MUNICIPALITY OF ŽEPČE

PROFILE OF ECONOMY

Structure of economy

In the Municipality of Žepče there are 539 active economic operators (228 limited liability companies and 311 craftsmen), of which the major portion are micro enterprises (85%), 15% are small and medium enterprises, while only one large enterprise is active (in 2017).

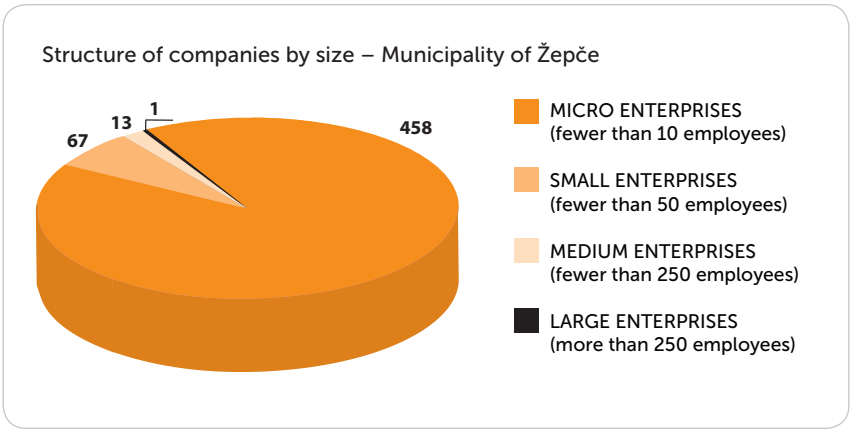

Figure 1 – Review of company size according to the number of employees

Thanks to its favorable position close to main traffic routes, Žepče has always represented a center of trade, and therefore the leading sector, based on revenues executed, has traditionally been the sector of trade, followed by metal processing, transport, as well as wood processing and textile industry, representing the top 5 sectors of the economy.

The most significant products of the textile industry are the following:

- **Car seat covers (for Volkswagen, Audi, Porsche brands),**
- **Hygienic and technical protective equipment (work clothes, protective clothes for health professionals),**
- **Footwear (for Lizard and Roberto brands).**

The most significant products of the metal industry are the following:

- **Assembly constructions,**
- **Trailers and semi-trailers for transporting oil derivatives and bulk cargo,**
- **Ventilation channels and insulation panels,**
- **Plant and parts of plants for food processing industry.**

The most significant products of the wood processing industry are the following

- **Solid wood boards (beech, oak),**
- **Furniture and parts for furniture,**
- **Wooden elements for ready for assembly houses.**

According to net profits executed, the most successful economic sector is the metalprocessing sector followed by wood processing sector and transport, while the textile industry employs the largest number of workers.

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BiH is ranked 7th on the scale for raspberry production volumes globally (FAOSTAT). The Municipality of Žepče is, together with the region of Srebrenica – Bratunac, the strongest area in BiH, based on the total quantity of produced and purchased raspberries. Total areas covered with raspberry plantations are increasing from one year to the next, and they currently amount to 381,1 hectares, with annual production volume of around 1956 tons. All the quantities produced are being exported through purchasers to the Scandinavian market.

Main Markets

The most significant exporting market for the economy in the Municipality is Montenegro, representing 26% of of total exports. Other significant external trade partners are the EU countries: Gremany, Croatia, Slovenia, Czech Republic, Italy, Sweden, and France.

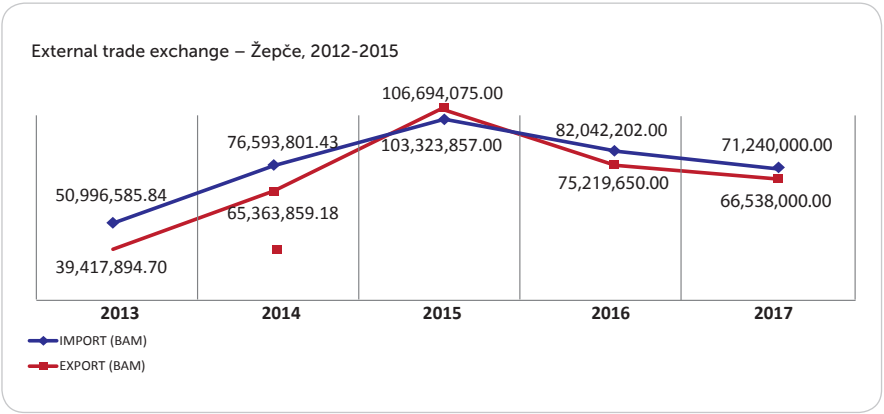

Figure 2 – Trends in external trade exchange for 2012-2015 period (Source: External Trade Chamber of BiH)

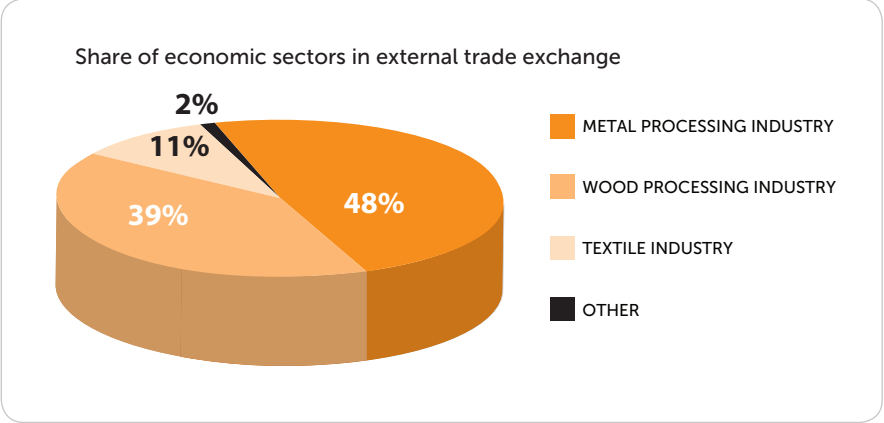

Figure 3 – Structure of exports by economic sectors, 2015 (Source: External Trade Chamber of BiH)

Business Environment

Žepče is a part of the development BEAR (Business Excellence Area) initiative in Bosnia and Herzegovina. The FDI Magazine (Financial Times Group) selected the BEAR area as one of the 10 best investment destinations in Europe, based on the criterion of profitability for investors (in 2014/15).

Development Agency of Žepče (RAŽ) was established with the objective of providing support for small and medium enterprises, and it is providing professional and expert support to potential and active investors in all the phases of doing business, though the Center for Investors (www.razepce.com).

Žepče is one of the first municipalities in BiH to have established a Local Economic Forum – a body comprising members from the private and the public sector, working through a dialogue on improving local economic development.

In 2013, the Municipality of Žepče won the Beacon Plus award in the category of environment protection.

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Labor Force

In 2017, around 6710 persons were employed In the Municipality of Žepče. In the course of the last 5 years, the trend of employment has been showing continuous growth, with prominent employment figures for the last two years.

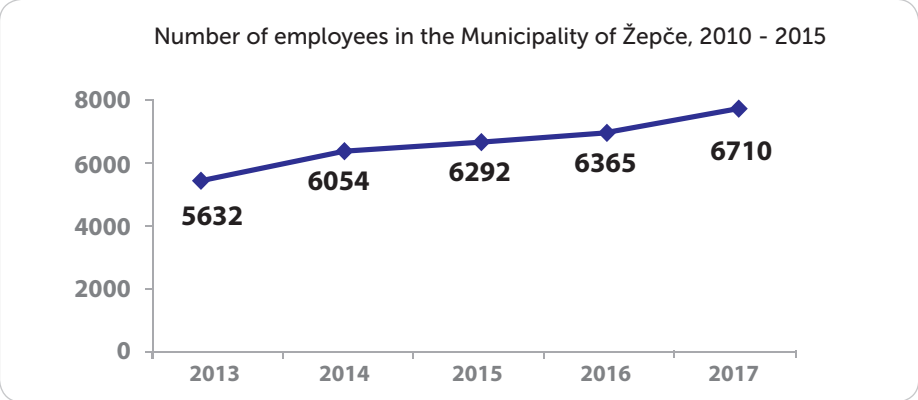

Figure 4 – Review of trends of employment rate, 2010 – 2015

The rate of unemployment in the Municipality of Žepče, as of the date of December 31, 2017, amounted to 41%, while the rate of employment amounted to 37%. Average net wage for the Municipality of Žepče is BAM 526. Gross wage amounts to BAM 786 BAM.

Contributions paid from wages amount to BAM 234.07, while contributions paid on top of wages amount to BAM 79.28. Total cost (net plus contribution) amounts to BAM 834.

The Municipality of Žepče is the only municipality in BiH with authority to create its own curriculum for secondary schools and to plan its own enrollment policy. That facilitates the education of staff according to business processes in existing economy and of investors. There are two secondary schools in which staff are being educated for 15 manufacturing occupations in the main sectors of the economy.

Business Infrastructure

In the territory of the Municipality there are 3 business zones active, established by the Municipality:

- "Polja" Industrial Zone in Žepče: area size 11.2 hectares, 4 investors,
- "XP" Business Center in Žepče: area size 6.62 hectares, 20 economic operators present,
- "Begov Han Žepče" Business Zone: area size of 2.5 hectares, 5 economic operators present.

In addition to the municipal zones, there are also three business zones developed on privately owned land:

- "Donja Golubinja" Business Zone: area size 2.6 hectares, 25 economic operators present,
- "Goliješnica - Brankovići" Business Zone: area size 6 hectares, 10 economic operators present,
- "Ljeskovica" Business Zone: area size of 6.55 hectares, 10 economic operators present.

There are two business incubators in Žepče:

- Business Incubator Žepče,
- Agricultural Incubator Žepče.

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Largest Companies and Foreign Investors

The largest investments in the territory of the Municipality of Žepče in the course of the period from 2010 to 2017 had been executed by the following:

- **CarTrim Ltd. –** construction and equipment of manufacturing plants in the "Polja" Industrial Zone: BAM 8.5 million);
- **Sliško Ltd. –** construction and renewal of petrol pumping stations in Goliješnica, Radovlje, and Bistrica: BAM 4 million);
- **Profil Isolation Ltd. –** construction and equipment of a manufacturing hall: BAM 2.3 million;
- **Armani Trade Ltd. –** construction of the Radovlje business center: BAM 2 million;
- **Bositex Ltd. –** construction and equipment of a manufacturing hall: BAM 1.5 million;
- **Budo – Export Ltd. –** construction and equipment of drying facilities: BAM 1 million.
- **Pro 9 –** the company is engaged in the production of highly energy efficient and waterproof modular panels for facades, partition walls and windows. So far, they have reinvested $ 3 million in Australian dollars;
- **TISAKOMERC –** construction of new production halls: KM 2.5 million.

Based on the number of employees and revenues executed, the most significant companies from the territory of the Municipality of Žepče are the following:

- **CarTrim Ltd.** – company established by a German investor, employs more than 486 workers in textile industry. Main products are car seat covers for brands such as Volkswagen and Audi. Investments in new manufacturing plants in 2013 amounted to more than BAM 8 million.
- **Prograd Ltd.** – operating for 20 years already as a construction company and producer of the highest quality wood joinery. The company employs more than 70 workers in wood processing industry and exports to the markets of Germany, Austria, and Italy.
- **Budo-Export Ltd.** – company operating since 1984 and producing panels and elements for solid wood furniture and briquettes, which it is exporting in almost 100%. The company employs 118 workers, and their products are found in the markets of France, Germany, Croatia, Italy, Slovenia, and Austria.
- **Nansi Ltd.** – active in primary and secondary wood processing, manufacturing of semi-finished and finished products. The company employs around 70 workers, and the production is organized in three plants, on the area of around 20,000 m^2. Nansi Ltd. exports 90% of its total production volume to Italy, UK, Portugal, Spain, Malesia, Egypt, Germany, Austria, Serbia, Croatia, and Montenegro.
- **Sliško Ltd.** – company founded in 2001 and currently employing around 90 workers. Sliško Ltd. is the only company in BiH dealing with vehicle manufacturing. Production capacities include the manufacturing and assembly of all types of trailers and semi-trailers for transporting oil derivatives and cargo, operational logistics and execution of reconstruction and upgrading of cargo motor vehicles. Their products are being exported to neighboring countries and countries of the European Union.
- **Jasmin M Ltd.** – company founded in 1999, employing 80 workers, and is one of the most significant authorized distributers in BiH and servicing partners of renowned companies in the area of machines for forest exploitation and wood processing, with special emphasis on the segment of hydraulic pumps (Bosch) and engines (Deutz).
- **Bositex Ltd.** – a successful example of the transfer of ownership from a foreign investment into the hands of a local entrepreneur who continued to develop the company and now is employing 60 workers in a newly constructed manufacturing plant. They deal with manufacturing of clothes for health professionals that are being exported to the market of Sweden, in almost 100%.
- **Elchy-tex Ltd.** – company active in the manufacturing of work clothes on the principle of toll manufacturing and manufacturing of their own programme of work trousers, blouses, coats, and vests for the BiH market. It is currently employing 100 workers.
- **K-Projekt Ltd.** – founded in 1994 in Žepče. Today it employs around 1140 workers in several activity areas: construction, trade of installation materials, trade with car parts, servicing passenger vehicles, technical examination of motor vehicles, a book store, and a radio station in Žepče.
- **Ting Ltd.** – company for project design and engineering, founded in 1994, on the foundations of a family crafts store that had been operating in continuity since the sixties. They work on project design, construction operations in high rise and low rise construction, manufacturing, and trade. The company owns equipment at a high technological level and currently employs around 30 workers.
- **Velbos Ltd.** – deals with the manufacturing of tunnel pylons, reinforced concrete networks, processing of ribbed concrete steel, and owns its own concrete plant. This company employs around 50 workers.

Centar za investitore
RAZVOJNA AGENCIJA ŽEPČE // DEVELOPMENT AGENCY ŽEPČE

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Municipality of Žepče

RAZ Razvojna Agencija Žepče d.o.o. Development Agency Žepče d.o.o.

german cooperation DEUTSCHE ZUSAMMENARBEIT

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