



INVESTOR FRIENDLY REGION

Through the Ministry of Economy, Labour and Entrepreneurship EU project "Development of the investment climate" Međimurje County in 2011 has successfully passed **advanced certification program region for investments** aimed at providing assistance to potential investors, including **"one-stop-service-center"** in a proactive manner that supports the launching of new projects. In addition, the program includes a **post-investment support** aimed to provide feedback about the obstacles that new investors are faced with, and ultimately, their removal. This is the follow up of the previous phase of the Investment Certification Programme for Regions, through which was Međimurje in 2006 certified as **"Region suitable for investment"**. It guarantees to meet all criteria: a high level of quality human resources, available land and marketing expertise to attract and support to foreign investors.

According to the research competitiveness in 2010 of the National Competitiveness Council (NCC) and the United Nations Development Programme (UNDP) of 21 Croatian counties and 3 major regions, Međimurje ranks high **4. place** among counties. North-western Croatia, where Međimurje is located, occupies a leading position in the list of competitiveness in Croatia. FDI magazine, launched by prominent business newspaper The Financial Times, has conducted contest European cities/regions of the future 2010/2011 to provide for the assessment of indicators from economic potential and human resources, to the quality of life and promotion of foreign direct investment. Međimurje County ranked **third among small European regions, the fourth among the southern regions and thirteen among total of 142 region competitors**. The feature for which we are ranked this high is a strategy of promoting foreign direct investment, which is a confirmation that the continued joint efforts of regional institutions in recent years have been recognized at the European level.

GENERAL DATA

Međimurje covers area of 730 km² and is located in the far north of Croatia between Mura and Drava rivers. The most important factors that determine the economy and development of Međimurje are the geographical position, natural resources and population. During 2013 in Međimurje operated 2417 businesses, of which 52 large and medium-sized and 2365 small businesses. **GDP per capita for 2011 amounted to 8.171€**, while the registered unemployment rate in 2013 was 17.1%. Vision of County development follows:

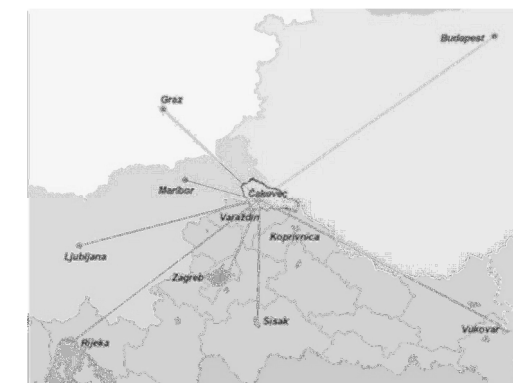
"Međimurje, County of strong entrepreneurship based on knowledge and innovation, preserved natural and cultural heritage and high quality of life."

GEOGRAPHICAL POSITION AND INFRASTRUCTURE

One of the biggest advantages of Međimurje, mainly important for the exchange of goods and services, is the geotrafical position on the ulterior north part of Republic of Croatia close to Hungarian and Slovenian borders and close to Austria.

Road distance of Međimurje from some European cities	
Zagreb	85 km
Rijeka	270 km
Ljubljana	178 km
Vienna	283 km
Graz	147 km
Budapest	259 km
Munich	532 km
Sarajevo	512 km
Bratislava	327 km

20km of highway going through Međimurje is a part of international road route Budapest-Rijeka what has a great importance for transport of goods and provision of services in Zagreb as the largest market and also for the exchange of goods with other regions.



It's also a faster way connecting north of Croatia and the main city and a factor contributing to economic development of this area. In addition to primary route Goričan-Rijeka, significant traffic route is east-west route from the highway node Sveti Križ to the border crossing Trnovec that has only transitional character.

Infrastructural coverage	
drinking water	98,5 %
electricity	98%
natural gas	98%
telecommunications	90%
broadband internet	98%
mobile telephone network	98%

Source: Spatial plan of Međimurje County

Railway line Kotoriba-Čakovec, was the first railway in Croatia. Nowadays is also the main backbone route of Middle and East Europe towards north Adriatic parts. Railways crossroad to Varaždin, Zagreb and Slovenia (Pragersko) and routes to Mursko Središće and Slovenia (Lendava) is placed in Čakovec. Railway line Čakovec-Varaždin-Zagreb is a prime line that notes mainly large transport of passengers.

POPULATION

Međimurje consists of 3 towns and 22 districts and has the population of 113.804 residents what makes the density of 156.73 residents/km². That is two times more than population density of Republic of Croatia.

Population structure by gender			
Age	Men	Women	Total
0-14	8,49 %	8,00 %	16,49 %
15-64	34,99 %	33,19 %	68,18 %
65 and more	5,80 %	9,62 %	15,42 %
Total	49,20 %	50,80 %	100,00 %

Source: Statistical yearbook of Republic of Croatia 2012

EDUCATION

Developed territorial school network and availability of high education provide a possibility for continuous training and education that go along with economic and technical progress.

Institution	No. of inst.	No. of pupils	No. of teachers
Pre-school education	27	2.840	415
Primary education	31	10.378	1096
High school education	7	4.413	421
Higher education	2	1172	105

Source: Međimurje County in numbers 2012

According to strategy of development of high education and economy in Međimurje County, in 2008 was established Polytechnic of Međimurje with expert studies of Computer Engineering, Tourism and Sport Management and expert study of Sustainable Development.

Number of people with high education 2010	
Signed in student	3.575
Students with diploma	820
Masters, Masters of Science and Specialist	15
Doctors of science	10

Source: Međimurje County in numbers 2012

SWOT ANALYSIS	
Strengths	Opportunities
<ul style="list-style-type: none"> Continued growth and development of a group of SMEs that generate a high proportion of new values, which are internationally competitive and export-oriented (especially in the metal industry), invest in the development and are associated with a large number of subcontractors A strong tradition of craftsmanship Construction that except tradition and capacity has a development strategy The presence of many foreign companies as an important factor for attracting FDI and the overall economic development High quality of competitiveness at the national and international level Favourable conditions for the development of ICT sector (favourable business environment in terms of the existence of MEV, a TIC, MIT), a large proportion of citizens using modern technology, the availability of higher education in the field of computer engineering Technology Innovation Centre Međimurje and incubator that aims to technological development of the region Good cooperation with neighbouring countries-information sharing, joint management of development projects, entrepreneurs meetings, joint appearances at fairs The existence of a large number of business zones (about 40 zones of which 13 were filled, while others are willing to invest) supporting institutions that support the development of small and medium enterprises with their expertise, consulting services and project support - Redea, TIC with incubator, Čakra, Menea, HGK, HOK, and other county services 	<ul style="list-style-type: none"> Strengthening the development of SMEs and large companies through: networking businesses, human resource development, development of technological and entrepreneurial infrastructure, innovation, new product development, strengthening the role of TIC and MEV, the improvement of conditions for attracting foreign investment, projects financed from EU funds and other international sources Use of cross-border cooperation for the financing and development of economic projects and attracting foreign investment Increasing the export potential Development of the growing culture of innovation and creativity as a opportunity for the commercialization of innovation and creation of new businesses based on high technology The development cluster centered around the leading companies Encouraging the development of new business services to support the newly established businesses, innovators and high-tech firms To promote and encourage a stronger link between business and development institutions in order to ensure the exchange of ideas and to increase funding opportunities Development of business parks Međimurje provides development of the sector based on new technologies, as well as sector in development - ICT, nanotechnology, energy, logistics and business services Options for funding at national and international level
Weaknesses	Threats
<ul style="list-style-type: none"> unfavourable economic structure - a significant proportion of obsolete, low accumulative, labour-intensive industries (textiles and footwear) Increasing the rate of unemployment and deterioration of businesses Fragmentation of economy, individualization of entrepreneurs and the lack of connectivity and networking of SMEs Lack of cooperation between the economy and higher education and research institutions Unprepared entrepreneurs for entering in the EU The increase of non-tax payments in some local governments The lowest wages in the economy compared with other counties in Croatia Low productivity of labour compared to other counties of the same or similar level of competitiveness A large number of unemployed with low level of education with poor job prospects Economic zones are mostly small areas and are not suitable for large investors. Low coefficient of development in business zones 	<ul style="list-style-type: none"> Competition in agriculture and food production and in traditional industries (textiles and footwear) from the EU, China and other countries Rapid development of new technology, management and organization in the world, for whose monitoring the implementation are necessary permanent and big investments Competition from other countries with more generous state aid for exporters (after accessing the EU) Difficult access to financing sources Lack of fast process of quality organization of the cadastre and land registry - the inability to accept investments Competition in terms of attracting investment in the business / business zones in other counties Competition in terms of innovation and technological competencies in neighbouring counties, Zagreb and the nearby regions of the neighbouring countries

Source: Development strategy of Međimurje County 2011-2013

ECONOMY STRUCTURE

The largest share of the total number of 2.417 registered companies takes trade activity with 23.96%. The next is manufacturing with a share of 20.40%. Construction holds a special place among the major sectors for economic development and is in third place with a share of 13.78%. The structure shows that the leading activities are oriented on production and consumption of goods and services.

Also, the high prevalence of professional, scientific and technical activities in Međimurje can provide a high degree of professional knowledge and skills to users.

Besides trade, industry and constructions in Međimurje economy small and medium sized enterprises take important role. They are present through whole Međimurje, based on family tradition of small craft business. Mobility, adaptability, financial efficiency, economics and profitability are just some of their good characteristics.

Description	XII.2013.
No. of entrepreneurs	2.417
Total income	10.829.278.000 kn
Total outcome	10.437.235.000 kn
Difference of total income and total outcome	392.043.000 kn
Export	3.172.304.000 kn
Import	2.484.507.000 kn
Balance of foreign trade	687.797.000 kn
No. of employed	24.080
Average net salary	3.835 kn

Source: Information of state and development of economy in Međimurje County

During 2013 entrepreneurs in Međimurje achieved income of 10.829.278.000 kn. In the same period they incurred outcome in the amount of 10.437.235.000 kn. While they achieved higher income over outcome, they achieved a positive difference in the amount of 392.043.000 kn.

The positive balance of profit and loss in companies business is based on the economical management and orientation to foreign markets. Companies in Međimurje are export oriented, which confirms the fact that they achieved a positive balance of foreign trade in the amount of 687.797.000 kn.

From total of 1.331 active craft businesses in 2013, by activities they conduct, 57,7% of craftsmen conduct production craftwork and construction, mostly production of metal, wood and textile products.

Development strategy of Međimurje County 2011-2013 was adopted in the beginning of 2011. Its main purpose is to direct development processes in County in order to ensure conditions for sustainable growth and development, and to ultimately achieve a higher quality of life for all residents.

METAL INDUSTRY AND CONSTRUCTION

One of the strongest and oldest economic activities of Međimurje today includes production of cast iron, metal structures, packaging, kettles, tools, industrial equipment (shelves, consoles, stands, closets), wrought iron products, train carriages and machines, machinery and devices of various usage (for agricultural and food industry, textile industry, housing-communal equipment, informatics, environment protection etc.).

Likewise, metal industry conducts a number of services from its domain, from various metal structures installation, substations and pipeline installation, through welding, locksmith working and liquid up keeping, to projecting, quality control, machinery and electricity examination and experts training and testing.

Constructions is considerably developed economic activity. It includes business of building construction, civil engineering, hydro construction, as well as all sorts of installation and terminal workings.

AGRICULTURE

Agriculture is for Međimurje one of the most important sectors of economy because of its social, traditional and economical importance. The biggest shares take family farms.

Climate conditions, convenient geographical position, the ratio of hilly and flat area and availability and abundance of water are the natural postulates that provide development of various agricultural productions and achievement of high yields. Climate conditions are especially convenient for production of corn, potato, industrial crops, grains and vegetables, high quality sorts of grapes and fruits.

RENEWABLE ENERGY SOURCES

Last few decades there has been a necessity for enlarge usage of energy from renewable sources. Although the presence of that sort of energy in world is only 1 % in whole production, renewable energy sources have important role in reduction of carbon dioxide (CO₂) and other greenhouse gases emission, what is an important goal of both EU and Republic of Croatia.

On the base of exceptional potentials for renewable energy sources exploitation such as wind, geothermal water, biodiesel, biomass, biogas etc., Međimurje County founded the energy agency with goal to promote and raise the awareness about the role of renewable energy sources and the efficiency of energy usage and how it can contribute to maintainable development of economy and maintainable energy development.

EMPLOYMENT AND UNEMPLOYMENT

Total number of employed is 24.080 with average net salary of 3.835kn. Most are employed in small enterprises, 55.5%. In medium sized enterprises are employed 30.1% of workers, while 17.3% of them are employed in large companies.

Activity	No. of companies	No. of employed	Share in total no. of employed
C Manufacturing	493	13.610	56,52%
F Construction	333	2.783	11,56%
G Wholesale and retail trade	579	2.824	11,73%
M Professional, scientific and technical activities	251	736	3,06%
I Provision of accommodation, food preparation and service	137	729	3,03%
H Transport and storage	96	819	3,40%
A Agriculture, forestry and fishing	93	523	2,17%
E Water supply; waste water management	18	432	1,79%
N Administrative and support services	47	357	1,48%
J Information and communications	84	325	1,35%
P Education	30	199	0,83%
Q Health and social care	22	80	0,33%
S Other services	107	268	1,11%
D Supply of electricity, gas and steam	39	105	0,44%
R Art, entertainment and recreation	19	212	0,88%
L Real estate	44	49	0,20%
K Financial and insurance activities	21	27	0,11%
O Public administration and defence: mandatory social insurance	2	1	0,00%
B Other mining and extraction	1	1	0,00%
Total	2.417	24.080	100,00%

Source: Information of state and development of economy in Međimurje County

In trade sector is employed 11.73% of employees, although most companies in the county deal with it. Most workers are employed in manufacturing industry, 56.52% of them. The construction industry employs 11.56% of the employees. Three main branches of industry employ 79.81% of the employees.

Unemployed persons by level of education in Međimurje County	
Total	Proportion in %
7.833	100,00
Primary ed.	2.750
Secondary ed.	4.399
High ed.	684
	35,11
	56,16
	8,73

Source: Croatian Employment Service 2013.

According to the structure, the majority of unemployed persons are those with secondary education, 56.16% of them. The share of unemployed persons with high education is 8.73%.

EARNINGS

Highest average monthly net salary per employed person is in medium enterprises in amount of 4.577kn. In small enterprises, where is the highest number of employees, the lowest average net salary is 3.370 kn.

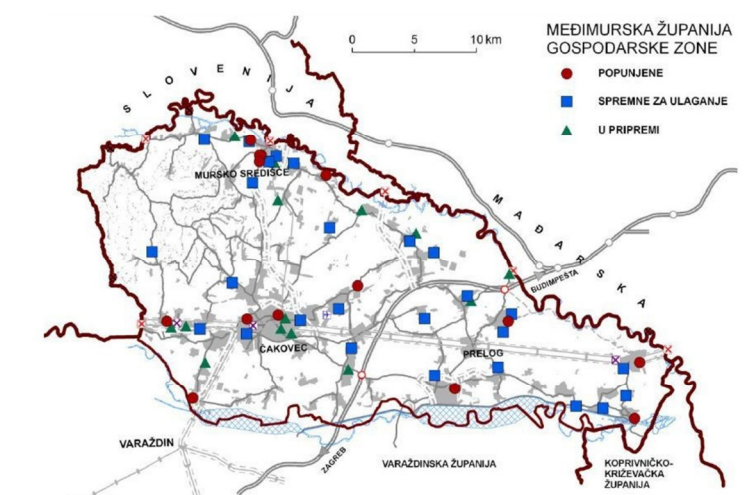
Description	Companies			Total
	Large	Medium	Small	
Average net salary per employed in kn	4.080	4.577	3.370	3.835

Source: Information of state and development of economy in Međimurje County

The highest average net salary in the amount of 5.424kn is in activity of supply of electricity, gas and steam, while the lowest average net salary in the amount of 1.600kn is in other mining and extraction.

BUSINESS ZONES

From total of 60 established business zones, at the moment 43 of them are in function. 16 zones are filled and 27 are ready for investment.



Source: Situation in business zones in Međimurje County in 2012

Three zones, as they are larger than 50 ha, are considered of strategic importance: Business Park Međimurje, Nedelišće Business Zone and the Business Zone Međimurje. In the Business Park Međimurje of the total size of 78 ha, 70.5 ha is planned for Greenfield investments, and the remaining part is intended for Center of knowledge, where already have been placed support, development and educational institutions.

EU PROJECTS

The total number of completed projects and projects that are in process of implementation in Međimurje County is 148 in value of 53,006.554.76 €.

At the same time they were co-finance from EU resource in value of 30.388.411,22 €. In cross-border programs (period 2005.-2012.) a total number of 76 projects were completed with the total value of 26.665.226,54 €.