



KOSOVO TRUST AGENCY
 Agjencia Kosovare e Mirëbesimit • Kosovska Agencija Poverenja

Banja e Kllokotit



Name:	N.SH "Banja e Kllokotit"
Address:	Kllokot
Municipality:	Gjilane/Gnjilane
Region:	Gjilane/Gnjilane
Managing Director:	Berat Ahmeti
Workforce:	227
Annual Revenues:	4,510,000 € (2001)
Sector:	Agroprocessing/Hotel Tourism/Spa

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Legal Status:	Socially Owned Enterprise
FRY Business Registration:	Fi-682/89
UNMIK Provisional Registration:	80191235

Historical Background

The Spa was founded in 1956, however, people have been using the spring waters for health problems for over a hundred years. The enterprise was formed as a Health Spa utilising the therapeutic value of the natural source in the area. The main buildings for treatment were constructed at that time, and the associated accommodation facilities constructed at a later date. At the beginning there was only a well and hotel and in 1960 started CO₂ collection. Investments for the plant of mineral water started in 1964-1965 and production of water started in 1972. In 1981 the enterprise established the Centre for Rehabilitation. "Banja e Kllokotit" consists of three business units:

1. Plant for producing mineral water and CO₂
2. Rehabilitation Centre
3. Hotel

There are 4 natural springs for Kllokot, one is located between Zhiti and Terpeza and three locations are in the vicinity of the Hotel and therapy Clinic. The water comes from the ground and is comprised of both CO₂ and mineral water. The main source of this water comes out at a rate of 22 lit/sec, 200 kg of CO₂ per hour, and at 37° Celsius. This spring is 130 m deep. For every 10 meters of drilling the temperature increases with 1° C. The Zhiti source is 347 meters deep, flows at 13 lit/sec and produces 76 kg/h. At the primary source, there is a "separator" - this machine does the initial separation of CO₂ and mineral water.

Banja e Kllokotit Highlights

- Inexhaustible sources of natural water and Co₂.
- All operations are contained on one large site (aprox.42 ha of land), which is quiet, well maintained and secured.
- Very good reputation inside Kosovo.
- Strong management and experienced staff in all areas.
- Good possibilities to extend the market in Macedonia, Monte Negro and Albania.

Operations

The Health SPA is currently operating well with patients mainly referred to the facility by their physicians from all over Kosovo. The Spa has also an accommodation block of 100 rooms with 210 beds for patients who have to stay for longer period of treatment. Banja e Kllokot has a good reputation by many local physicians and patient numbers are optimistic. The patients are treated by fully qualified staff and supervised by qualified medical specialists.

Therapy consists of:

- Electro Therapy
- Hydro Therapy (1 indoor pool, 1 outdoor pool and sauna)
- Thermal Therapy (with hot wax)
- Physical Therapy (basically massage)
- Mud Therapy (with mud from the mineral water)

There is a restaurant inside the centre, used by patients and some small shops for selling different snacks, food, drinks and water.

The bottling plant has 2 production lines. The plant bottles the spring water as it is piped in from the underground spring. Kllokot is the only source of mineral water in all Kosovo. The water purification process is seemingly standard. The water goes through a cooling process, then oxidation process to remove iron, onto an ultra-violet anti-bacterial process then a pasteurisation process, and then water is ready for flavouring if desired. The water is combined with CO₂ and bottled. Present capacity of one line of production is 3000 l/hour. Water flow from the spring comes 100l/sec but only 2l/sec can be used. The rest cannot be used because of out-dated technology.

The CO₂ plant is located 100 m from the bottling plant. This operation is unique within Kosovo and supplies a wide range of clients, SOE's and private organisations. The product has a wide range of application in many activities. This plant has an enviable position as it is treating and cooling only a small part of the gas available; the remainder is being allowed to escape to the atmosphere. The operation produces the gas, cools it to minus 75° to make it liquid and then either bottle it or fill large cylinders for customer requirements. The administration area and laboratory of the bottling plant has recently been refurbished to a very high standard.

The Hotel was recently renovated and consists of 16 rooms with 40 beds in total. The hotel is used to accommodate patients, which come to the rehabilitation centre. In the near future the company plans to use it for tourism and hospitality.



Assets

Machine Type	Country of Origin	Year	Quantity
Preparation line for mineral water and other sparkling liquids	Croatia	1989	1
Production Line 1 (mineral water)	Slovenia	1989	1
Production Line 2 (filling, labeling and packaging)	Hungary	1968	1

Real Estate

Purpose of Building	Year of Construction	Construction Material	Area m ²
Hotel	1952	Bricks/wood construction with tile roof	500 m ²
Rehabilitation Centre	1980	Concrete elements/bricks/ Flat roof bitumen	6000 m ²
Mineral water and CO2 Plant	1972	Concrete elements/bricks and blocks/asbestos roof	2700 m ²

**Products and Services**

Health Treatment Services
CO₂ gas
Sparkling Water
Hotelier Services

Historical Markets

Kosovo
Serbia
Montenegro
Macedonia

Current Markets

Kosovo
Ongoing negotiations to develop markets with Macedonia, Montenegro and Albania

For further information about the Banja E Klllokotit water bottling and spa centre as well as other privatisation opportunities in Kosovo please contact:

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No information about the Company presented in this Fact Sheet(s) is warranted.

Those wishing to submit a Tender must rely on their own investigation.

Prospective investors are advised to perform their own due diligence prior to submission of any bid or tender proposal.