



**Specialized welding company  
“Zavarivac” Vranje, JSC**



# General Information

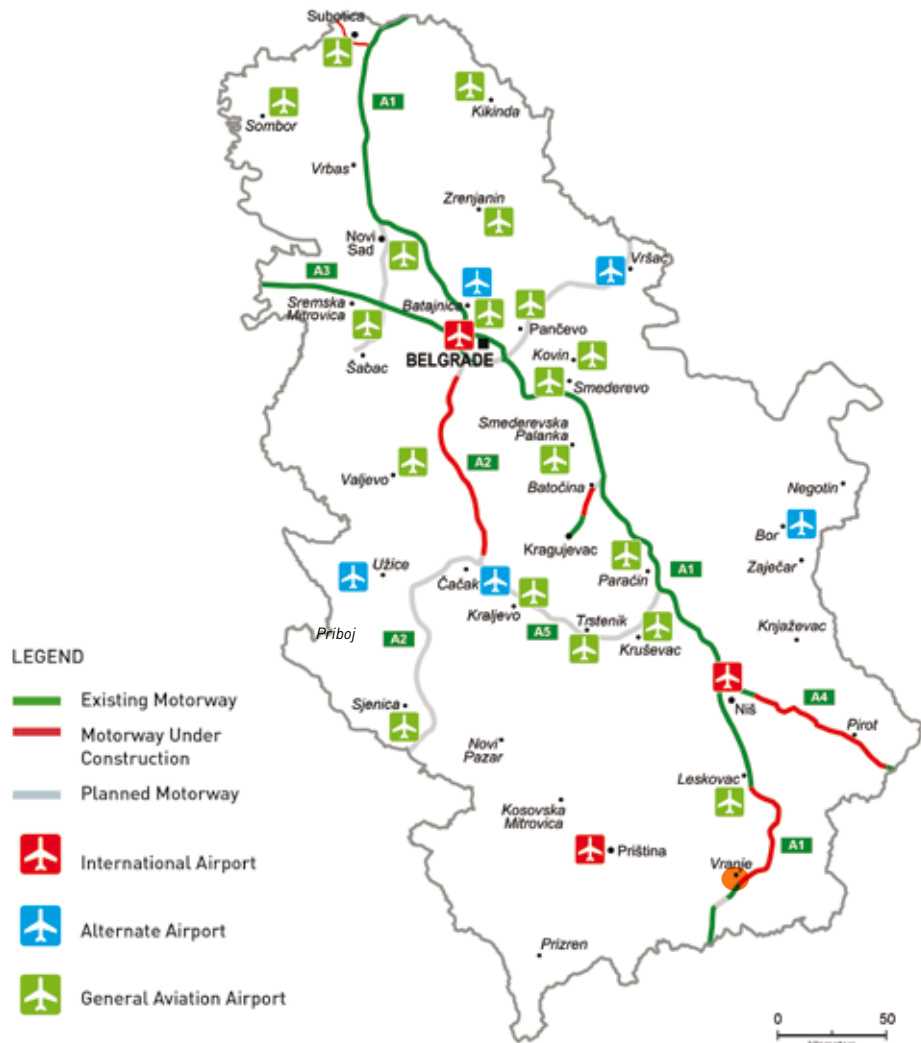
Full legal name	Specialized welding company "Zavarivac" Vranje, JSC
Address	No 7 Radnička Street, 17500 Vranje
Identification Number	07205180
Core activity	Manufacture of metal structures and parts of structures
Foundation Year	1970
Number of Employees	352



## Capital structure (in%)

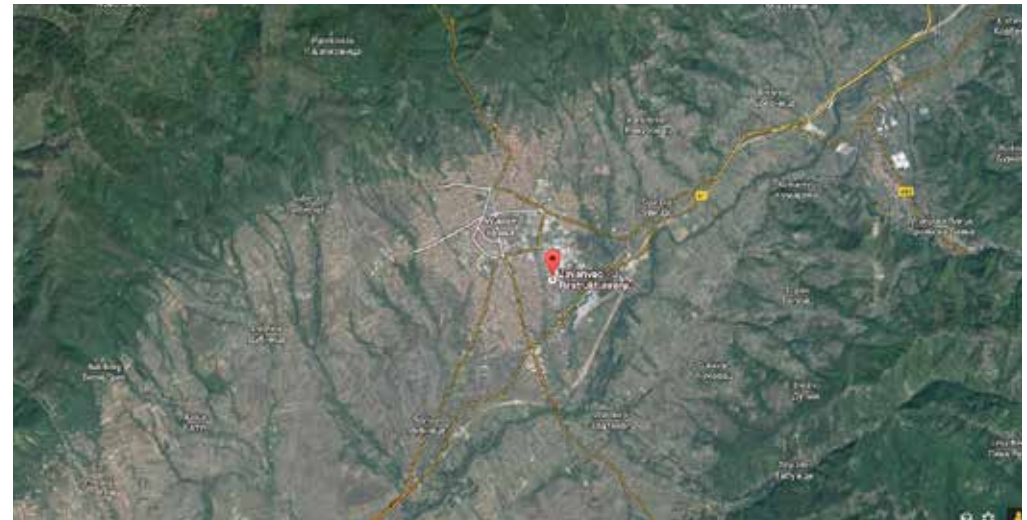
Privatization Agency	63.13
Others	36.87

# General Information



## Distance form the Company to:

Belgrade	360 km
Regional Center	210 km
Main road	5 km
Port	km
Railway	2 km



# Location



Pan-European Transport Corridors

Vranje is administrative, health care, educational and cultural center of Pcinja district.

The City of Vranje covers the space of 860km<sup>2</sup>, the number of inhabitants is 87.288.

Located along the corridor 10 with a distance from big centers:

- Belgrade 347km
- Skopje 95km
- Thessaloniki 300km
- Sofia 215km
- Pristine 115km

Vranje is the city with great industrial and export tradition, qualified and experienced work force. Richness of natural resources provides excellent opportunities for tourism development.



# Long tradition and expertise



Years ago, in 1970. Evgenije Liščenko and twenty two more men all excellent craftsmen and experts, went ahead towards the same goal : foundation, development and affirmation of a welding company. Company under the name of Specijalizovano zavarivačko preduzeće (specialized welding company) “Zavarivač” was registered in Vranje.

With the name and the symbol SZP “Zavarivač” program and development of the company’s activities was precisely mapped out. Orientation for welding and assembly of steel constructions was not accidental, because at that time, these two services were scarce on the market.

Initial experiences were promising. Welders were in high demand, so that Vranje’s name and spirit began to conquer the business terrain of ex Yugoslavia. Building sites sprouted all over the ex Yugoslavia. That way “Zavarivač” entered business world in „big style”.

Not long after that “Zavarivač” begins to enter foreign markets from Scandinavia to Northern Africa and Middle East. The rating and expansion of the company surprised businessmen of that time.

After 15 years from start “Zavarivač” had already built four factories.

# Activities



Production in “Zavarivač”, Vranje is performed in three factories where we have about 12000 m<sup>2</sup> of covered space .

- Plant for production of special equipment
- Plant for production of steel constructions
- Plant for anti-corrosive protection

## Basic scope of our production is:

- Production of steel constructions and steel products of all kinds;
- Production of steel container type of products in different dimensions and for different applications;
- Working on roof-covering and installation of roofing sheets and ducts;
- Production of aluminum doors and windows ;
- Production of central heating installations;
- Working on water-works and sewage;
- Production of electrical installations for high and low currents;
- Production of gas stations and gas installations;
- Production of chemical industry equipment;
- Production of equipment for oil industry;
- Production of equipment for food industry;
- Production of higher power boilers;
- Production of equipment for power plants and mines;
- Production of equipment for steel plants;
- Production of different kind of reservoirs, siloses, chimneys;
- Production of equipment for asphalt bases;
- Production of equipment for cement plants;
- Production of movable boliers of container type;
- Production of smaller boilers of all types, power from 20 kw to 5 MW, using all types of fuel, as well as of medium boilers, power of 5 MW and higher.



## Available production capacities

- production of steel construction: 500 t per month
- production of various steel products(doors,fences etc): 1000 m<sup>2</sup> per month
- process equipment and other products like:reservoirs, chimneys, fermentors, ... 200 t per month
- assembling of equipment and constructions: 300 t per month



## Welding institute



### ACTIVITIES OF THE WELDING INSTITUTE:

#### **Design and development supervision:**

- architectural design
- design of interior installations for water work and sewers
- design and arranging of free space
- design of building constructions and objects
- desing of thermo-technical installations
- design of equipment under perssure
- development supervision

as well as:

- creation of welding and soldering technologies, and supervision of welding works
- control of metal in welded joints, with or without destruction
- training of welders in factory's School of welding

#### **Welding Institute consists of following organizational units:**

- design service
- technology service
- control and testing service
- welding service

"ZAVARIVAČ" also designs and builds objects as the so called "turn-key projects".



# Product portfolio



**ZTTK 25 - 60 kw**



**ZTKE 25 - 50 kw**



**ZTK 27 - 52 kw**  
**ZTK 80 - 150 kw**  
**ZTK 250 - 500 kw**



**ZSKG 30-300kW**  
**ZSK 400-3000 kW**



**ZEK 12-36 kW**

## Assembly sector



1. Assembly of steel constructions of small, medium, and large carriage; for roofs, bridges, awnings, passageways etc...
2. Assembly, connecting of container units of different sizes and purposes: residential, business containers, containers for storage of various materials, container-bakeries, container-boilers and other
3. Installation of doors, windows etc and roof covering jobs.
4. Installation of boiler equipment of various powers and commissioning.
5. Assembly of equipment for asphalt bases
6. Assembly of equipment for cement plants
7. Assembly of reservoirs and other special equipment: vertical, horizontal, for underground storage, spherical, cylindrical, reservoirs for liquid gas (TNG), with flat, shallow or deep bottom, with or without insulation
8. Installation of pipelines for technical gases under low, medium, and high pressures
9. Installation of mixers and other equipment for food industry
10. Assembly of equipment for petrochemical industry
11. Providing all kind of services for welding and other areas

# Certificates



## **Quality assurance certificate ISO 9001**

Company does not own quality assurance certificate ISO 9001.

## **Ecology**

According to applicable regulations, the requirements for environment protection are fulfilled.

# Production and Capacity



Product	Unit	Quantity			Value in EUR		
		2011	2012	2012	2011	2012	2013
Steel structure	tons	534	677	350	663.412	940.684	381.622
Equipment	tons	0	0	0	0	0	0
Boilers	pcs	3.383	3.874	5.156	550.387	493.711	652.151
Services	tons	0	169	338	121.597	235.169	466.548



# Production and Capacity



## Capacity utilization

Machine (Production line)	Unit	Installed capacity	Real capacity	% of utilization		
				2011	2012	2013
cutting	tons	6000	5000	14.00	0.60	50.00
welding	tons	5500	4500	16.00	0.80	70.00
sandblasting	tons	10000	9000	9.00	0.10	5.00
Line for boilers	tons	2500	1500	90.00	0.90	70.00
Line for equipment	tons	1200	900	10.00	20.00	16.00



# Realization



## Movement in sale volume

Product/service	Unit	Quantity sold			Value in EUR		
		2011	2012	2013	2011	2012	2013
Steel structure	tons	534	677	350	663.412	940.684	381.622
Equipment	tons	0	0	0	0	0	0
Boilers	pcs	3.383	3.874	5.156	550.387	493.711	652.151
Services	tons	0	169	338	121.597	235.169	466.548



## Sales structure

Sales structure in %	2011	2012	2013
Domestic market	100.00	100.00	100.00
Foreign market	0.00	0.00	0.00
<b>TOTAL :</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## Distribution channels

Distribution channels	% of share
Direct sale	80.00
Wholesale	5.00
Retail	5.00
Intermediaries	10.00



# Organization



## EMPLOYEES



### Number of employees

Working	241
Paid leave	0
Unpaid leave	8
Other (sick leave, vacation, etc.)	103
<b>TOTAL NUMBER OF EMPLOYEES</b>	<b>352</b>

### Age structure of employees

Age	-25	25-35	35-40	40-45	45-50	50-55	55+
Number	28	27	26	18	34	86	133

### Average salaries in EUR

(gross and net) in 2011, 2012 and 2013

Year	Gross	Net
2011	306	222
2012	305	222
2013	369	268

# Assets Overview



	Value in EUR		
	31/12/2011	31/12/2012	31/12/2013
CURRENT ASSETS	2.004.962	2.159.653	2.835.555
FIXED ASSETS	5.980.549	5.748.077	12.109.978



A) Information contain in this document is based on the data recieved from the company, and as such has not been verified by the Privatization Agency. Accordingly, the Privatization Agency shall have no liability with respect to the accuracy and validity of the information contained here in.

B) Pursuant to the law, enterprises from the Republic of Serbia were obliged as of 2004 to prepare Financial Statements in accordance with the International Standards of Financial Reports (ISFR).



# SWOT Analysys

## **STRENGTHS:**

Relatively new equipment and facilities, extensive production experience in producing all types of structures and boilers, extensive experience in welding, the demand on the European market for the product, good location

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## **WEAKNESS:**

The average age and poor structure of employees, high energy consumption

## **OPPORTUNITIES:**

Demand for welding jobs

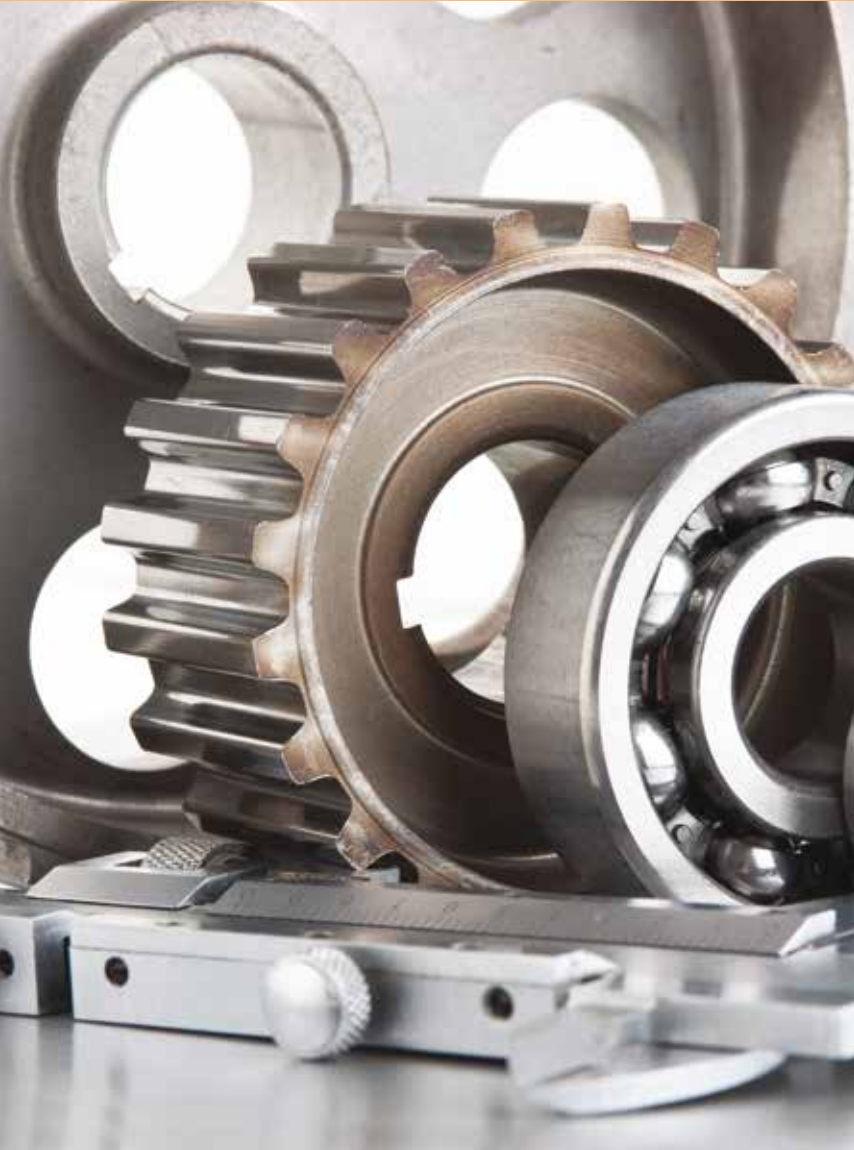
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## **THREATS:**

High debt

# Advantages of Investing in Serbia



Favorable geographic position, owing to which any shipment can reach any location in Europe within 24 hours

Highly educated and cheap labor force

Restructured and stable financial system

Simple procedures for a company start-up and registration

Simple procedures for foreign trade transactions and foreign investments

Several free trade agreements have been signed, ensuring supply of goods to nearly 800 million consumers:

- In March 2012 Serbia was granted the candidates status by the EC
- CEFTA
- Agreement with the EFTA members
- Autonomous trade preferences granted by the EU in December 2000, and implementation of the Interim Trade Agreement with the EU started in February 2010
- Agreement with the Russian Federation, Belarus and Kazakhstan
- Agreement with Turkey

# Contact



Republic of Serbia

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