Region Business Profile

ZRENJANIN

Short Summary

Zrenjanin is located in the northeast part of Serbia and represents the largest city of the Serbian part of the Banat. It is also a regional political, cultural and economic center. Within the project, partnerships have been established between Zrenjanin, Kikinda and Novi Becej. It is located 75 km from Belgrade, 50 km Novi Sad, and 95 km from Timisoara. It is situated on the most important regional routes such as motorway E-75, motorway E-70, therefore it is easy to reach the borders of Romania (95km), Hungary (130km) and Croatia (150km). Zrenjanin has its own airport which is the largest C class airport in the Balkans where small passenger, agricultural and cargo planes can operate. Therefore, it connects the closest airports in Belgrade (63km), Timisoara (77km) and Budapest (260km). Zrenjanin has a port on the Begej river which is the part of Danube-Rein–Mein waterway network system connecting the North Sea to the Black Sea. The most developed industries in the Zrenjanin area are mainly agriculture, textile, chemical, metal, and oil refining, because Kikinda has big deposits of oil and natural gas.

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Quick Facts

	Region	National level
Territory		
Total area	2,719 km^2	88,502 km^2
Agricultural area	234,937 ha	5,096,267 ha
Population	206,740	7,186,862
Number of formally employed	47,067	1,000,872
Average wage (net in July)	325 EUR	390 EUR
Number of enterprises	1,342	78,934
Number of entrepreneurs		
Submitting financial statements	371	15,360
Not submitting financial statements	5,322	224,997
Value added (in mill EUR)	249.1	14,078.8
Average success rate of companies (%)[*]	28.6	25.4
Main industries	Wholesale Trade, Non-Perennial Crops, Manufacture of Vegetable and Animal Oils And, Fats, Manufacture of Bodies, Parts and Accessories for Motor Vehicles, Retail Trade	
Main exports	Parts for Motor Vehicles, Metal Products, Vegetable and Animal Oils and Fats	
Most important foreign direct investments	Geze (Germany), Nexe Grupa (Croatia), Pecocar (Netherlands), Cimos Livnica Kikinda (Slovenia), Le Belier Kikinda LBK (France), Phiwa Walther Group (Germany)	

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

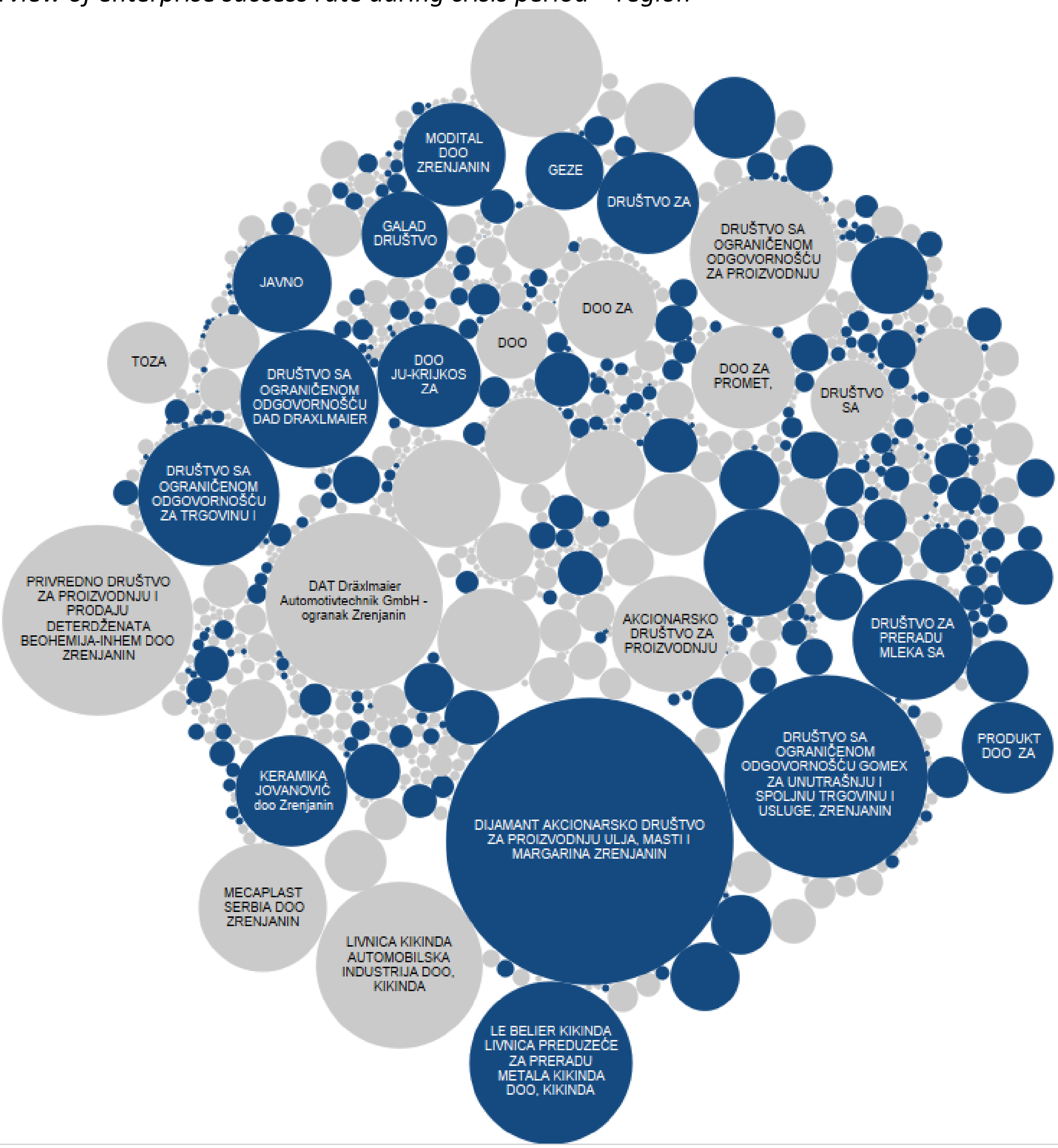
Table 1: *Enterprise structure by size**

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	1,431	-4.8	-2.0	2,778	-4.4	-2.2	28,108	8.7	1.1
Small	211	-1.7	-2.6	4,327	-1.8	-2.7	33,113	11.2	1.5
Medium	53	-5.3	-3.5	6,293	-3.0	-3.5	35,806	0.0	2.2
Large	18	-5.9	-1.0	12,131	2.2	-0.6	48,799	6.2	6.0
Total	1,713	-4.5	-2.1	25,529	-0.7	-2.0	145,825	5.9	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	56	4,923	1.1	8.4	1,029.2	0.8
Small	42	2,918	1.4	23.6	1,228.4	1.9
Medium	21	1,003	2.1	50.5	2,090.7	2.4
Large	14	299	4.7	175.3	5,875.2	3.0
Total	133	9,143	1.5	257.8	10,223.5	2.5

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

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

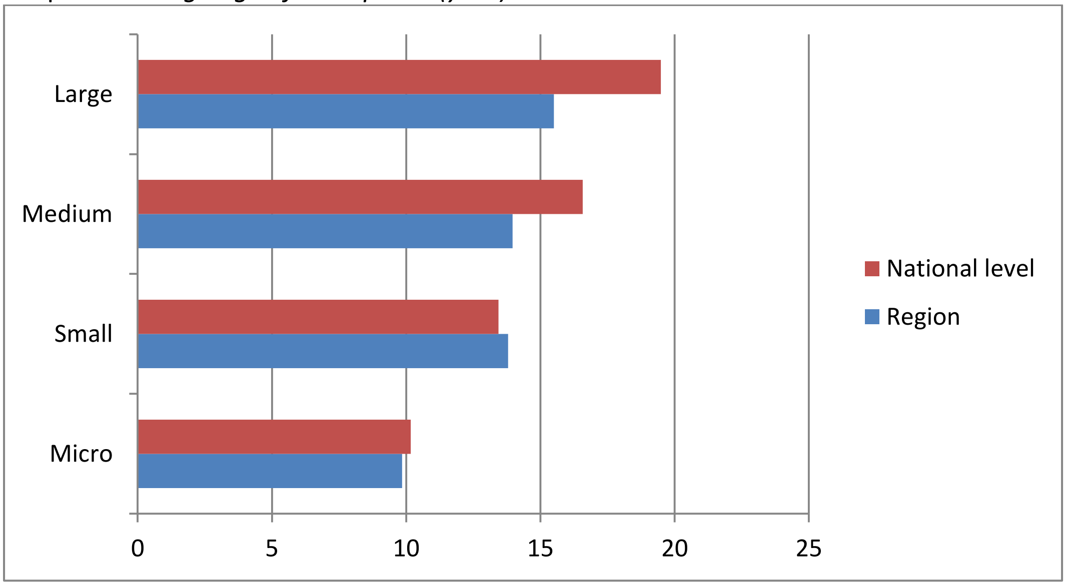
Economic Vitality

Table 3: *Survival rate of companies- region*

Period	Number of enterprises established		Survived in 2013 (%)	
	Region	National level	Region	National level
2006 - 2008	790	35,430	41.0	48.1
2009 - 2010	405	20,763	57.3	61.6

Source: CEVES calculations based on SBRA data

Graph 2: *Average age of enterprises (year)*



Source: CEVES calculations based on SBRA data

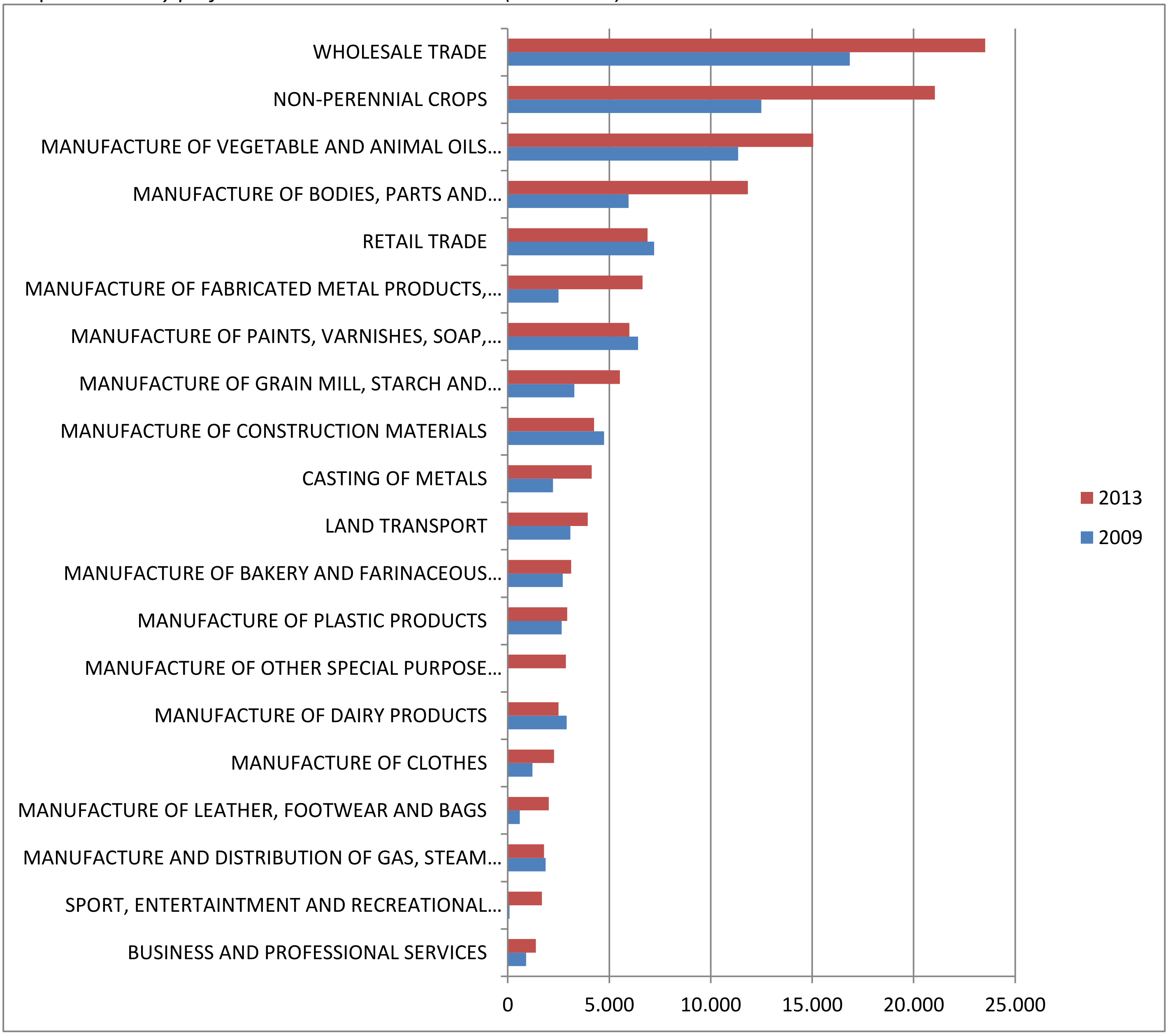
Table 4: *Share of successful enterprises in total - region*

Size of enterprise	Number of enterprises (2013)		Successful ent. (%)		Ent. with blocked account (%)	
	Region	National level	Region	National level	Region	National level
Micro	1,431	82,453	24.8	21.8	20.2	22.6
Small	211	9,501	43.1	43.2	25.1	22.6
Medium	53	2,113	38.8	45.2	24.5	24.3
Large	18	497	47.1	41.1	22.2	23.1
Total	1,713	94,564	28.6	25.4	21	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(%)*
*Agriculture	109	0.5	-2.1	2,205	-4.4	-5.0	21,199	13.8	6.6
Wholesale Trade	331	-5.3	-3.4	2,205	3.5	-1.8	23,526	8.7	3.3
Non-Perennial Crops	105	0.5	-2.5	1,372	-4.4	-5.2	21,044	13.9	6.5
Manufacture of Vegetable and Animal Oils and Fats	1	0.0	3.9	725	0.1	-1.9	15,054	7.3	-3.1
Manufacture Of Bodies, Parts and Accessories for Motor Vehicles	4	7.5	-1.5	3,778	13.0	9.9	11,832	18.7	28.7
Retail Trade	200	-8.2	-4.7	1,020	-4.4	-1.0	6,882	-1.1	2.7

Source: CEVES calculations based on SBRA data

*Industry supported by USAID SLDP

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

Industry	Status	Export rank	Export competitiveness
Wholesale Trade	Exporting	10	/
Non-Perennial Crops	Exporting	12	Uncompetitive
Manufacture of Vegetable and Animal Oils and Fats	Exporting	3	Moderate Competitive
Manufacture of Bodies, Parts and Accessories for Motor Vehicles	Exporting	1	Highly Competitive
Retail Trade	Exporting	47	/
Casting of Metals	Exporting	2	Moderate Competitive
Manufacture of Fabricated Metal Products, Except Machinery And Equipment	Exporting	4	Highly 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*

Industry	Number of investments	Total value of investments (in mill EUR)	Number of persons employed	Most important investors
Manufacture Of Construction Materials	3	115.1	1,183	Geze (Germany), Nexe Grupa (Croatia) & Pecocar (Netherlands)
Casting of Metals	1	100	1,100	Cimos Livnica Kikinda (Slovenia)
Manufacture Of Bodies, Parts And Accessories For Motor Vehicles	2	45	620	Le Belier Kikinda LBK (France) & Mecaplast (France)
Construction Of Buildings/Real Estate	1	40	400	Phiwa Walther Group (Germany)
Manufacture Of Clothes	6	36.4	1,370	Fulgar (Italy), Italtex (Italy), Mehler BAPS AG (Germany) & Pompea (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.