

2011

Key Facts for Investors Međimurje County



REDEA

Regional Development Agency Međimurje

Web: www.redea.hr












E-mail: reda@reda.hr

Tel: +385 (0)40 395 560

Fax: +385 (0)40 395 142

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1. Introduction



Međimurje County is the northernmost region of the Republic of Croatia bordering with Slovenia and Hungary. It is known for its tradition of entrepreneurship and favourable business environment, but also for the beauty of nature and high quality of life.

Međimurje County borders with two EU member states - Slovenia and Hungary, thus functioning as the doorway to Croatia. Therefore, it is the ideal location to start spreading one's business towards Southeast Europe.

Surface: 729,58 km²
 Population: 118.426
 Population density: 162,3 inhabitants/km

Population in Croatian Counties

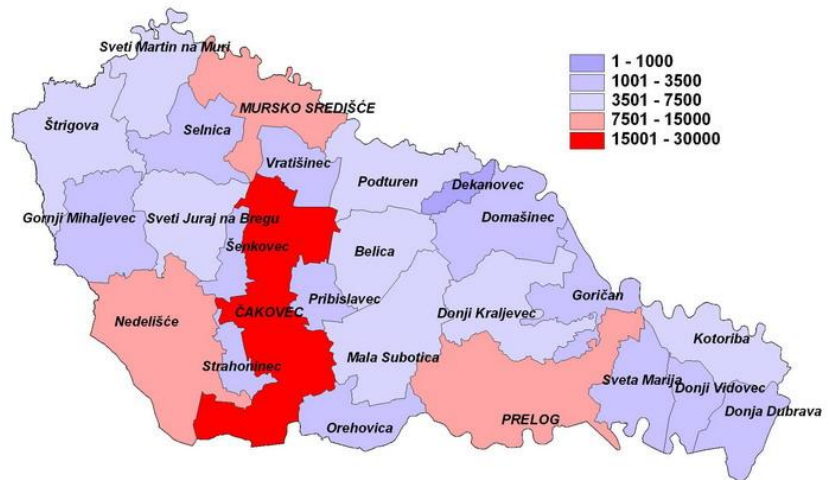
County	Population	County	Population
Zagreb	309 696	Slavonski Brod-Posavina	176 765
Krapina-Zagorje	142 432	Zadar	162 045
Sisak-Moslavina	185 387	Osijek-Baranja	330 506
Karlovac	141 787	Šibenik-Knin	112 891
Varaždin	184 769	Vukovar-Sirmium	204 768
Koprivnica-Križevci	124 467	Split-Dalmatia	463 676
Bjelovar-Bilogora	133 084	Istria	206 344
Primorje-Gorski kotar	305 505	Dubrovnik-Neretva	122 870
Lika-Senj	53 677	Međimurje	118 426
Virovitica-Podravina	93 389	City of Zagreb	779 145
Požega-Slavonia	85 831	Republic of Croatia	4 437 460

Source: Croatian Bureau of Statistics

Largest Municipalities in Međimurje County

Municipality	Population	Population density
Čakovec	27 526	378,1
Nedelišće	11 544	198,9
Prelog	7 871	123,6
Mursko Središće	6 548	193,3
Mala Subotica	5 676	136,9
Sveti Juraj na Bregu	5 279	174,2
Donji Kraljevec	4 931	135,7
Podturen	4 392	137,4
Belica	3 509	126,8
Kotoriba	3 333	125,4
Štrigova	3 221	81,9

Source: Croatian Bureau of Statistics



Distance between Međimurje County and some major cities



- The population mostly lives in rural communities divided into 22 districts. The largest town and capital, Čakovec, is one of only three towns in the County.
- High population density makes Međimurje the most densely populated county in Croatia.

2. Economy

By the end of 2010 the registered unemployment rate was 14,9%, which is an increase of 3% compared to the previous year. The unemployment rate of Međimurje County is lower than the same data at the national level which is 19,2%, but at the same time it is above the European average of about 10,0 %. In 2008 GDP per capita amounted 8960 EUR which is an increase of 54% in comparison to the year 2001.

GDP per capita, EUR

NUTS II level regions and county	2005	2006	2007	2008
Republic of Croatia	7036	7705	9656	10 682
North-West Croatia	9 069	9 883	12 010	13 278
Central and East Croatia	4 808	5 440	6 851	7 780
Adriatic Croatia	6 735	7 258	9471	10 291
Međimurje County	5 227	6 099	7 581	8 960

Source: Croatian Bureau of Statistics

Unemployment (% of labor force)

NUTS II level regions and county	2007	2008	2009	2010
Republic of Croatia	17,5	15,5	16,4	19,2
North-West Croatia	11,9	10,2	11,0	14,1
Central and East Croatia	24,8	22,7	24,2	27,4
Adriatic Croatia	15,8	13,6	14,2	16,2
Međimurje County	13,0	10,8	11,9	14,9

Source: Croatian Bureau of Statistics

The structure of trade, by industries

Industry	2007	2008	2009
TOTAL	2.766	2.709	1.984
Production	553	545	478
- <i>Manufacture of textiles</i>	107	107	96
- <i>Manufacture of wood</i>	76	73	64
- <i>Manufacture of metal</i>	116	115	101
- <i>Manufacture of electrical equipment</i>	41	42	32
- <i>Manufacture of rubber and plastic products</i>	40	40	32
- <i>Manufacture of food and beverage</i>	49	48	46
- <i>Manufacture of other non-metal mineral products</i>	-	42	37
- other manufacturing activities	79	78	70
Construction	524	517	474
Retail	344	331	323
Catering	211	198	181
Traffic	189	181	167
Repair of motor vehicles	74	78	67
Repairs for personal use	79	78	77
Other service activities	167	170	161
Agriculture	72	66	56

Source: Međimurje County in figures 2009.

Export / Import of goods and services, USD

	2008	2009
Export	459.018.063	382.844.565
Import	475.606.927	345.859.150
Trade balance	-16.588.864	36.985.415

Source: Croatian Bureau of Statistics

Destination of exports in 2009

Country	Percentage
Germany	34,1 %
Italy	16,1 %
Austria	13,2 %
France	6,5 %
Slovenia	4,9 %
Serbia	4,1 %
Bosnia and Herzegovina	3,9 %

Source: Croatian Bureau of Statistics

Croatian counties ranked by competitiveness in 2010

County	Overall competitiveness ranking in 2010	Ranking of business environment	Ranking of business sector
Varaždin	1	1	1
City of Zagreb	2	2	4
Istria	3	7	5
Međimurje	4	6	2
Zagreb	5	3	6
Zadar	6	4	3
Primorje-Gorski Kotar	7	8	7
Spli –Dalmatia	8	12	9
Dubrovnik-Neretva	9	11	11
Šibenik-Knin	10	14	13
Krapina-Zagorje	11	13	10
Koprivnica-Križevci	12	9	8
Osijek-Baranja	13	5	12
Karlovac	14	10	14
Bjelovar-Bilogora	15	16	17
Slavonski Brod-Posavina	16	15	16
Virovitica-Podravina	17	17	15
Lika-Senj	18	18	18
Sisak-Moslavina	19	19	19
Vukovar-Srijem	20	20	20
Požega-Slavonia	21	21	21

Source: National Competitiveness Council 2010

- Main characteristics of Međimurje County are developed traditional crafts, especially manufacturing and construction.
- In 2009 the trade balance of Međimurje County has shown a surplus of 37 million USD.
- Međimurje County is fourth most competitive county based on competitiveness ranking from 2010, which is a positive indication of long-term development.

3. Demographics

Population by age group

	Total	% of Total
0 - 14	19.534	16,5%
15 – 24	15.744	13,3%
25 – 44	33.233	28,2%
45 +	49.412	42,0%
Total	117.923	100,0%

Source: Međimurje County in figures 2009

Births and deaths

	2006	2007	2008
Births	1.222	1.218	1.295
Deaths	1.296	1.229	1.272
Natural increase	-76	-15	14

Source: Međimurje County in figures 2009

Migrations in 2008

Immigrants (total)	360
- from other county	254
- from abroad	106
Emigrants (total)	467
- from other county	401
- from abroad	66
Net migration	- 107

Source: Međimurje County in figures 2009

Future availability of workforce: Projected population aged 15-24 years old for 2010 & 2015 for Croatia

Year	(thousands)	(%)
2010	535	12,1
2015	500	11,4

Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, *World Population Prospects: The 2008 Revision*, <http://esa.un.org/unpp>.

- The share of people younger than 14 years in 2001 in Međimurje was higher than the average for Croatia (18,6% compared to the average of 7,1% for Croatia). At the same time, the share of people over 65 years was less than the national average (13,7% : 15,7%).
- Međimurje is one of few counties in Croatia that reported a population increase in 2008.

4. Corporate Tax

Corporate tax rate for selected countries

Croatia	20,0%
Austria	25,0%
Czech Republic	21,0%
Greece	25,0%
Slovenia	20,0%
Italy	31,4%

Source: Eurostat

Corporate tax and surtax rates for selected municipalities in Međimurje County in 2011

Corporate tax rate in Croatia	20%
Surtax rate for selected municipalities	
- Čakovec	10%
- Mursko Središće	0%
- Prelog	0%
- Nedelišće	0%
- Mala Subotica	0%
- Svrti Martin na Muri	0%

Source: Međimurje County in figures 2009

- Corporate tax in Croatia is at the level of 20% and standard VAT rate is 23%.
- Most of municipalities do not charge additional surtax.

5. Education

Numbers in full-time education 2008/09

	Total	% of Total
Primary	10.695	59,1%
Secondary	4.386	24,2%
Third level	3.017	16,7%
Total	18.098	100,%

Source: Croatian Bureau of Statistics

Structure of population by educational level (Census 2001)

Without education	1,27%
First three grades of primary school	3,20%
Primary school	30,13%
Secondary school	44,82%
Higher qualifications and University degree	6,39%
Masters degree	0,11%
Doctorate	0,02%

Source: Međimurje County in figures 2009

Educational structure of Međimurje County (2001 Census) - Comparison to the national average

Education level	Number	Share in total population of Međimurje County (%)	Educational structure at the level of RH (%)
Not completed primary school, less than 8 grades	17.128	17,16	8,6
Primary school	29.060	30,12	21,8
Secondary school degree	43.232	44,82	47,1
Higher qualifications	2.752	2,85	4,1
University degree	3.411	3,54	7,3
Masters degree	109	0,11	-
Doctorate	16	0,016	-

Source: Međimurje County in figures 2009.

Secondary schools in Međimurje County

Type of school	Number of pupils
Grammar school	848
Economic and trading school	765
Secondary school of civil engineering	817

Technical school	916
Vocational school	551
Secondary school Prelog	462
Total	4.359

Source: Međimurje County in figures 2009

Universities in Međimurje County

Name of institution	Number of students	Permanent staff	Associates
Međimurje University of Applied Science in Čakovec	272	16	10
University of Zagreb, Faculty of Education – Čakovec branch	714	36	34

Source: Međimurje County in figures 2009

- In the population structure by educational level, the percentage of people with university degree is 6,39% (2001 Census). A higher percentage is expected with the new census, especially now when Međimurje University of Applied Science opened.
- According to the data from 2009 in Međimurje there were 1.926 pupils with various technical skills, 1.321 pupils that are being prepared for industry and craft occupations and 101 in the field of civil engineering.

6. Wages and Salaries

Average monthly gross earnings for selected counties in 2008

Republic of Croatia	7.507
Međimurje County	5.781
Varaždin County	6.056
Krapina –Zagorje County	6.193
Koprivnica – Križevci County	6.543
Zagreb County	7.136
City of Zagreb	9.168

Source: Information about conditions and economic development in 2009

Average monthly gross earnings according to NKD (2007) in Međimurje County in 2008

Agriculture, forestry and fishing	5.541
Mining and quarrying	-
Manufacturing	5.291
Electricity, gas, steam and air conditioning supply	9.054
Water supply; sewerage, waste management and remediation activities	6.977
Construction	4.677
Wholesale and retail trade; repair of motor vehicles and motorcycles	4.948
Transportation and storage	5.684
Accommodation and food service activities	3.988
Information and communication	6.989
Financial and insurance activities	9.406
Real estate activities	6.341
Professional, scientific and technical activities	6.481
Administrative and support service activities	4.702
Public administration and defense; compulsory social security	8.125
Education	6.893
Human health and social work activities	8.728
Arts, entertainment and recreation	6.428
Other service activities	4.684

Source: Information about conditions and economic development in 2009

- The average monthly gross earnings are below the national level.
- The highest salaries are in the field of energetics, finance and human health.

7. Energy (electricity, water, gas)

Water prices per cubic metre

Average price of drinking water for industry	10,29 kn/m ³ - 15,89 kn/m ³
Cost of sanitation services for industry	Drainage: 1,20 kn/m ³ Purification: 3,50 kn/m ³ (without VAT)

Source: Međimurje County in figures 2009

Electricity prices for industrial consumers in 2010 for selected countries

Country	Prices €/kWh
Croatia	0,09
Hungary	0,10
Italy	0,14
Slovenia	0,10
Slovakia	0,12
EU-27	0,10

Source: Eurostat

Gas prices

Price for households and industry	1,97 kn/m ³ (VAT included)
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Source: Međimurje County in figures 2009

- There are two hydropower plants in Međimurje today, they both generate approximately 700 million kWh of electricity annually, which is three times more than a year spending of entire Međimurje.
- The prices of electricity for industrial consumers in Croatia are lower than the average prices in EU-27.

8. Living Costs

Consumption basket in Croatian Counties in KN in 2010

COUNTY	CONSUMPTION BASKET IN KN
Zagreb County	7.253,78
Krapina – Zagorje County	6.104,67
Sisak – Moslavina County	6.413,97
Karlovac County	6.508,70
Varaždin County	7.048,22
Koprivnica – Križevci County	6.305,91
Bjelovar – Bilogora County	6.576,92
Primorje – Gorski Kotar County	7.067,37
Lika – Senj County	6.255,91
Virovitica – Podravina County	6.678,49
Požega – Slavonia County	5.682,05
Slavonski Brod - Posavina County	6.233,96
Zadar County	6.052,79
Osijek – Baranja County	5.865,62
Šibenik – Knin County	6.440,22
Vukovar - Srijem County	5.449,30
Split - Dalmatia County	6.557,89
Istria County	6.999,87
Dubrovnik – Neretva County	6.171,78
Međimurje County	6.949,86
Zagreb County	6.746,14
Total Croatia	6.490,51

Source: The Union of Autonomous Trade Unions of Croatia

9. Foreign Investments in Međimurje

Company name	Address	Business	Jobs	Year of establishment	Mother company
HAIX OBUĆA d.o.o.	Gospodarska 1, Mala Subotica	Shoemaking	520	2004	HAIX SCHUHE GmbH, Mainburg, Germany
L&P Tehnologije d.o.o.	Hrupine 4, Prelog	Metal processing	260	2000	Legget&Platt, USA Carthage, Missouri
TUBLA d.o.o.	Čakovec, Ulica Republike Italije 3	Textile products	489	2001	Calzedonia S.p.A, Verona, Italy
HESPO d.o.o.	Prelog, Kralja Zvonimira 38-42	Beds & Mattresses	170	1969/2005	Hilding Anders, Sweden, Malmö
TE- PRO d.o.o.	Sveti Martin na Muri, Vrhovljan	Metal processing	91	2001	FerroTechnik GmbH, Graz, Austria
FERRO-PREIS d.o.o.	Dr. Tome Bratkovića 2, Čakovec	Gray cast iron	183	1991	Jägersbergers Group, Pernitz, Austria
PERUTNINA PTUJ - PIPO d.o.o.	Rudolfa Steinera 7, Čakovec	Food production	600	2002	Perutnina Ptuj, Ptuj, Slovenia
TEGRA d.o.o.	Mihovljanska 70, Čakovec	Construction	170	1996/2007	EUROVIA SA, France
MIP WEYLAND d.o.o.	Obrtnička 5, Pušćine	Steel products commerce	33	2009	WEYLAND GmbH, Scharding, Austria
DRVO ALUMINIJ d.o.o.	Zagrebačka 38, Donja Dubrava	Metal joinery	23	1995	KREUZROITHER METALLBAU, Austria

10. Investment Incentives

Investment Promotion Act

Sectors	Eligible investment costs
Manufacturing	Equipment and machinery
Technology centres	Intangible assets: patent rights, licences, know-how
Strategic business support services	2 years gross salaries

Tax Incentives

Investment value (in mil. EUR)	Employment obligation	Corporate income tax
0.3 – 0.5	10	10%
1.5 - 4	30	7%
4 – 8	50	3%
> 8	75	0%

Employment Incentives

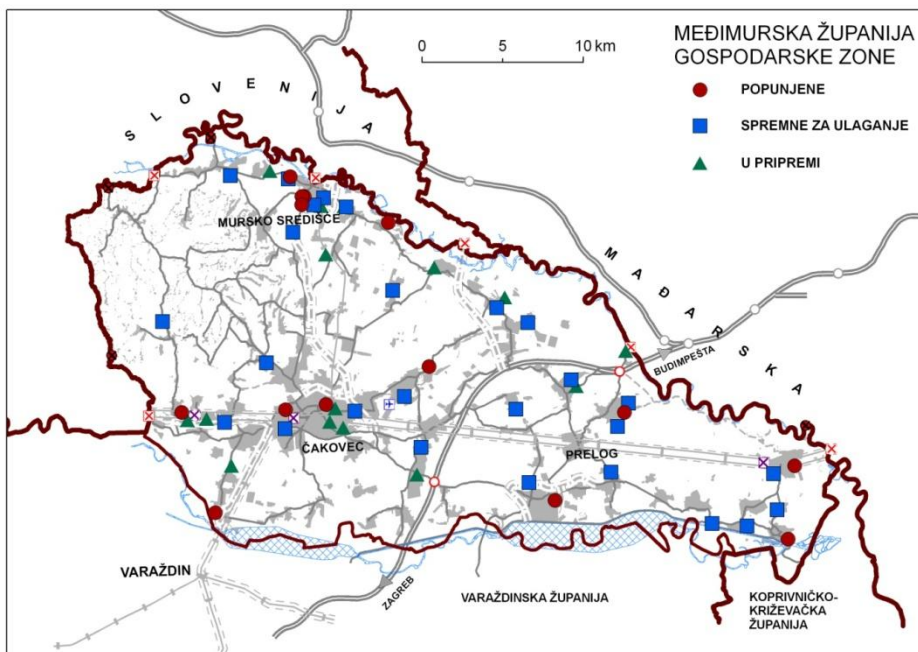
County unemployment rate	Grant in relation to eligible costs of opening new workplaces (per employee)	Strategic business support activities (+25%)	Technology centres (+50%)
<10%	10% up to EUR 1.500	12,5% up to EUR 1.875	15% up to EUR 2.250
10 – 20%	15% Up to EUR 2.000	18,75% up to EUR 2.500	22,5% up to EUR 3.000
20%	20% Up to EUR 3.000	25 up to EUR 3.750	30% up to EUR 4.500

11. Međimurje Business Zones

Business zones

Beginning of the year 2011 in Međimurje County there were

- 41 business zone of which
 - 14 completed,
 - 27 ready for investment,
- 15 zones in preparation phase.



- Legend:
- OCCUPIED
 - READY FOR INVESTMENTS
 - ▲ IN PREPARATION

INVEST IN MEĐIMURJE FOR A REASON:

- *proactive, passionate and goal-oriented people*
- *encouraging business environment*
- *modern business infrastructure*
- *convenient location*
- *balance between work and quality of life*



FOR MORE INFORMATION PLEASE CONTACT:

REDEA

Regional Development Agency Međimurje

Ms. Ana Kralj

E-mail: ana.kralj@redea.hr

Tel: +385 (0)40 395 535

Ms. Marina Mikulčić

E-mail: marina.mikulcic@redea.hr

Tel: +385 (0)40 395 571

Fax: +385 (0)40 395 142

WE OFFER INVESTORS ASSISTANCE IN FORM OF:

- *providing information about investment opportunities,*
- *support in the start-up phase of the project,*
- *providing information about available work force,*
- *support in preparing the application for investment incentives,*
- *providing a link to local companies.*