



# CROATIAN COMPETITIVENESS CLUSTER OF FOOD PROCESSING SECTOR



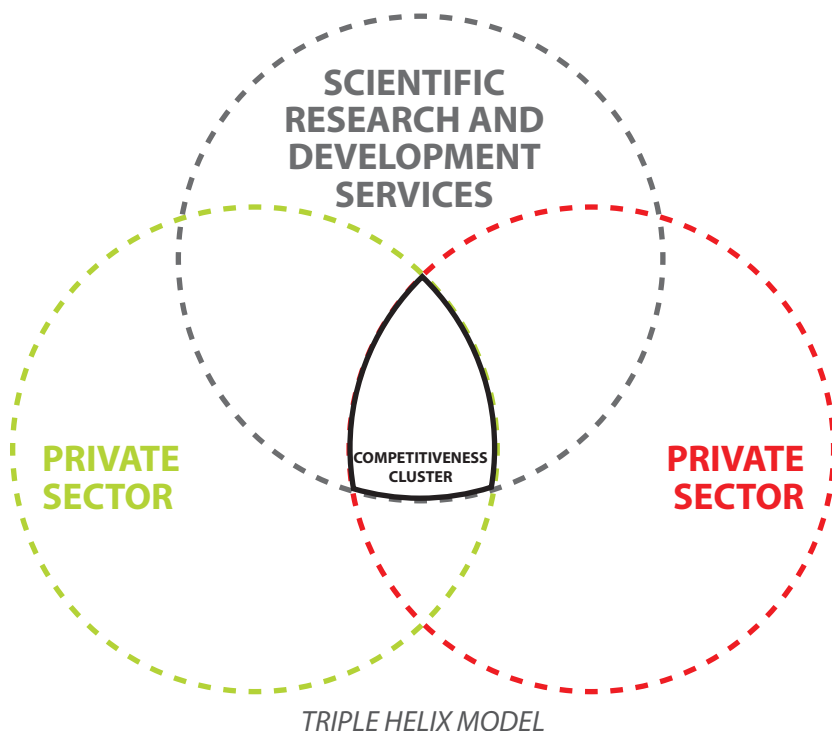
# CROATIAN **COMPETITIVENESS CLUSTER**

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Competitiveness clusters have been established following the initiative of the **Government of the Republic of Croatia, The Ministry of Economy,** and **The Agency for Investments and Competitiveness** as an instrument used to support the strengthening of the competitiveness of the Croatian economy.

The aforementioned support is strategically oriented towards the sectors in which the Republic of Croatia owns major territorial assets, and has achieved competitive advantage, enabling the positioning of the sectors within a global environment.

The established Croatian Food Processing Industry Competitiveness Cluster represents the Triple Helix Model of collaborative networking of the private sector, Government institutions responsible for economic policy making, as well as of the academic institutions and scientific research institutes.



Its purpose is to improve the Croatian industrial production by bringing all the partners together, sharing knowledge and experience, developing new projects and promoting Croatian products and services overseas.

Pursuant to the **EU's Multiannual Financial Framework** 2014 - 2020, competitiveness clusters are among the instruments used for an effective use of EU Funds, the members of which will have an opportunity to submit their proposals and to participate in projects of national interest designed to improve the competitiveness of the sectors, the access to finance via the EU Structural Funds and grants provided for research, technological development, implementing of innovation and new technology, as well as promoting of the Croatian economic excellence.

They will participate in the projects and activities creating synergy among the sectors and enabling inter-sectorial cooperation. They will use their international connectivity with the clusters in the EU and develop various joint projects at the international level.

# THE GOALS OF THE **CROATIAN FOOD PROCESSING INDUSTRY COMPETITIVENESS CLUSTER**

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**The goals of the Croatian Food Processing Industry Competitiveness Cluster are as follows:**

- 1** Networking of the public and private sectors, and scientific research institutes within the Food Processing Industry,
- 2** Strengthening competitiveness and creating a new added value at the Food Processing Industry level,
- 3** Efficient utilisation of the accessible sources of finance and obtaining grants provided from the budget, EU funding, Community Grants Programme and other sources of funding,
- 4** Implementing targeted strategies of attracting local and foreign investment into the Food Processing Industry,
- 5** Lobbying for the Food Processing Industry at the national and EU level,
- 6** Human Resources development and specialised workforce training within the Food Processing Industry,
- 7** Establishing and developing the fundamental business and scientific research infrastructure of the Food Processing Industry,
- 8** Inter-sectorial networking and the Food Processing Industry internationalisation,
- 9** Food Processing Industry Branding and Promotion,
- 10** Strengthening of the activities of Croatian regions and achieving a balanced regional development.

# CROATIAN FOOD PROCESSING INDUSTRY

## COMPETITIVENESS CLUSTER

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### VISION

Vision of the Food Processing Sector by the year 2020:

***The Food Processing Sector is the key driver of a sustainable economic development of the Republic of Croatia, which is based on an efficient implementation of resources and implementation of knowledge and innovation in the processing of traditional and functional high-quality food.***

### THE OVERALL GOAL

The overall goal, set within the Food Processing Sector is to contribute to the fulfillment of the vision and to promote the economic growth and competitiveness within the Food Processing Sector through research, technological development and the implementation of innovation and new technology, as well as to increase the inflow of investment.

The aforementioned goal is going to be achieved within **the 4 priority areas**, which are as follows:

- 1** Improving of the business environment and strengthening of competitiveness within the Food Processing Sector,
- 2** Improving and achieving diversification of the production through research, technological development, implementation of innovation and KETs (Key Enabling Technologies),
- 3** Developing of human capital through the promotion of knowledge, skills and competences,
- 4** Branding within the Food Processing Sector and products by means of the implementation of an innovative design and promotion activities, as well as of the detecting of priority indicators/quality stan-

# THE OVERALL GOALD IN DETAIL

## FOR THE 4 PRIORITY AREAS

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### **1 Improving the business environment and strengthening of the competitiveness of the Food Processing Sector**

- a** *Developing business infrastructure and business support institutions for the Food Processing Sector.*
- b** *Developing the cientific and research infrastructure and the technological platform for the Food Processing Sector.*
- c** *Connecting of the public, private and the science and research sector through business clusters and competitiveness clusters (the implementation of cluster initiatives).*
- d** *Harmonising of the manufacturing of agricultural products with the Food Processing Sector requirements.*
- e** *Developing new business models (such as local manufacturing systems) and the models of service providing, logistics and transport as a support to raw material manufacturers.*
- f** *Improving the sustainability of Agriculture and Food Processig Industry (sustainable production, implementation of renewable energy sources, efficient energy use etc.).*
- g** *Identifying the domestic value chain of the Food Processing Sector and the integration within the international value chain through the internationalisation of business.*
- h** *Improving of the legislative framework and the promotion of the Green Public Procurement.*

### **2 The Improving and deiversifying of the production through research, technological development, and the implementation of innovation and KET technologies**

- a** *Reducing cost and increasing productivity within the sector by means of the implementation of new technology.*
- b** *The implementation of intelligent (KET) technologies for the purpose of achieving the security and quality of food, and in developing packaging processes and materials-*
- c** *Developing new products in compliance with the market requirements (functional food, rganically grown food, improving of traditional products etc.)*

### **3** Development of human capital, knowledge and competences

- a** *Lifelong learning and education in accordance with the current and future requirements of the labour market.*
- b** *Developing new skills and a curriculum for new vocations within the Food Processing Sector*
- c** *Promoting of a positive image of the sector*

### **4** Investing in development and implementation of design, as well as in promotion and branding within the Food Processing Industry and of its products

- a** *Devising and implementing of the Communication strategy within the Food Processing Industry.*
- b** *Developing territorial brands (national, regional and local) within the Food Processing Industry as an economic value added to the sector-*
- c** *Multi-sectorial collaboration with the Tourism Industry for the purpose of the placement of Croatian Food Products in the Tourism Industry etc.*



## KEY INFORMATION FOR FOOD PROCESSING INDUSTRY ACTIVITIES

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- The manufacturing of food products (C10) has represented a significant part of the domestic economy for many years now. It is characterised by diversity and development, and with respect to the value of the industrial production, it presents the most significant manufacturing sector. The food product manufacturing constitutes **19,8%** of the total processing industry revenues (2012), while together with the beverage production industry (C11) and tobacco industry (C13) accounts for **24,6%** of the total revenues of the processing industry.

- The export accounts for **15,51%** of the total revenues achieved within the business, that is for **8,8%** of the export of the processing industry as a whole (2012).

- The manufacturing of food products comprises **1.499** companies and employs **43.826** workers (expressed in working hours), according to the data provided for the year 2012. The number of employees within the food product industry accounts for **19,5%** of the total number of the persons employed within the processing industry.

- As for the activities of the industry, we find the concentration present. **1.499** companies out of **66** contribute to the overall revenues of the industry with a share of more than **80%**. The concentration is significant in the international trade; the 28 largest companies account for 78% of total exports, and 33 companies account for 79% of total imports.

- The Food Processing Industry is characterised by a great potential of employment and growth. The Food Processing Sector is mostly concentrated in the area of the Town of Zagreb and the Koprivnica-Križevci County, as well as in the Varaždin County and the Osijek-Baranja County in which the biggest Croatian companies are situated.



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