



## TEŠANJ MUNICIPALITY



### A SECTOR GUIDE – METAL PROCESSING

- ➔ Metal processing is the backbone and locomotive of the local economic development.
- ➔ The Tešanj municipality is classified among 5 municipalities with the most developed metal processing sector in BiH.
- ➔ It originated in the 1950's.
- ➔ Key development impulse was in the 1970's through manufacture of car parts for German automotive industry.
- ➔ Experience gained in big pre-war companies became the generator of establishing a series of small and medium-sized enterprises after 1990.
- ➔ Five companies in the sector export 97% of manufactured goods predominantly to the German market.
- ➔ "Just-in-time" delivery system.
- ➔ High quality and standard of original automotive parts (OEM).
- ➔ Currently, there is a highly developed value chain in the metal processing sector.

The most significant production programmes in the metal sector currently are:

- ➔ filters for passenger and freight programmes (filters for oil, air and fuel)
- ➔ generators for cooling and lubrication in the SUS engines system (water pumps, fuel pumps, high pressure pumps)
- ➔ elements of the breaking system and control transmission (brake discs, brake drums, clamps, guiding joints, steering rod end)
- ➔ semi-trailers
- ➔ elements of transport systems
- ➔ bearings, pads, blades for mining, wood industry, quarries, etc.
- ➔ elements of axles and shafts, camshaft assembly
- ➔ gears, elements of power transmission
- ➔ parts made of stainless steel for food industry, jewellery industry and consumer goods
- ➔ machine elements
- ➔ solar panels
- ➔ processing of stainless steel in interior elements
- ➔ parts for ordnance industry
- ➔ treads and mechanical engineering structures
- ➔ panels
- ➔ tools.

Companies stand out owing to flexibility concerning changeable requirements of buyers and can easily diversify their supply, while operating according to world quality standards.

### Sector profile

Metal processing sector exports to over 50 countries, while over 50% of the products are sold in the fastidious EU market, primarily in Germany, Italy, Slovenia, Austria and Spain. BiH membership in CEFTA and favourable trade relations with Turkey make open the access to a dynamic market of 700 million people in demand of quality products.

- ➔ over 40 companies in the sector employs over 2000 people
- ➔ sector export share in the total export of Tešanj economy is approximately 52%
- ➔ property of companies exceeds 80 million EUR
- ➔ turnover exceeds 125 million EUR
- ➔ export value is 95 million EUR
- ➔ export share exceeds 75% of total turnover
- ➔ profit exceeds 7 million EUR
- ➔ profit rate is 6.1%
- ➔ return on assets is 8.5%

The most significant investments and companies in the sector are:

- ➔ Prevent Fad d.d. – car parts manufacture
- ➔ MANN+HUMMEL BA – development and production of filters and filtration systems in automotive industry
- ➔ Junior-Eko-termik (JET) – non-ferrous metal foundry and metal processing
- ➔ Zupčanik d.o.o. – processing of metal by scraping, gearing and grinding
- ➔ Medena Commerce d.o.o. – machine processing of metal, manufacture of metal small and medium sized structures, assembly (welding according to ISO 18800-7 and EN 3834-2 standards)
- ➔ Inox Ajanović – products for interior and exterior decoration, industrial equipment, parts for yachts
- ➔ BME d.o.o. is specialised for the manufacture of steel structures, serial production of components and steel structures according to wishes of buyers
- ➔ Essthal d.o.o. – manufacture of all types of fences, handrails, entrance gates, overhangs, mounting stairways in line with ordering party's designs
- ➔ Pobjeda – production of pumps and filters, first company in BiH with DIN EN ISO 9001 certificate and first company in automotive industry with ISO 14 001:2004 certificate
- ➔ Saračević d.o.o. – wholesale of products and semi-finished products of ferrous and non-ferrous metallurgy



Most of the companies are export-oriented, where some of them manufacture car parts for companies known throughout the world, such as: Mann, Mercedes, Volkswagen, Renault, Turk Traktor, Hatz. Buyers and partners of the metal processing sector in Tešanj are:



## Quality human resources

Metal processing is the sector with the biggest number of employees in the Tešanj Municipality. Investors have immediately available 600 qualified and technical workers of different vocations in the sector from Tešanj, as well as approximately 100 mechanical engineers within 100 km.

- ➔ In the period of 2013-2014 the employment rate in the sector increased by 16.24%
- ➔ Gross salary in the sector ranges between 741-870 EUR.
- ➔ Very active and equipped Adult Education Centre Tešanj organises training and retraining of labour force in accordance with the sector requirements (mechatronics technicians, CNC operators, lathe operators, welders).

Quality staff get educated in two secondary schools for the following vocations: mechanical technician, mechatronics technician, lathe operator, metal turner, welder, fitter and machinist

## A success story – MANN+HUMMEL BA (Germany)

Mann+Hummel is operating in over 60 locations throughout the world and has over 12,500 employees. With the total sales revenue of 2.68 billion EUR in 2014, the company became a "global player" and leader in all filtration-related areas.

- ➔ Production of filters and filtration systems in automotive industry in Tešanj has had tradition since 1974.
- ➔ Up until the privatisation in 2005, the company was named UNICO FILTER.
- ➔ MANN+HUMMEL bought 51% of shares and then invested 20 million EUR.
- ➔ It has got 590 employees.
- ➔ Annual turnover is 30 million EUR, whereof 96% comes from export markets.



## Services provided by COBITES in support of the sector:

- ➔ organisation of informal education of labour force for the needs of the sector
- ➔ networking with educational and research institutions and programmes in the surrounding area
- ➔ business networking of local companies and foreign partners
- ➔ networking with local suppliers
- ➔ specialised sectoral education
- ➔ support in the promotion of company and products
- ➔ information on trends and business opportunities in the sector
- ➔ information regarding business operations in BiH and availability of incentives.



**COBITES** – Competitive Business -  
Based on Investment, Trade and Export Service Centre

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Tešanj Municipality



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