



MUNICIPALITY OF ŽEPČE



SECTORAL GUIDE – WOOD PROCESSING INDUSTRY

Global Quality Standards

30 companies are active in the territory of the Municipality of Žepče that are dealing with wood processing and employing around 500 workers. Total executed revenues of the wood processing sector in 2014 amounted to BAM 45 million (€ 22.5 million). Domestic companies operate in several sub-sectors:

- ➔ Manufacturing of cut timber;
- ➔ Manufacturing of boards for solid wood furniture (beech, oak);
- ➔ Manufacturing of parquet floors and solid wood floors;
- ➔ Manufacturing of wood joinery: interior and exterior doors, windows and balcony doors, sliding doors, shutters or lids;
- ➔ Manufacturing of furniture and furniture parts: kitchens, bedrooms; latoflex bed inlets, furniture for business interiors, production of beech rods and tipples for furniture;
- ➔ Manufacturing of ready for assembly wooden houses and wooden elements for ready for assembly houses;
- ➔ Manufacturing of pallets and briquettes from biomass – wood waste.

Basic Characteristics of Companies in Wood Processing Sector

- ➔ High level of quality of products and wood based raw materials (high level of appreciation for the Bosnian beech tree),
- ➔ Competitive prices of products compared to producers from other European markets,
- ➔ High quality and well trained labor force,
- ➔ Meeting short deadlines and possibility to adjust to specific demands,
- ➔ Convergence with requirements in the European markets (possession of FSC certificates).

Many years of experience in the area of wood processing have facilitated the companies from the wood processing sector and furniture manufacturing to acquire specific technical knowledge and knowhow from the area in which they are operating. Companies from this sector are continuously investing in the procurement of up-to-date automated equipment, and the knowledge they own in the area of manufacturing of the products, together with the technologies, represents the main source of competitive advantages.

Exporting Products and Markets

The wood processing industry in the municipality of Žepče is extremely export oriented. The top 5 countries in which wood processing companies are exporting are Germany, Italy, France, Slovenia, and Croatia.

- ➔ Exports exceeding € 8.5 million in 2014.
- ➔ Share of wood processing in total value of exports is 25%.

The most significant exported products from this sector are the following:

- ➔ wood processed longitudinally or in the form of boards or blocks,
- ➔ furniture,
- ➔ firewood.



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High Quality and Available Labor Force

Investors have at their disposal immediately available labor force in the wood processing sector, around 200 people: carpenters, carpenters for patterns, wood cutters, wood carvers, wood processors, specialized manipulators of pulp bleaching devices, carpentry workers, forestry technicians, forestry engineers.

The price of labor is lower than in the surroundings, the average net wage in the wood processing sector for workers with secondary school qualifications ranges from BAM 500.00 to BAM 700.00, while average net wages of middle management with university school qualification (engineers) range from BAM 800.00 to BAM 1,100.00 (gross costs for employers range from BAM 1,160.00 to BAM 1,600.00).

The Municipality of Žepče is the only municipality in BiH in charge of its own secondary education and it is planning its own enrollment policies that are directed towards the needs of the real sector.

High quality staff for forestry technicians are being educated in the Mixed secondary School in Žepče, and in one of the best equipped workshops in BiH for pupils' practical learning, in the Catholic School Center "Don Bosco", the pupils have an opportunity to learn how to work in the engine workshop, varnishing workshop, laboratory for mechatronics, and laboratory for hydraulics and pneumatics, where they are provided with practical training on CNC machines.

Investments in Sector

The following have recognized and seized an opportunity for realizing their business plans in the wood processing sector in the last couple of years:

- ➔ Budo-export Ltd. (solid beech wood boards);
- ➔ Prograd Ltd. (wooden joinery and furniture);
- ➔ Nansi Ltd. (solid wood boards, latoflex bed inlets and solid wood floors);
- ➔ Djuzel Group Ltd. (manufacturing of chairs, shipbuilding and vessel maintenance);
- ➔ Dom-invest Ltd. (manufacturing of ready for assembly houses);
- ➔ Montažne eko kuće Porobić Ltd. (manufacturing of ready for assembly houses).



Services Provided by Center for Investors in Support of Sector

- ➔ Seeking appropriate locations for investments;
- ➔ Organization of informal education for the needs of the sector;
- ➔ Seminars on export management for specific markets;
- ➔ Organization of foreign language courses for the management and employees;
- ➔ Forging links between companies and representative offices of foreign chambers;
- ➔ Information on fairs and B2B gatherings from the wood processing sector;
- ➔ Information on tenders from the wood processing sector;
- ➔ Intermediation with crafts people in the wood processing sector for potential sub-contracting;
- ➔ RAŽ entrepreneurial academy;
- ➔ Information relating to doing business in BiH, as well as availability of support.



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