

**PRNJAVOR MUNICIPALITY**  
**OVERVIEW OF SITUATION IN PRIORITY SECTORS 2018**

**MANUFACTURE OF LEATHER AND PRODUCTS THEREOF**

- In 2017, there were seven SMEs registered in APIF, whereof four are active in business, according to submitted data.
- Sector of leather and footwear employs 6.4% of the total number of the employees in SMEs in the territory of the Prnjavor Municipality.
- Only 1.69% of the total income of the municipality comes from the sector of footwear manufacture.
- Average net personal income in the sector of manufacture of leather and products thereof amounts to BAM 600 and remains considerably lower in comparison to the average salary in the Prnjavor Municipality (BAM 688), which is 87.2% of the average.
- Leather and footwear sector generates 94.8 % of own total income from export.

<b>PROFILE OF SECTOR OF MANUFACTURE OF LEATHER AND PRODUCTS THEREOF (2017)</b>	
<b>Number of economic operators</b>	7 (4 active)
<b>Key economic operators</b>	Viale d.o.o, The Welly d.o.o, d.o.o, K.L.M. d.o.o., VODEX d.o.o.
<b>Prevailing code of activity</b>	15.20 – Manufacture of footwear
<b>Number of employees in the sector</b>	241
<b>Key employers</b>	Viale d.o.o (146), The Welly d.o.o (73)
<b>Total income (BAM)</b>	11,671,650
<b>Total income per employee</b>	BAM 48,431
<b>Share of income in the sector of manufacture of leather and footwear in the total income of SMEs in the municipality</b>	<b>1.69%</b>
<b>Profit in the sector of manufacture of leather and footwear</b>	<b>BAM -1,314,047</b>
<b>Share of profit in the sector of manufacture of leather and footwear in the total profit of SMEs</b>	-3.48%
<b>Profit per employee</b>	<b>BAM -5,452</b>
<b>Export in the sector of manufacture of leather and footwear</b>	<b>BAM 11,060,939</b>
<b>Share of export in the total income in the sector of manufacture of leather and footwear</b>	<b>94.77%</b>
<b>Biggest exporters in 2016</b>	The Welly d.o.o

<b>Number of employees in the sector in comparison to the total number of employees in SMEs in the Prnjavor Municipality</b>	<b>6.4%</b>
<b>Average gross salary</b>	<b>BAM 896 (EUR 458)</b>
<b>Average net salary</b>	<b>BAM 600 (EUR 307)</b>
<b>Key products and services</b>	Manufacture of ready-made civil winter footwear, manufacture of part of military footwear, manufacture of men, women and children fashion footwear, manufacture of upper parts of footwear – <i>lohn</i> arrangements, manufacture of ready-made rubber footwear-shoes, slippers, boots and assembly of ready-made leather footwear (boots, shoes, sandals, slippers).
<b>Key clients</b>	Known buyers abroad ( <i>lohn</i> arrangements)

### Comparative overview in the sector of manufacture of leather and footwear in 2016 and 2017

<b>MANUFACTURE OF LEATHER AND FOOTWEAR</b>		
	<b>2016</b>	<b>2017</b>
<b>Number of economic operators</b>	3	7 (4)
<b>Number of employees</b>	260	241
<b>Total income (in million BAM)</b>	12,182,757	11,671,650
<b>Total income per employee (BAM)</b>	46,857	48,431
<b>Share of income in the sector of manufacture of leather and footwear in the total income of SMEs</b>	1.86%	<b>1.69%</b>
<b>Profit (BAM)</b>	355,467 (profit)	-1,314,047 (loss)
<b>Share of profit in the sector of manufacture of leather and footwear in the total profit of SMEs</b>	1.02%	-3.48%
<b>Profit per employee (BAM)</b>	1,367	-5,452
<b>Export in the sector of manufacture of leather and footwear (in million BAM)</b>	11,825,075	11,060,939
<b>Share of export in the total income in the sector of manufacture of leather and footwear</b>	93.7%	94.8%
<b>Share of export in the total export of SMEs</b>	6.3%	5.63%
<b>Number of employees in the sector in comparison to the total number of employees in SMEs</b>	6.8%	6.4%
<b>Average gross salary</b>	BAM 747 (EUR 382)	BAM 896 (EUR 458)
<b>Average net salary</b>	BAM 450 (EUR 230)	BAM 600 (EUR 307)

- In 2017, there formally increased the number of SMEs in the sector of manufacture of leather and footwear by four (from three in 2016 to seven in 2017), but four enterprises do not report almost any activity and only two companies make profit.
- In 2017, in the sector of manufacture of leather and footwear there decreased the number of employees by 19 (7.3% less employees than in 2016)
- Total income increased by BAM 511,107 in comparison to the previous year (by 4.2%).

- Due to reduction in number of employees and increase in the total income in 2017, total income per employee increased by BAM 1,574 in comparison to 2016.
- Share of income in the sector of manufacture of leather and footwear in the total income of SMEs in the Prnjavor Municipality in 2017 amounts to only 1.69%, which is insignificantly less than in 2016 (1.7%).
- Sector of manufacture of leather and footwear in 2017 had loss of approximately BAM 1.3 million. In comparison to 2016, when small profit was recorded (355,467), such a result indicates deteriorating in doing business by approximately BAM 1.65 million in comparison to the previous year. This decreased the overall business profit of SMEs in Prnjavor by 3.48% and conditioned loss of approximately BAM 5,452 per employee.
- Export in the sector of manufacture of leather and footwear remained almost the same as in 2016 (BAM 11.06 million in 2017 and BAM 11.8 million in 2016).
- In this sector over 90% of all income remains to be generated from export (94.8% in 2017, in comparison to 93.7% in 2016).
- Share of export in the sector of manufacture of leather and footwear in the total export of Prnjavor amounts to 5.63%, which is insignificantly less in comparison to the previous year (approximately 0.6%).
- Sector of the manufacture of leather and footwear employs 6.4% of all the employees in the territory of Prnjavor (0.4% less in comparison to 2016, because in other sectors there were new jobs created, while in the sector of manufacture of leather and footwear the number of employees decreased by 19 in comparison to 2016).
- Average gross salary in this sector in 2017 increased by 19.7% in comparison to 2016, while net salary increased by considerable 33%.