



REPUBLIC OF CROATIA

LARUN GOLF RESORT, Tar-Vabriga

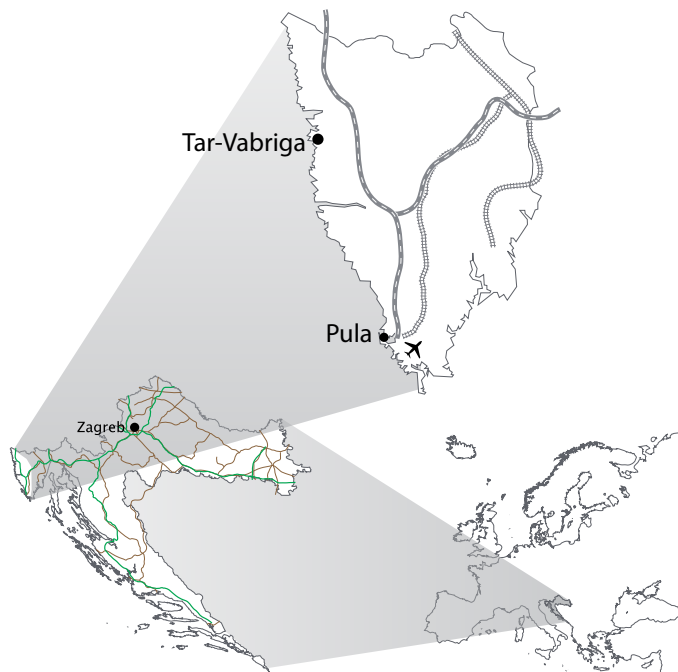
LOCATION

The Larun location is situated on the north-west coast on the Istria Peninsula, between tourist cities of Poreč and Novigrad, in one of the most attractive parts of Tar-Vabriga municipality and very close to the sea.

The location is very well-connected through a network of local and county roads, and the highway known as "Istrian Y" with Western Europe and the continental part of Croatia.

Also, several international airports: Croatian airports Pula (68 km) and Rijeka (120 km), Italian airport in Trieste (108 km) and Slovenian airports Ljubljana (169 km) and Portorož (29 km), equipped for the air traffic of small and medium size airplanes, are in the close vicinity of the project location. Additionally, the airport for sports airplanes in a small place Vrsar is only 20 km away from the Larun site, as well as nautical Marina Červar (7.7 km).

Due to its very attractive position along the sea, the location is suitable for the development of tourist capacities, especially for the development of golf projects as the mild Mediterranean climate allows golf activities almost all year long. Istria County has already been recognized as a top destination for golf in Croatia. Two of four existing golf courses in Croatia are located in Istria (in the City of Umag and on the famous Brijuni Islands) while the third one, golf project Marlera, is in the progress.



PROJECT DESCRIPTION

Total land area of this green-field project is 112.83 hectares. The majority of the project land is owned by the Republic of Croatia (71.69 ha or 63.54%) and the Municipality of Tar-Vabriga (21.54 hectares or 19.09%) while the rest of 19.6 hectares (or 17.37%) is owned by private persons.

In compliance with the Physical Plan of Municipality of Tar-Vabriga and Urban Development Plan of Larun Golf Project, the project location is envisaged for construction of sports and recreational facilities which include a golf course (R1) with supporting facilities: driving range, club house, golf academy, golf services, commercial capacities, archaeological park, accommodation facilities and olive grove. Also, part of the project land is planned for the construction of necessary infrastructure, such as public parking and public roads.

Within the project area there is an archaeological site Loron, protected as cultural heritage and listed in the Register of Cultural Property of the Republic of Croatia. In order to evaluate the cultural heritage as a tourist attraction, the archaeological site Loron is planned to be integrated in the Project.

The Project has been enlisted as a potential strategic project in accordance with the Act on Strategic Investment Projects of the Republic of Croatia.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.



CURRENT STATUS

For the development of this project the Republic of Croatia will announce a public tender, in order to choose the best investor.

Agency for Investments and Competitiveness, Prilaz Gjure Deželića 7, 10 000 Zagreb, Croatia

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ISTRIA COUNTY

Population (2011): **208,055**

GDP per capita (2014): **12,724 EUR**

Unemployment rate (2016): **8.4%**

Average gross monthly salary: **1,026 EUR**

Average gross salary in the sector (tourism): **1,167 EUR**

Istria County is located on the largest Croatian peninsula of Istria, on an area of 2,820 km² and has excellent transport connections with main European motorways (Istrian "Y" motorway connects Istria with highways in Slovenia, Italy and Austria) and by air (International Airport in Pula). Istria is one of the most developed Croatian regions with dominant industry (shipbuilding, production of building materials, tobacco products, furniture, glass and electrical machinery and parts for the automotive industry), trade sector and tourism (23.1 million overnight stays in 2016, or 29.6% of all overnight stays in 2016). For the first 9 months of 2017 the County recorded 24.7 mil overnight stays and 3.9 mil arrivals, which is more than 24% of all arrivals in Croatia.

In recent years, great attention was paid to the revitalization of agriculture (especially olive growing and organic food production) and the related development of enogastronomic tourism (autochthonous wines Malvasia, Teran, highly esteemed white truffle) and agro-tourism, particularly in the hinterland of Istria, which is recognized as the "Tuscany of Croatia". There is a very long tradition of tourism that has been developing from the period of the Roman Empire through the Austro-Hungarian Empire (when tourist centres

Umag, Poreč, Rovinj, Pula, Rabac, including the Brijuni Islands were strongly developed). In the past decade, intensive investments in a construction of new and reconstruction of existing primarily high-class hotel facilities were made, resulting in a significant increase of five-star hotels (total of 5) and four-stars hotels (total of 43).

According to the Istria Tourist Board, in the structure of accommodation, from a total of 272,645 units, camps are the most represented (43%), followed by private accommodation (31%) and hotels (18%). Main markets in terms of overnight stays are Germany (29.9%), Slovenia (12.8%), Austria (12.6%) and Italy (8.9%). Strong domestic brands (Istraturist Umag, Maistra and Valamar) prevail but international brands such as the Park Plaza, Kempinski Hotel and Sol Melia are present as well, primarily as management companies. The wide and diversified range of facilities enables the development of various kinds of tourism: sports tourism (currently 2 out of 4 golf courses in Croatia are in Istria - Umag and Brijuni, and the International ATP tournament takes place in Umag), cultural tourism (Motovun Film Festival, performances by world-renowned artists in Vespasian's Roman amphitheatre - Pula Arena, Theatre Ulysses), nautical, convention, hunting, fishing and diving tourism.

Further development of tourism in this region will be ensured with new projects, notably the Brijuni Riviera which is to be developed on three locations (Pineta, Hidrobaza, Sv. Katarina and Monumenti), and should additionally profile the County as a tourist destination with a wide range of capacities of the highest category.

CONTACTS

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