



REPUBLIC OF CROATIA

HALAL PRODUCTION LINE, Čađavica

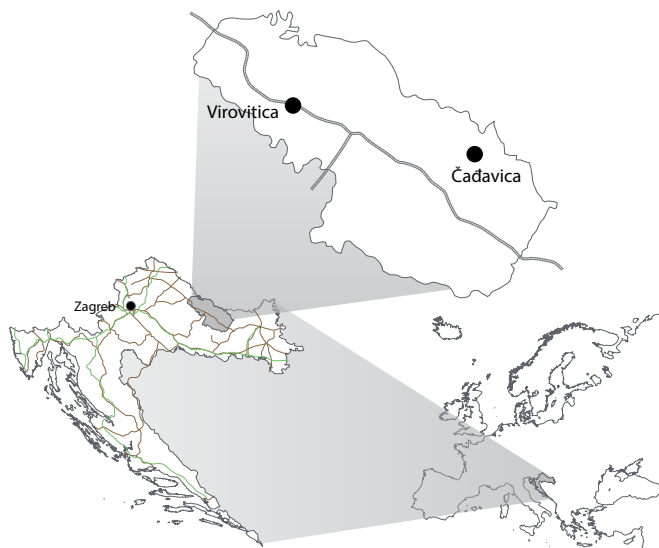
LOCATION DESCRIPTION

Based on increasing demand for Halal certified food, the Municipality of Čađavica is offering an opportunity to a potential investor to develop a Center of food production with Halal certificate in the Čađavica Industrial Zone. Čađavica is a small place located in the continental part of Croatia, near the Hungarian border, 44 km from Virovitica, the administrative center of Virovitica-Podravina County, 194 km from Croatian capital Zagreb and 380 km from Budapest.

The Municipality is connected with surrounding areas by local, county and state roads (the main road D2, from Slovenia up to the border with Serbia, connects the western and eastern part of Croatia).

The Municipality of Čađavica is a typical lowland area with its natural resources, relief, geological composition of the soil, climate and hydrological characteristics, vegetation cover and fauna.

Economic activities are based on available land resources and favorable climatic conditions. Consequently main economic sectors include agriculture and animal husbandry. Recently intensive investments were made in modernization of infrastructure including modernization of roads, construction of water supply system, sewage networks, sidewalks and street lighting.



PROJECT DESCRIPTION

The project envisages development of production and processing center for broiler breeding with a slaughter house based on Halal certificate standards on 27 ha in Čađavica Industrial Zone owned by the Municipality of Čađavica. Within the Zone 17 ha are intended for broiler breeding, 7 ha for processing facilities (slaughterhouse) and the remaining 3 ha for bio-gas and wastewater treatment facilities. The projected production capacity is 5.5 million broilers and 8,000 tons of chicken meat. The infrastructure capacities of the Zone currently include water, gas and electricity connections.

In order to attract the potential investor to develop the project, the Municipality is prepared to sell the land for 1 EUR/m² or to lease it for 56.0 EUR / ha, depending on the agreed transaction model.

According to the spatial plans there is additional possibility to develop a slaughterhouse project with the capacities of 20,000 tons of beef and 8,000 tons of lamb on 5 ha of land located next to the Zone and owned by the Republic of Croatia.

Currently Croatia has 85 Halal certified companies.

KEY FIGURES ON HALAL MARKET (2014 est.)

POPULATION

1.8 billion

(25% of the world population)

FOOD MARKET SHARE

16% of world food industry

TURNOVER

1.4 trillion USD annually

Source <http://www.sgs.com/en/news/2015/11/recent-facts-on-the-global-halal-market-and-the-role-of-halal-certification>

CURRENT STATUS

The project is in compliance with the Urban Development Plan of Čađavica Industrial Zone and so far the Conceptual Design and pre-study for the Project have been prepared. Due to specific legal requirements on food production concerning environmental protection and sustainable development, the preparation of Environmental Impact Study is needed.

ESTIMATED VALUE

Estimated value of the investment, which envisages 150 new employees, is 52 million EUR.

TRANSACTION MODEL

The Čađavica Municipality offers to a flexible model of transaction including land sale, lease or right to build a strategic partner. The selection of the potential investor will be the subject of a public tender.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

VIROVITICA-PODRAVINA COUNTY

Population (2011): **84,836**

GDP per capita (2014): **5,655 EUR**

Unemployment rate (2016): **32.7%**

Average gross salary: **824 EUR**

Virovitica-Podravina County is located in northeastern Croatia and covers the area of Slavonia and Podravina. It is bordered by Bilogora, Papuk and Krndija from the South, with its slopes gradually merging with the Pannonian Plain. The County's northern border is the River Drava which also makes a natural border with Hungary in the largest part of its hundred kilometre long course.

From a total of 2,024 km², of the County area, around 56.85% is a mountain region and the remaining 43.15% is lowland. Out of 116,751 hectares of agricultural land, which represents 4.08% of the Croatian agricultural area 65,278 hectares are privately owned while 57,255 hectares are owned by Republic of Croatia (*Source: Institute for Physical Planning Virovitica-Podravina County*).

Fruit growing, horticulture and cattle breeding have a long tradition due to the wealth of natural resources. While corn and wheat, medicinal herbs, tobacco and sugar beet of the highest quality are grown on fertile Slavonia and Podravina fields, the slopes of Bilogora and Papuk are covered with vineyards.

The forest richness has given impetus to the development of wood processing industry with worldwide reputation. Pure nature is an ideal setting not only for continental tourism based on health prevention and recreational programs but also for ecological-based agricultural production.

Renowned international agriculture and food fairs – “Viroexpo” and “Agroexpo” in Virovitica and “Agroarca” in Slatina have grown from small local events to some of the largest fairs of this type in Croatia.

Based on contemporary economic development of agriculture industry and high quality products the County exports to 79 countries. According to the statistical data processing industry export is dominant (82.6%,) and more than a half of export is in furniture and wood products 52.83%, followed by food products (10.11%), tobacco (9.97%) and metal products 3.76%. Agricultural, forestry and fisheries exports comprise 13.04% and trades 2.75%.

Currently small family farms prevails in the organizational structure of the County's agriculture sector (in 2014, their share was 95.73% of the total legal entities in agriculture) but with the establishment of Industrial Zone Čađavica and the growing Halal market the possibility for large scale broiler breeding is open.

CONTACTS

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