

Region Business Profile

SUBOTICA

Short Summary

Subotica is the northernmost city of Serbia and belongs to North Bačka district, 180km from Belgrade and 10km from the border with Hungary. Within the project, Inter-Municipal Cooperation (IMC) partnerships have been established between Subotica, Kanjiza and Sombor, with Subotica being the leader of the region. The city is located on some of the major European traffic crossroads, such as: Pan-European Corridor X, Motorway E 75, Railway E 85 and as well as Pan-European Corridor VII through Sombor. It is close to the airports in Budapest (190km), Belgrade (165km) and Osijek (120km) in addition to Sombor military airport which should soon be transformed into a commercial airport. The Subotica region has 8 industrial parks (5 in Subotica, 2 in Sombor and 1 in Kanjiza) and also a Free Zone with an area of 26,000m² suitable for production and warehousing. The most important natural resources are arable land and its people. Arable land covers 90% of the area and it is suitable for orchards, vineyards and agriculture. Human resources are not in shortage, out of 16,678 unemployed in this area, almost 8,000 have a high school degree and 1,500 a University education.



Quick Facts

	Region	National level
Territory		
Total area	2,622 km ²	88,502 km ²
Agricultural area	224,344 ha	5,096,267 ha
Population	252,800	7,186,862
Number of formally employed	59,789	1,000,872
Average wage (net in July)	345 EUR	390 EUR
Number of enterprises	3,464	78,934
Number of entrepreneurs		
Submitting financial statements	736	15,360
Not submitting financial statements	6,459	224,997
Value added (in mill EUR)	310	14,078.8
Average success rate of companies (%)*	25,3	25,4
Main industries	Wholesale Trade, Non-Perennial Crops, Manufacture Of Prepared Meals And Animal Feeds, Retail Trade, Manufacture Of Dairy Products	
Main exports	Prepared Meals And Animal Feeds, Dairy Products, Electrical equipment, Clothes	
Most important foreign direct investments	Tondach (Austria) & Masterplast (Hungary), Dunkermotoren (Germany) & Siemens (Germany) & ATB - Sever Subotica (Austria) & Siemens (Germany), Swarovski (Austria), Calzedonia/Fiorano (Italy)	

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

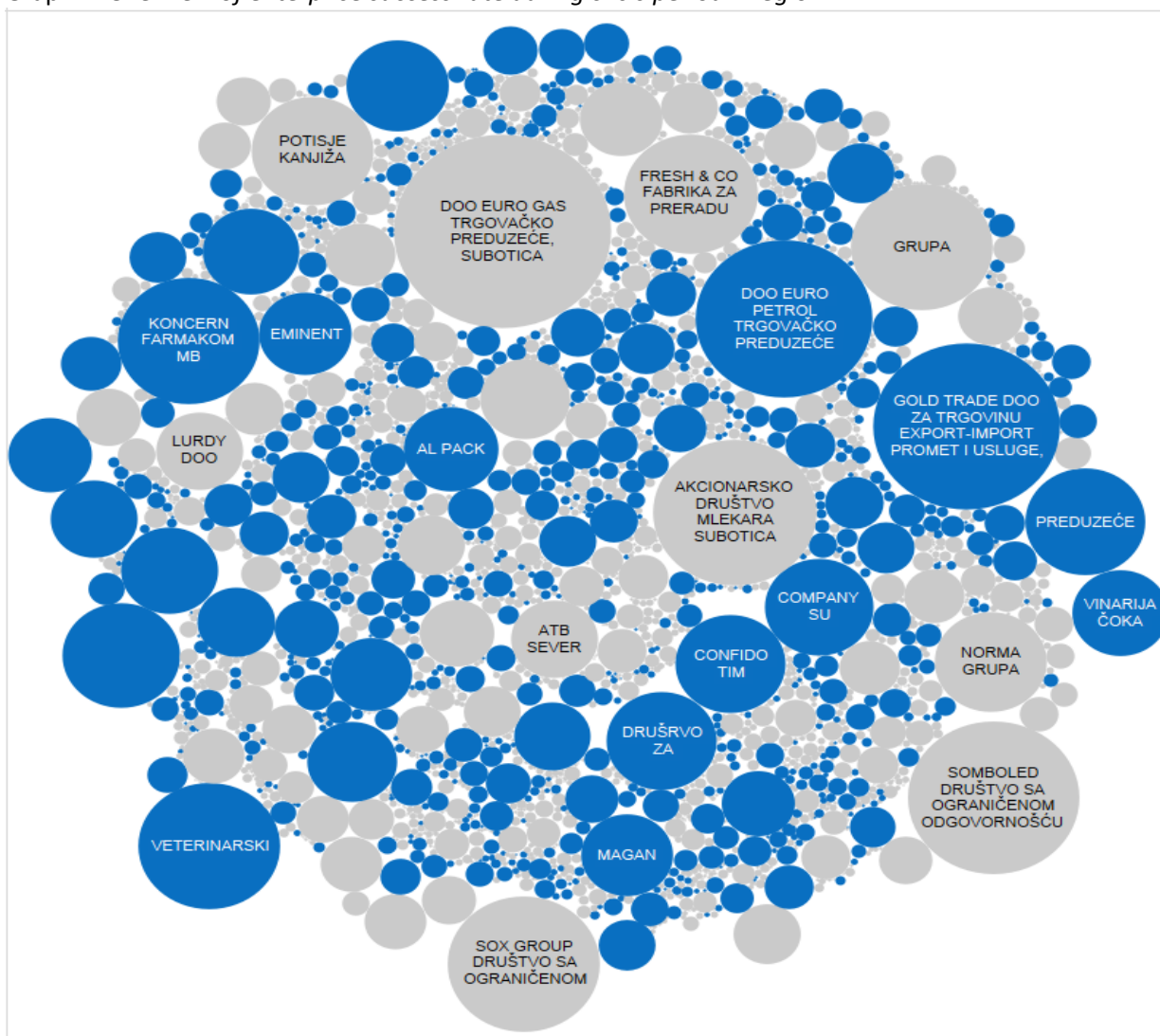
Table 1: Enterprise structure by size*

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	3,703	-3.3	-2.0	6,810	-3.8	-2.2	62,668	4.5	1.1
Small	398	-2.8	-2.6	7,967	-3.3	-2.7	51,239	1.2	1.5
Medium	83	-4.8	-3.5	8,665	-5.5	-3.5	76,457	4.1	2.2
Large	16	-6.6	-1.0	6,829	-2.2	-0.6	33,034	-2.4	6.0
Total	4,200	-3.3	-2.1	30,271	-3.8	-2.0	223,398	2.5	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	165	4,923	3.4	41.9	1,029.2	4.1
Small	97	2,918	3.3	39.9	1,228.4	3.2
Medium	41	1,003	4.1	100.1	2,090.7	4.8
Large	11	299	3.7	90.3	5,875.2	1.5
Total	314	9,143	3.4	272.2	10,223.5	2.7

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

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

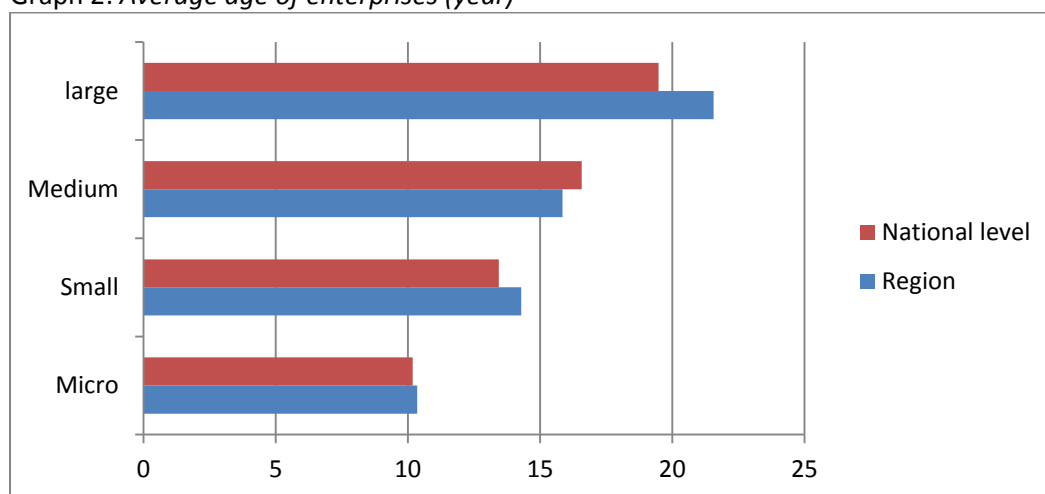
Economic Vitality

Table 3: Survival rate of companies

Period	Number of enterprises established		Survived in 2013 (%)	
	Region	National level	Region	National level
2006 - 2008	1,706	35,430	44.9	48.1
2009 - 2010	992	20,763	58.8	61.6

Source: CEVES calculations based on SBRA data

Graph 2: Average age of enterprises (year)



Source: CEVES calculations based on SBRA data

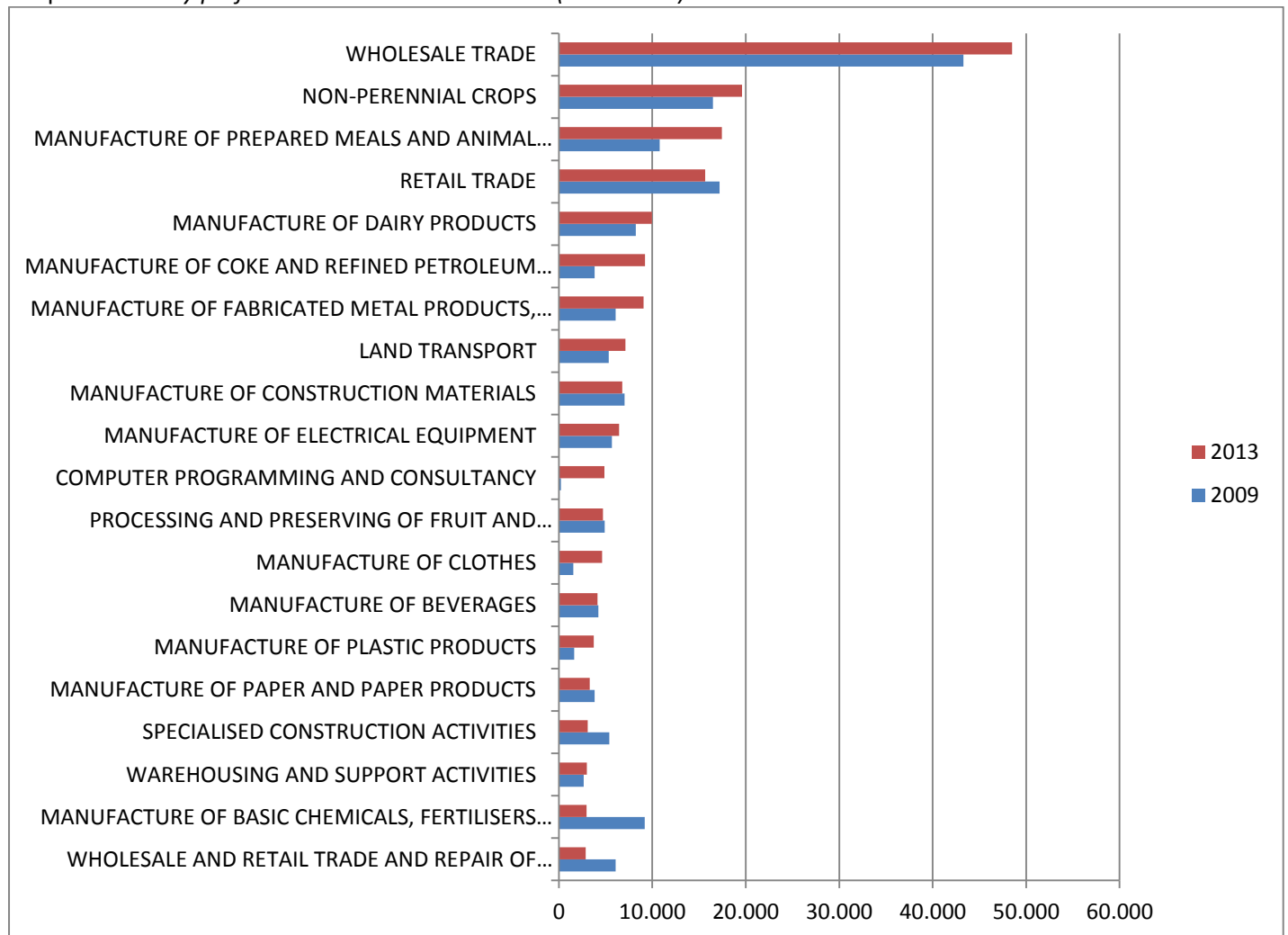
Table 4: Share of successful enterprises in total - region

Size of enterprise	Number of enterprises (2013)		Successful ent. (%)		Ent. with blocked account (%)	
	Region	National level	Region	National level	Region	National level
Micro	3,703	82,453	22.0	22.0	21.7	22,6
Small	398	9,501	43.3	46.2	19.8	22,6
Medium	83	2,113	39.0	45.4	10.8	24,3
Large	16	4,97	40.0	40.4	6.3	23,1
Total	4,200	94,564	25.3	25.4	21.2	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	190	-0.6	-2.1	1,824	-8.9	-5.0	21,327	4.8	6.6
Wholesale Trade	963	-4.0	-3.4	3,605	-2.6	-1.8	48,508	2.8	3.3
Non-Perennial Crops	153	-0.2	-2.5	1,664	-9.0	-5.2	19,585	4.4	6.5
Manufacture Of Prepared Meals And Animal Feeds	16	-6.6	-2.1	886	2.3	0.6	17,456	12.8	9.0
Retail Trade	498	-6.0	-4.7	2,298	-4.4	-1.0	15,669	-2.3	2.7
Manufacture Of Dairy Products	3	-12.0	-5.3	552	-5.1	-3.9	9,953	4.9	1.9

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	1	/
Non-Perennial Crops	Exporting	10	Uncompetitive
Manufacture Of Prepared Meals And Animal Feeds	Exporting	4	Highly Competitive
Retail Trade	Exporting	20	/
Manufacture of Dairy Products	Exporting	12	Uncompetitive
Manufacture of Electrical Equipment	Exporting	2	Highly Competitive
Manufacture of Clothes	Exporting	3	Highly 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 Construction Materials	2	65.3	634	Tondach (Austria) & Masterplast (Hungary)
Manufacture Of Computer, Electronic And Optical Products	4	62	1,820	Dunkermotoren (Germany), Siemens (Germany) & ATB - Sever Subotica (Austria) & Siemens (Germany)
Manufacture Of Beverages	3	51	692	Lactalis Group (Croatia), FORNETTI (Hungary) & Mineko Fidelinka (Switzerland)
Manufacture of Clothes	2	30	1,400	Calzedonia/Fiorano (Italy)
Manufacture Of Precious And Non-Metalic Products	1	25	600	Swarovski (Austria)

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.