EDITION 3
August 2015

BUSINESS ENVIRONMENT BAROMETER OF SMALL AND MEDIUM-SIZED ENTERPRISES

CREDO KRAJINA

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BUSINESS ENVIRONMENT BAROMETER OF SMALL AND MEDIUM-SIZED ENTERPRISES

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Contents

Introduction

Business Environment Barometer of Small and Medium-Sized Enterprises presents a part of research activities that are implemented within the "CREDO Krajina" Project. This project is financed by Sweden and implemented by the Enterprise Development Agency Eda from Banja Luka, in cooperation with the Development Association NERDA from Tuzla. The goal of the project is to improve competitiveness of small and medium-sized enterprises in the area of Krajina, so as to create and maintain jobs, reduce poverty and improve the economic status of this area.

This is the third semi-annual research dealing with business operations of enterprises, positions and opinions of enterprises' representatives of the most competitive business sectors of the project area about the most important preconditions and characteristics of business operations. Observed from the point of view of businessmen, a methodology was developed for the assessment of business environment, which is used to describe the conditions in the area covered by the "CREDO Krajina" project from several aspects. The third research was done in the first half of 2015 and it was related to different economic issues in the second half of 2014 and assessment for the first half of 2015. The first research, using the same methodology, was done in the first half of 2014 and it was related to the economic issues in the second half of 2013 and it was also related to the first half and assessment for the second half of 2014. The second research was done in the second half of 2014 and it was related to the first half and assessment for the second half of 2014. There will be multiple benefits from this research, as it will provide better understanding of the situation, both for businessmen as well as for researchers and institutions dealing with economic development.

The third semi-annual research includes also the comparison of the results of the project area with the results of the research done for the preparation of the Balkans Business Barometer, which includes the views and opinions of the business opinion about the main business and developmental issues and it presents a part of the "tools" for monitoring the progress in the application of the "Southeast Europe 2020" strategy[1].

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1 The research within the Balkan Business Barometer included 1,400 enterprises from seven Southeast Europe economies: Albania, Bosnia and Herzegovina (161 enterprise from BiH), Croatia, Montenegro, Serbia and Former Yugoslav Republic of Macedonia; Regional Cooperation Council, May 2015, at http://www.rcc.int/seeds/results/3/balkan-business-barometar.

1. Methodology

When creating the Business Environment Barometer of Small and Medium-Sized Enterprises, the Enterprise Development Agency Eda decided to examine the trends observed from the point of view companies working within the most competitive sectors in this area (wood processing industry, metal industry, food industry and leather processing and footwear production). The research is performed two times a year, using an identical procedure. Namely, it is a longitudinal research design (the research is implemented several times at different points in time), at which attempts were made to keep the same sample of enterprises (changing it only in the case of being unable to obtain responses from the enterprises' representatives), meaning that this is a panel research. The third number of Business Environment Barometer of Small and Medium-Sized Enterprises, that is, the research of business operations of enterprises, positions and opinions of businessmen about different economic issues is related to the second half of 2014 and assessment of businessmen for the first half of 2015.

The selected methodology enables following of trends, as the data and positions are monitored in comparison with the previous semi-annual periods, at which the questions are related both to internal environment (scope of production, financial results, employees, investments, etc.) and to external environment (business environment, available financial support, inclusion into initiatives or discussions about the improvement of business conditions, etc.).

Questionnaire

In addition to the introductory part, the questionnaire consists of eight separated, but at the same time closely related parts, analyzing business operations of enterprises and opinions of respondents. The first seven parts of the questionnaire are, for the purpose of comparing the results, the same as the parts that have been processed when making the first and the second Barometer and they are related to the scope of production, finances, employees, capacities, investments, business environment and external support. The last part encompasses the questions about suffered floods' damages that happened in 2014 and that affected business operations of the enterprises from the area included in the research.

Observation Unit and Surveying

The observation unit is an enterprise selected to be included in the sample and the surveying unit is the best informed person in the enterprise (the enterprises' owner, manager or director).

Sample Description

When including an enterprise into the main sample, based on which the panel research is done, we acted having in mind the method of simple random sampling. Each unit of the group (all the enterprises in the Krajina region) was numbered using the numbers from 1 to N (N marking the number of elements of the basic group). This, as any other research, is aimed at a certain target population. In our case, these are enterprises from the most competitive business sectors in the area covered by the "CREDO Krajina" project. Enterprises got ordinal numbers, which served as the basis for selection. In the further procedure, a table of random numbers was used for the selection of enterprises' sample.

One of the very significant questions asked in each sampling is the sample size. From a statistical point of view, it is desirable to make the sample as large as possible, which affects the size of costs, so the usually asked question is which is the minimal sample size that may meet the set requirements of precision. Taking this into account, we came to a desirable interval of the sample size being from 41 to 89 enterprises, having in mind the size of the basic group (the number of all enterprises under the aforementioned sectors) and subjectively projected reliability interval (from 10 to 15). Using this, for the third number of Barometer, we sent an enquiry to randomly selected 70 addresses, at which the rate of responses was over 80%. So, 57 enterprises were surveyed.

For the third number of Barometer, 35 (61.4%) enterprises were surveyed, which participated in the two previous researches and 22 (38.6%) of "new" enterprises that were not surveyed before. To make the survey results representative, in addition to surveying the same enterprises, we paid attention to the sector representation and enterprise size when replacing enterprises in the sample.

The structure of surveyed enterprises is shown in the following table.

Table 1 – Sector structure of surveyed enterprises

Sector	Number of enterprises	%
Metal processing industry	18	31.6
Wood processing industry	12	21.1
Food and beverages	20	35.1
Leather and footwear	7	12.3
Total	**57**	**100.0**

The questionnaires were collected in person, by e-mail or fax, in the period from 18 May to 29 May 2015. The structure of surveyed enterprises to a great extent presents the structure of enterprises that operate in the area covered by the "CREDO Krajina" project. The smallest number of surveyed enterprises is from the leather and footwear sector. However, having in mind that a small number of enterprises operates in the leather and footwear sector, we can conclude that the sample of seven surveyed enterprises is satisfactory and that it may represent the situation in this sector.

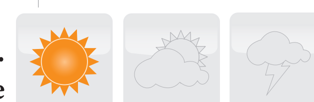
2. Business Results - Present and Expected Development Level

In accordance with the research goal and questionnaire structure, the research findings are presented in the following parts:

- Physical scope of production,
- Finances,
- Labor force and skills,
- Capacities,
- Investments,
- Business environment,
- Financial support, consultancy services and involvement into initiatives,
- 2014 floods' effects.

2.1. Physical Scope of Production

2.1.1. Total Produced Quantity

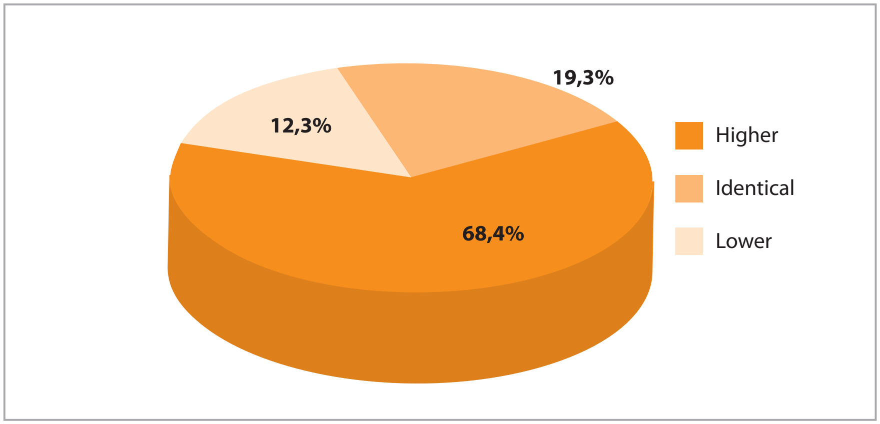


- **In the second half of 2014, 68.4% of enterprises have increased the realized physical scope of production.**
- **A continuous increase of the physical scope of production in all the semi-annual periods covered by the research was marked.**

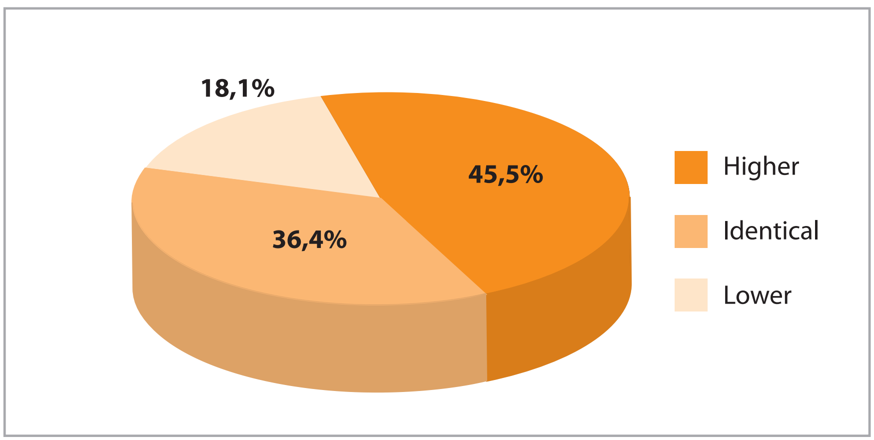
The research results have shown that the realized physical scope of production in enterprises covered by the research has increased in the second half of 2014, compared to the first half of the same year, that is, the two thirds of the surveyed enterprises had a larger scope of production in the second year of 2014, compared to the first half of 2014. The same scope of production was kept by every fifth company, while 12.3% of enterprises had a reduction in the scope of production.

Also, if we compare the results with the expectations of the enterprises from the past research with regards to the assessment of the achieved scope of production in the second half of 2014, we may conclude that the enterprises operated much better than they expected (as many as 68.4% of enterprises had a larger scope of production, whereas only 39.2% expected an increase in the scope of production in the second half of 2014).

The enterprises are still careful when it comes to their expectations with regards to the increase in the production scope. Namely, 45.5% of enterprises have expected an increase in the scope of production in the first half of 2015, compared to the second half of 2014.

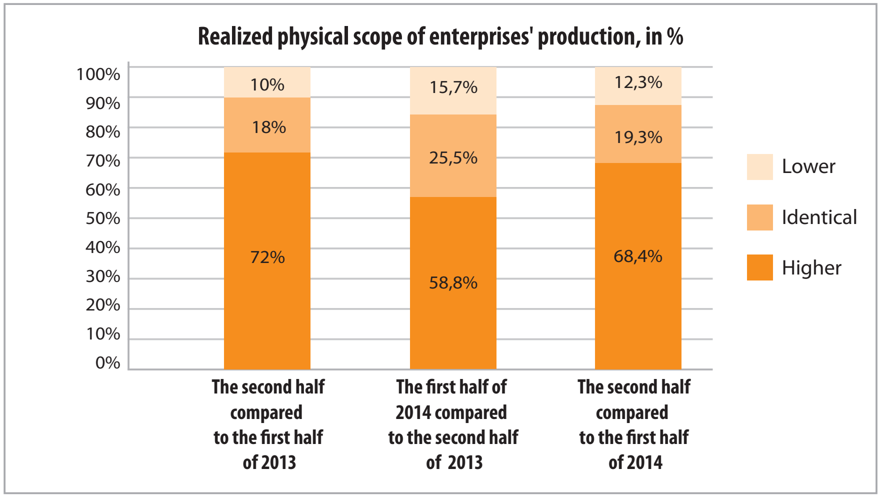


Graph 1 – Realized physical scope of production (the second half of 2014 compared to the first half of 2014) in %.



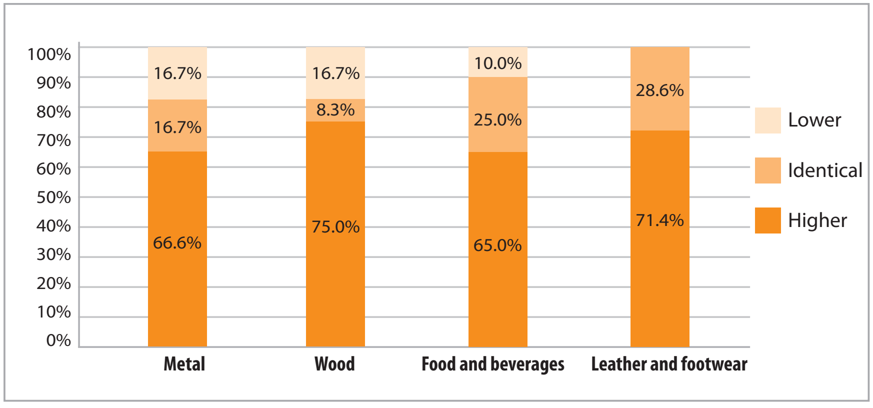
Graph 2 – Forecast of a physical scope of production (the first half of 2015 compared to the second half of 2014), in %.

When the results of the third research are compared with the results of semi-annual periods from the previous researches, we can notice the trend of increase in the production scope in semi-annual periods that are covered by the research (a percentage of enterprises that have increased the achieved scope of production dominates in all the three researches).



Graph 3 – Realized physical scope of enterprises' production, in %

Observed by sectors covered by the research, enterprises dominating in all the sectors are enterprises that have achieved an increase of production in the second compared to the first half of 2014. As in the previous research (Barometer 2), the biggest number of enterprises from the wood processing industry has, once again, achieved an increase in the scope of production in the second half of 2014 (75.0% of wood processors). This is followed by the enterprises in the area of leather and footwear, out of which 71.0% had an increase in the scope of production in the second half of 2014, as well as 66.6% of enterprises from the metal processing industry and food industry.



Graph 4 – The scope of production in the second half of 2014 compared to the first half of 2014, in %.

2.1.2. Orders from the Foreign Market

- **In the second half of 2014, 86.0% of enterprises received orders from abroad.**
- **83.3% of wood processing companies and 83.3% of leather and footwear companies had an increase of orders from abroad.**
- **Enterprises from the food industry sector had the lowest level of operations with abroad (25.0% of enterprises from the food industry did not receive orders from abroad in the second half of 2014).**
- **In the second half of 2015, 25.0% of the wood processing companies expect a decrease of orders from abroad.**

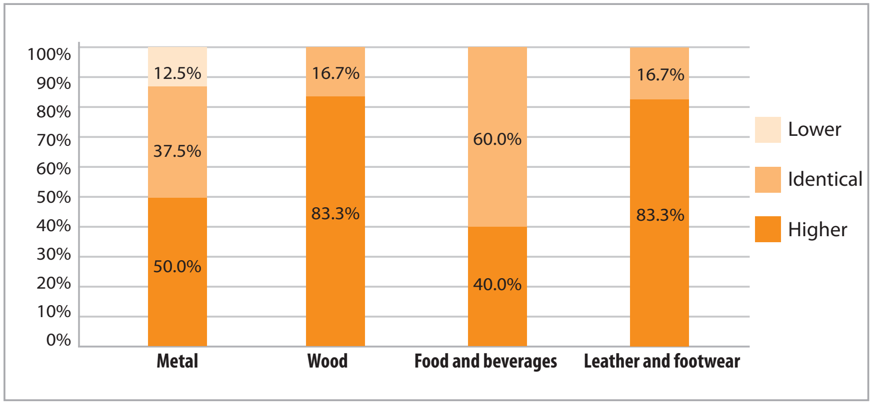
The percentage of 86.0% received orders from the foreign market in the second half of 2014. The biggest percentage of enterprises from the food industry that had not received orders from abroad (25.0% of surveyed enterprises in this sector). The number of enterprises planning orders from foreign markets in the first half of 2015 is somewhat lower (82.5% of enterprises). A decrease of orders from abroad was marked with 7.0% enterprises.

Table 2 – Orders from abroad

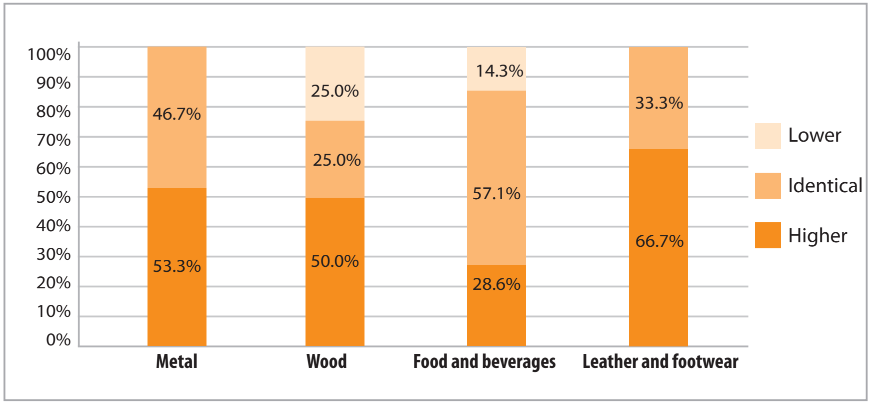
	The second half of 2014 compared to the first half of 2014.		The first half of 2015 compared to the second half of 2014 (forecast).	
	Number	%	Number	%
Higher	29	50.9	22	38.6
The same	16	28.1	20	35.1
Lower	4	7.0	5	8.8
No response	8	14.0	10	17.5
Total	57	100.0	57	100.0

Data about orders from abroad by sectors show that the wood processing and leather and footwear sectors have marked an increase of orders from abroad in the majority of surveyed enterprises (83.3% in both sectors) in the second half of 2014. An increase of foreign orders in the enterprises of these two sectors was also marked in the previous two researches, that is, in the past two years (2013 and 2014). A decrease in the orders from abroad in the second half of 2014 was recorded in a small number of companies (having two enterprises in both sectors) in the wood processing and metal processing sectors. The fourth of wood processing enterprises expects to face a decrease of orders from abroad.

Although as many as 60% of food industry enterprises expected, during the surveying for the second edition of Barometer, to have an increase of orders from abroad in the second half of 2014, their expectations have not been realized, that is, not a single surveyed enterprise from this sector had an increase in the orders from abroad in the aforementioned period. For that reason, the enterprises in this sector are much more careful when making forecasts for the first half of 2015, when only 14.3% enterprises expect an increase of orders from abroad.



Graph 5 – Orders from abroad in the second half of 2014 compared to the first half of 2014, in %.



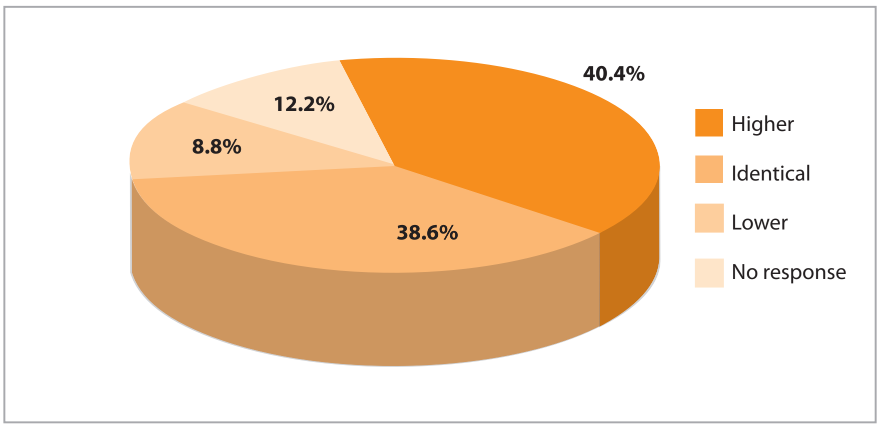
Graph 6 – Forecast of orders from abroad in the first half of 2015 compared to the second half of 2014, in %.

2.1.2. Orders from the Domestic Market

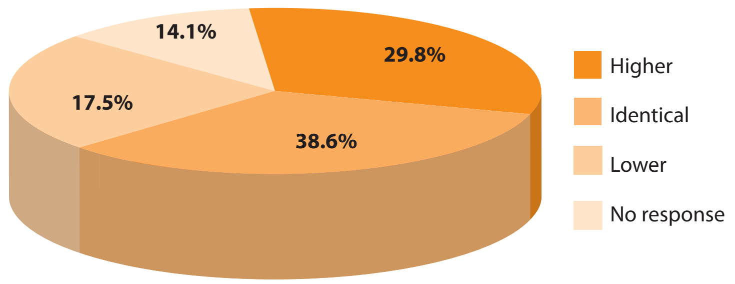
- **Smaller increase of orders from the domestic market compared to the orders from abroad.**
- **In 2014, 52.9% of enterprises from the metal processing sector and 52.6% from the food industry sector have recorded larger orders from the domestic market.**
- **In the first half of 2015, 31.3% of metal processing enterprises and 40.0% of leather and footwear enterprises expect to have a decrease of orders from the domestic market.**

The percentage of 40.4% of surveyed enterprises had an increase of orders from the domestic market in the second half of 2014, whereas about 30% of enterprises is also expecting to have an increase of orders from the domestic market in the first half of 2015. The following graph shows that there were no significant decreases of orders from the domestic market in the second half of 2014 (only 8.7% of enterprises faced a decrease of orders), unlike in the first half of 2014, when 27.5% enterprises had a decrease of orders.

The forecast of enterprises with regards to the orders from the domestic market for the first half of 2015 is reserved again. About 30% of enterprises expect an increase, whereas 17.5% expect a decrease of orders from the domestic markets.



Graph 7 – Orders from the domestic market in the second half of 2014 compared to the first half of 2014, in %.



Graph 8 – Orders from the domestic market in the first half of 2015 compared to the second half of 2014, in %.

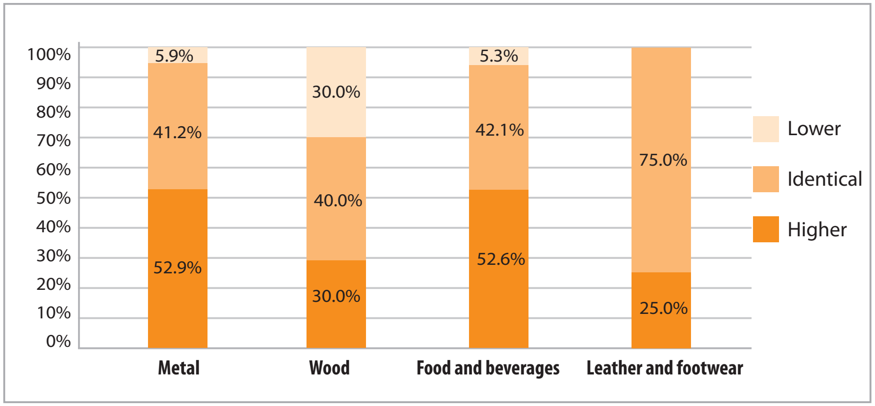
Observed by sectors, more than a half of surveyed enterprises (52.9%) from the metal processing sector has recorded larger orders from the domestic market in the second half of 2014. In addition to that, a majority of enterprises from this sector does not expect further increase of orders from the domestic market in the first half of 2015. Only 18.8% enterprises expect increasing of orders in this period. In the first half of 2015, the biggest number of enterprises from this sector expect to face stagnation of orders (50.0% of enterprises), whereas almost a third expects to face a decrease of orders from the domestic market (31.3%).

The biggest percentage of wood processing enterprises has kept the same level of orders from the domestic market in the second half of 2014 (40.0% of enterprises), whereas as many as 30.0% of enterprises have had a decrease of orders from the domestic market. When it comes to the first half of 2015, 70.0% of enterprises does not expect any changes in the orders from the domestic market.

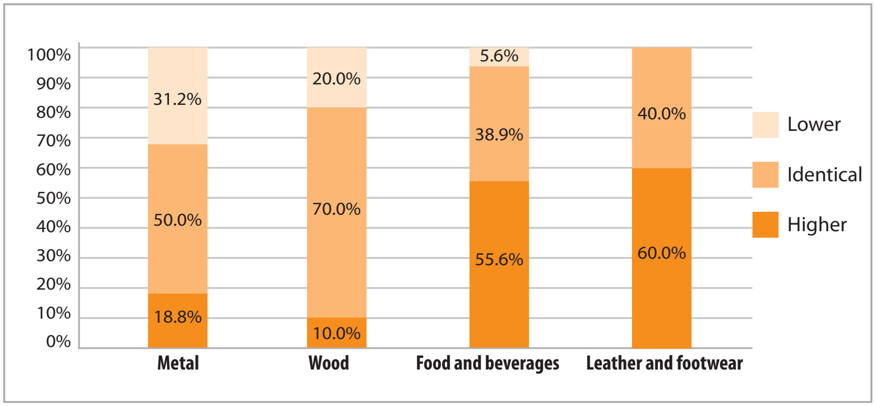
More than a half of surveyed enterprises from the food and beverage sector has realized an increase of orders from the domestic market in the second half of 2014.

A majority of enterprises from the leather and footwear sector has kept the same level of orders from the domestic market in the second half of 2014 (75.0%), whereas in the first half of 2015, 60.0% of enterprises from this sector expects to have an increase and even as many as 40.0% of enterprises expects to have a decrease of orders.

If we compare the orders from the domestic and foreign markets of enterprises by sectors, we can notice that the enterprises from the wood processing and leather processing and footwear industries are, to a great extent, leaned onto foreign markets, whereas the enterprises of the metal processing industry equally operate both on the foreign and domestic market, while the companies from the food industry operate more on the domestic market.



Graph 9 – Orders from the domestic market in the second compared to the first half of 2014, in %.



Graph 10 – The forecast of orders from the domestic market in the first half of 2015 compared to the second half of 2014, in %.

2.2. Finances

2.2.1. Financial result

- **Profit increase in 2014 was realized by 61.4% of enterprises.**
- **In 2014, 83.3% of wood processing enterprises have increased their profit.**
- **In 2014, 64.7% of metal processing enterprises have realized an increased profit, whereas 75.0% expects to have a profit increase in 2015.**

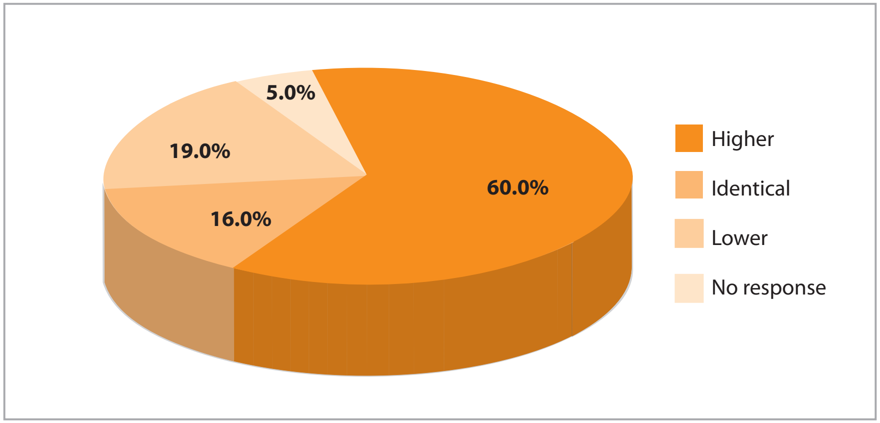
Realized financial result show positive business operations results of enterprises in 2014, i.e. 61.4% of enterprises has realized an increase of profit, while 19.3% of enterprises had a profit decrease. However, all the enterprises that have had a profit decrease in 2014 expect to have a profit increase or to keep the profit at the same level in 2015.

Profit estimate for 2015 is also positive, as 57.9% of enterprises expects a profit increase, while 31.6% of enterprises expects the same level of profit as in 2014, whereas only 3.5% foresees a profit decrease.

Having in mind the fact that 35.8% of surveyed enterprises have suffered direct and 63.0% of enterprises have suffered indirect damage due to the floods that happened in 2014, we can conclude that the results about the enterprises' profit truly cause justified optimism about the stability of business operations of enterprises and prove ability of enterprises to face and adapt to contingency situations.

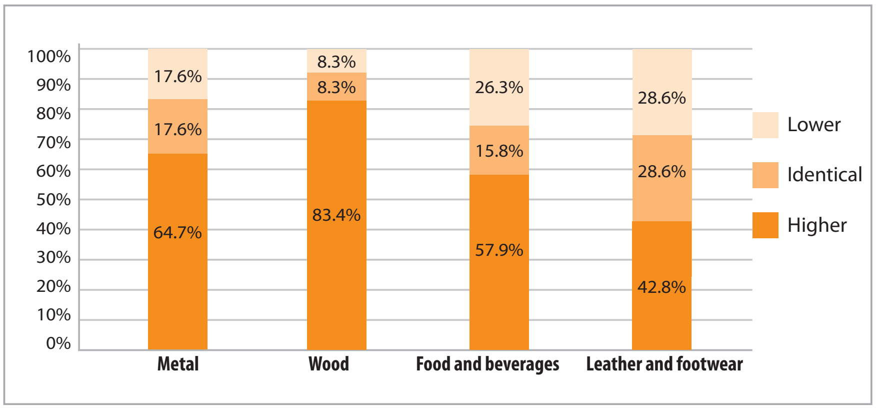
Table 5 – Realized profit of enterprises in 2014 and profit estimate of enterprises in 2015

	Higher	The same level	Lower	No response
Profit in 2014 compared to 2013	61.4%	15.8%	19.3%	3.5%
Profit estimate in 2015 compared to 2014	57.9%	31.6%	3.5%	7.0%



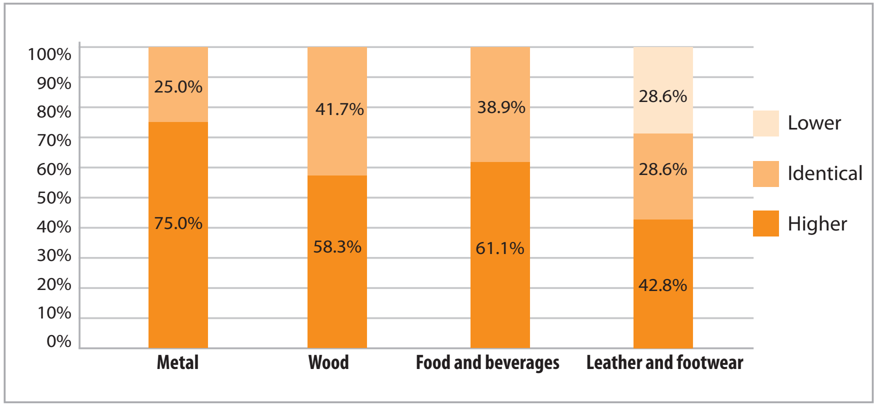
Graph 11 – Realized profit of enterprises in 2014 compared to 2013.

Observed by sectors, the biggest percentage of surveyed wood processing companies have realized an increase of profit in 2014 (as many as 83.3% of enterprises). An increase of profit in 2014 was also marked in other sectors: 64.6% in metal processing industry and 57.9% in food industry. A decrease of profit amongst the surveyed enterprises is the most expressed in the sectors of food industry and leather processing and footwear industry (more than a quarter of enterprises in these two sectors have had a decrease of profit in 2014).



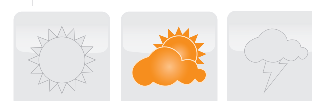
Graph 12 – Realized profit of enterprises in 2014 compared to 2013, by sectors (in %).

Profit estimate for 2015 by sectors encourages optimism again. Only the enterprises from the sectors of leather processing and footwear expect to have a profit decrease in 2015 (28.6% of enterprises). The enterprises of other sectors do not expect a profit decrease in the future period, while even as many as 75.0% of metal processing enterprises expect a profit increase in 2015.



Graph 13 – Profit estimate of enterprises in 2015 compared to 2014, by sectors (in %).

2.2.2. Uncollected Receivables



- **In 2014, 26.3% of enterprises decreased and 17.5% of enterprises increased their uncollected receivables.**
- **The biggest changes with regards to the uncollected receivables in 2014 were recorded with the metal processing and wood processing enterprises (the biggest increase and decrease compared to the other sectors).**

The analysis has shown that with more than a half of surveyed enterprises, the amount of uncollected receivables remained at the same level in 2014 and 2013, while only with one fourth of surveyed enterprises, the amount of uncollected receivables decreased in 2014, which gives an optimistic picture for business operations of enterprises, observed from this point of view. The increase of uncollected receivables in 2014 was faced by 17.5% of enterprises. The enterprises again expect to have a decrease of uncollected receivables in 2015 (26.3%), whereas only 7.0% of enterprises expect an increase of uncollected receivables in 2015.

Table 6 – Uncollected receivables, all the sectors together

	2014 compared to 2013, in %	2015 compared to 2014 (an estimate), in %
Higher	17.5	7.0
Identical	50.9	57.9
Lower	26.3	26.3
No response	5.3	8.8
Total	100.0	100.0

If we look at the sector structure of uncollected receivables, the biggest changes were recorded in enterprises from the metal processing and wood processing sector. A third of surveyed wood processing enterprises had a decrease of uncollected receivables in 2014. The case was the same with the enterprises from the metal processing industry (29.5% of enterprises had a decrease in uncollected receivables). At the same time, there was an increase of uncollected receivables in one fourth of the surveyed enterprises (23.5% in metal processing industry and 25.0% in wood processing industry). One fourth of surveyed enterprises (26.3%) from the food industry had a decrease of uncollected receivables in 2014.

Table 7 – Uncollected receivables, 2014 compared to 2013, by sectors

		Sector				Total
		Metal	**Wood**	**Food & drinks**	**Leather & footwear**	
Uncollected receivables 2014/2013	Higher	23.5%	25.0%	10.5%	16.7%	18.5%
	Identicale	47%	41.7%	63.2%	66.6%	53.7%
	Lower	29.5%	33.3%	26.3%	16.7%	27.8%
Total		100.0%	100.0%	100.0%	100.0%	100.0%

More than a third of enterprises from the metal processing sector (35.3%) expect to have a decrease in uncollected receivables in 2015, whereas 27.3% of enterprises from the wood processing sector and 27.8% of enterprises from the food industry expect a decrease in uncollected receivables.

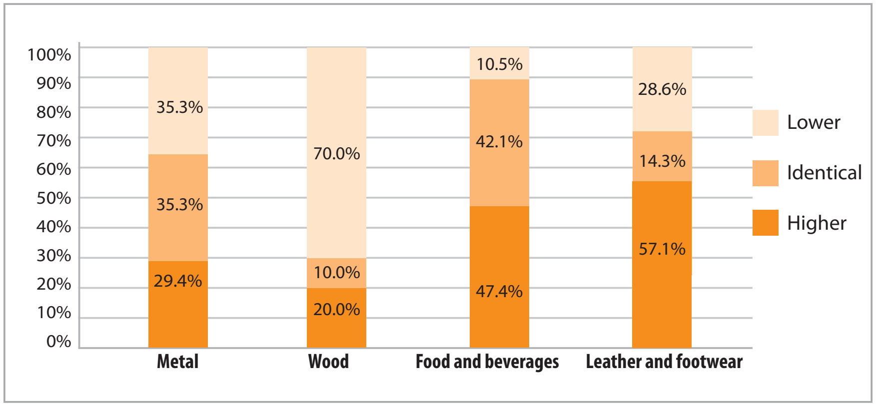
2.2.3. Obligations to Suppliers

- **In 2014, 70.0% of wood processing enterprises have decreased obligations to the suppliers.**
- **Large obligations to the suppliers in the leather and footwear sector (57.1% of enterprises had larger obligations in 2014 compared to 2013, whereas 60.0% predicted that the obligations in 2015 would be larger compared to 2014).**

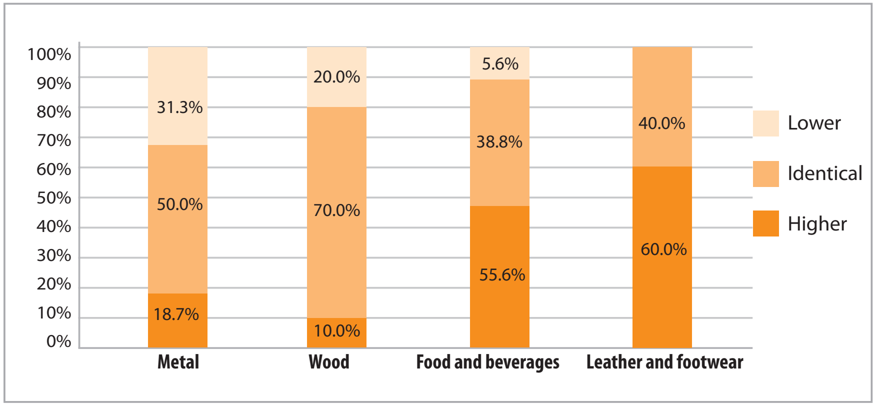
Almost an equal percentage of enterprises had the same (28.1%) or smaller (29.8%) obligations to the suppliers in 2014, while somewhat larger percentage of enterprises (35.1%) had larger obligations in 2014 compared to 2013. Only 17.5% of enterprises expect a decrease of obligations to the suppliers in 2015, whereas the majority of enterprises expect the same (38.6%) or higher obligations to suppliers (29.8%).

Observed by sectors, 57.1% of enterprises from the leather and footwear sector had an increase of obligations, followed by the food industry enterprises where 47.4% of enterprises in 2014 had an increase of obligations to suppliers compared to 2013. The biggest percentage of wood processing enterprises had a decrease of obligations to suppliers in 2014 (70.0% of surveyed enterprises). The food industry enterprises and leather processing and footwear enterprises expect an increase of obligations to suppliers in the first half of 2015. An increase of obligations to the suppliers in 2015 is expected by 60.0% of enterprises from the leather processing and footwear sector, while a decrease is expected by 40% of enterprises from this sector.

Almost a third of metal processing enterprises (31.3%) expect a decrease, whereas 18.7% expect an increase of obligations to suppliers.



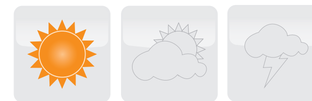
Graph 14 – Obligations in 2014 compared to 2013, by sectors.



Graph 15 – Estimate of obligations in 2015 compared to 2014, by sectors.

2.3. Labor Force and Skills

2.3.1. Number of Employees

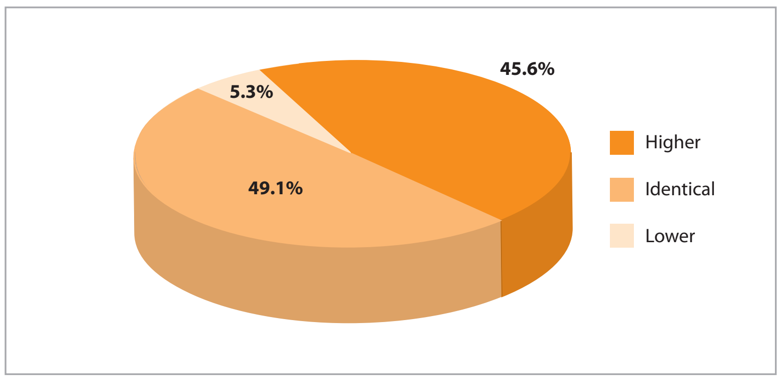


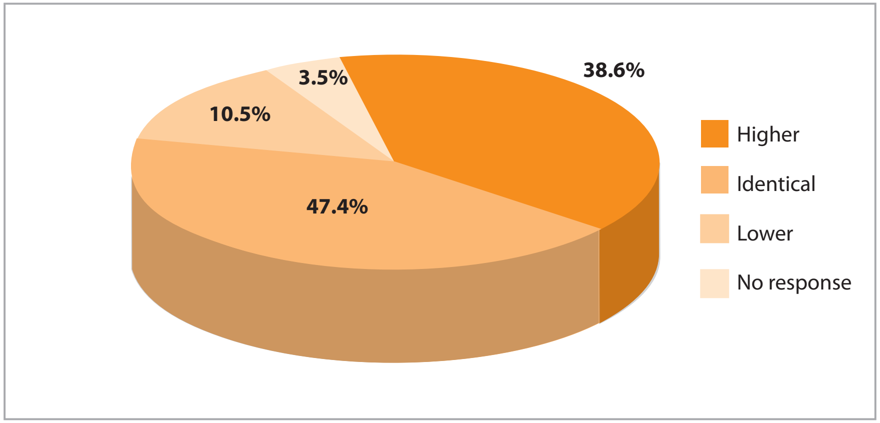
- **The number of employees has increased in even as many as 45.6% of enterprises in the second half of 2014, while 38.6% of enterprises expect an increase in the number of employees in the second half of 2014.**
- **Compared to the enterprises in the whole of BiH and JIE, the biggest percentage of enterprises from Krajina had an increase and the smallest percentage had a decrease in the number of employees in the previous period.**

The trend of increase in the number of employees in enterprises in the area of Krajina has continued. Researches have shown an increase in the number of employees in all the three covered semi-annual periods (in the second half of 2013: in 47.0% of enterprises, in the first half of 2014: in 35.0% of enterprises and in the second half of 2014: in 45.6% of enterprises). Achieved plans of the enterprises have been related to the increase in the number of employed staff in the second half of 2014 (the previous research has shown that an increase in the number of employees was planned by 45.0% enterprises and that it was achieved by 45.6% enterprises). Almost a half of enterprises had the same number of employees and only 5.3% or 3 enterprises decreased the number of employees in the second half of 2014, out of which one enterprise was directly affected by the flood in 2014.

A somewhat larger percentage of enterprises expect to have a decrease in the number of employees in the first half of 2015 (10.5% or 6 enterprises). Data show that three enterprises, which are planning to have a decrease in the number of employees in the first half of 2015, has increased the number of employees in the second half of 2014, while the other three companies had the same number of employees in the second compared to the first half of 2014.

Graph 16 – The number of employees in the second half of 2014 compared to the first half of 2014, in %.

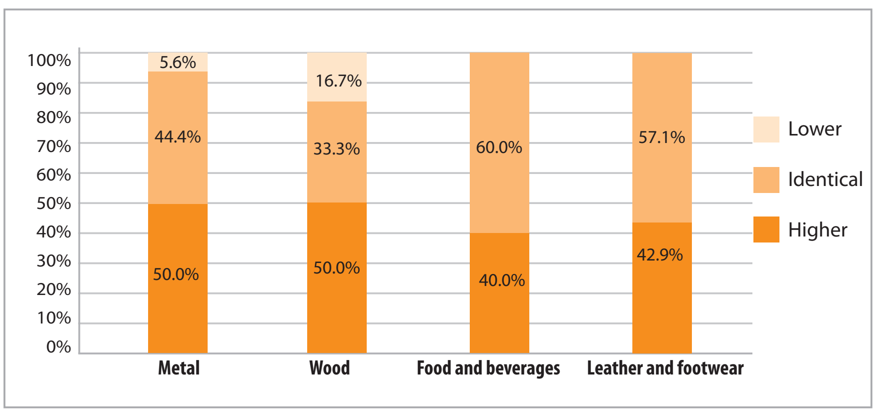




Graph 17 – The number of employees in the first half of 2015 compared to the second half of 2014 (estimate).

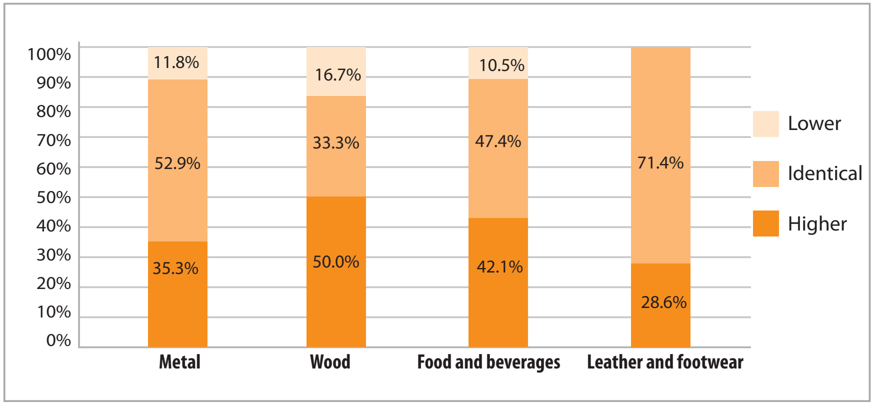
The enterprises of all the sectors have had an increase in the number of employees, while the total of three enterprises, one from the metal processing sector and two from the wood processing sector, have decreased the number of employees in the second half of 2014.

Having in mind the fluctuations in the number of employees in the sector of leather and footwear, as well as the size of enterprises working in this area, there is a positive fact that no estimates of leather professing and footwear sector were achieved with regards to a decrease in the number of employees in the second half of 2014 (a third of surveyed enterprises for research in the preparation of Barometer 2 has planned a decrease in the number of employees). Not a single surveyed enterprise from this sector decreased the number of employees in the second half of 2014. With regards to that, we would like to emphasize that the panel research for the third Barometer included 67.0% of the same enterprises from the leather and footwear sector, which were included by the research implemented for the preparation of *Barometer Edition 2.*



Graph 18 – The number of employees in the second half of 2014 compared to the first half of 2014, all the sectors

The plans with regards to a decrease in the number of employees in the first half of 2015 are again not related to the leather and footwear sector enterprises, whereas two enterprises in each of the wood processing, metal processing and food industry sectors are planning a decrease in the number of employees in the upcoming period.



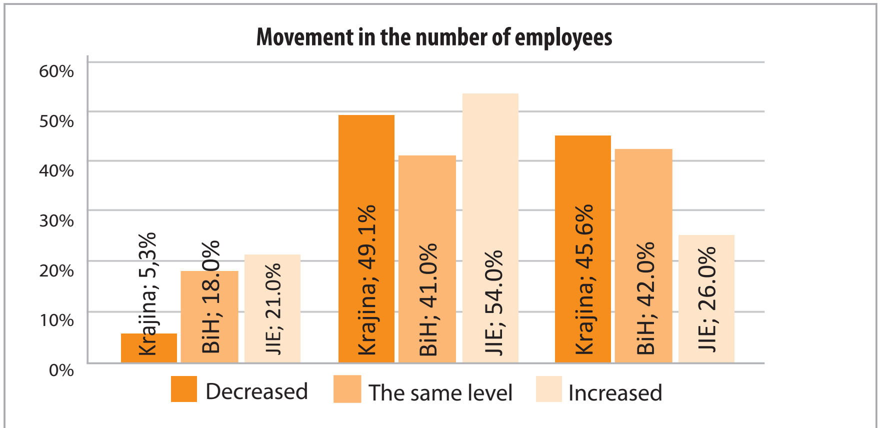
Graph 19 – The estimate in the number of employees in the first half of 2015 compared to the second half of 2014.

Comparing the date of our research with the data from the research performed for the Balkan Business Barometer shows a very positive movement of employment in the industrial enterprises in the area of Krajina compared to the whole of Bosnia and Herzegovina (BiH) and Southeast Europe (SEE).

The following graph shows that the enterprises in the Krajina region have not marked bigger dismissals of employees in the last period[2]. Only 5.0% of enterprises have decreased the number of employees, which is a very small percentage in comparison with the enterprises in the whole of BiH, where 18.0% of enterprises have decreased the number of employees in the previous period or enterprises at JIE where as many as 21.0% of enterprises decreased the number of employees.

As many as 46.0% of enterprises from the Krajina region have increased the number of employees in the previous period, while in the enterprises in the whole of BiH this percentage is somewhat lower (42.0%), as well as in the enterprises in the SEE (26.0%).

2 The previous period for enterprises from the Krajina region is related to the second half compared to the first half of 2014, while the previous period, which the research of enterprises in Bosnia and Herzegovina and Southeast Europe in the past 12 months is related to (the research was implemented in the beginning of 2015).



Graph 20 – Movement of employees in the industrial companies from the Krajina region (the second compared to the first half of 2014) and enterprises from BiH and SEE (for the last 12 months).

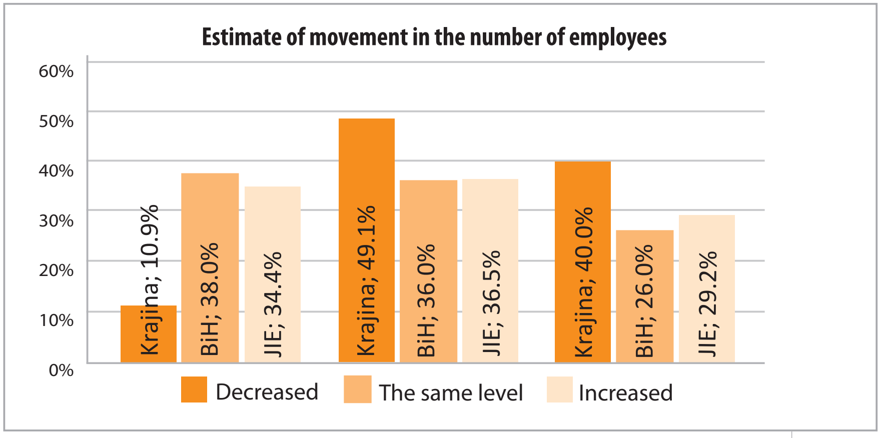
The source of data for Bosnia and Herzegovina and Southeast Europe: "Balkan Business Barometer", May 2015, Regional Cooperation Council.

Also, if we compare the expectations of representatives of enterprises with regards to the movement of the number of employees, we see again more positive expectations for enterprises in the area of Krajina compared to the enterprises in BiH and SEE.

Only 10.9% of enterprises from the area of Krajina is expecting to get a decrease in the number of employees in the following period[3], while the percentage of enterprises expecting a decrease of employees in the whole of BiH is 38.0%, whereas it is 34.4% in the SEE.

When it comes to the expectations of representatives of enterprises with regards to the increase in the number of employed staff, the enterprises in Krajina are again in an unfavorable situation, because as many as 40% of enterprises expect an increase, compared to 26% in BiH and 29.2% in the SEE.

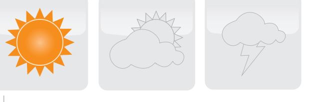
3 The period to which the estimate of enterprises of the Krajina region is related to is the first half of 2015 compared to the second half of 2014, while the period to which the estimate of enterprises from BiH and SEE is related to is 12 months (the research was implemented in the beginning of 2015).



Graph 21 – The estimate of the employed in the industrial enterprises in the Krajina region (the second compared to the first half of 2014) and enterprises in BiH and SEE (in the last 12 months).

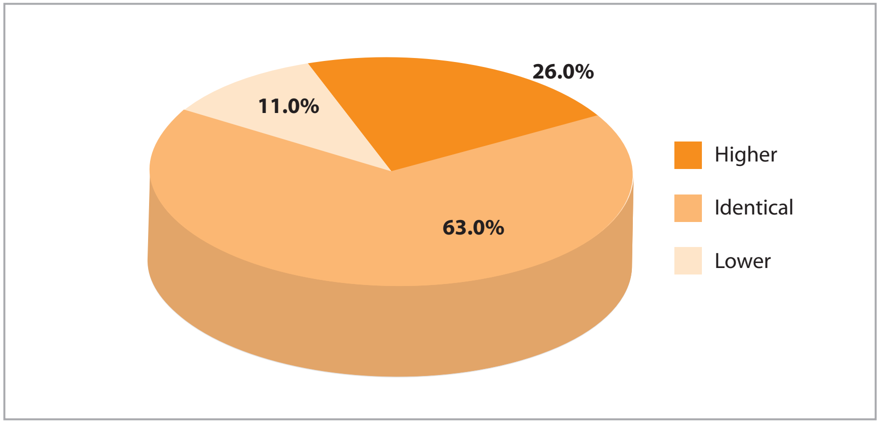
The source of data for Bosnia and Herzegovina and Southeast Europe: "Balkan Business Barometer", May 2015, Regional Cooperation Council.

2.3.2. Level of Skills

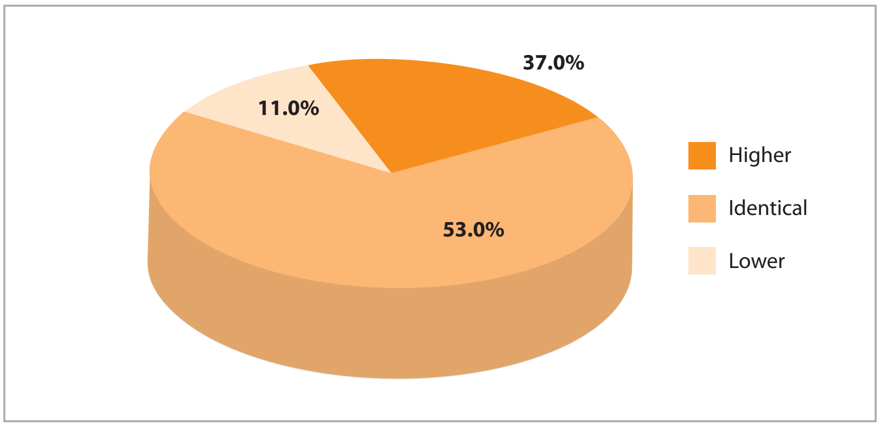


- **Enterprises continually improve the skills of their employees.**
- **The biggest percentage of metal processing enterprises (38.9%) and wood processing enterprises (33.3%) has improved the skills of their employees in the previous period.**
- **In the first half of 2015, 50.0% of metal processing enterprises is planning to improve the skills of employees.**

The semi-annual period of research implementation gives us limited possibilities for obtaining a picture of trends of movement of employees' skills, having in mind that the level of skills changes in a longer period of time or with new employment. In addition to that, it is noticeable that constant improvement of employees' skills in semi-annual periods of research implementation (29.0% in the second half of 2013, 22.0% of enterprises in the first half of 2014 and 26.3% of enterprises have improved the skills of their employees in the second half of 2014). The estimate for the first half of 2015 shows that more than a third of enterprises (36.8%) has planned to improve the skills of their employees and this is mainly related to the enterprises continuing to develop the skills of their employees (80.0% of enterprises that have improved the skills of their employees in 2014 are also planning to do the same in 2015).

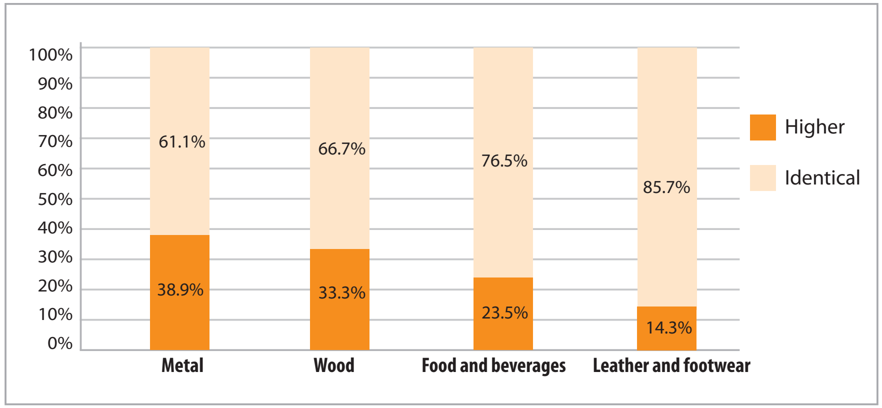


Graph 22 – Employees' skills in the second half of 2014 compared to the first half of 2014.



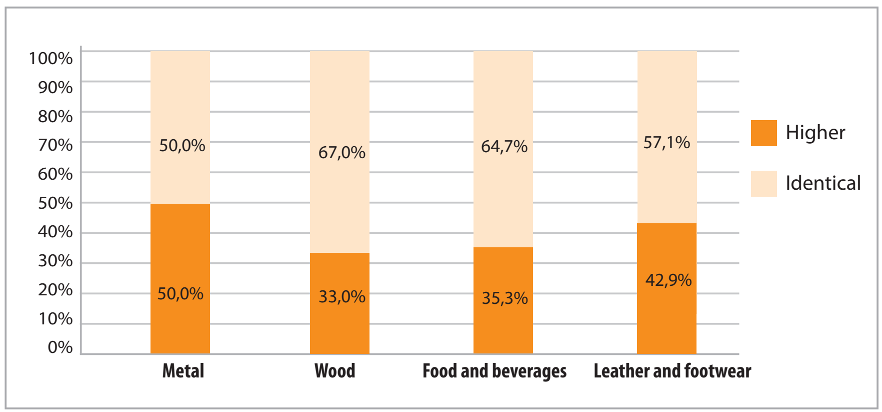
Graph 23 – The level of skills in the first half of 2015 compared to the second half of 2014 (estimate), in %.

Observed by sectors, the largest percentage of enterprises from the metal processing sector has improved the skills of their employees (38.9%), which is followed by wood processing enterprises (33.3%) and food industry enterprises with 23.5% and leather and footwear sector, where 16.2% of enterprises have developed the skills of their employees in the second half of 2014.



Graph 24 – The skills of employees in the second half of 2014 compared to the first half of 2014, in %.

When it comes to the plans for the first half of 2015, once again, metal processing enterprises planning to develop the skills of their employees make up for the largest percentage (50.0%).

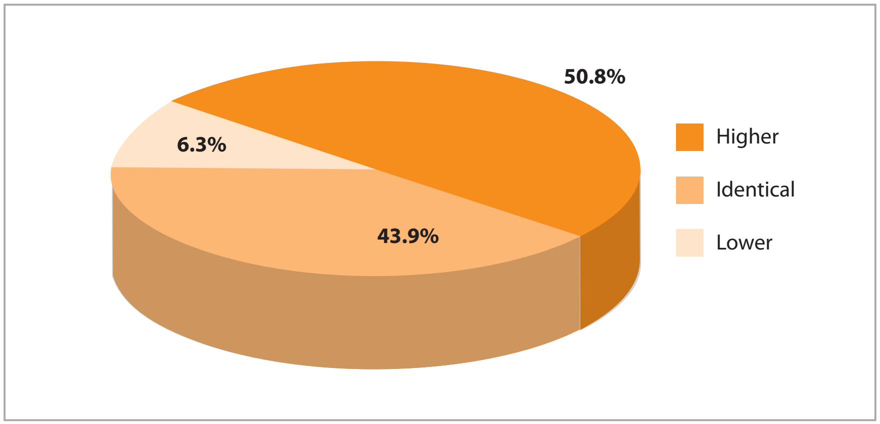


Graph 25 – Estimate of employees' skills in the first half of 2015 compared to the second half of 2014, in %.

2.4. Capacities

- **More than a half of the surveyed enterprises (50.8%) has increased the degree of utilization of capacities in the second half of 2014.**
- **The biggest percentage of enterprises from the metal processing sector has improved the degree of capacity utilization (61.1%), followed by the leather and footwear sector (57.1%).**

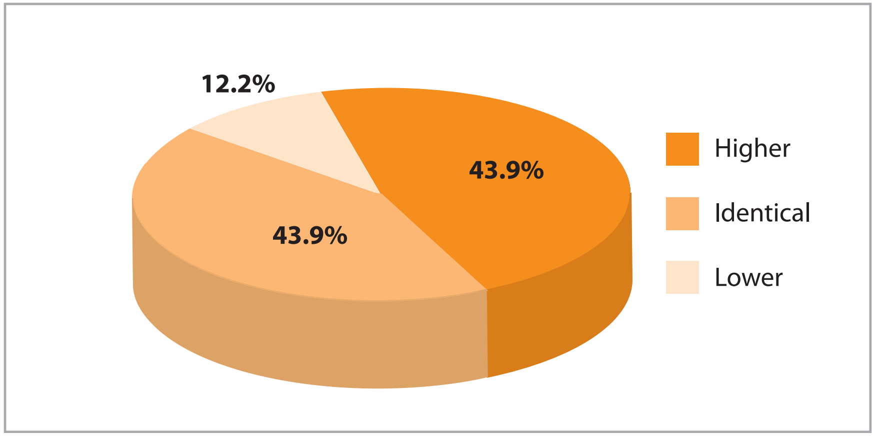
More than a half of surveyed enterprises (50.8%) have increased the degree of capacity utilization in the second half of 2014. The number of 5.3% had a lower degree of capacity utilization compared to the three surveyed enterprises. This was about enterprises that have decreased the number of employees in 2014 (2 enterprises) or are planning to decrease the number of employees in 2015 (1 enterprise).



Graph 26 – The degree of capacity utilization in the second half of 2014 compared to the first half of 2014.

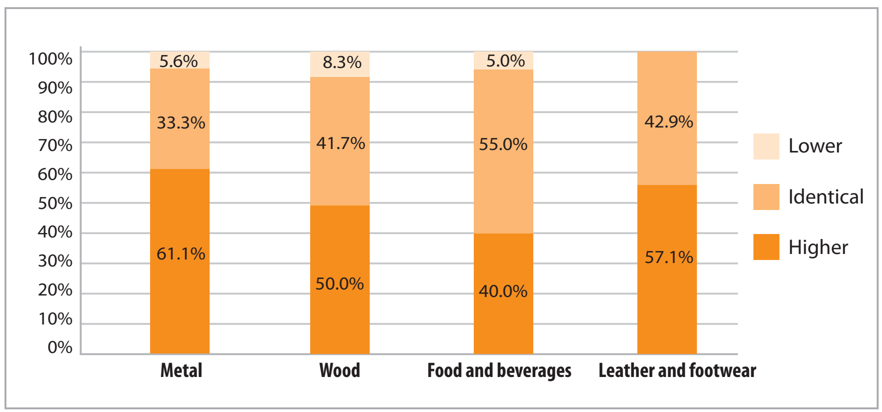
The plans of enterprises with regards to the degree of capacity utilization in the first half of 2015 show again a higher percentage of enterprises planning an increase of a degree of capacity utilization (43.8%).

As many as 12.3% or 7 enterprises are planning a decrease in the degree of capacity utilization in 2015, which is mainly related to the enterprises that have increased, in 2014, a degree of capacity utilization (4 enterprises). One enterprise, which has decreased the capacity utilization in 2014, is also planning to decrease the capacities in 2015.



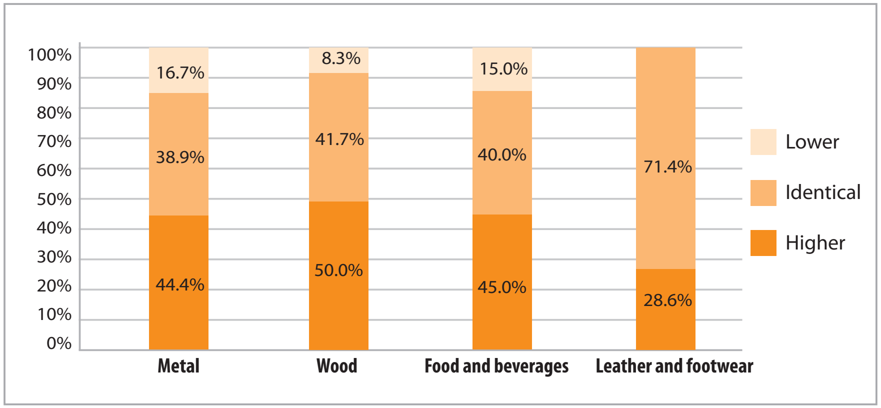
Graph 27 – The assessment of a degree of capacity utilization in the first half of 2015 compared to the second half of 2014.

Observed by sectors, in the second compared to the first half of 2014, the largest percentage of enterprises from the metal processing sector have improved the degree of capacity utilization (61.1%), which is followed by the enterprises from the leather and footwear sector (57.1%). A half of enterprises (50.0%) from the wood processing sector have improved the degree of capacity utilization, as well as 40.0% of enterprises from the food industry. In all the sectors covered by the research, a decrease in the degree of capacity utilization was marked in one enterprise by sector, except in the leather and footwear sector.



Graph 28 – A degree of capacity utilization in the second half of 2015 compared to the first half of 2014.

A decrease of capacity utilization was planned in 16.7% or three enterprises of the metal processing sector, 15.0% or three enterprises from the food industry sector and in one enterprise from the wood processing sector. The majority of enterprises from the leather and footwear sector (71.4%) have intended to keep the same degree of capacity utilization.



Graph 29 – The planned degree of capacity utilization in the first half of 2014 compared to the second half of 2014, in %.

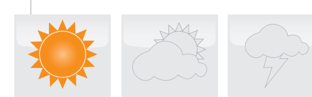
2.5. Investments

Continuous investments in fixed assets were marked when it comes to the enterprises covered by the the Krajina region research in all the periods of the research implementation (from the second half of 2013 to the estimate for the first half of 2015).

The data about investments of enterprises in fixed assets in the whole of Bosnia and Herzegovina have also shown an increase of investments. The value of the total achieved investments in fixed assets of legal entities in Bosnia and Herzegovina, in 2014, amounted to over KM 5 billion, which presents an increase of 1.4% compared to 2013, according to the data of the BiH Agency for Statistics. Observed by business activities of the investor, the largest investments, in the total investments in 2014, had the investors in the processing industry of 16.4%, mining of 13.4%, scientific and technical activities of 12.0% and trade of 11.6%.

2.5.1. Investments in Business Operations Improvement (Innovations)

- **Enterprises continually invest in improvement of business operations (innovations) and plan further investments.**
- **The biggest percentage of enterprises in the area of wood processing industry has invested in business operations improvement (81.3% of enterprises in the first half, 80.0% of enterprises in the second half of 2014, while 100.0% of wood processing enterprises is planning investments in the first half of 2015).**



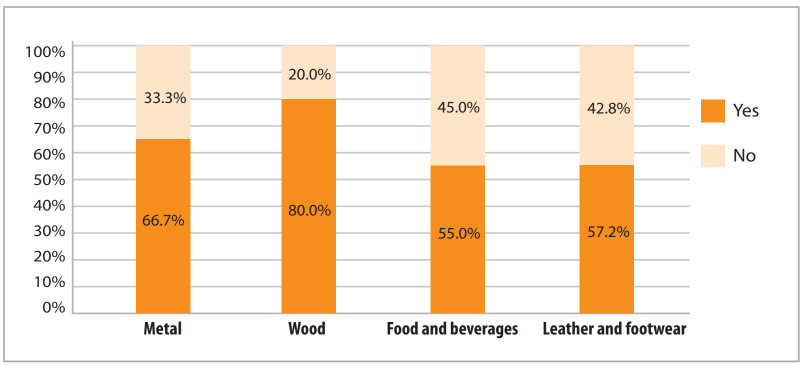
Data in all the three implemented researches have shown that the enterprises have continually invested in the improvement of business operations (53.0% in the second half of 2013, 54.0% in the first half and 61.4% in the second half of 2014). As many as 84.2% of enterprises are planning investments in business operations improvement in 2015.

The comparison between the two time periods (the second half of 2014 and the first half of 2015) shows that almost as many as 62.0% enterprises have invested in innovations in the second half of 2014, but they are also planning further investments in innovations in the first half of 2015. If we add to this percentage an additional 24.0% of enterprises that have not invested in innovations in the second half of 2014, but are planning this type of investments in the first half of 2015, we can say that the majority of enterprises have invested in business operations improvements (innovations). Only 13.0% of enterprises did not have, nor are planning to invest in business operations improvements, while only one enterprise has invested in the improvement of business operations in the second half of 2014, but have no intentions to make further investments in the future.

Table 8 – Investments in innovations – The second half of 2014 and plan for the first half of 2015

Investments in innovations in the second half of 2014	**YES**	**One enterprise** invested in innovations in 2014, but is not planning this type of investments in 2015.	**62.0% of enterprises** invested in innovations in 2014 and are planning to further invest in 2015.
	NO	**13.0% of enterprises** did not invest in innovations in 2014 nor plan to invest in 2015.	**24.0% of enterprises** did not invest in innovations in 2014, but are planning to invest in this type of investments in 2015.
		NO	**YES**
		Investments in innovations in the first half of 2015	

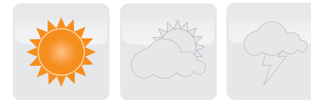
If the investments in business operations improvements (innovations) are observed by sector, all the sectors have a larger percentage of enterprises that have invested in business operations improvements in the second half of 2014 compared to the enterprises that had no investments in business operations improvements. Again, the biggest percentage of enterprises that have invested in business operations improvements is the wood processing sector (in the first half of 2014 it was 81.3% and in the second half of 2014 it was 80.0% of enterprises).



Graph 30 – Were there any investments in business operations improvements (innovations) in the second half of 2014?

Enterprises' plans with regards to business operations improvement investments in the first half of 2015 are very positive. All the enterprises from the wood processing sector are planning this type of investments, 85.0% of enterprises from the food industry, 83.4% of the metal processing industry and 71.5% of leather and footwear enterprises.

2.5.2. Investments in Infrastructure and Buildings



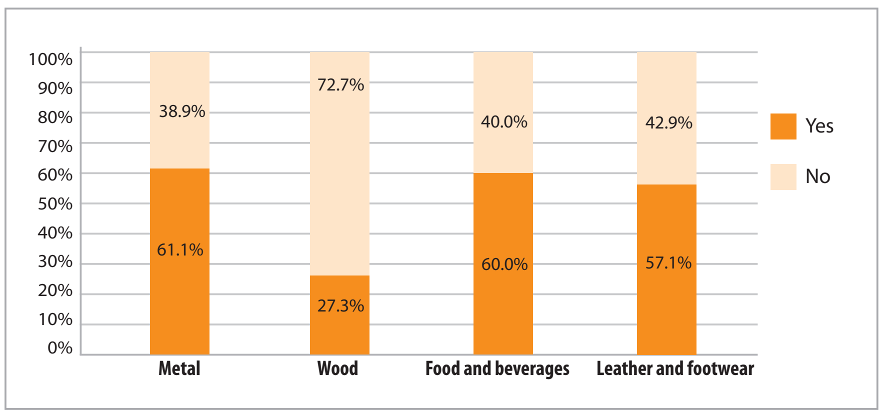
- **In the second half of 2014, 53.0% of enterprises have invested into infrastructure and buildings.**
- **In the first half of 2015, 65.0% of enterprises are planning to invest into infrastructure and buildings.**

More than a half of surveyed enterprises (53.0%) have made Investments in infrastructure and buildings in the second half of 2014. In addition to this, even a bigger percentage of enterprises is planning to increase investments for this purpose in the first half of 2015 (65.0% of enterprises).

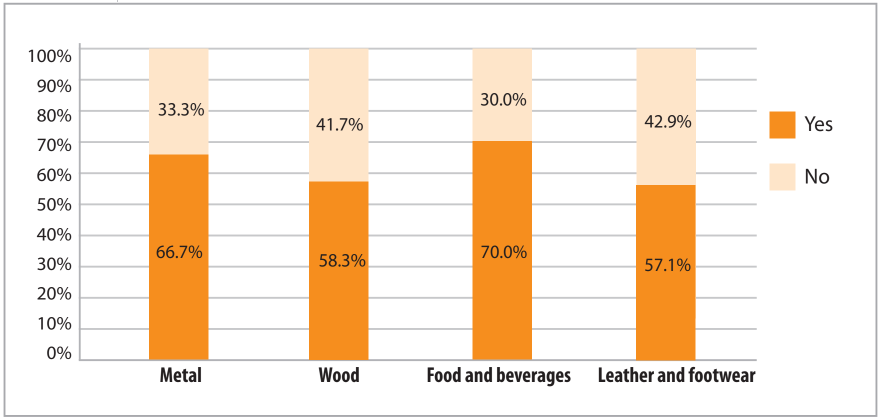
Having in mind the possible influence of floods over the planned investments in infrastructure and buildings, we have taken out the enterprises that have suffered direct damage from flooding (a third of surveyed or 33.3% of enterprises) and the results proved the influence of floods over the investments in infrastructure and buildings in the second half of 2014. Almost all enterprises directly affected by the floods have invested in infrastructure and buildings in the second half of 2014 or are planning to make this type of investments in the first half of 2015 (79.0% of enterprises that were affected by the floods).

Observed by sectors, a smaller percentage of enterprises from the wood processing sector have invested in infrastructure and buildings in the second half of 2014 (27.3%) compared to the enterprises from other sectors covered by the research (about 60% of enterprises in other sectors).

Graph 31 – Whether there were any investments in the second half of 2014 in infrastructure and buildings?



In the first half of 2015, enterprises in all the sectors have planned further investments in infrastructure and buildings.



Graph 32 – Are you planning to invest in infrastructure and buildings in the first half of 2015?

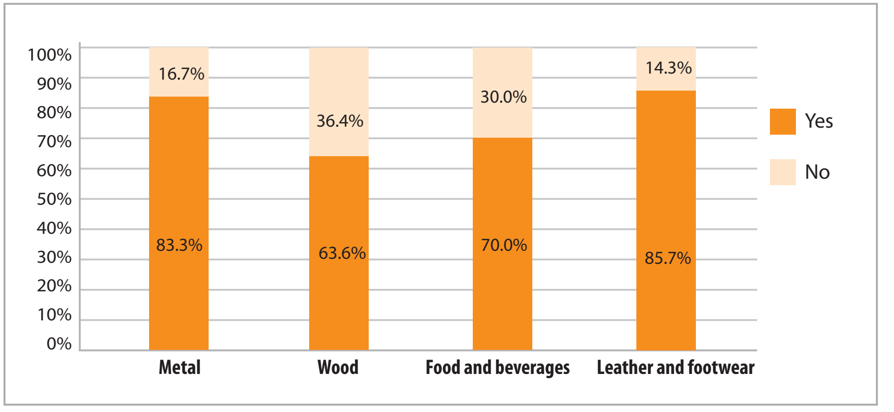
2.5.3. Investments in Equipment and Technology

- **The majority of enterprises have invested in equipment and technology in the previous period (73.7%) and even as much as 89.5% of enterprises are planning this type of investments in the first half of 2015.**
- **All the surveyed enterprises from the food industry sector are planning investments in equipment and technology in the first half of 2015.**

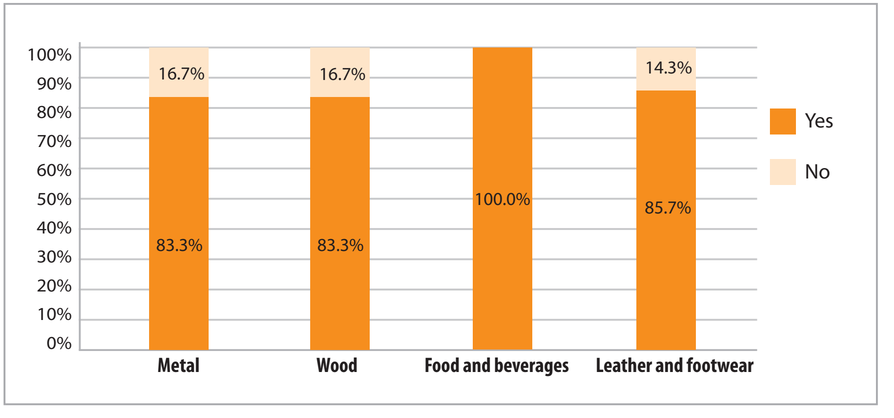
The results of research show a large percentage of enterprises (73.7%) that have invested in equipment and technology in the second half of 2014, while almost as many as 89.5% of enterprises are planning this type of investment in the first half of 2015.

When it comes to sector structure of investments in equipment and technology, all the sectors have marked a higher percentage of enterprises that had this type of investments in the second half of 2014 compared to enterprises that did not have this type of investment. Estimates for the first half of 2015 show even a bigger percentage of enterprises in all the sectors that are planning such kind of investments, particularly in the sector of food industry, where all the surveyed enterprises are planning to invest in equipment and technology.

Graph 33 – Were there any investments in equipment and technology in the second half of 2014?



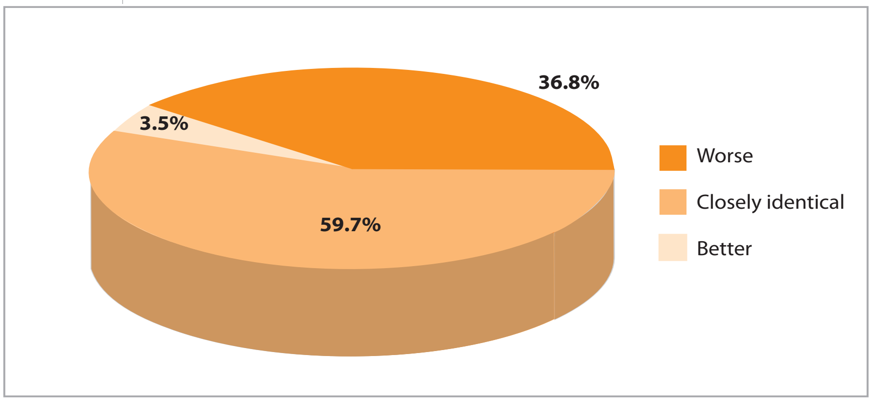
Graph 34 – Are you planning to invest in equipment and technology in the first half of 2015?



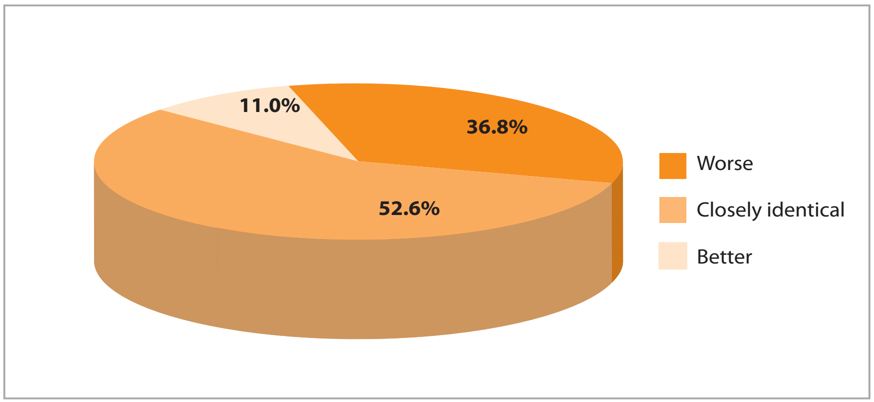
2.6. Business Environment

- **Enterprises consider that the business environment in the second half of 2014 is the same (about 60% of enterprises) or worse for business (36.8% of enterprises).**
- **There is an increased percentage of enterprises considering that the business environment would be better in the first half of 2015 (from 3.5% to 10.5%).**

When it comes to business environment for business operations, enterprises are very careful when giving positive assessments. Majority of enterprises consider that the business environment remained the same compared to the second half of 2014. More than a third of respondents (36.8%) consider the business environment worse in the second half of 2014 and the same percentage considers that it will be worse in the first half of 2015. Only 3.5% of respondents noticed an improvement of business environment in the second half of 2014, while 10.5% of respondents expects an improvement in the first half of 2015.



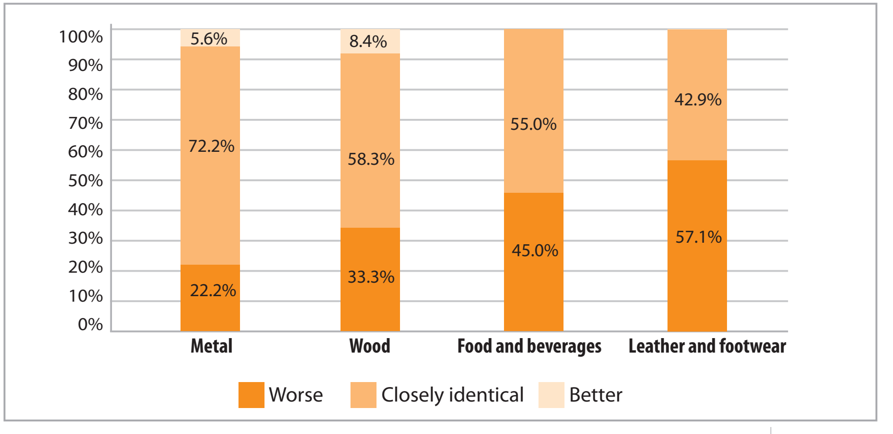
Graph 35 – Business environment in the second compared to the first half of 2014.



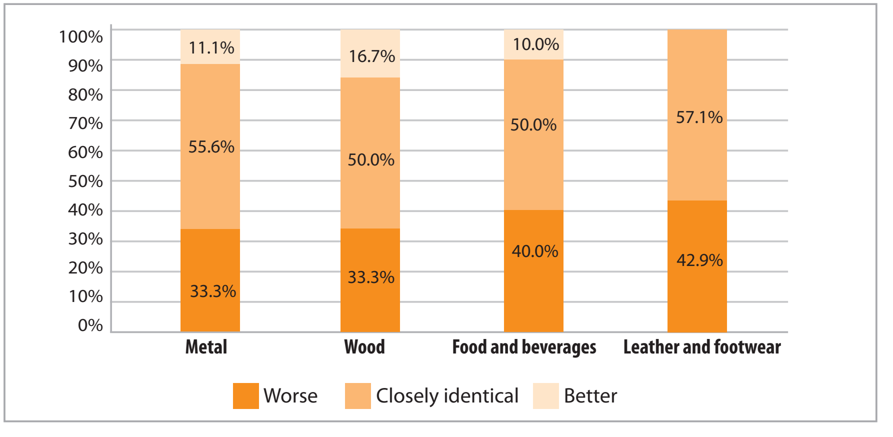
Graph 36 – Estimate of business environment in the first half of 2015 compared to the second half of 2014.

Pessimism in terms of the business environment state is mainly expressed in enterprises from the leather and footwear sector and food industry sector. As many as 57.1% of representatives of enterprises from the leather and footwear sector think that the business environment was worse in the second half of 2014 and 42.9% considers that it will get worse in the future period, while 45.0% of enterprises in the area of food industry consider that the business environment was worse in the second half of 2014 and 40.0% that it will get worse in the coming period.

Representatives of enterprise from the leather and footwear sector did not give a single positive response with regards to the business environment improvement in the past or future period. The most optimistic were representatives of wood processing industry, out of whom 16.7% consider that the business environment would improve in the future period.

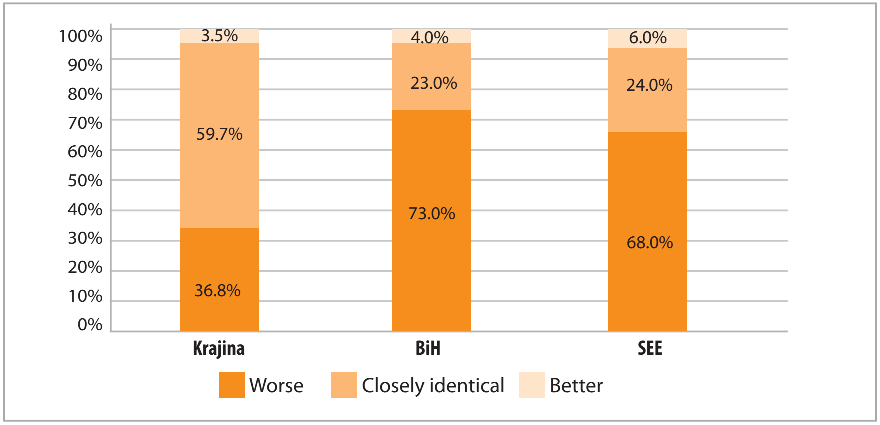


Graph 37 – Business environment in the second half of 2014 compared to the first half of 2014.



Graph 38 – Estimate of business environment in the first half of 2015 compared to the second half of 2014.

However, if the opinion of enterprises from the Krajina area are compared with the opinion of enterprises from the whole of BiH and SEE, we can see that enterprises from the Krajina area have positive opinion about the business environment. Compared to the enterprises from Krajina, where 36.7% of enterprises think that the business environment was worse in the second half of 2014, as many as 73.0% of enterprises in the whole of BiH and 86.0% of enterprises in the SEE think that the overall economic situation in the last 12 months was worse. The enterprises are equally pessimistic when it comes to the business environment improvement, whether it was about Krajina, BiH or SEE (a somewhat larger percentage of enterprises consider that there have been some improvements compared to BiH and Krajina).



Graph 39 – Opinion of enterprises about business (economic) environment (situation) in the previous period.

Source of data for Bosnia and Herzegovina and Southeast Europe: "Balkan Business Barometer", May 2015, Regional Cooperation Council.

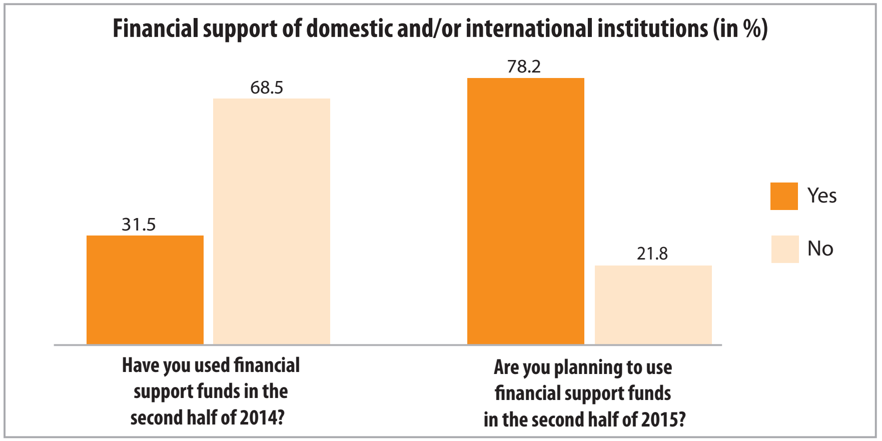
2.7. Financial Support, Consultancy Services, Inclusion and Initiatives

- **In the second half of 2014, 31.5% of enterprises have used financial support of different institutions.**
- **In the following period, 78.2% of enterprises expect to get financial support of domestic and/or international institutions.**
- **Enterprises show increase of the interest in usage of consultancy services as well as in participation in initiatives or debates on improvement of business conditions.**

2.7.1. Financial support of domestic and/or international institutions

The researches implemented until now for the preparation of the business environment barometer of enterprises in Krajina show that enterprises do not use financial support of domestic or international institutions to the extent they consider they should be using them.

Financial support of domestic and/or international institutions in the second half of 2014 was used by 31.5%, while in the first half of 2015, 78.2% of enterprises have planned to achieve financial support of some of the institutions, if there is an opportunity to do so. The researches show that increase in the expectations with regards to financial support of domestic and international institutions was not caused exclusively thanks to the assistance to companies in the flooded areas, as there is a significant number of enterprises that were not affected by the floods, and which expect financial support of the institutions.

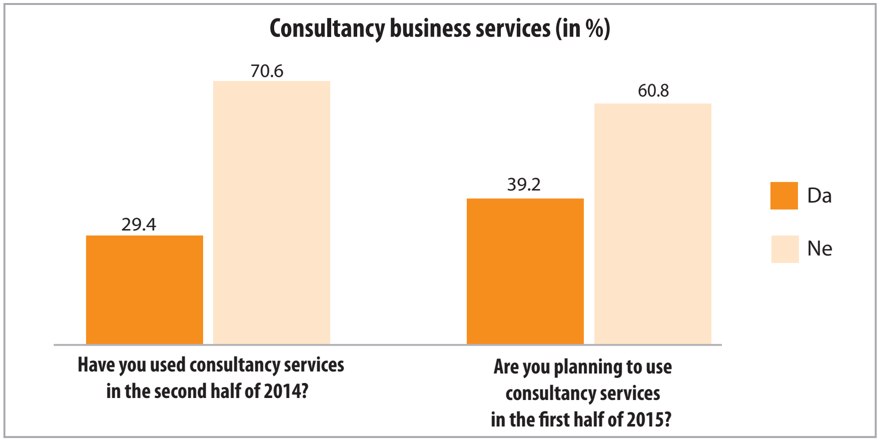


Graph 40 – Financial support of domestic and/or international institutions in the second half of 2014 and the first half of 2015.

2.7.2. Consultancy Business Services

When it comes to the usage of consultancy business services, enterprises still show an increase of their interest for the usage of these types of services in the following period. Although the usage of consultancy services was somewhat lower in the second half (22.2%) compared to the first half of 2014 (29.41%), even 56.1% of enterprises has planned to use consultancy services in the first half of 2015.

Having in mind information of enterprises about available services and development of the consultancy services market, we can consider that the interest of enterprises for this type of services is satisfactory.



Graph 41 – Usage of consultancy services (in the second part of 2014 and estimate for the first half of 2015).

When it comes to sector structure of enterprises that have used consultancy services in the second half of 2014, the biggest percentage (50.05%) make enterprises from food industry sector, which are then followed by the wood processing sector enterprises (25.0%).

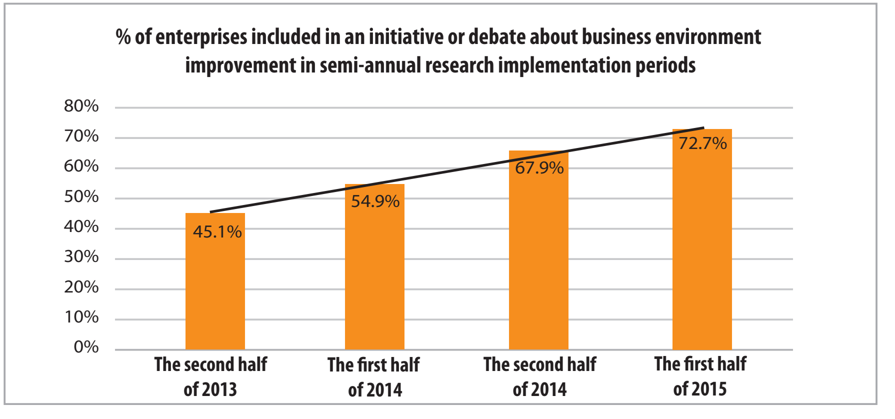
When it comes to plans for usage of consultancy services in the first half of 2015, the biggest percentage is of the wood processing enterprises that are planning to use consultancy services (72.7%), then followed by enterprises from the food industry sector (60.0%) and metal processing industry (58.8%). The lowest level of interest for usage of consultancy services have those enterprises from the leather and footwear sector (28.6% are planning to use them in the first half of 2015).

Table 9 – Are you planning to use some of the consultancy services in the first half of 2015?

	Yes	No	Total
Metal	58.8	41.2	100.0%
Wood	72.7	27.3	100.0%
Food and drinks	60.0	40.0	100.0%
Leather and footwear	28.6	71.4	100.0%
Total	58.2	41.8	100.0%

2.7.3. Inclusion into Initiatives or Debates about Business Environment Improvement

In addition to a short period covered by the research (two years, from the second half of 2013 and estimates for the first half of 2015), an increasing interest of enterprises for inclusion into initiatives and debates about business environment improvements is recorded.



Graph 42 – Inclusion into initiatives or debates on business environment improvements

As in the research results for Barometer 2, again, the largest percentage of enterprises in the area of food industry (even 80.0% of surveyed enterprises from this sector (and leather and footwear industry (71.4% of surveyed enterprises from this sector) was included into some of the initiatives or debates about business environment improvements in the second half of 2014. There is also a significant percentage of enterprises from the other two sectors, covered by the research, which were included into some of the initiatives for business environment improvement (66.7% of wood processing industries and 52.9% of metal processing industries).

In addition to large involvement of enterprises into initiatives for business environment improvement, all the sectors have marked an increase in the percentage of enterprises planning to get involved with some of the initiatives in the first half of 2015.

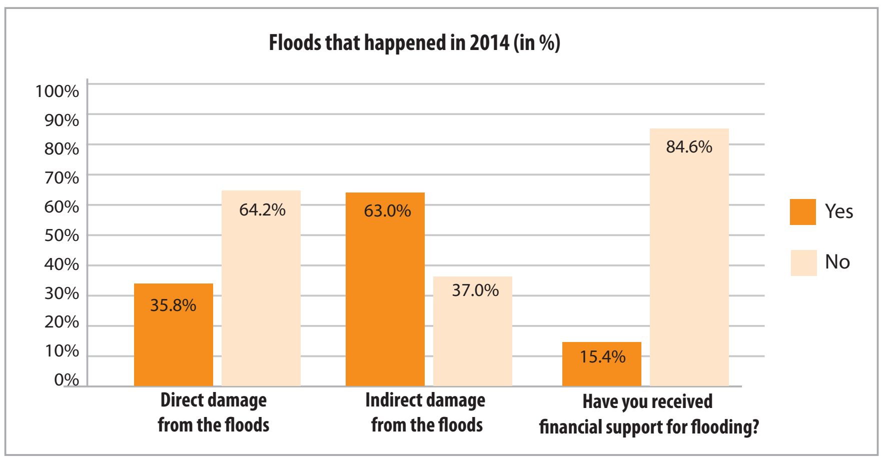
2.8. Floods in 2014

- **35.8% of surveyed enterprises suffered direct damage from the floods and 63.0% indirect damage**

More than the third of surveyed enterprises (35.8%) suffered direct damage in the disastrous floods, that happened in May and August 2014, while almost two thirds of surveyed enterprises (63.0%) suffered indirect damage from the floods (stoppages in work, decrease of orders, impossibility of purchasing raw materials, etc.).

Unlike the past research (implemented at the end of 2014), when not a single enterprise hit by flooding received aid from domestic and/or international organizations, 15.4% of flooded enterprises received aid for the flooding until July 2015.

It is very difficult to assess real effects of the flood over business operations of the companies, precisely because of indirect damage from the floods, which have still been felt by a large number of enterprises.



Graph 43 – Floods that happened in May and August 2014.

Conclusion

The third edition of *Business Environment Barometer* is about business operations of enterprises and opinions of entrepreneurs about different economic issues in the second half of 2014 and the first half of 2015.

The analysis has shown that the surveyed enterprises affected by the floods, 35.8% directly and 63.0% indirectly, have quite quickly adjusted their businesses to the newly created conditions. They continued with work and even increased the number of their employees.

In the second half of 2014, enterprises performed better than expected. The physical scope of production was increased by as many as 68.4% of enterprises and only 39.2% of enterprises, during preparation of the second issue of Barometer, expected an increase in the scope of production. When the results of this research are compared to the results from the previous researches, we can notice that there is a continuous trend of increase in the scope of production in the Krajina area enterprises.

The number of 86.0% of enterprises received orders from the foreign market, while those who had an increase in orders from abroad in the second half of 2014 were again, as in the previous researches, were the wood processing enterprises and leather and footwear sector enterprises (each having 83.3% of enterprises from these two sectors).

Even though as many as 60% of enterprises from the food industry, during the surveying for the second issue of Barometer, expected an increase of orders from abroad in the second half of 2014, their expectations were not realized, that is, not a single surveyed enterprise from this sector had an increase of orders from abroad in the aforementioned period.

If we compare the orders from the domestic and foreign market of enterprises by sectors, we can notice that the enterprises from the wood processing sector and leather and footwear sector are, to a great extent, leaned on the foreign market; metal processing industry enterprises operate both on the foreign and domestic market, while the food industry enterprises operate more on the domestic market.

Increasing of profit in 2014 compared to 2013 was realized by as many as 61.5% of enterprises, while 57.9% of enterprises expect to have an increase of profit in 2015 as well. The number of 19.3% of enterprises had lower profit in 2014, compared to 2013, whereas only 3.5% of enterprises expect a decrease of profit in 2015.

When it comes to uncollected receivables, 26.3% of enterprises had a decrease, whereas 17.5% of enterprises had an increase of receivables in 2014. The number of 29.8% of enterprises had lower obligations to the suppliers, while 35.1% of enterprises had higher obligations in 2014. As many as 70% of wood processing enterprises decreased their obligations to the suppliers in 2014, while 57.1% of leather and footwear sector enterprises had an increase of obligations to the suppliers.

The trend of increase in the number of employees in Krajina region enterprises continued. The researches show an increase of employees in a bigger percentage of enterprises in all the three covered semi-annual periods (47.0% of enterprises in the second half of 2013, 35.0% of enterprises in the first half of 2014 and 45.6% of enterprises in the second half of 2014).

The skills of employees have been improved by 26.3% of enterprises in the second half of 2014 and even a bigger percentage of enterprises are planning to improve the skills of employees in the first half of 2015 (36.8%). Continuous investments of the Krajina region enterprises were recorded as investments in fixed assets, in all the periods covered by the research (from the second half of 2013 to the plan for the first half of 2015). In the second half of 2014, enterprises made the following investments: 62.0% in innovations, 53.0% in infrastructure and buildings and 73.7% of equipment and technology.

Enterprises are not optimistic when it comes to the business environment, i.e. they consider that the business environment was the same (59.7% of enterprises) or worse for business operations (about 36.8%) in the second compared to the first half of 2014.

Expectations of enterprises with regards to the financial support of domestic and/or international institutions are still huge and enterprises have shown an increase of interest for usage of consultancy services and they have been increasingly participating in initiatives or debates about improvement of business conditions.

Annex: Business Environment Barometer of Small and Medium-Sized Enterprises – Questionnaire

I GENERAL ENTERPRISE DATA

1. Enterprise name: ____

2. Municipality/town: ____

3. Core business activity:
(mark one of the offered business activities)

a. Metal processing

b. Wood processing

c. Production of food and beverages

d. Production of leather and footwear

e. Production of rubber and plastic

f. Information and communication technologies

g. Other (please, note what) ____

4. Physical scope of production		Higher	Identical	Lower
a) Total produced quantity	The second half of 2014 compared to the first half of 2014			
	The first half of 2015 compared to the second half of 2014 (estimate)			
b) Orders from abroad	The second half of 2014 compared to the first half of 2014			
	The first half of 2015 compared to the second half of 2014 (estimate)			
c) Orders from the domestic market	The second half of 2014 compared to the first half of 2014			
	The first half of 2015 compared to the second half of 2014 (estimate)			

5. Finances		Higher	Same level	Lower
a) Profit OR	2014 compared to 2013			
	2015 compared to 2014 (estimate)			
loss	2014 compared to 2013			
	2015 compared to 2014 (estimate)			
b) Uncollected receivables	2014 compared to 2013			
	2015 compared to 2014 (estimate)			
c) Obligations	2014 compared to 2013			
	2015 compared to 2014 (estimate)			

6. Labor force and skills		Higher	Same level	Lower
a) Number of employees	The second half of 2014 compared to the first half of 2014			
	The first half of 2015 compared to the second half of 2014 (estimate)			
b) Level of skills	The second half of 2014 compared to the first half of 2014			
	The first half of 2015 compared to the second half of 2014 (estimate)			

7. Capacities		Higher level	Same level	Lower level
How are the capacities used?	The second half of 2014 compared to the first half of 2014			
	The first half of 2015 compared to the second half of 2014 (estimate)			

8. Investments		YES	NO
Business improvement (innovation)	Were there any investments in business operations improvement (innovations) in the second half of 2014?		
	Are you planning to invest in business operations improvement (innovations) in the first half of 2015?		
Infrastructure and buildings	Were there any investments in infrastructure and buildings in the second half of 2014?		
	Are you planning to invest in infrastructure and buildings in the first half of 2015?		
Equipment and technology	Were there any investments in equipment and technology in the second half of 2014?		
	Are you planning to invest in equipment and technology in the first half of 2015?		

9. Business environment		Worse	More or less the same	Better
How would you rate general business environment you work in?				
	The second half of 2014 compared to the first half of 2014			
	The first half of 2015 compared to the second half of 2014 (estimate)			

10. Financial support, consultancy services, inclusion into initiatives	YES	NO
a) Have you used financial support funds given by domestic and/or international institutions in the second half of 2014?		
b) Are you planning to use financial support funds from domestic and/or international institutions in the first half of 2015?		
c) Have you used some of the consultancy business services in the second half of 2014?		
d) Are you planning to use some of the consultancy business services in the first half of 2015?		
e) Were you included into any initiative or debate about improvement of business operations conditions in the second half of 2014?		
f) Are you expecting that you could be included into some initiative or debate about improvement of business conditions in the first half of 2015?		

11. Floods occurring since May 2014	YES	NO
a) Direct damage (equipment, buildings, production material, stocks of goods…)		
b) Indirect damage (stoppages in work, decreased orders, impossibility of purchasing of raw materials…		
c) Received financial support for flood affected enterprises given by domestic and/ orinternational institutions (financial support or help in equipment)		

12.Would you like to get the most significant findings of this research for your business activity? ***(please, mark one of the given answers)***

Yes (please, give your e-mail for findings) ____

No

Thank you for your cooperation

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