



INVESTMENT PROFILE

**INVEST IN
VIROVITICA-PODRAVINA COUNTY,
CROATIA**



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BASIC INFORMATION

Virovitica-Podravina County is one of the smaller Croatian counties, covering 3.57% of the total territory of Croatia. It has a well-developed wood industry and agriculture.

LAND AREA
2,022 km²

COUNTY SEAT
Virovitica

ADMINISTRATION
3 towns and 13 municipalities

POPULATION (EST. 2016)
79,111

CLIMATE
Continental

GDP PER CAPITA (2015)
€ 5,852

UNEMPLOYMENT RATE (2016)
32.7 %

AVERAGE MONTHLY GROSS SALARY (2015)
€ 824

REGIONAL HIGHLIGHTS



LONG TRADITION OF EXCELLENCE IN THE WOOD INDUSTRY



VIROEXPO WELL-KNOWN CRAFTS AND AGRICULTURE FAIR



EXTRAORDINARY POTENTIAL IN HUNTING AND RURAL TOURISM



UNESCO-PROTECTED TRANSBOUNDARY BIOSPHERE RESERVE MURA-DRAVA-DANUBE

LOCATION

Virovitica-Podravina County is positioned in the middle part of Croatia, along the border with Hungary. It is well connected with the capital city of Zagreb and has good connections to the European corridors. The river Drava is navigable through a part of the County.



Connection to Pan-European Corridor X Bordeaux-Turin-Ljubljana -Zagreb-Belgrade-Bucharest



Vicinity of **Zagreb International Airport** (150 km) and **Osijek International Airport** (140 km)



Connection to European Corridor 7 (Sava-Danube-Black Sea Corridor) via the river Drava

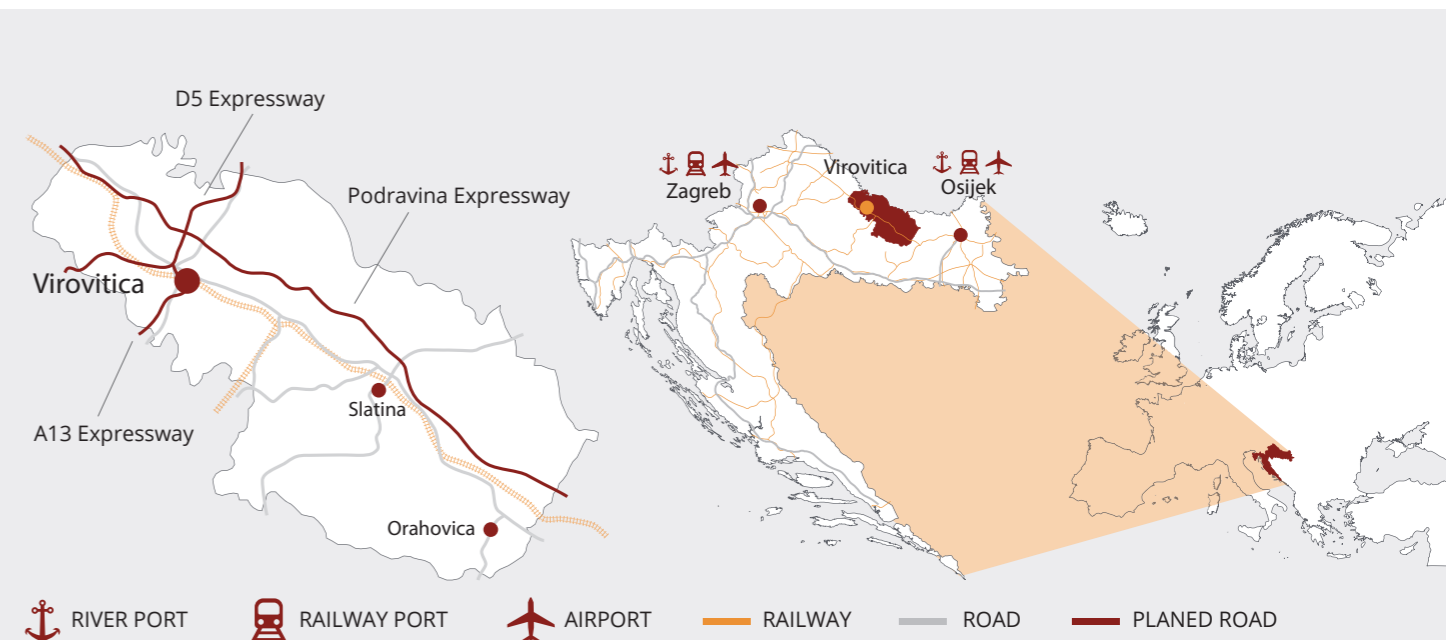
FUTURE INVESTMENTS IN INFRASTRUCTURE

In addition to the existing roads, there are three future expressways through the County:

Podravina Expressway (the total length of which is 330 km, connecting the Podravina and Podunavlje regions of northern Croatia)

A13 Expressway (possible highway, the total length of which is 86.5 km) connecting Vrbovec and Virovitica with Hungary, and

D5 Expressway (possible highway in the total length of which is 123.2 km), that is part of future European Corridor E-661 (Balaton-Virovitica-Okučani-Banja Luka-Split), going from Hungary, through Virovitica-Podravina County, to the border with Bosnia and Herzegovina

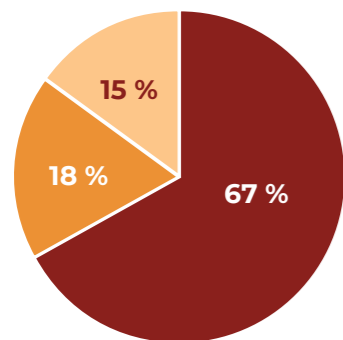


HUMAN CAPITAL

Virovitica-Podravina County has experienced, highly motivated and competitive workforce, with the majority of its population speaking at least one foreign language. The County has a long tradition of excellence, particularly in the manufacturing of wood and metal products.



AGE STRUCTURE IN VIROVITICA-PODRAVINA COUNTY



Source: Croatian Bureau of Statistics, Population Estimates 2016 (the latest available data)

60% of the overall population of Virovitica-Podravina County speak a foreign language (predominantly English and German). The percentage among young people is even higher, up to 85%.

Source: Virovitica-Podravina County

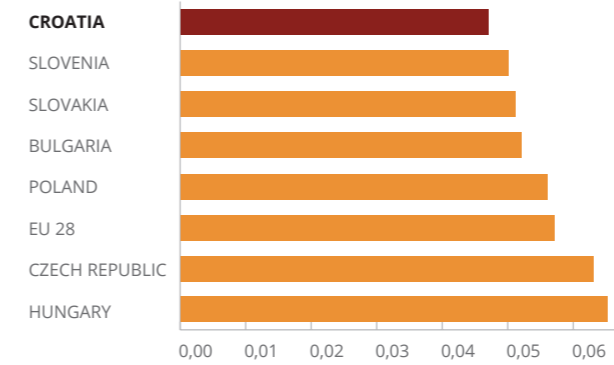
EDUCATION OPPORTUNITIES

- 10 secondary schools
- Higher education institutions include the School of Professional Higher Education for Management in Tourism and Informatics

COST COMPETITIVENESS

Investment costs
33% lower than EU28 average

ELECTRICITY PRICES FOR INDUSTRIAL CONSUMERS (€ PER KWH), 2017 S1



Source: Eurostat 2018, the latest available data (70 000 MWh < Consumption < 150 000 MWh)

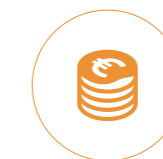
Cost competitiveness, in terms of initial investment costs, utility prices and salaries, provides a significant advantage that qualifies both Croatia and Virovitica-Podravina County as excellent destinations for expanding business activities, increasing the market share and improving profitability.



THE LOWEST ELECTRICITY PRICES FOR INDUSTRIAL USERS

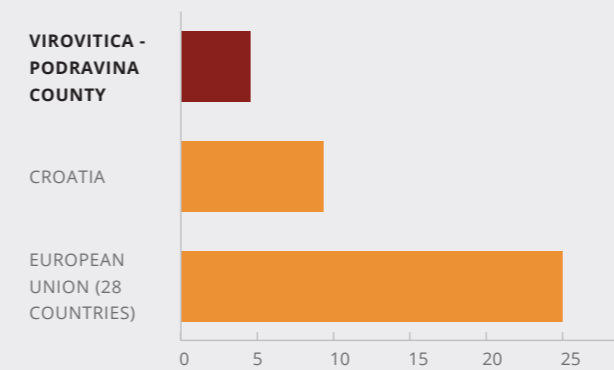


NATURAL GAS PRICES ARE AMONG THE LOWEST IN EUROPE



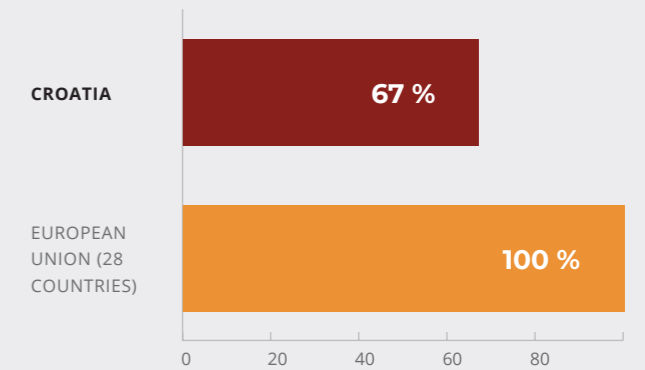
5 X LOWER AVERAGE MONTHLY GROSS SALARY THAN IN THE EU

AVERAGE GROSS EARNINGS PER HOUR (€), 2015



Source: Eurostat Total Labour Costs, Croatian Bureau of Statistics - Average Monthly Gross Earning, the latest available data (2018)

PRICE LEVEL INDICES FOR INVESTMENT 2016



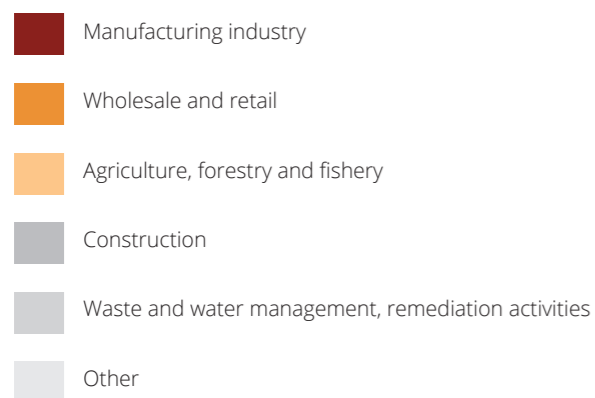
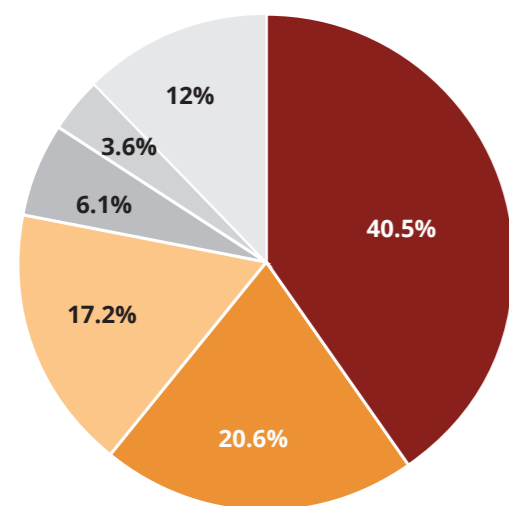
Source: Eurostat 2018

THE ECONOMIC AND BUSINESS CHARACTERISTICS

The forests cover 32% of the total area of the County and they form the basis for the strong development of the wood industry (furniture manufacturing and wood processing), which is the key industry of the County.

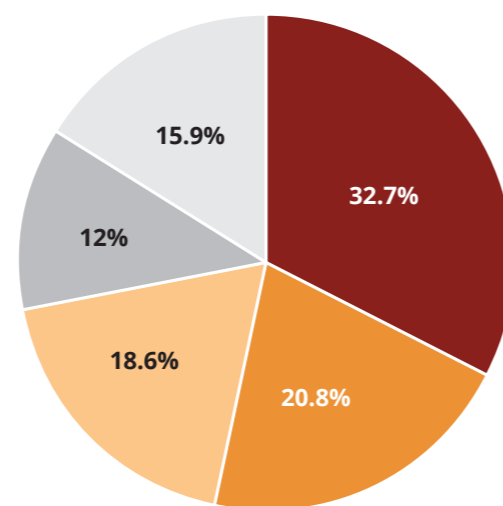
Based on the favorable conditions, the County has developed agricultural production of cereals, industrial crops (sugar beet, tobacco) and aromatic herbs, oil seeds, vegetables, fruits and grapes. Consequently, there is a well-developed tobacco production, sugar processing, wine growing and processing of herbs.

Key economy sectors in the county



Source: Financial Agency of the Republic of Croatia, Croatian Chamber of Economy 2018 (data for 2016)

Manufacturing industries



Source: Financial Agency of the Republic of Croatia, Croatian Chamber of Economy 2018 (data for 2016)

THE PANNONIAN WOOD COMPETENCE CENTER

Given the importance of the wood industry to the overall economy, the County has established the Pannonian Wood Competence Center, the majority of which is financed by the EU, in cooperation with the Regional Development Agency VIDRA, the University of Zagreb, The Faculty of Forestry, and Ruđer Bošković Institute.

The Pannonian Wood Competence Center provides contractual applied R&D services, the design of innovative wood products, the development of wood technology and wooden structure construction to SMEs in the wood-processing sector in Croatia and the region in cooperation with the scientific community.



THE ECONOMIC AND BUSINESS CHARACTERISTICS

TVIN Ltd.

Tvin Ltd. is a wood processing factory. In addition to its core business – the production of plate and solid furniture, the company produces sawn timber and wood elements, glued elements, lamella and solid parquet flooring, as well as molding products (wooden clogs, molds, tensioners).



PAN PARKET Ltd.

Pan Parket Ltd. is a producer of finished three-layered parquet flooring. With its 130 employees it produces more than 700,000 m² of finished parquet flooring per year and exports more than 90% of its production. Its main export markets are Germany, Austria, Switzerland, and, recently, China and the US.

In addition to the famous Croatian white Oak, Pan parket Ltd. also produces some other wood types such as Beech, Maple, Ash, Cherry, Walnut, Acacia (Wattle), and also some exotic wood types like Iroko, Merbau, Doussie, and Wenge.



CONTORTE Ltd.

Contorte Ltd. is the third biggest company in Virovitica – Podravina County. The Company's core business is solid furniture production which is mostly exported to Germany and Austria. The company has recently been expanding to the English and French markets.



CIPRIJANOVIĆ

Ciprijanović company produces furniture, solid wood panels and wood briquettes, glued panels as semi-finished products for further use in the production of tables, chairs, kitchen furniture and stair treads. It employs about 300 employees and its products are present in the markets all over Europe.



DRVENE KONSTRUKCIJE Ltd. (Wooden Constructions)

Drvene Konstrukcije is a factory which produces glued laminated timber structures. Since its establishment in 1972, the company has built more than 3,500 different items (roof structures, agriculture halls, sport halls, swimming pools, industrial and commercial buildings and bridges) in the markets in the region, as well as in Austria, Italy and Iraq.



PP ORAHOVICA

Majority-owned by the Croatian M SAN GROUP, one of the major IT, e-commerce and electronics production companies, Orahovica is an agricultural company specialized in fishery, wine growing, fruit growing, land cultivation and cattle growing.



VIRO

Viro sugar factory is one of the leading exporters in the County. Significant investments in modernization have transformed the company into the most modern and the biggest sugar factory in Croatia, which produces more than 120,000 t of sugar annually. VIRO and Sladorana, another sugar processing factory in the same ownership, have more than 70% market share in sugar processing in Croatia.



SPIDER GROUP

Spider Group Pitomača is a leading regional producer and processor of medicinal and aromatic plants and products based on medicinal herbs. The group is comprised of four companies: Jan – Spider (organic processing and production of medicinal and aromatic herbs), Herbarium (organic production of filter and loose tea infusions), Biofarma (certificated sustainable organic cultivation of medicinal, aromatic and spice herbs) and Đolta (cooperative cultivation of medicinal and aromatic herbs and pumpkins).



BRANA

'BRANA' was founded in 1953 as a water resources management company, and since its beginnings, the main line of work of the company have been activities related to water resources management. Today, however, the Company is also recognized as the main organizer of vegetable and fruit production, and a large apple and vegetable producer.



RADLOVAC Plc.

Radlovac Plc. is one of the oldest manufacturers of technical stone in Croatia. The exploitation and refinement of technical stone began in 1908, and since then the company has been operating in the same place and performing the same business activity. The company employs 75 workers and produces annually from 500,000 to 700,000 t of all types of technical stone for structural and civil engineering, water engineering, chemical and ceramic industries, road construction and railways..



ROMIĆ PROMET Ltd.

Romić Promet Ltd. was established for the purpose of performing the following business activities: transport, sand and gravel exploitation, construction, and services. The company has 28 employees, and a large number of vehicles and equipment: trucks, construction machines (dredgers, dozers, etc.), excavators, sugar-beet machinery.



SIGNIFICANT INVESTMENTS IN INFRASTRUCTURE

Development of agriculture is additionally stimulated through the implementation of irrigation system projects (currently 1,260 hectares have the irrigation system implemented, while further 3,150 hectares are at different stages of preparation).



READY-MADE INVESTMENT SITES




10
BUSINESS ZONES


≈ 2.3 MILLION
SQUARE METERS


COST OF LAND
STARTS FROM 0.13 €/m²

SELECTED BUSINESS ZONES

- Business Zone, Virovitica
- Business Zone III, Virovitica
- Business Zone II, Virovitica
- Business Zone ČAĐAVICA

BUSINESS ZONE SJEVER, Virovitica

GENERAL INFORMATION

Location (city/municipality)	Virovitica
Size of the zone (m ²)	214,324
Available land size (m ²)	174,480
Construction purpose	Manufacturing
Allowed construction density	0.4
Construction efficiency coefficient allowed	1.5
Allowed construction height (m)	Maximum height of the rim/ridge is 20m/25m

INFRASTRUCTURE/ENERGENTS CAPACITY

Infrastructure/energents capacity	Availability
Gas	Yes
Electricity	Yes
Water	Yes
Sewage	Yes



BUSINESS ZONE ZAPAD II, Virovitica

GENERAL INFORMATION

Location (city/municipality)	Virovitica
Size of the zone (m ²)	510,811
Available land size (m ²)	264,159
Construction purpose	Manufacturing and services
Allowed construction density	0.7
Construction efficiency coefficient allowed	1.5
Allowed construction height (m)	Maximum height of the rim/ridge is 20m/25m

INFRASTRUCTURE/ENERGENTS CAPACITY

Infrastructure/energents capacity	Availability
Gas	Yes
Electricity	Yes
Water	Yes
Sewage	Yes



BUSINESS ZONE III, Virovitica

GENERAL INFORMATION

Location (city/municipality)	Virovitica
Size of the zone (m ²)	728,289
Available land size (m ²)	573,775
Construction purpose	Manufacturing
Allowed construction density	0.8
Construction efficiency coefficient allowed	1.5
Allowed construction height (m)	12-20

INFRASTRUCTURE/ENERGENTS CAPACITY

Infrastructure/energents capacity	Availability
Gas	Yes
Electricity	Yes
Water	Yes
Sewage	Yes



BUSINESS ZONE ČAĐAVICA

GENERAL INFORMATION

Location (city/municipality)	Čađavica
Size of the zone (m ²)	317,958
Available land size (m ²)	275,014
Construction purpose	All types of business activities
Allowed construction density	0.6
Construction efficiency coefficient allowed	1.2
Allowed construction height (m)	12 m

INFRASTRUCTURE/ENERGENTS CAPACITY

Infrastructure/energents capacity	Availability
Gas	No
Electricity	Yes
Water	Yes
Sewage	Yes



ATTRACTIVE INVESTMENT INCENTIVES

Up to **1 million € cash grant** for capital costs of the investment project

Up to **0% corporate profit tax** for 10 years

Up to **18,000 €** for each new employee

Up to **0.5 million € cash grant** for investment in development and innovation activities

EU funds available

Guarantee scheme (up to 80 % of investments), provided by Croatian Agency for SMEs, Innovations and Investments (HAMAG-BICRO)

Business loans programs by Croatian Agency for SMEs, Innovations and Investments (HAMAG-BICRO) with interest rates starting from 0.5%

Subsidized business loans programs (loan repayment up to **17 years**), provided by Croatian Bank for Reconstruction and Development (HBOR)

Up to **45%** of the investment cost return through various incentives

LOCAL/REGIONAL INCENTIVES

Subsidized land purchase price (up to 90% for processing industry), e.g. for the Town of Virovitica it is 1 HRK / m²,

Exemption from payment of utility contribution (up to 100%) for investments in manufacturing employing 50 and more employees,

Exemption from payment of public utility charges (100% of the amount in the first year and 50% of the amount in the second year),

Expert support in the implementation of incentive programs funded from the state and county budget.



UP TO

0%

PROFIT TAX RATE



UP TO

€18,000

EMPLOYMENT GRANTS



UP TO

€1M

GRANTS FOR CAPITAL COSTS



UP TO

€0.5M

FOR R&D

AGENCY FOR INVESTMENTS AND COMPETITIVENESS THE GOVERNMENT AGENCY



- Professional service for investors, free of charge
- Highly motivated team of experienced professionals
- Provides information, contacts and investment management support to potential investors as well as pre- and post- investment care

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VIDRA - THE REGIONAL DEVELOPMENT AGENCY OF VIROVITICA-PODRAVINA COUNTY

- Investors and project supporting institution
- Central contact point for information on EU grants and national funding
- Aimed at achieving a sustainable increase of living standards



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Virovitičko-podravska županija
Uvijek otvorenih vrata



Nature Park Papuk, photo: Domagoj Sever, Croatian National Tourist Board