

# Region Business Profile

## Vranje

### Short Summary

The Vranje area is located at the far south of Serbia, in district of Pcinja, close to the border with Macedonia. Within the project, partnerships have been established between Vranje, Bujanovac, Presevo and Vladicin Han. Vranje is situated on the Pan-European route X and the Budapest-Belgrade-Skopje-Athens railway and very close to the border with EU countries, such as Bulgaria (100km) and Greece (290km). It is distanced 347km from Belgrade and 110km from Nis, but also just 95km from Skopje and 215km from Sofia, the largest cities in this area. The Vranje area does not have its own airport but is very to the airports in Nis (around 100km), Skopje (around 100km), but also the and the Thessaloniki port about 300km away. The most developed industries are textile and footwear, manufacture of tobacco products, machinery and agriculture. Vranje is also home to Serbia's only ecological landfill, which has been built in accordance with EU standards. It has a fertile land suitable for agriculture, since it is surrounded and crisscrossed with many rivers, with the South Morava being the biggest. The nearby Besna Koliba and Kukavica mountains are rich in wood, jasper, opal and pyrite.



### Quick Facts

	Region	National level
<b>Territory</b>		
Total area	1,951 km <sup>2</sup>	88,502 km <sup>2</sup>
Agricultural area	86,891 ha	5,096,267 ha
<b>Population</b>	125,542	7,186,862
<b>Number of formally employed</b>	29,977	1,000,872
<b>Average wage (net in July)</b>	260 EUR	390 EUR
<b>Number of enterprises</b>	995	78,934
<b>Number of entrepreneurs</b>		
Submitting financial statements	417	15,630
Not submitting financial statements	4,015	224,997
<b>Value added (in mill EUR)</b>	69.1	14,078.8
<b>Average success rate of companies (%)*</b>	30.1	25.4
<b>Main industries</b>	Wholesale Trade, Retail Trade, Manufacture Of Furniture, Manufacture Of Tobacco Products, Land Transport	
<b>Main exports</b>	Tobacco products, Furniture, Metal Ores, Leather and Footwear Products	
<b>Most important foreign direct investments</b>	Ditre (Italy), British American Tobacco South East Europe (United Kingdom), Geox (Italy), Kavim - Jedinstvo (Israel)	

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

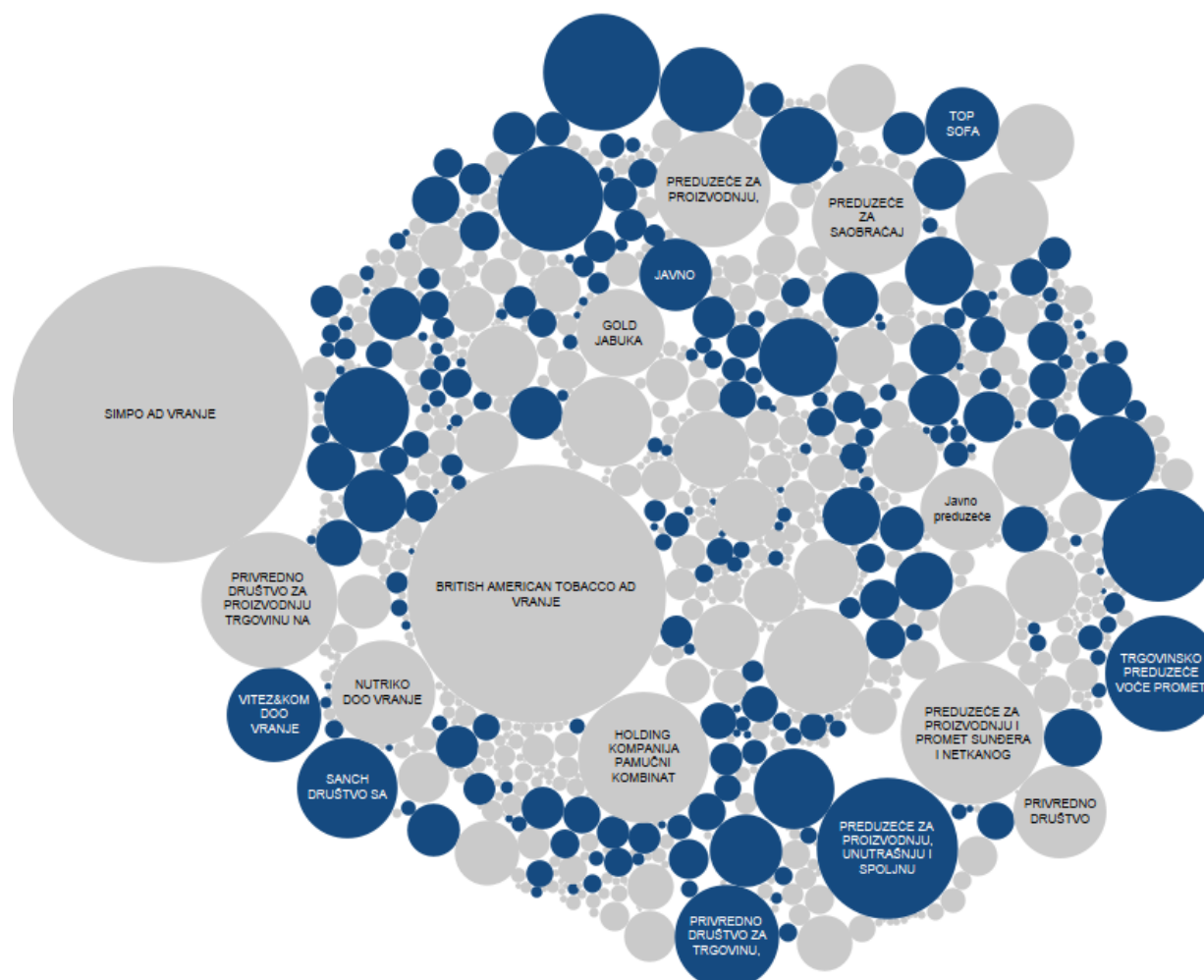
Table 1: Enterprise structure by size\*

Size of enterprise	Number of enterprises			Number of employees			Business revenues		
	Region		National level	Region		National level	Region		National level
	# f 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(%)
<b>Micro</b>	1,247	-1.9	-2.0	2,492	-0.7	-2.2	12,329	0.7	1.1
<b>Small</b>	119	-0.4	-2.6	2,307	-0.7	-2.7	15,524	12.6	1.5
<b>Medium</b>	40	-3.4	-3.5	4,091	-1.6	-3.5	12,915	-3.8	2.2
<b>Large</b>	6	-12.0	-1.0	6,282	-9.2	-0.6	8,219	-16.7	6.0
<b>Total</b>	1,412	-1.9	-2.1	15,172	-4.9	-2.0	48,987	-2.3	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 (%)
<b>Micro</b>	46	4,923	0.9	4.2	1,029.2	0.4
<b>Small</b>	29	2,918	1.0	25.7	1,228.4	2.1
<b>Medium</b>	21	1,003	2.1	23.2	2,090.7	1.1
<b>Large</b>	3	299	1.0	41.4	5,875.2	0.7
<b>Total</b>	99	9,143	1.1	94.5	10,223.5	0.9

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

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

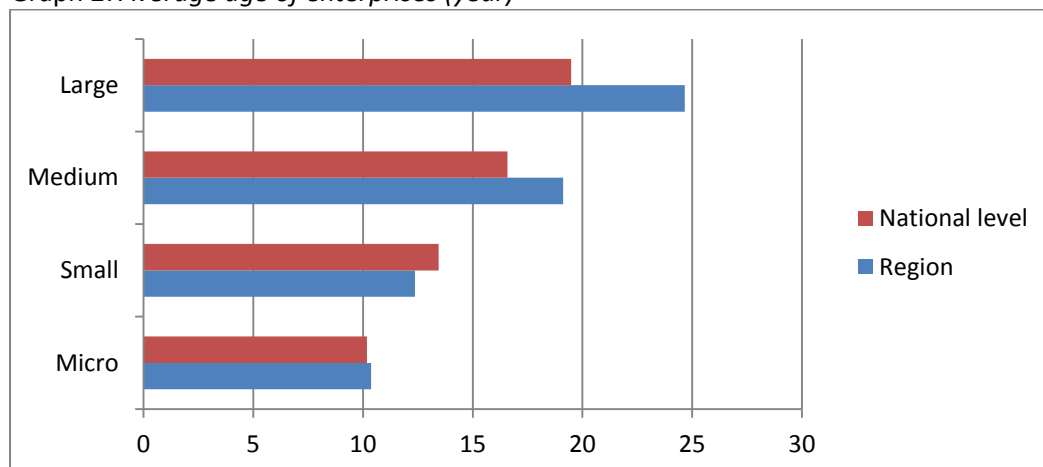
## Economic Vitality

Table 3: Survival rate of companies

Period	Number of enterprises established		Survived in 2013 (%)	
	Region	National level	Region	National level
<b>2006 - 2008</b>	457	35430	44.0	48.1
<b>2009 - 2010</b>	315	20,763	56.5	61.6

Source: CEVES calculations based on SBRA data

Graph 2: Average age of enterprises (year)



Source: CEVES calculations based on SBRA data

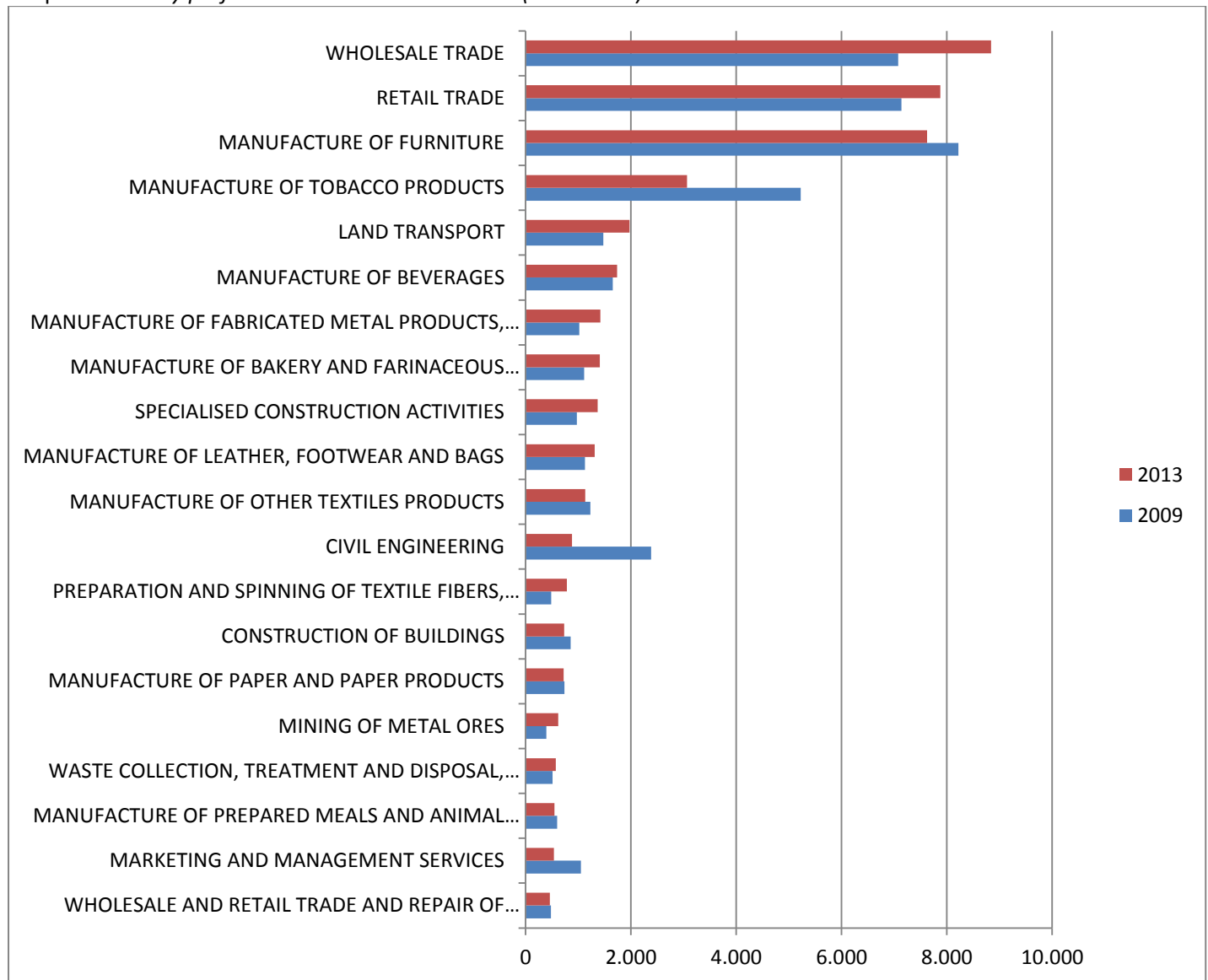
Table 4: Share of successful enterprises in total - region

Size of enterprise	Number of enterprises (2013)		Successful ent. (%)		Ent. with blocked account (%)	
	Region	National level	Region	National level	Region	National level
<b>Micro</b>	1,247	82,453	26.8	21.8	19.9	22.6
<b>Small</b>	119	9,501	52.8	43.2	25.2	22.6
<b>Medium</b>	40	2,113	40.0	45.2	40.0	24.3
<b>Large</b>	6	497	16.7	41.1	33.3	23.1
<b>Total</b>	1,412	94,564	30.1	25.4	21.0	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(%)
*Manufacture Of Leather, Footwear And Bags	32	-1.5	-3.6	1,069	1.8	-2.1	1,312	3.9	6.2
Wholesale Trade	177	-5.5	-3.4	676	0.9	-1.8	8,840	6.0	3.3
Retail Trade	422	-0.9	-4.7	1,086	-6.7	-1.0	7,877	2.8	2.7
Manufacture Of Furniture	35	3.1	-3.0	3,814	-3.0	-3.9	7,622	-1.6	2.0
Manufacture Of Tobacco Products	3	-6.9	-4.5	281	-11.0	-12.2	3,065	-12.2	-1.2
Land Transport	71	9.2	0.3	552	0.0	-1.6	1,976	7.9	2.6

Source: CEVES calculations based on SBRA data

\*Industry supported by USAID SLDP

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	/
Retail Trade	Exporting	12	/
Manufacture of Furniture	Exporting	1	Moderate Competitive
Manufacture of Tobacco Products	Exporting	6	Moderate Competitive
Land Transport	Exporting	23	/
Mining of Metal Ores	Exporting	3	Highly Competitive
Manufacture of Leather, Footwear And Bags	Exporting	4	Moderate Competitive

Source: UN Comtrade database 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 Tobacco Products	1	200	300	British American Tobacco South East Europe (United Kingdom)
Manufacture Of Furniture	2	26	822	Ditre (Italy)
Manufacture Of Leather, Footwear And Bags	1	16	1250	Geox (Italy)
Land Transport	1	8.7	453	Kavim - Jedinstvo (Israel)
Manufacture Of Chemicals	1	0.1	60	HIV - Kenda Farben S.r.l. (Italy)

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.