacture of rubber and plastic products	71	77	81	84	99
Manufacture of other non-metallic mineral products	152	151	125	89	106
Manufacture of basic metals	296	336	274	230	194
Manufacture of fabricated metal products, except machinery and equipment	227	253	257	262	293
Manufacture of computer, electronic and optical products	8	8	7	8	7
Manufacture of electrical equipment	44	47	51	59	77
Manufacture of machinery and equipment, n.e.c.	26	37	46	46	50
Manufacture of motor vehicles, trailers and semi-trailers	24	26	26	31	32
Manufacture of other transport equipment	2	1	7	11	15
Manufacture of furniture	102	122	136	149	168
Other manufacturing	8	8	12	13	14
Repair and installation of machinery and equipment	66	82	74	49	47
Electricity, gas, steam and air-conditioning supply	932	1,081	1,030	1,026	1,125
Materials recovery	51	57	38	35	33

<sup>1)</sup> Beginning with 2012, the data are not optimally comparable with the data referring to previous years.

## Two fifths of the total value of sale realised by industrial enterprises referred to export

Export realised by industrial enterprises in 2014 amounted to 2,112 million KM, which represented 40.7% of their total value of sale.



Graph 15.1. Industrial divisions with the highest share of export in the total export of industrial enterprises, 2014

## 16 – ENERGY

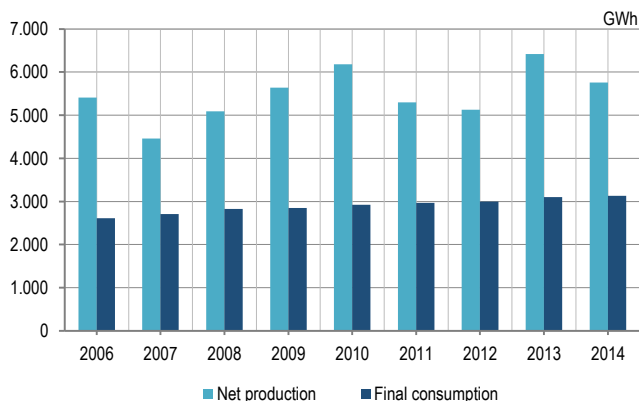
**Drink wine to awaken your mind, not to lull it to sleep.**

Tin Ujević

Security of electricity supply in Republika Srpska is at a high level, since domestic sources of primary energy are used, primarily coal and hydropower.

Total net production of electricity in 2014 amounted to 5,758 GWh, of which 3,134 GWh or 54.4% was produced by thermal power stations, 2,612 GWh or 45.5% by hydro power plants, and 12 GWh or 0.2% was produced by autoproducers.

In the past nine years, a slight increasing trend was recorded in final consumption of electricity.



Graph 16.1. Net production and final consumption of electricity

### **An increase in consumption of coal in industry**

Of the total available amount of coal in Republika Srpska, approximately 94% was consumed for production of energy, while the rest was used in mass consumption.

The largest consumer of coal in final consumption was industry, with a share of 58.9%. Najveći potrošač uglja u okviru finalne potrošnje je industrija sa učešćem od 58,9%. In the last two years, consumption of coal in industry has been increasing.



Given the fact that Republika Srpska does not have its own production of natural gas, all the necessary amounts are imported. Industry had the highest share in final consumption of natural gas, with 89.8%, while the remaining 10.2% is divided between households and other consumers.

Compared to 2013, production of heat from biomass increased by 42.3% in 2014.

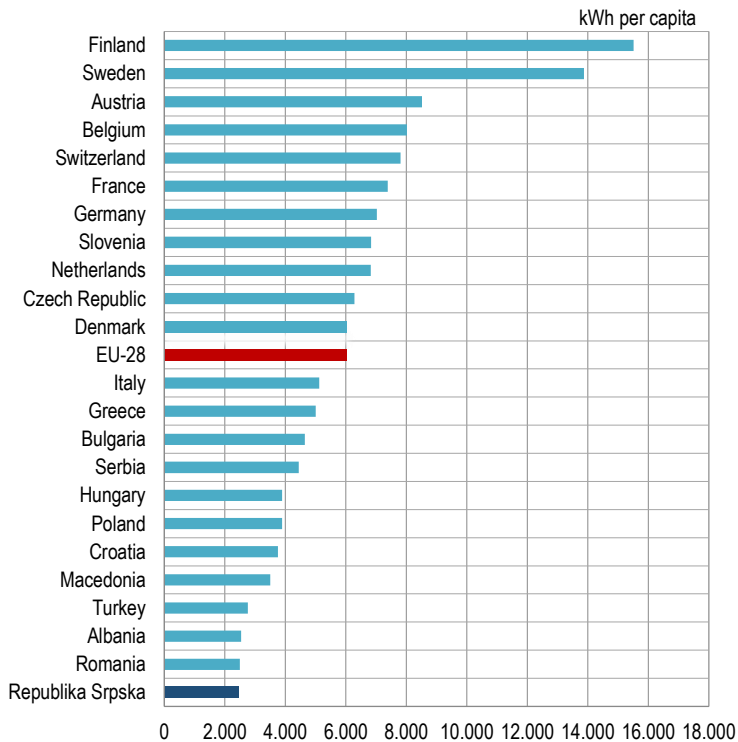
#### DID YOU KNOW?

Republika Srpska produces an electricity surplus; total realised sale in 2014 amounted to 1,995 GWh.

### 16.1. PRODUCTION AND FINAL CONSUMPTION OF FUELS AND ENERGY

	2010	2011	2012	2013	2014
<b>Production of fuels and energy</b>					
Brown coal (thous. t)	1,550	2,147	2,201	2,194	2,001
Lignite (thous. t)	3,042	3,379	3,024	3,334	3,484
Electricity <sup>1)</sup> (GWh)	6,183	5,298	5,130	6,416	5,758
Hydro power plants <sup>1)</sup> (GWh)	3,318	1,848	1,878	3,004	2,612
Thermal power plants <sup>1)</sup> (GWh)	2,856	3,450	3,252	3,390	3,134
Other production <sup>1)</sup> (GWh)	9	-	-	22	12
Heat (TJ)	1,680	1,737	1,806	1,697	1,378
<b>Final consumption of fuels and energy</b>					
Brown coal (thous. t)	74	81	71	171	175
Lignite (thous. t)	104	134	133	94	118
Electricity (GWh)	2,922	2,970	3,000	3,104	3,129
Heat (TJ)	1,483	1,613	1,506	1,433	1,246
Natural gas (thous. Sm <sup>3</sup> )	36,026	67,037	58,755	21,923	27,655

<sup>1)</sup> Production at threshold



Graph 16.2. Electricity consumption per capita, 2013 (IEA)

**In 2014 over 816 million KM was invested in energy**

Financing of gross fixed capital formation in new fixed assets in energy (divisions 05, 19 and 35) amounted to approximately 816 million KM, which accounted for 40.9% of the total financing of gross fixed capital formation in new fixed assets in Republika Srpska in 2014.

Energy had a share of 6.7% in the total Gross domestic product.

Approximately 12,000 workers were employed in energy, which accounted for approximately 6% of all employed persons in Republika Srpska. The number of persons employed in energy was 4.0% higher in 2014 than in 2013.

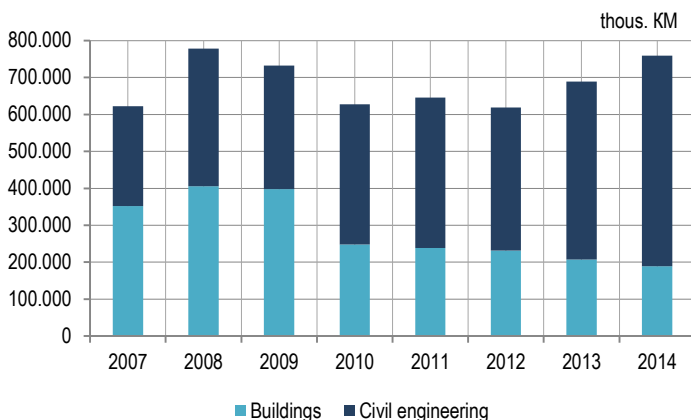
## 17 – CONSTRUCTION

**Wine is a cunning wrestler – it first seizes the feet.**

Titus Maccius

Value of performed construction works in Republika Srpska increased by 10.2% in 2014 compared to the previous year. Civil engineering accounted for 75.1% of the total value of performed works and their value increased by 18.2%, while the value of buildings decreased by 8.6%. During the same period, the number of employed persons in construction increased by 15.8%.

In 2014, Gross value added of construction had a share of 4.8% in the formation of Gross domestic product of Republika Srpska, while gross fixed capital formation in new fixed assets in construction participated with 15.1% in the total gross fixed capital formation



Graph 17.1. Value of performed works

Compared to the previous year, the number of completed dwellings in 2014 was 25.8% higher. The highest increase in dwelling construction was recorded for one-room dwellings, by 91.8%. The highest share in the structure of completed dwellings was that of one-room dwellings, namely 41.3%, followed by two-room dwellings with 36.9%, while the rest were three or more-room dwellings

#### 17.1. COMPLETED DWELLINGS BY NUMBER OF ROOMS

	Unit of measure	2014
TOTAL	number	1,698
	m <sup>2</sup>	90,168
One-room dwellings	number	702
	m <sup>2</sup>	27,967
Two-room dwellings	number	627
	m <sup>2</sup>	33,494
Three-room dwellings	number	313
	m <sup>2</sup>	21,663
Four or more-room dwellings	number	56
	m <sup>2</sup>	7,044

**The section Construction employs 4.5% of the total number of employed persons in Republika Srpska**

#### DID YOU KNOW?

As part of the highway Banja Luka-Doboј construction, 39 bridges are going to be built, with a total length of 2,172 m, which accounts for 5.19% of the total highway length, as well as 35 small bridges with spans  $L = 10 - 40$  m.

## 18 – EXTERNAL TRADE

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### Three glasses of wine end a hundred quarrels. Chinese proverb

Data on import and export refer to business entities with headquarters in Republika Srpska.

External trade statistics covers all traffic of goods exported from and imported into the country, homogenous by type of product, country of origin, destination, payment method and moment of border-crossing.

In accordance with European standards, data are covered under the special trade system, which means that in addition to regular exports and imports, exports and imports based on the refinement process, i.e. processing and finishing, are also covered, while temporary exports and imports are excluded.

Export and import realised by physical entities is excluded from the total value of export and import.

### Increase in export in 2014

During the period between 2010 and 2014, export from Republika Srpska was continually increasing, except in 2012.

Compared to 2013, export increased by 3.4% and import increased by 8.5% in 2014. Volume of external trade of Republika Srpska in 2014 was 7.6 billion KM, of which 2.7 billion KM referred to export and 4.9 billion KM to import. External trade deficit of Republika Srpska in the same year was 2.3 billion KM.

The highest value of export from Republika Srpska in 2014 was that of export to Italy (18.3%), followed by Serbia (14.9%), Croatia (10.3%), Germany (9.3%) and Slovenia (8.8%).

During the same year, the highest value of import was that of import from Russia (21.5%), followed by Serbia (16.0%), China (12.0%), Italy (10.1%) and Germany (6.8%).

### Coverage of import with export in 2014 was 54.4%

Coverage of import with export in Republika Srpska, as in most neighbouring countries, decreased from 2013 to 2014.

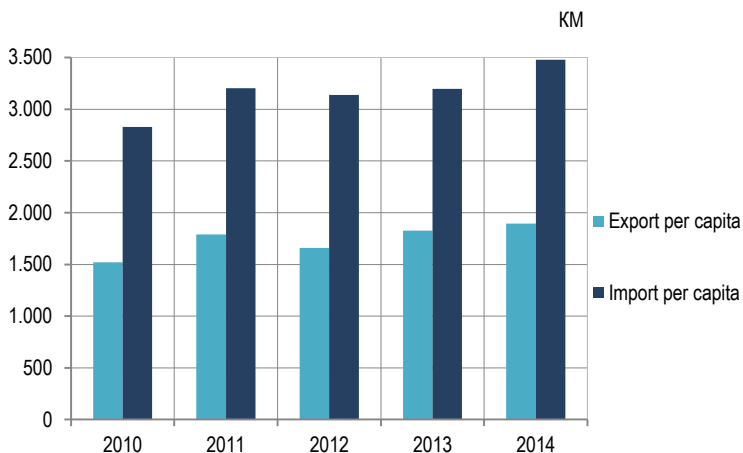
### In Republika Srpska's trade of goods with foreign countries in 2014, the highest share was that of mineral products

In the structure of export in 2014, the highest share was that of Mineral products with 17.8%, followed by the division Footwear, headgear, umbrellas, sticks, prepared feathers, artificial flowers and articles of human hair with 13.3% and the division Basic metals and related products with 12.5%.

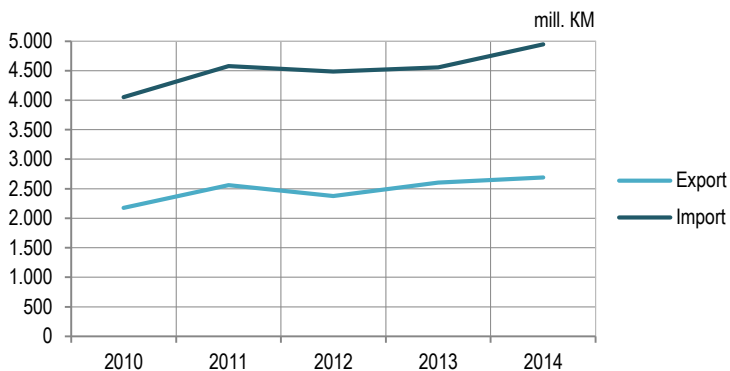
In the structure of import in the same year, the highest share was that of the division Mineral products with 24.0%, followed by the division Machinery; equipment; apparatus for reproduction of image and sound with 16.1% and the division Foodstuffs; beverages, spirits and tobacco with 9.1%.

#### DID YOU KNOW?

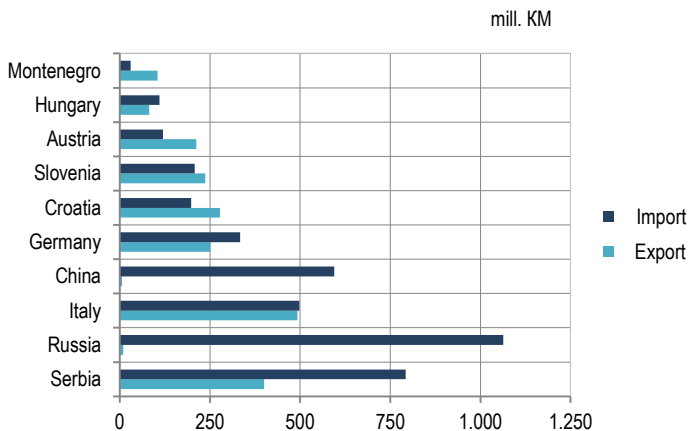
Coverage of import with export in Republika Srpska's external trade with the EU member states (28 members) was 95.7% in 2014.



Graph 18.1. Export and import per capita



Graph 18.2. External trade balance



Graph 18.3. Countries with the highest share in the volume of external trade with Republika Srpska, 2014



## 19 – DISTRIBUTIVE TRADE

**Take advice with wine, but make decisions with water.**

Benjamin Franklin

Distributive trade includes all forms of trade activities, from the purchase of goods from manufacturers to the delivery of goods to final consumers on domestic market. It covers wholesale trade for own account, intermediation in wholesale trade, retail trade and repair of motor vehicles and motorcycles, and retail trade of household goods

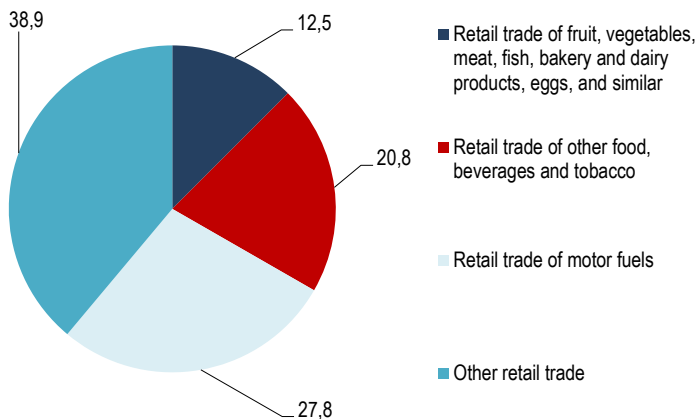
Data on turnover realised by entrepreneurs are not included in total turnover.

In comparison with the base year 2010, the highest growth rate in distributive trade was realised in 2011 and it amounted to 6.2%.

Turnover in retail trade in 2014, compared to the base year 2010, was nominally 23.5% higher and really 16.9% higher. During the same period, turnover in wholesale trade, measured by the nominal growth rate, decreased by 0.4%.

### 19.1. INDICES OF TURNOVER IN DISTRIBUTIVE TRADE BY SECTION OF ACTIVITY CLASSIFICATION

	Distributive trade, total	Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale trade, except of motor vehicles and motorcycles	Retail trade, except of motor vehicles and motorcycles	
				Nominal	Real
2010	100.0	100.0	100.0	100.0	100.0
2011	106.2	104.4	109.6	107.0	102.5
2012	89.1	79.8	107.5	112.2	104.0
2013	88.5	78.2	108.9	135.0	126.1
2014	87.3	79.5	99.6	123.5	116.9



Graph 19.1. Share of turnover by group of goods in total retail trade turnover, 2014

#### DID YOU KNOW?

The highest expenditure in 2014 was that for the purchase of motor fuels (27.8%), followed by expenditure for the purchase of pharmaceutical products (8.2%).

**If one can drink from a spring, he should never drink from a jug.**

Friedrich Wilhelm Nietzsche

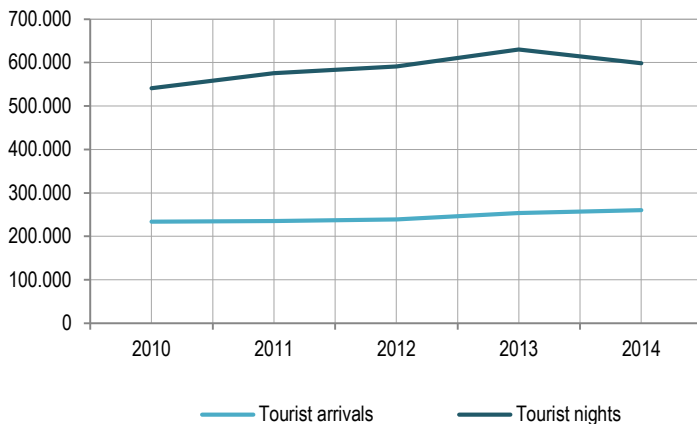
Its favourable geographical location and the fact that Republika Srpska is at the intersection of important routes, in addition to its various and rich natural and cultural heritage, preserved environment and exquisite gastronomic offer, have a significant influence on the prominent trend of tourism development in Republika Srpska. Special potential lies in investment opportunities in the mountain, spa, eco and adventure tourism.

The most popular destination when it comes to mountain tourism is certainly the Olympic beauty Jahorina, which is one of the most attractive destinations for winter sports, not only in Srpska, but also in the wider area. Banja Vrućica is the leading representative in the field of spa tourism, being famous for its high-quality thermal mineral waters. Andrićgrad should also be mentioned as a special tourist destination, as it is visited by tens of thousands of tourists, which supports the prosperity not only of the Višegrad region, but also the prosperity of the entire country. A must-see area in the tourist offer of Republika Srpska is also the wine and sun area – Hercegovina, where the number of tourists continues to increase, primarily due to the natural beauty of Hercegovina, but also because the Adriatic Coast is very near. \

In 2014, the number of tourist arrivals increased by 2.6% in comparison with 2013, while the number of tourist nights decreased by 4.9% during the same period. Of the total number of nights realised by foreign tourists, tourist from Serbia realised the highest number of nights, with a share of 30.4%, followed by tourists from Croatia, 22.4%, and Slovenia, 7.0%.

#### DID YOU KNOW?

The number of tourist nights of foreign tourists during the period between 2010 and 2014 increased by 33.2%. An interesting fact is that in the City of Trebinje this percentage amounts to 240.0%.



Graph 20.1. Tourist arrivals and nights, by year, 2010–2014<sup>1)</sup>

1) Since January 2013, for accommodation facilities in spa resorts where people stay for medical rehabilitation, only arrivals and nights for persons who pay for the stay themselves are shown. The data referring to the period 2010 – 2012 were recalculated.

## 21 – TRANSPORT AND COMMUNICATIONS

**When wine sinks, words swim.**  
English proverb

### Transport of passengers and goods

In the last five years, the highest growth rate in transport of passengers in road transport was recorded in 2010.

#### 21.1. TRANSPORT OF GOODS AND PASSENGERS BY TRANSPORT BRANCH

	2010	2011	2012	2013	2014
<b>Road and urban transport</b>					
Length of roads, km <sup>1)</sup>	14,147	14,376	14,299	14,040	14,106
Transported passengers, thous.	30,499	32,171	32,612	31,745	29,752
Transported goods, thous.tonnes	1,447	1,741	2,063	2,444	2,665
<b>Railway transport</b>					
Length of tracks, km	426	426	426	426	426
Transported passengers, thous.	402	317	321	211	173
Transported goods, thous.tonnes	5,087	5,191	5,372	5,191	5,009
<b>Air transport services</b>					
Number of flights	662	856	658	739	1,053
Number of passengers	4,566	8,372	6,397	8,734	27,734

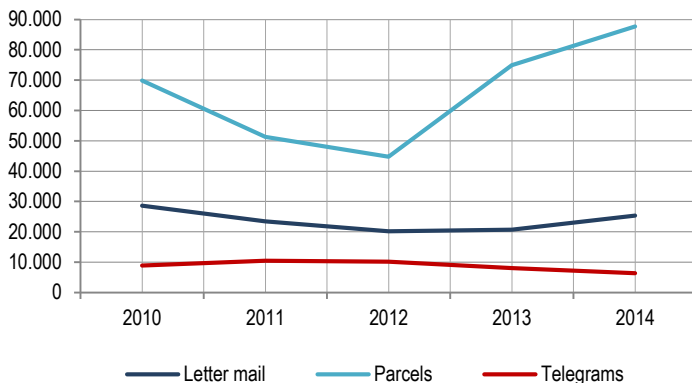
<sup>1)</sup> Source: Units of local self-government, public enterprise "Putevi Republike Srpske" and public enterprise "Aerodromi Republike Srpske"

In 2014, 30 million passengers were transported, of which 74.3% in municipal transport.

A positive growth rate was also recorded in transport of goods in road transport. From 2013 to 2014, transport of goods increased by 9.0%, while transport of goods in railway transport decreased by 3.5%. Railway transport served to transport 65.3% of all transported goods.

### Postal activities

The number of letter mails in 2014 increased by 22.4% compared to the previous year and the number of parcels increased by 17.1%, while the number of telegrams kept decreasing.

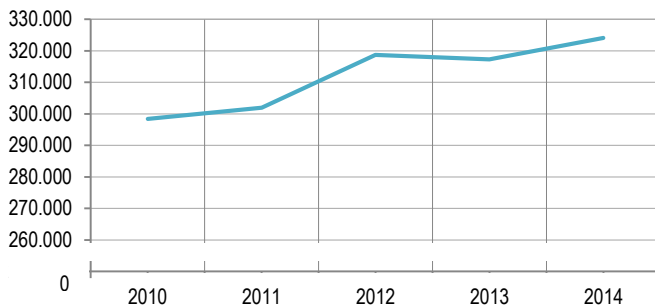


Graph 21.1. Postal activities

### Registered vehicles

Compared to 2013, the number of registered vehicles increased by 2.2% in 2014.

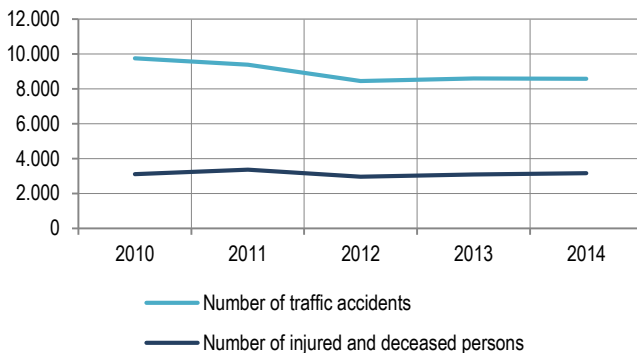
Of the total number of registered vehicles, 85.8% were registered passenger vehicles.



Graph 21.2. Total number of registered vehicles

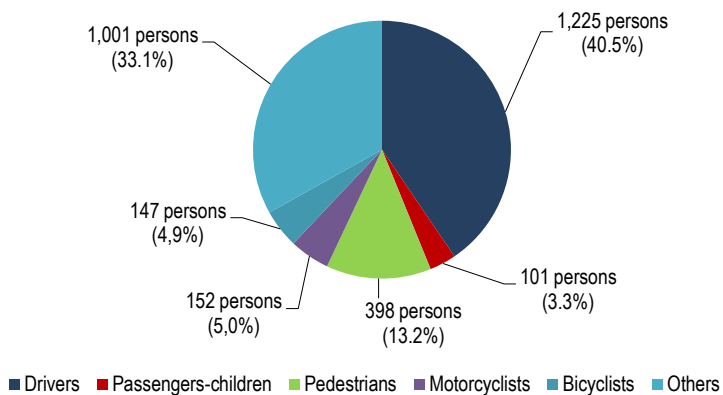
### Traffic accidents

Compared to 2013, the number of traffic accidents in Republika Srpska in 2014 decreased by 0.1%. The number of persons who deceased due to traffic accidents decreased by 14.4% and the number of injured persons increased by 3.0% compared to the previous year



Graph 21.3. Traffic accidents and injured and deceased persons

In 2014, one in three persons who deceased as a result of traffic accidents was over the age of 60 years, while every fifth person was a pedestrian. The most numerous among those who deceased due to traffic accidents were pedestrians, 39.7%. Speeding remains the most common cause of traffic accidents.



Graph 21.4. Injured and deceased persons by their participation in traffic accidents, 2014

#### DID YOU KNOW?

Traffic accidents most often happen in daytime, between noon and 4 p.m.



**Drink wine from a small bottle and wisdom from a large one.**  
Chinese proverb

## PRESCHOOL EDUCATION AND UPBRINGING

The system of preschool education and upbringing in 2014 consisted of 113 preschool institutions, of which 72 were established by local communities and 41 were established by private entities, citizens' associations and religious organisations.

There were 8,166 children in preschool institutions in the school year 2014/2015, of which 4,239 (51.9%) were boys and 3,927 (48.1%) were girls. Nineteen municipalities in Republika Srpska have no preschool institution.

In the school year 2014/2015, there were 1,268 employed persons in preschool institutions, of which 630 were educators.

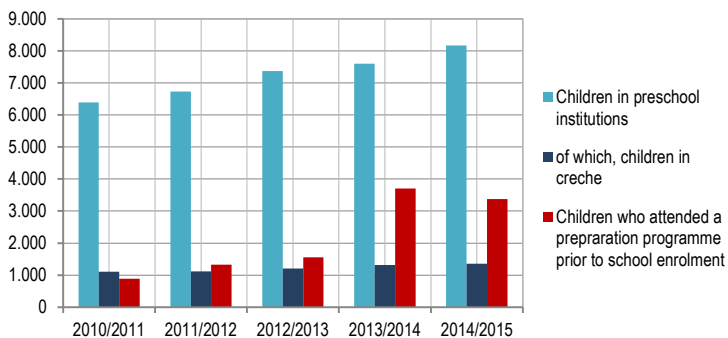
In the structure of employed persons in preschool institutions, 91.5% were female, which indicates an underrepresentation of male educators and other male employees in general. However, this is a typical situation in systems of preschool upbringing and education of developed countries.

### 22.1. PRESCHOOL EDUCATION AND UPBRINGING

	Number of institutions	Children	Girls	Children in creche	Preparation programme prior to school enrolment	Employees, total	Female	Educators
2010/2011	78	6,394	3,036	1,109	891	991	912	444
2011/2012	82	6,732	3,227	1,115	1,324	1,018	930	470
2012/2013	95	7,369	3,473	1,205	1,551	1,110	1,021	538
2013/2014	99	7,599	3,610	1,312	3,700	1,156	1,061	574
2014/2015	113	8,166	3,927	1,360	3,377	1,268	1,161	630

#### DID YOU KNOW?

For each child in Republika Srpska who has not been included in preschool education, the law stipulates the attendance of a special Programme prior to school enrolment for at least three months.



Graph 22.1. Preschool education and upbringing

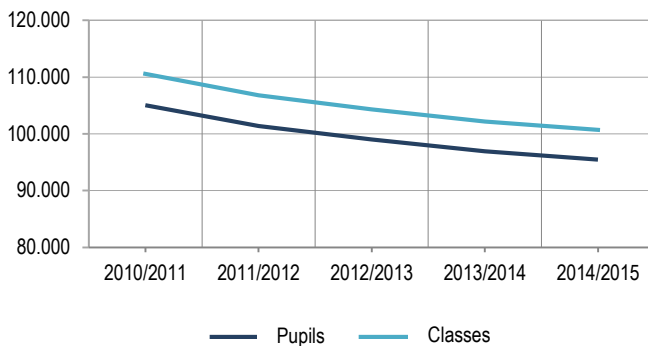
## PRIMARY EDUCATION AND UPBRINGING

Decreased birth rate, negative migration balance, fewer new marriages and a growing number of divorces are just some of the reasons that directly affect the population decline, thus also causing a decrease in the number of children who enroll in primary school. Therefore, primary education statistics referring to the previous five-year period indicate that the so-called "white plague" is becoming an increasingly serious problem.

At the beginning of the school year 2014/2015, compared to 2013/2014, the number of pupils in primary schools decreased by 1.5%, therefore there were 1,472 pupils fewer. There were 20 classes fewer, while the number of teachers decreased by 379. There were 18 pupils per class on the average, while this percentage in the EU is 25 to 30. In accordance with the Law on Primary Education and Upbringing, a class should optimally have 25 pupils, with the minimum of 18 and the maximum of 30, or 32 if there is only one class of the given grade.

## 22.2. PRIMARY EDUCATION AND UPBRINGING AT THE BEGINNING OF THE SCHOOL YEAR

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Number of primary schools	751	731	727	721	720
Pupils	105,028	101,376	99,025	96,932	95,460
Classes	5,557	5,439	5,310	5,251	5,231
Teachers	8,360	8,455	8,448	8,535	8,138
Average number of pupils per class	19	19	19	18	18
Average number of pupils per teacher	13	12	12	11	12



Graph 22.2. Classes and pupils in primary schools

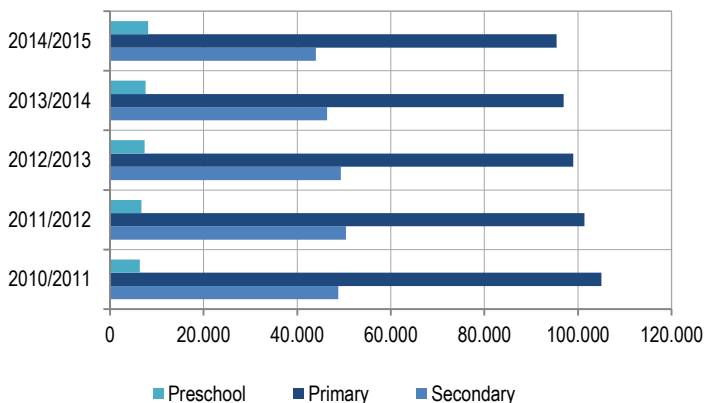
## SECONDARY EDUCATION AND UPBRINGING

The main objective of secondary education is to develop and improve knowledge, competences and skills required for vocational work, to provide internationally comparable level of knowledge, and to prepare for further education at higher education institutions.

There were 43,975 pupils in secondary schools at the beginning of the school year 2014/2015, which represents a decrease by 5.3% compared to 2013/2014. As in the previous years, the most popular school among pupils was grammar school, thus 10,360 pupils or 23.6% of all pupils were enrolled at grammar schools.

### 22.3. SECONDARY EDUCATION AND UPBRINGING AT THE BEGINNING OF THE SCHOOL YEAR

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Number of secondary schools	94	94	94	94	94
Pupils	48,788	50,452	49,367	46,421	43,975
Classes	1,990	2,027	1,963	1,872	1,869
Teachers	3,768	3,981	4,013	3,947	3,785
Average number of pupils per class	25	25	25	25	24
Average number of pupils per teacher	13	13	12	12	12



Graph 22.3. Children-pupils in institutions of education at the beginning of the school year

### Boarding homes for pupils and students

Pupils and students' boarding homes are educational institutions providing accommodation, food and upbringing to pupils and students during their schooling. The main role of these homes is to provide pupils and students, who are separated from their families, with educational activities, accommodation, food, learning conditions, completion of their school obligations, and cultural and sporting activities.

If we observe beneficiaries of boarding homes for pupils and students by sex, it can be concluded that there are more female beneficiaries both in boarding homes for pupils and in boarding homes for students, 53.6% and 58.4% respectively.

#### 22.4. BOARDING HOMES FOR PUPILS AND STUDENTS

	2011	2012	2013	2014	2015
Boarding homes	13	13	12	13	13
Pupils and students in boarding homes	3,116	3,252	3,291	3,342	3,223
Number of rooms	980	973	910	969	964
Number of teachers	27	27	26	28	29

## HIGHER EDUCATION

### Declining number of students enrolled in the first and third cycles of studies

At higher education institutions in Republika Srpska, the total number of enrolled students at all three cycles of studies was 42,217, which represents a decrease by 5% compared to the previous academic year. In the academic year 2014/2015, the decreasing trend in the number of enrolled students at the first cycle of studies was continued. There were 2,253 students fewer than in the previous academic year. At the second cycle of studies, there were 32 students more, while there were 25 students fewer at the third cycle.

By sex structure of enrolled students, there were more female students at the first and second cycles of studies, while three fifths of students at the third cycle of studies were male.

Majority of students in Republika Srpska are enrolled at public higher education institutions, namely 73% of them. Public higher education institutions are University of Banja Luka, University of Istočno Sarajevo, Higher School of Medicine in Prijedor and Higher School of Tourism and Hotel Management in Trebinje. The University of Banja Luka is attended by two fifths of all students in Republika Srpska.

There were 39,735 students enrolled in the first cycle of studies and half of them belong to the age group between 20 and 24 years.

Of the total number of those enrolled in the second cycle of studies, 2,314 students were enrolled in master studies and 125 in specialist studies. Almost 70% of those enrolled in master and specialist studies were persons under 30 years of age.

There were 43 doctoral candidates enrolled in the third cycle of studies, of which two fifths were female. Approximately 65% of those enrolled in doctoral studies were persons under 39 years of age

### **In 2014, studies were completed by 7,177 students**

At the first cycle of studies there were 6,563 students who graduated in 2014. More than half of graduated students were female (59%). Almost half of students who graduated in 2014 completed studies in the field *Social sciences, business and law* (48%), while the lowest number of graduated students was recorded in the field *Services* (3%).

The title of master of science and the title of specialist in 2014 were awarded to 545 students, of which approximately 48% were male. The title of doctor of science was awarded to 69 students.

The highest number of master's and specialist's theses was in the field *Social sciences* (49%), while the lowest number of these was recorded in *Agricultural sciences* (2%).

The highest number of doctoral candidates defended their doctoral dissertations in the field *Social sciences* (33%), while the lowest number of defended doctoral dissertations was in the fields *Natural sciences* (1%) and *Agricultural sciences* (6%).

### **At higher education institutions, there were 2,833 employed teachers and assistants**

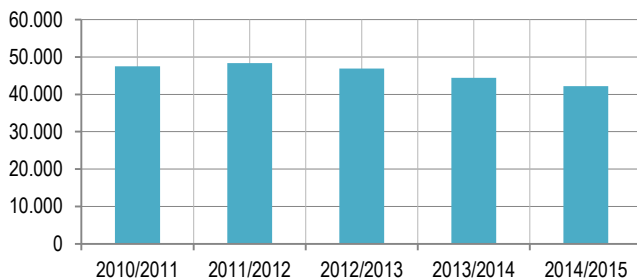
At higher education institutions, in the academic year 2014/2015, there were 2,833 employed teachers and assistants. Presented by full-time equivalent, the total number of teachers and assistants was 2,066.4. Most of the teachers had the academic title docent professor (35%), while most assistants were senior assistants (50%).

## 22.5. ENROLLED STUDENTS IN REPUBLIKA SRPSKA, ACADEMIC YEAR 2014/2015

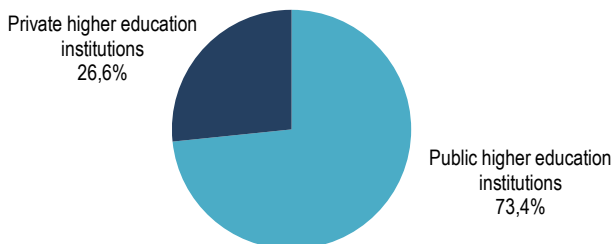
	Enrolled students, total		Old programme		Bologna-compliant programme	
	all	female	all	female	all	female
TOTAL	42,217	23,591	1,773	1,045	40,444	22,546
1 <sup>st</sup> cycle	39,735	22,202	1,641	996	38,094	21,206
2 <sup>nd</sup> cycle	2,439	1,372	104	39	2,335	1,333
3 <sup>rd</sup> cycle	43	17	28	10	15	7

## 22.6. GRADUATED STUDENTS, MASTERS OF SCIENCE, SPECIALISTS AND DOCTORS OF SCIENCE, 2014

	Graduated students		Masters of science		Specialists		Doctors of science	
	all	female	all	female	all	female	all	female
УКУПНО	6,563	3,901	453	229	92	57	69	30



Graph 22.4. Enrolled students in all three study cycles in Republika Srpska, academic years 2010/2011 – 2014/2015



Graph 22.5. Enrolled students in Republika Srpska by type of ownership of higher education institutions, academic year 2014/2015



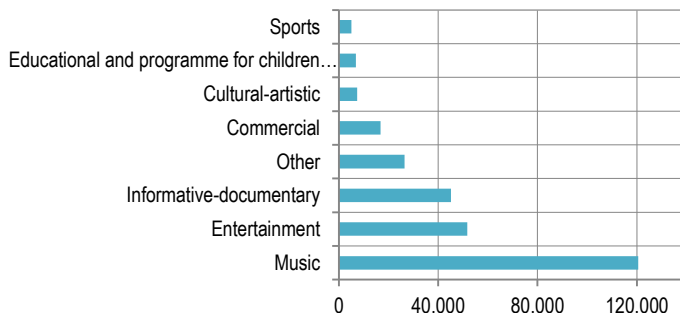
**Wine is bottle poetry.**  
Robert Louis Stevenson

In 2014 in Republika Srpska, compared to 2013, an increasing trend was recorded in the number of visitors of foreign film screenings, in the number of visitors of amateur theatre plays and in the number of users of the library fund.

The number of cinema visitors in 2014, compared to 2013, increased by 58.1%, especially at foreign film screenings (72.2%). The highest number of visitors per theatre play (187) in 2014 was achieved by children's theatre.

Mainly music, entertainment, informative-documentary, commercial and cultural-artistic programmes were broadcast by radio stations in 2014, while educational programmes and programmes for children and youth and sport programmes were the least represented.

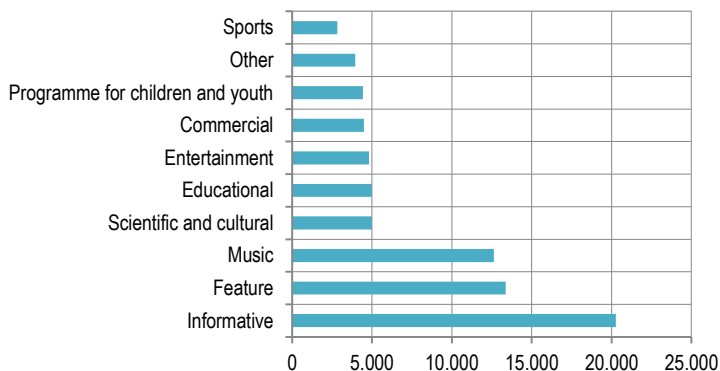
Compared to 2013, the number of broadcast hours increased by 12.4% in 2014.



Graph 23.1. Programme broadcast by radio stations, 2014

In 2014, mainly informative, feature, music, scientific and cultural, and educational programmes, entertainment and commercial programmes were broadcast by TV stations, while programmes for children and youth and sport programmes were the least represented.

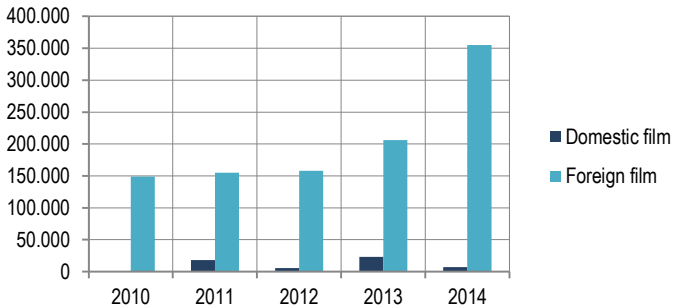
Compared to 2013, the number of broadcast hours increased by 27.6% in 2014.



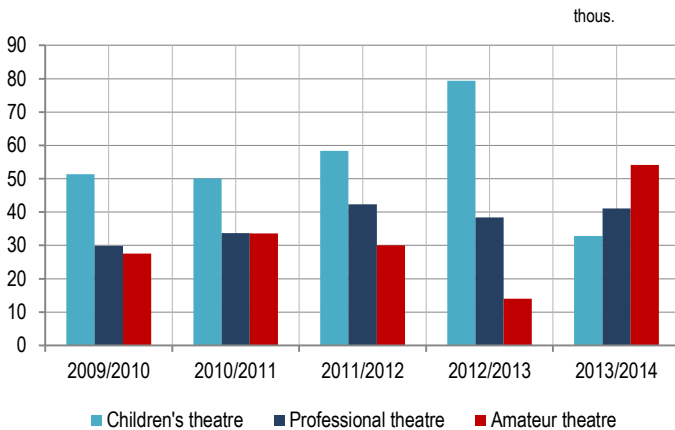
Graph 23.2. Programme broadcast by TV stations, 2014.

**DID YOU KNOW?**

In 2014, the number of users of the library fund in Republika Srpska increased by 56% compared to 2013.



Graph 23.3. Cinema visitors by origin of the film



Graph 23.4. Theatre visitors

## 24 – HEALTH CARE

**He who drinks wine knows not of its harmfulness, he who doesn't know not of its benefits.**

Japanese proverb

In the public health sector of Republika Srpska in 2014 there were 13,532 employed medical staff and associates, out of which approximately 40.0% were employed at health care centres. Out of the total number of employed persons, approximately 18.0% were doctors of medicine. In the same period, private health care institutions employed 2,221 persons, out of which approximately 10.0% were doctors of medicine.

There were approximately 4.36 million visits to the General and Family Medicine services and approximately 25.0% of these were first visits to the physician. The first visit is a contact realised for the first time with a physician due to a disease, condition or injury. One person may, in the course of one year, visit a physician several times, but each time due to different disease, and in that case each visit is considered to be the first visit due to that disease.

In the same year, 186,507 persons concluded their hospital treatment, which represented an increase by 6.9% compared to 2013.

### 24.1. DOCTORS OF MEDICINE IN HEALTH INSTITUTIONS

	2013	2014
TOTAL	2,624	2,700
In public health	2,443	2,471
In private clinics	181	229

Source: Republika Srpska Public Health Institute

### Cases of varicella were the most common

Compared to 2013, there were approximately 1.6% more reported cases of infectious and parasitic diseases in 2013.

In the total number of reported cases in 2014, there was a significant number of varicella cases (approximately 5.8 thousand), with an increase by 36.3% compared to 2013.

In 2014, a measles (B05) epidemic was recorded in Republika Srpska. The share of measles cases in the total number of diseased persons in 2014 was 9.6%, while in the previous ten-year period this share amounted to 0.04%.

#### DID YOU KNOW?

During the vaccination process in Republika Srpska in 2014, the highest number (approximately 21.2%) of citizens were vaccinated against tetanus, while the lowest number (approximately 2.3%) of them were vaccinated against tuberculosis.

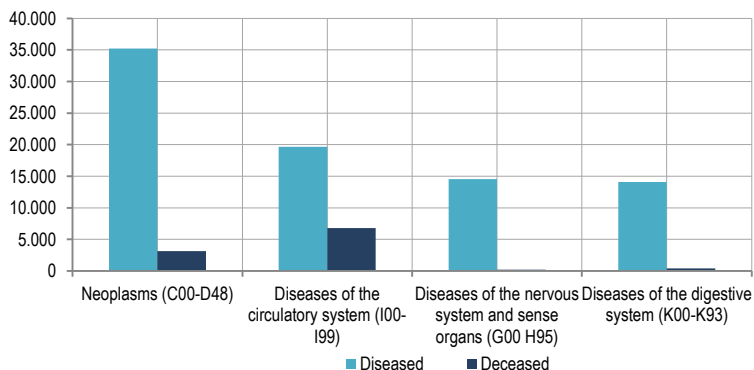
## 24.2. REPORTED CASES OF INFECTIOUS AND PARASITIC DISEASES IN REPUBLIKA SRPSKA

	Number of reported cases
2010	11,643
2011	19,215
2012	19,434
2013	16,707
2014	16,979

Source: Republika Srpska Public Health Institute

### Among diseased persons, the most frequent were cases of neoplasms, while most deaths occurred due to diseases of the circulatory system

In 2014 there were 178,134 cases of diseased persons in Republika Srpska. Out of the total number of disease cases, 19.8% were cases of neoplasms and during this period approximately 22.0% of persons deceased due to this disease. Slightly less than 6,780 persons, or 48.0% of all deceased persons, deceased due to the diseases of the circulatory system, which affected approximately 11.0% of persons in the previous year



Graph 24.1. Morbidity and mortality by specific disease group, 2014

Source of data on morbidity: Republika Srpska Public Health Institute

## 25 – HEALTH, PENSION AND DISABILITY INSURANCE

Fill your glass when it is empty, empty it when it is full, never leave it empty and never leave it full.

Inscription on a Greek wine amphora

In 2014, in Republika Srpska there were almost 910 thousand health-insured persons. This number has been decreasing for five years in a row, contrary to 2009, when the number of health-insured persons increased for the last time.

Insured persons who exercised their right to health insurance in 2014 were temporarily unable to work for almost 440 thousand days, in slightly under nine thousand cases.

Compared to the previous year, a decrease by more than 34 thousand days was recorded, with 745 cases fewer.

The number of issued prescriptions in 2014 amounted to over 6 million and 128 thousand, continuing the decreasing trend recorded in the previous year.

### DID YOU KNOW?

Compared to 2013, 508 thousand prescriptions fewer were issued in Republika Srpska in 2014.

#### 25.1. INSURED PERSONS BY CATEGORY OF HEALTH INSURANCE (AVERAGE)

Category of insurance	2010	2011	2012	2013	2014
TOTAL	949,369	932,877	928,561	910,958	909,813
Active insured persons	242,095	219,316	211,814	202,413	192,059
Beneficiaries of the insurance from the PDI Fund	197,000	202,051	204,577	205,663	206,867
Unemployed persons	148,110	151,171	158,992	167,130	171,096
Family members of an insured person	362,164	360,339	353,178	335,752	339,791

Source: Health Insurance Fund of Republika Srpska

#### 25.2. EXERCISE OF HEALTH INSURANCE RIGHTS

	2010	2011	2012	2013	2014
Temporary inability to work, number of days	594,879	559,761	578,208	473,978	440,186
Number of issued prescriptions	5,902,575	6,303,610	6,690,369	6,636,527	6,128,173

Source: Health Insurance Fund of Republika Srpska

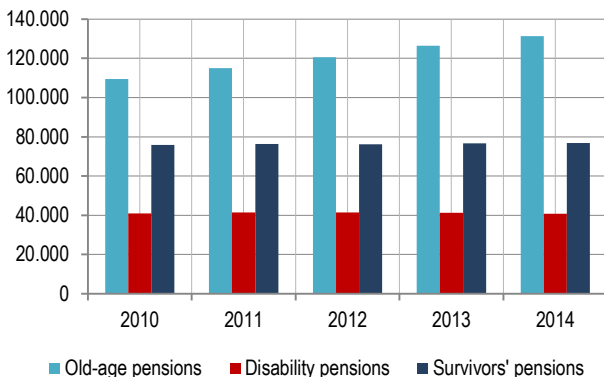
### Pension and disability insurance

The total number of pension right beneficiaries on the last day of 2014 was slightly lower than 249,000. Of these, 131,000 were old-age pension beneficiaries, 41,000 were disability pension beneficiaries and 77,000 were survivors' pension beneficiaries

After the increase by three KM recorded in 2013, average pension kept increasing in 2014, with an increase by 11 KM. An increase was recorded in all pension groups, namely in old-age, disability and survivors' pensions.

#### DID YOU KNOW?

Of 131,328 old-age pension beneficiaries on 31<sup>st</sup> December 2014, 47,843 were female.



Graph 25.1. Pension right beneficiaries  
 (as on 31<sup>st</sup> December)

Source: Pension and Disability Insurance Fund of Republika Srpska

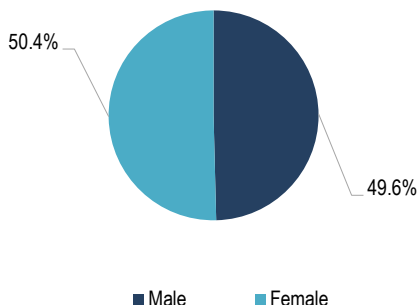
## 26 – SOCIAL WELFARE

### Wine makes friends; tears put them to the test.

German proverb

In Republika Srpska, in 2014 at least one form of social welfare was received by 198,971 persons, of which 68.8% were adults and 31.2% were minors

#### By sex, there were more female beneficiaries of social welfare



Graph 26.1. Social welfare beneficiaries by sex, 2014

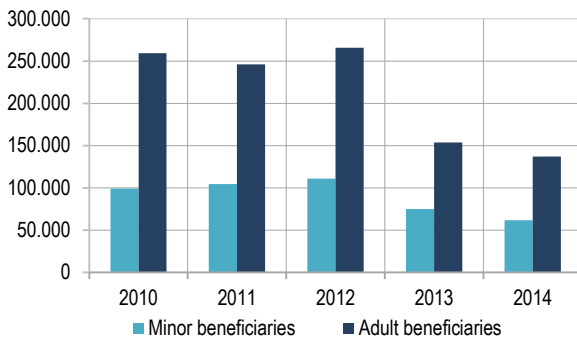
In 2014, the number of social welfare beneficiaries decreased by 13.0% compared to 2013. A decrease was recorded in both categories of beneficiaries.

#### DID YOU KNOW?

In Republika Srpska, there were 213 children in foster families in 2014.

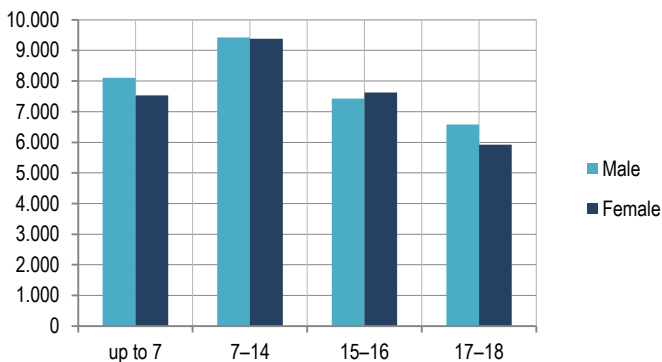
The number of minor beneficiaries decreased by 17.2% and the number of adult beneficiaries by 10.9%





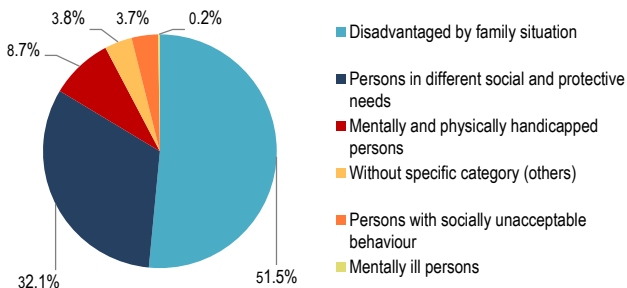
Graph 26.2. Number of social welfare beneficiaries

In 2014, in Republika Srpska 61,995 minor beneficiaries of social welfare were recorded. Most of them were between 7 and 14 years of age, while the lowest number of them belonged to the category 17 and 18 years of age



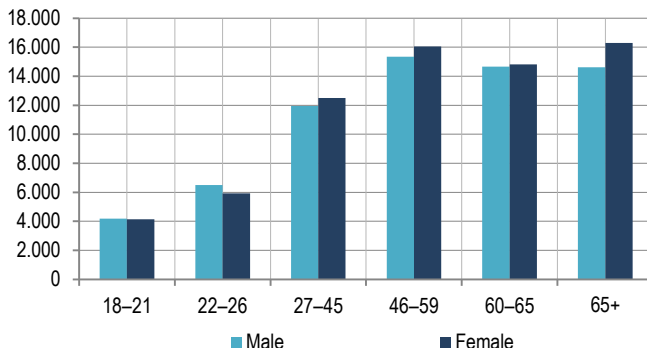
Graph 26.3. Minor beneficiaries by sex and age, 2014

By category, most minor beneficiaries were those from the category of the disadvantaged by family situation (51.5%). Most children of parents not having sufficient income to support the family (78.3%) also belonged to the same category.



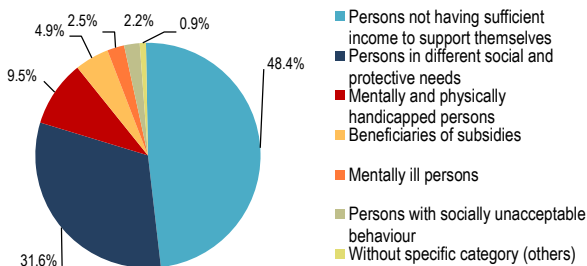
Graph 26.4. Minor beneficiaries by main categories, 2014  
(state at the end of the year)

In 2014, at least one of the forms of social welfare was received by 136,976 adults. Majority of them were aged between 46 and 59, while the lowest number of them were in the age group between 18 and 21 years.



Graph 26.5. Adult beneficiaries by sex and age, 2014

The largest share in the total number of adult beneficiaries was that of the category of persons not having sufficient income to support themselves (48.4%). Within this category, the most common were Other persons in different social needs (27.4%).

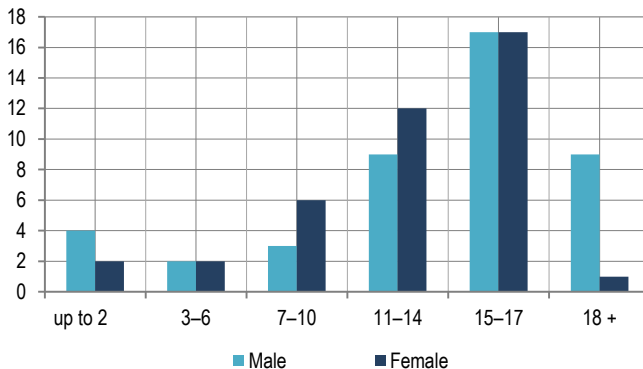


Graph 26.6. Adult beneficiaries by main categories, 2014  
(state at the end of the year)

### Social welfare institutions

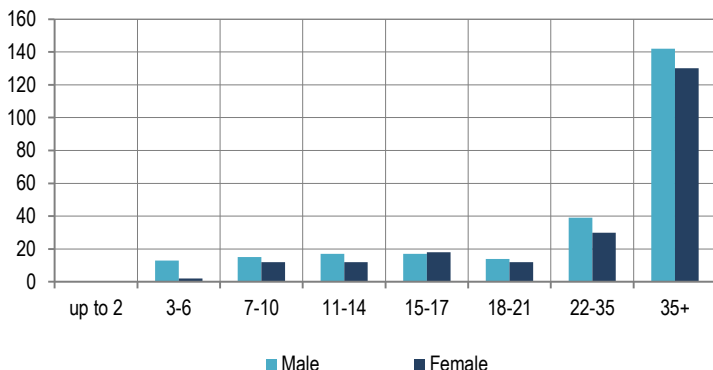
In 2014, there were 84 beneficiaries in homes for children and youth. Most of them were between 15 and 17 years of age, while the lowest number of them were aged between 3 and 6.

There were more male beneficiaries in homes (52.4%).



Graph 26.7 Beneficiaries of homes for children and youth by sex and age, 2014

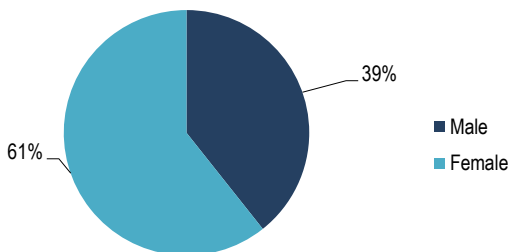
Institutions of social welfare for disabled children and youth with physical and mental disabilities in 2014 accommodated 473 persons, most of them older than 35 years of age (57.5%).



Graph 26.8. Beneficiaries of institutions for disabled children and youth by sex and age, 2014

In 2014, institutions for adult disabled persons accommodated 42 beneficiaries, most of them physically disabled, 80.9%.

Institutions of social welfare for the elderly in 2014 accommodated 1,541 persons, most of them female (approximately 61%). Most beneficiaries were over 80 years of age, namely 607 persons.

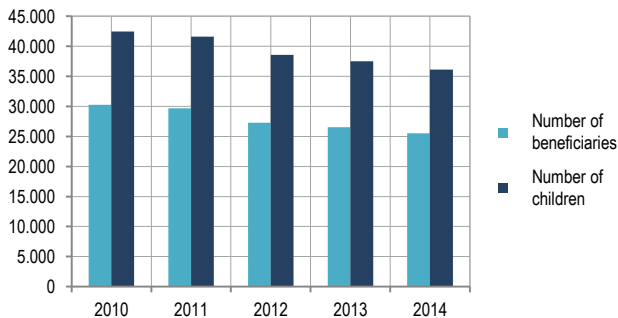


Graph 26.9. Beneficiaries of institutions for the elderly by sex, 2014

### Child support beneficiaries

The total number of beneficiaries realising the right to child support in 2014 was 25,529 and the number of children realising the right to child support in the same year was 36,136.

Compared to 2013, the total number of beneficiaries realising the right to child support decreased by 3.8% and the number of children realising this right decreased by 3.6%.



Graph 26.10. Number of child support beneficiaries and number of children

## 27 – RESEARCH AND DEVELOPMENT

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**In water one sees one's own face; but in wine one beholds the heart of another.**  
Old French saying

**Science, as an area in which new knowledge is created, is the main driving force of development. It is an activity which that provides satisfaction of numerous social needs, especially in the fields of education, economy and general quality of life.**

**In Republika Srpska in 2014 most of those engaged in research and development were employed in the scientific field *Engineering and Technology***

There were 1,340 persons engaged in research and development activities in Republika Srpska in 2014, of which two fifths were female. Majority of the total number of persons engaged in research and development, covering researchers, research associates, technicians, managers and other supporting staff, were researchers. The higher education sector, which covers universities and scientific research institutes under direct control or management of higher education institutions, employs three quarters of all researchers

Total number of research and development works in 2014 was 288 and slightly over half of those were in the category applied research, undertaken in order to acquire new knowledge, aimed at solving a practical task or achieving a practical goal.

In 2014, 17,839,000 KM were spent on research and development. Gross domestic expenditures were the highest in the field of *Engineering and technology*. By socio-economic goal of research and development, most funds spent for research and development in the business sector were intended for *Industrial production and technology*, for *General advancement of knowledge* in the government sector, for *Environment* in the higher education sector, and for *Energy* in the non-profit sector.

**Between 2012 and 2014 in Republika Srpska, 21.5% of the total number of enterprises were innovation active. Innovation activity of enterprises increases in proportion to their size**

Innovation – active enterprises are those that have introduced product innovation and/or process innovation, as well as those that have begun their innovation activities or abandoned them, and/or introduced innovation in enterprise organisation and/or marketing innovation.

Innovation active enterprises with technological innovation, the share of which in the period 2012–2014 in Republika Srpska was 14.7%, are enterprises which introduced new or significantly improved product or service and/or new or significantly improved production or delivery method, that is, those enterprises that have begun innovation activities or abandoned them, before the end of 2014.

Innovation active enterprises with non-technological innovation, the share of which in the observed period in Republika Srpska was 17.1%, are enterprises which introduced new organisational method in business practice and/or new marketing concept or strategy which are different from the existing ones in the enterprise.

Most enterprises did not introduce innovation activities in 2012 – 2014 because there were no compelling reasons for innovation. Three quarters of non-innovative enterprises marked low market demand for innovations, no need for innovation due to earlier innovation of the enterprise, very little competition in the market and the lack of good ideas for innovation as the reasons for the lack of innovation activities.

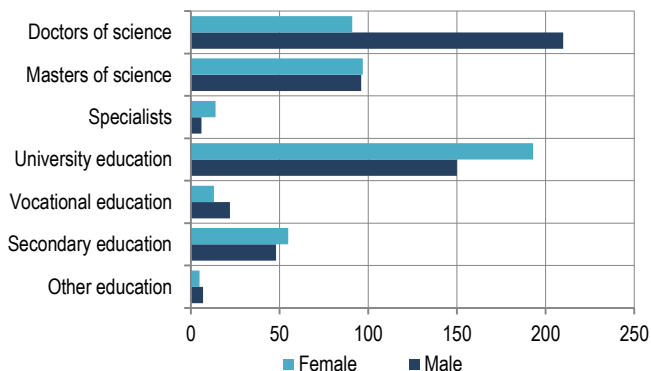
Other non-innovative enterprises, namely 26.2% of them, did not introduce innovation due to excessive barriers to innovation. Most enterprises marked the lack of internal finance for innovation as a barrier of high importance.

#### DID YOU KNOW?

In 2014, government budget appropriations or outlays for research and development in Republika Srpska amounted to 4,845,285 KM, which represented an increase by 20.4% compared to 2013. The largest part of the appropriations was allocated for the objective of *General advancement of knowledge*.

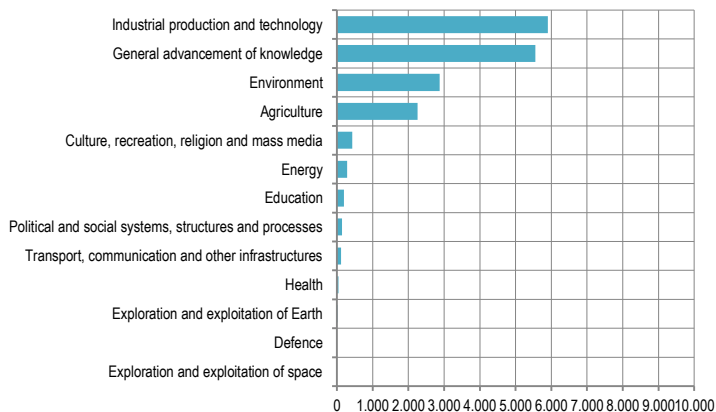
#### 27.1. RESEARCH AND DEVELOPMENT IN REPUBLIKA SRPSKA

	Persons engaged in research and development				Research and development works				Gross domestic expenditure on research and development, thous. KM		
	all	female	researchers	female researchers	total	fundamental	applied	development	total	current expenditure	capital expenditure
2010	1,053	454	682	257	379	56	167	156	20,779	16,979	3,800
2011	898	371	592	223	379	46	179	154	26,191	17,665	8,526
2012	814	337	532	194	342	68	183	91	34,297	15,098	19,199
2013	1,014	456	675	288	309	28	168	113	49,035	12,487	36,548
2014	1,007	468	631	254	288	82	163	43	17,839	11,630	6,209



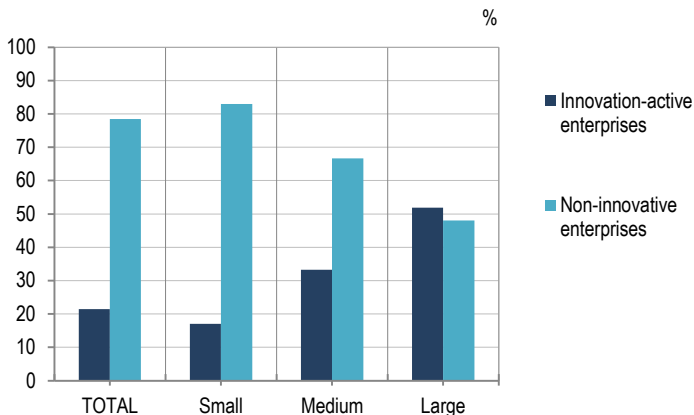
Graph 27.1. Persons engaged in research and development by level of education, 2014

thous. KM

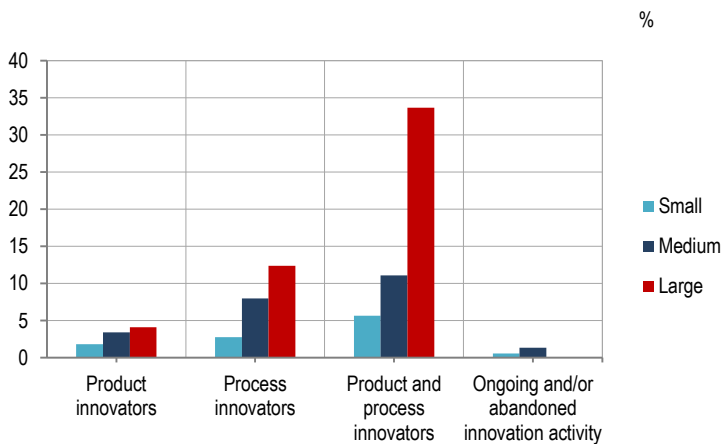


Graph 27.2. Funds for research and development by socio-economic goal, 2014

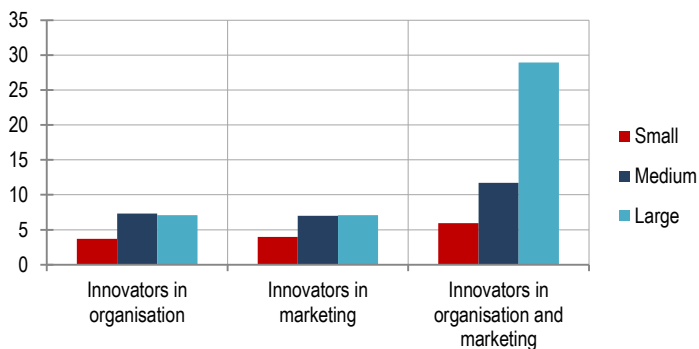




Graph 27.3. Enterprises by size of enterprise and by innovation activity, 2012 – 2014



Graph 27.4. Enterprises with technological innovations by type of innovations, 2012 – 2014



Graph 27.5. Enterprises with non-technological innovations by type of innovations, 2012 – 2014

**Wine does not intoxicate a man, a man intoxicates himself.**  
Chinese proverb

Fight against crime and criminal activities is manifested through detecting and resolving criminal offences and the prosecution and punishment of offenders.

A criminal offence in any case represents an attack against social and civilisation values which each country seeks to ensure maximum protection. Therefore, all modern legal systems have an interest and will to respond effectively to threats to their protected values by sanctioning criminal offences.

At a time when contemporary crime becomes a transnational phenomenon, reactions of a legal state to its manifestations are becoming increasingly important.

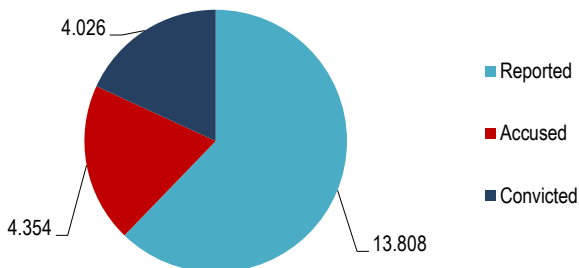
Criminal and legal liability and imposing sanctions for perpetrated criminal offences pursuant to legislative solutions are for obvious reasons defined and applied (and also statistically monitored) for both adult and juvenile offenders.

### **ADULT PERPETRATORS**

In 2014, Public Prosecutor's Offices resolved 13,808 criminal charges filed against adults and for 25.5% of these the identity of the perpetrator was not determined. As in the previous year, criminal offences against property were the most common offences. Thus, these accounted for 48.0% of the total number of criminal charges.

During the same period, 4,354 persons were accused and 4,026 persons were convicted at the competent courts. Of all convicted persons, 92.7% were male, of which 23.5% were between 30 and 39 years of age. Besides property offences, with which one in three accused or convicted person was charged, every ninth criminal offence was criminal offence against public order. Approximately 10% of all criminal offences were criminal offences against life and body.

When it comes to perpetrators who were found guilty, the most common sanction was conditional sentence, which was recorded in 61.1% of all cases. Fine was imposed in 21.8% of cases, while in 16.7% of cases unconditional imprisonment was imposed.



Graph 28.1. Adult perpetrators of criminal offences – reported, accused and convicted, 2014

## JUVENILE PERPETRATORS

Out of the total of 339 resolved criminal charges for juvenile persons in 2014, 231 referred to older juvenile persons (persons who completed 16 years of age, but still did not complete 18 years of age). Criminal offences against property were the most common among juveniles as well, with a share of 72.0% in the total number of criminal offences, followed by criminal offences against life and body, with 13.0%.

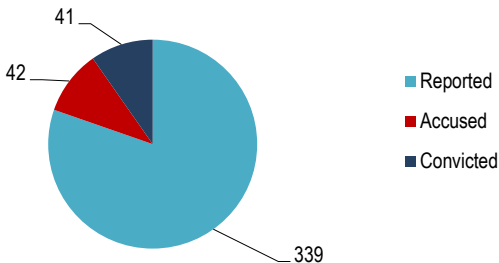
The indictment for perpetrated criminal offence was filed for 42 juvenile persons and for 97.6% of them one of criminal sanctions was imposed in further proceedings, while for 2.4% of them security measure with educational-correctional measure or sentence was imposed.

All 41 criminal sanctions were imposed against male persons. Juvenile imprisonment was imposed in one case only. Other court decisions were educational-correctional measures, namely 97.6% of cases, of which 62.5% were measures of increased supervision, 27.5% were warning and guidance measures and 10% were institutional measures.

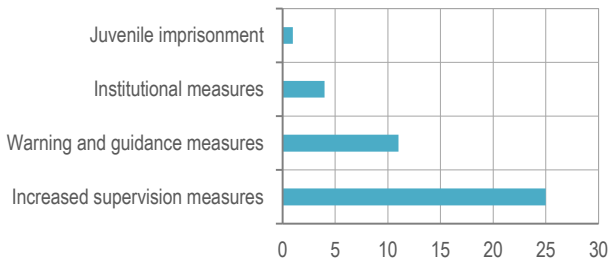
Besides property offences, of which 61.9% of all accused juveniles were found guilty, criminal sanctions for 14.3% of juveniles were imposed due to perpetrated criminal offences against life and body.

**DID YOU KNOW?**

In 2014, compared to the previous year, the number of criminal offences against marriage and family increased by 37.3%, while the number of offences against official duties increased by 34.3%.



Graph 28.2. Juvenile perpetrators of criminal offences - reported, accused and convicted, 2014



Graph 28.3. Convicted juvenile perpetrators – imposed criminal sanctions, 2014

## Wine is one of the most civilized things in the world.

Ernest Hemingway

### Vineyards, wineries and wine

Geographic origin is the uniqueness and virtue that gives the wine not only the exclusivity and the possibility to be marked as a premium and protected wine, but also a wonderful feature – a distinctive taste and smell, wherever in the world it is tasted. French winemakers, who are teachers to us all, say that wine should not be produced from grapes growing more than 30 km away from the winery. Otherwise, such production represents a desecration for the French, while they also believe that wines made from imported materials are surrogates whose quality cannot be guaranteed. This is why the place and year of wine manufacture are so important. Climatic conditions differently affect certain grape varieties and wine connoisseurs are familiar with years when best wines were produced in different regions. This is why wines produced in the best years are left as the so-called “reserve” and its price at the market is significantly higher. Obviously, premium wines are not easily produced. It is also quite difficult to maintain its quality, as wine usually must be aged in special barrels made of French oak in order to develop a special bouquet, thus becoming a “barrique”. Therefore, in order for a wine to be a premium, “barrique” wine, with protected geographic origin, to be rare and distinctive, there is one nearly critical requirement to be met – there must be indigenous grape varieties suitable for manufacture of premium wines. Fortunately, Republika Srpska has two such varieties that are distinguished and dominating: Žilavka for white wines and Vranac for red wines. These two varieties produce the best wines, which brought the most prestigious international awards and medals to wineries in Republika Srpska. We present the most important wineries and award-winning wines.

### TVRDOŠ MONASTERY WINE CELLARS

At an international wine and food festival New Paltz Wine and Food Festival, held in May 2014 in New York, under the auspices of the International Wine Masters New York, the Tvrdoš Monastery wines received a recognition of their quality, winning two gold medals – wine Žilavka was awarded the Double Gold Medal in the category of white wines produced from indigenous grape varieties, and red wine Tvrdoš Merlot Izba was awarded a gold medal in the category of red wines produced from Merlot grape.

At one of the most significant wine competitions in Europe, AWC VIENNA, held in October 2013, wine Cabernet Sauvignon – HUM was awarded a gold medal, Vranac was awarded a silver medal, while Žilavka wine was awarded a medal of recognition.

In an edition of “Hugh Johnson’s Pocket Wine Book 2012” from London, one of the world’s pre-eminent writers on wine and wine connoisseurs, in a chapter about wines from Bosnia and Herzegovina, recommends tasting Tvrdoš Monastery’s Vranac. This was yet another recognition of the Tvrdoš Monastery Cellar wines.

## WINERY VUKOJE 1982

The winery won over 100 gold medals at all fairs in the region (Belgrade, Zagreb, Novi Sad, Split, Vršac, etc.) and at famous fairs in Milan, Brussels, Paris, Geneva, Prague and Bergamo, for the quality of its wines. Among the numerous awards and prizes, we will mention the most important ones:

At the Eleventh Regional Conference of Tourism and Enogastronomy, held in May 2013 at the Sava Centre in Belgrade, Vukoje Wine Cellars 1982 were named the best winery in southeastern Europe, which speaks about the quality of wine industry, given that wineries from Croatia, Slovenia, Greece, Macedonia, Serbia, Montenegro, Bulgaria and Hungary also took part in the conference.

At the competition "AC VIENNA 2013", the most important and officially largest wine competition, Winery Vukoje won six gold and silver medals in the competition of 12,299 wines from 39 countries.

In the magazine "Wine and Fine" from Novi Sad, Vranac Vukoje Reserve was marked with 92 points, as the best ever rated Vranac wine.

Perhaps one of the greatest awards is the award for the best ever rated wine from southeastern Europe, with 4 and a half stars out of possible 5 stars in Belgrade's "Put Vina", awarded to Carsko Vino Vukoje.

Vukoje Wine Cellar from Trebinje won a prestigious award "Premio Dela Stampa" in the Italian city Bergamo, where one of the top global quality assessments of Cabernet, Sauvignon and Merlot wines was organised. This award, which is on par with gold medals, was awarded to the wine Tribunia Cabernet Sauvignon, vintage 2007.

The most famous wine journalist Jancis Robinson, in her new book entitled "Wine&Grapes", which is considered the "wine Bible", ranked Vranac Vukoje as the best wine of this variety in the region.

Hugh Johnson's most famous wine guide has mentioned Žilavka and Vranac Vukoje as recommended labels from this region for the best wine lists.

The fact that these wines are excellent is best illustrated by the wine tasting organised at the headquarters of the Italian Sommelier Association, ASI Toscana and the association Chianti Classico, in Casa Chianti (Radda di Chianti) – a region which has been producing wine for over 2,000 years. On this occasion, Winery Vukoje was awarded with the most important Roman trophy for the quality of wines from indigenous varieties Vranac and Žilavka.

At the officially largest and most important international wine competition “AWC VIENNA 2015”, which is the only competition approved by the European Union with the highest assessment standards, Vukoje Wine Cellars was awarded 10 golden and silver medals for the quality of its wines.

### **ANDELIĆ WINE CELLARS**

When talking about the Wine Routes of Herzegovina, one should certainly mention Anđelić Wine Cellars, located on the riverbank of Trebišnjica, close to the medieval town Mičevac. These cellars produce six types of wine: Žilavka Anđelić, Vranac Anđelić, Lira, Žirado, Tribun and Mičevac Barrique. Žilavka vintage 2012 was awarded a silver medal at the largest international wine competition DWWA in London, which is certainly one of the most prestigious wine awards, awarded by an expert wine magazine “Decanter”.

### **WINERY JUNGIĆ**

The winery has won numerous awards and prizes.

At the competition Beo Wine Fair 2015, Winery Jungić won a silver diploma for its wine Cabernet Sauvignon, vintage 2009.

At the 24<sup>th</sup> International Wine and Winemakers Fair Sabatina 2014, held in Balatin, Winery Jungić was awarded a silver medal for the quality of its products. At the same competition in 2014, the winery won a silver medal for product quality for Šikar Barrique 2009 and a silver medal for product quality for Cabernet Sauvignon 2010.

Vinafské Litoměřice 2014 – Gold medal for Cabaret Sauvignon 2009.

Winery Jungić also won numerous awards at the event “Days of Wine”, held in Banja Luka.



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