



## Historic Sale Brings New Jobs and Technology



Photo: USAID/BiH Samir Hadzibajric

“This is a great example of a joint effort and successful cooperation between USAID and Sarajevo Canton Privatization Agency.”

--Almasa Kajtaz, CPA Chairwoman

Built for the 1984 Olympic Games, Sarajevo’s state-owned Holiday Inn was the city’s most luxurious accommodation. Ten years later, it was known as a favorite target along the city’s infamous “Sniper’s Alley.” Bosnia-Herzegovina’s privatization process struggled over the years. Convincing potential investors that Bosnia-Herzegovina has overcome its wartime past was not easy. Selling one of Sarajevo’s most visible wartime symbols presented an even greater challenge.

USAID helped the Sarajevo Cantonal Privatization Agency (CPA) analyze the Holiday Inn’s financial position and market prospects to prepare it for sale. Upon receipt of a valid bid, USAID advisors confirmed to the Tender Commission that the sale-purchase agreement conformed to law. This was crucial - with no precedent for a deal of this size, the CPA wanted to be certain of the transaction. During the following months, issues arose relating to the future construction of a convention center adjacent to the existing hotel. USAID helped negotiate agreements, convinced the City Council to vote in a timely manner on issues related to the deal, and helped resolve matters concerning urban planning and taxes.

The hotel will be transformed into a high-tech convention center by an international consortium of buyers from Southeast Europe, sustaining 232 jobs and creating more than 500 new ones. The building will feature integrated IT and telephone systems allowing a guest from Japan to dial up and watch local television programming from Tokyo. With a purchase price of \$27 million and future investments of \$47 million, the Holiday Inn is one of the largest privatizations in the country’s history.

Photo & Caption

