

Region Business Profile

Kraljevo

Short Summary

The Kraljevo area is located in the very heart of Serbia, in the Sumadija region. Within the project, partnerships have been established between Kraljevo, Cacak, Gornji Milanovac and Vrnjacka banja. Kraljevo is the second largest city in Central Serbia, behind Kragujevac. Thanks to its central geographic position, it connects North and South Serbia through roads M-22 and through railway. Being located 195 km from Belgrade, 130 km from the border with Bosnia and Herzegovina and 175km from Montenegro, Kraljevo is a good connection route in the Balkans. Near the city there is a small airport “Ladjevci” which is used primarily for military purposes. Currently, it is being rebuilt to be the third largest commercial airport in Serbia, behind only that of Belgrade (distance 160km) and Nis (140km). With the Agro economical and Technical faculty in Cacak, the Kraljevo region offers a wealth of educated young people ready to contribute to the development of this area. This part of Serbia is enriched with woods and river systems enabling the irrigation of the fertile land, and is suitable for growing fruits such as apples, pears, raspberries and above all grapes. In addition to rich natural resources, there are many sources of natural and spring water in Vrnjacka Banja, the most well-known spa center in Serbia, which offers great possibilities to attract people not only from Serbia, but people from the entire Balkan region.



Quick Facts

	Region	National level
Territory		
Total area	3,241km ²	88,502 km ²
Agricultural area	180,873 ha	5,096,267 ha
Population	312,758	7,186,862
Number of formally employed	65,615	1,000,872
Average wage (net in July)	310 EUR	390 EUR
Number of enterprises	2,874	78,934
Number of entrepreneurs		
Submitting financial statements	701	15,630
Not submitting financial statements	11,069	224,997
Value added (in mill EUR)	416.7	14,078.8
Average success rate of companies (%)*	27.8	25.4
Main industries	Wholesale Trade, Electric Power Generation And Distribution, Manufacture Of Fabricated Metal Products, Retail Trade	
Main exports	Metal and Plastic Products, Condiments and Other Food Products, Paints, Varnishes, Soap and other chemical products	
Most important foreign direct investments	Tetra Pak (Sweden), Intermarche (France), Noble Environmental (Switzerland), Mondi (Belgium) & Sicoberry (France), Serbia Zvezda - Helios (Slovenia)	

Source: SORS, CEVES calculations based on SBRA data

* Successful companies are considered to have: 1) managed to overcome negative impacts of the financial crisis; 2) increased its real revenues and employment; and 3) operated profitably over the entire period.

Local Economy Basic Structure

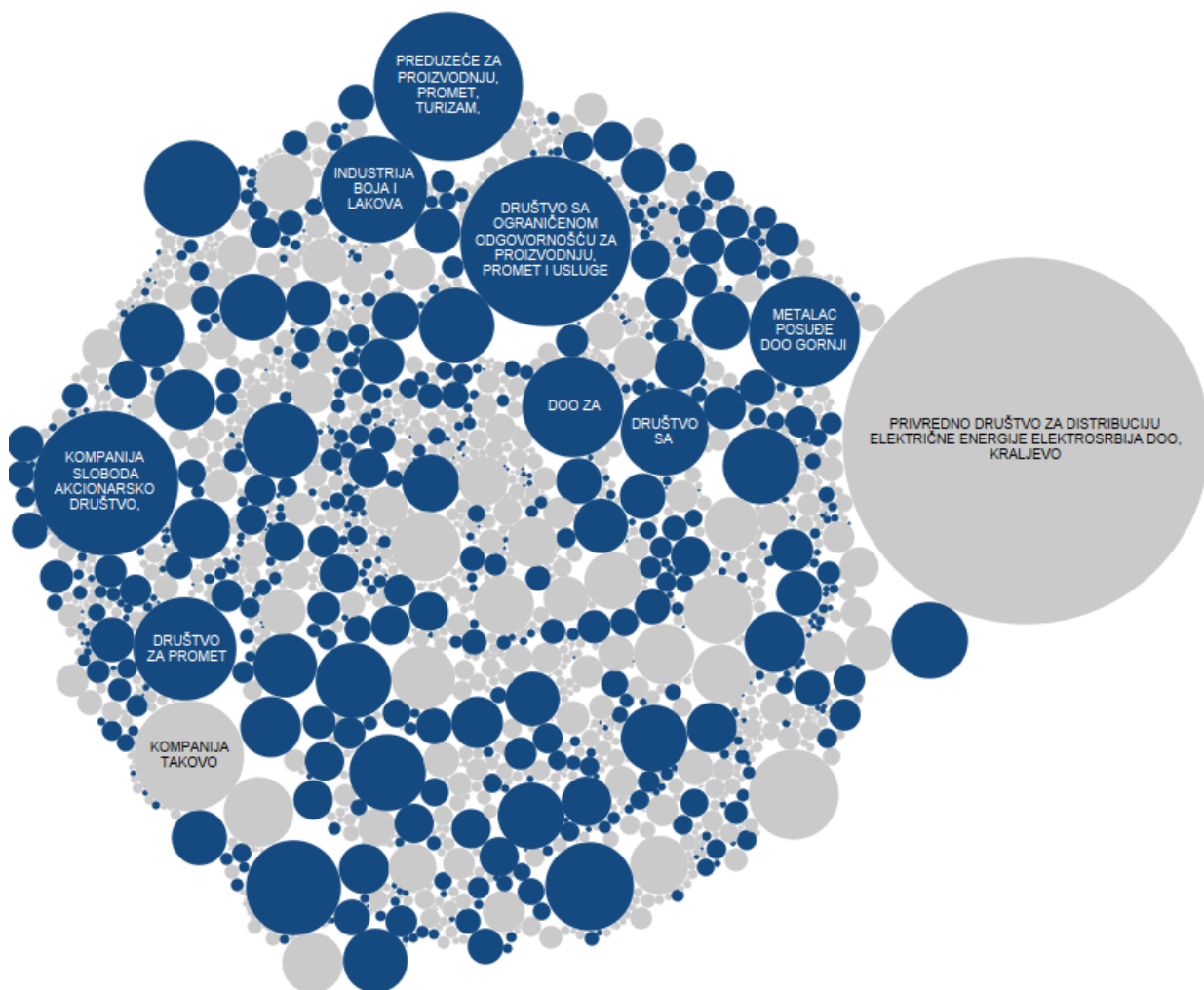
Table 1: Enterprise structure by size*

Size of enterprise	Number of enterprises			Number of employees			Business revenues		
	Region		National level	Region		National level	Region		National level
	# of firms (2013)	Growth rate 2009-2013(%)	Growth rate 2009-2013(%)	# of employees (2013)	Growth rate 2009-2013(%)	Growth rate 2009-2013(%)	Value (2013; in mill RSD)	Growth rate 2009-2013(%)	Growth rate 2009-2013(%)
Micro	3,037	-2.6	-2.0	6,266	-2.7	-2.2	41,332	-2.4	1.1
Small	426	-2.5	-2.6	8,061	-2.4	-2.7	65,095	3.6	1.5
Medium	92	-6.2	-3.5	10,431	-5.3	-3.5	50,984	-5.1	2.2
Large	20	0.0	-1.0	11,494	-1.8	-0.6	54,648	-1.5	6.0
Total	3,575	-2.7	-2.1	36,252	-3.2	-2.0	212,059	-1.2	3.3

Source: CEVES calculations based on SBRA data, in our analysis were included only those enterprises that have regularly submitted financial reports

*Enterprises are classified by number of employees (1-9 micro, 10-49 small, 50-249 medium, > 250 large)

Graph 1: Overview of enterprise success rate during crisis period – region*



Source: CEVES calculations based on SBRA data

*Size of bubbles: Business revenues; Color of bubbles: Successful during crisis period (blue) or not (gray)

Table 2: Exporters (2013)*

Size of enterprise	Number of exporters			Total value of exports (in mill EUR)		
	Region	National level	Share (%)	Region	National level	Share (%)
Micro	252	4,923	5,1	34.4	1,029.2	3.3
Small	158	2,918	5,4	37.7	1,228.4	3.1
Medium	46	1,003	4,6	74.6	2,090.7	3.6
Large	9	299	3,0	67.9	5,875.2	1.2
Total	465	9,143	3.5	214.5	10,223.5	2.1

Source: Customs Administration database, Ministry of Finance of Rep. of Serbia

* Note: Only includes companies that realized minimum exports of 5,000 EUR

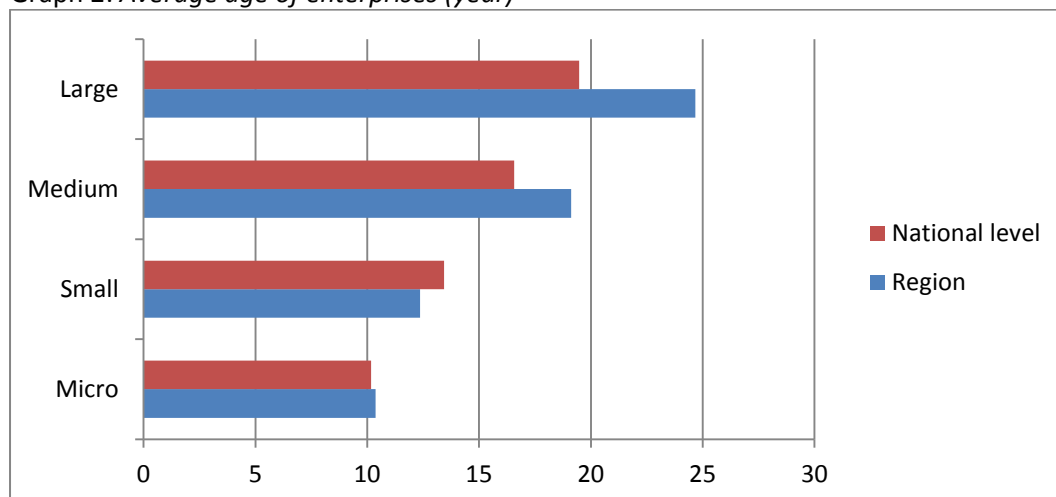
Economic Vitality

Table 3: Survival rate of companies

Period	Number of enterprises established		Survived in 2013 (%)	
	Region	National level	Region	National level
2006 - 2008	1,155	35,430	49.4	48.1
2009 - 2010	633	20,763	61.9	61.6

Source: CEVES calculations based on SBRA data

Graph 2: Average age of enterprises (year)



Source: CEVES calculations based on SBRA data

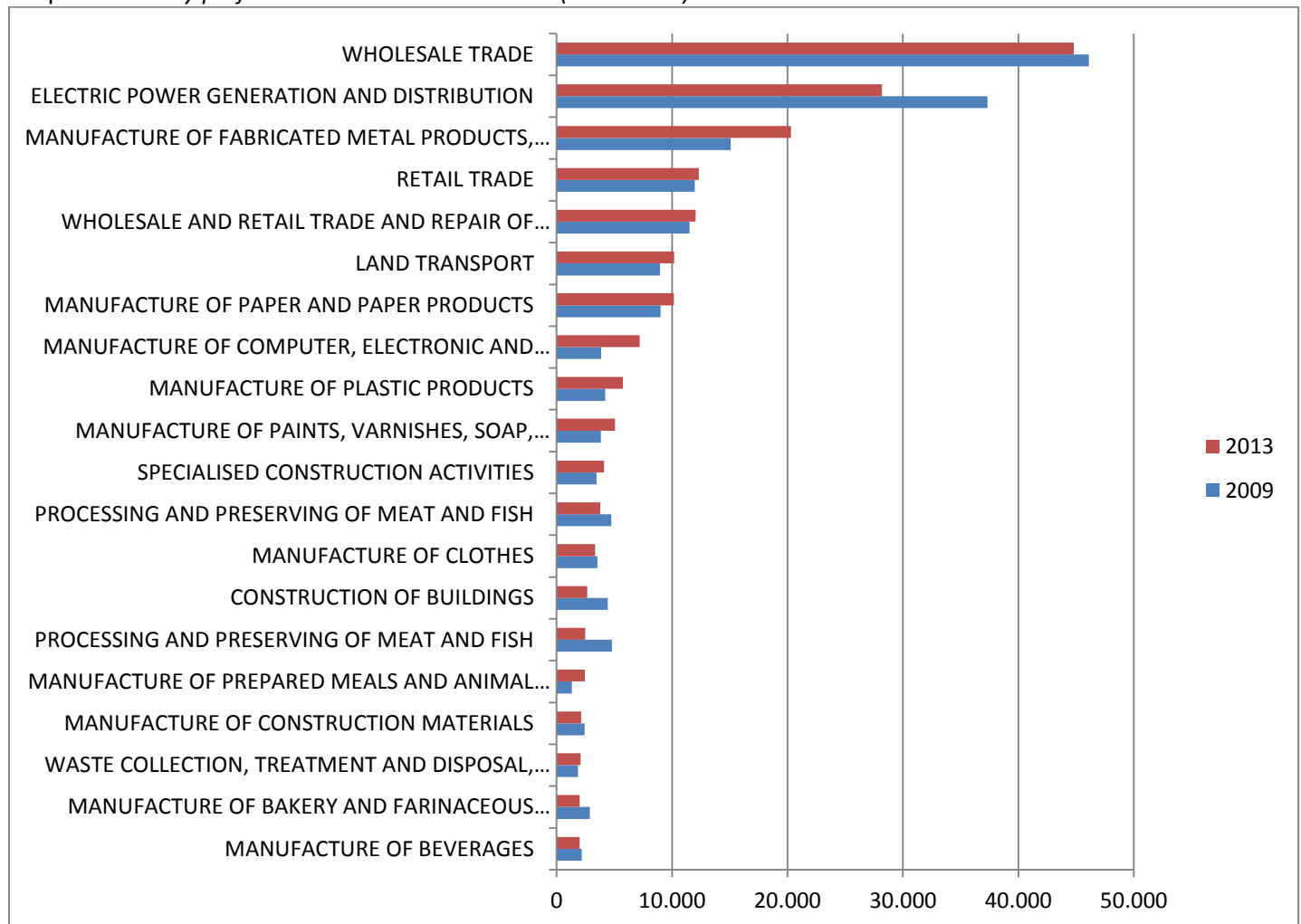
Table 4: Share of successful enterprises in total - region

Size of enterprise	Number of enterprises (2013)		Successful ent. (%)		Ent. with blocked account (%)	
	Region	National level	Region	National level	Region	National level
Micro	3,037	82,453	23.7	21.8	22.2	22.6
Small	426	9,501	45.1	43.2	23.2	22.6
Medium	92	2,113	47.3	45.2	21.7	24.3
Large	20	497	50.0	41.1	30.0	23.1
Total	3,575	94,564	30.1	25.4	22.3	22.7

Source: CEVES calculations based on SBRA data

Industrial Structure

Graph 3: Industry performance - business revenues (in mill RSD)



Source: CEVES calculations based on SBRA data

Table 5: Main industries' performance

Industry	Number of enterprises			Number of employees			Business revenues		
	Region		National level	Region		National level	Region		National level
	# of firms (2013)	Growth rate 2009-2013(%)	Growth rate 2009-2013(%)	# of employees (2013)	Growth rate 2009-2013(%)	Growth rate 2009-2013(%)	Value (2013; in mill RSD)	Growth rate 2009-2013(%)	Growth rate 2009-2013(%)
Wholesale Trade	729	-3.2	-3.4	3,334	-2.7	-1.8	44,814	-0.7	3.3
Electric Power Generation And Distribution	20	49.5	29.8	3,440	-0.3	1.3	28,181	-6.8	4.2
Manufacture Of Fabricated Metal Products, Except Machinery And Equipment	146	-0.8	-1.5	4,836	1.5	-2.8	20,298	7.7	7.1
Retail Trade	417	-5.2	-4.7	1,654	-3.2	-1.0	12,324	0.8	2.7
Wholesale And Retail Trade And Repair Of Motor Vehicles	159	-1.9	-2.7	847	-0.6	-7.6	12,033	1.1	-4.2

Source: CEVES calculations based on SBRA data

Table 6: *Export competitiveness of main industries- region*

<i>Industry</i>	<i>Status</i>	<i>Export rank</i>	<i>Export competitiveness</i>
Wholesale Trade	Exporting	2	/
Electric Power Generation And Distribution	Exporting	37	Highly Competitive
Manufacture of Fabricated Metal Products, Except Machinery And Equipment	Exporting	1	Highly Competitive
Retail Trade	Exporting	43	/
Wholesale And Retail Trade And Repair Of Motor Vehicles	Exporting	18	/
Manufacture of Plastic Products	Exporting	3	Highly Competitive
Manufacture of Paints, Varnishes, Soap, Detergents and Other Chemical Products	Exporting	4	Moderate Competitive

Source: UN Comtrade data base and Customs Administration Database, Ministry of Finance of Rep. of Serbia

Notes:

Status - whether industry products are exported by the companies from region

Export rank - Industry export rank according to export value from region

Export competitiveness - CEVES analysis of industry export competitiveness based on export volume, dynamics, and diversification

Foreign Direct Investments

Table 7: *Foreign direct investments- region*

<i>Industry</i>	<i>Number of investments</i>	<i>Total value of investments (in mill EUR)</i>	<i>Number of persons employed</i>	<i>Most important investors</i>
Manufacture Of Paper And Paper Products	1	60	134	Tetra Pak (Sweden)
Retail Trade	1	44	300	Intermarche (France)
Waste Collection, Treatment And Disposal, Materials Recovery	1	9.3	102	Noble Environmental (Switzerland)
Manufacture of Beverages	2	7.7	122	Mondi (Belgium) & Sicoberry (France)
Manufacture Of Paints, Varnishes, Soap, Detergents And Other Chemical Products	1	2.5	No data	Serbia Zvezda - Helios (Slovenia)

Source: SIEPA database

Disclaimer: Due to the lack of official information regarding the amount of individual investments, this information is sourced from research carried out the Serbia Investment and Export Promotion Agency (SIEPA) and includes both completed and forecasted investment projects. Although SIEPA is responsible for maintaining as precise investment data as possible, the agency does not assume any responsibility for any incomplete or potentially inaccurate information.