

2022



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# EIT-Food Startup Guide Croatia



# Contact

EIT Food accelerates innovation to build a future-fit food system that produces healthy and sustainable food for all.

We believe inclusive systems innovation, which enables all people and places to participate and benefit, is essential to a strong food system that is better for everyone. With teams on the ground across Europe, we bridge the gap between countries and regions with low innovation capacity and those leading the way. And we put consumers at the heart of our work, helping build trust by reconnecting them to the origins of their food, directly involving them in the innovation process, and working with the food sector to increase transparency. Collaboration is central to all our work, which spans the whole food value chain, and is vital to meet the big challenges we face. Together with our community, we will build an innovative and resilient food system that in turn creates a healthier society and planet.

**This report was prepared by Enky Consulting  
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**Disclaimer:** The guide is intended to help entrepreneurs and startups. However, it does not replace seeking professional advice and guidance. As such, although EIT Food has made every effort to ensure that the information in this book is useful, they do not assume any responsibility for the outcome of your business.



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## Welcome to the market!

We are pleased to hand over to you this very latest edition of the EIT-Food's startup guide. Doing business requires strength and resilience, but doing business in agriculture and in the food industry requires passion and willingness to overcome specific challenges. Some of those challenges are nature driven to which we may just need to be able to adapt and manage. The other group of challenges stem from complexity of the markets, regulatory environments or geographical differences. These we can address and that is precisely the aim of this guide. We want to help you in your business location decisions, whether you are at the start of your entrepreneurial journey or already plan to internationalize your business across Central & Eastern Europe.

As an entity building the EIT-Food network in Central & Eastern Europe (as well as in the Nordics region), our Co-Location Centre (North-East) implements a variety of programmes targeting the key challenges and priorities of agricultural and food system development. We are pleased to see your interest in making it happen through products and services brought to our market.

In current macroeconomic environment where supply chains remain volatile and market transparency is hampered, the access to information about the ecosystem is essential. That is why we focus in this guide on helping you quickly determine how a local ecosystem in Croatia in the ag-food sector works. In view of that we give you a picture of top regulators, policy makers and startup community developers. We hope the guide would serve as a reference for your entrepreneurial efforts all across the way from being technology developer to acting as a solid market player on the market.

Wishing you all the best for your ag-food business,

**Marja-Liisa Meurice**  
**Director of EIT-Food CLC North-East**

# EIT-Food Startup Guide Croatia 2022

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# EXECUTIVE SUMMARY

National currency, **kuna (HRK)**

Registered unemployment rate (% , end year), **8.9%**, 2020

Foreign direct investments in the Republic of Croatia amounted to about **USD1.3 bn**

GDP per capita, **USD 13,885**, 2020

Exports of goods and services **HRK 159,001 mln**

Legal entities, situation as on 30 June 2021 – **223,975 registered** business entities

Output of agricultural industry, **HRK 18,269 mln**

**53,756 employees** in the agriculture sector

**254,999 employees** in the manufacturing sector

**3,565 graduates** in the field of natural and biotechnical sciences in 2020

The Croatian start-up ecosystem consists of more than **90 entities**

# LOCAL AGRIFOOD MARKET INSIGHTS



1



## 1.1. Introduction

**„Croatia has significant potential for improving the agricultural sector and rural economy. Development guidelines and implementation mechanisms are defined through the Agriculture Strategy 2030. The emphasis is on the production of a larger quantity of high-quality food at competitive prices, and the repositioning of the Croatian agricultural and food sector on the domestic and international markets. Namely, it is important to increase the added value of products, to encourage the production of products that are adapted to specific needs, such as products for the HORECA sector, gastronomic delicacies, eco products, etc. Therefore, to increase the production of those products that consumers consider to be of higher quality, and which can achieve higher prices. As stated in the Strategy, increasing efficiency, diversification and differentiation of products are inevitable in the process of structural transformation of the sector. Improving the connection between agricultural production and food processing is crucial. It is the food processing industry that has strong effects on the entire economy in terms of added value and job creation.“**

*MSc Lidija Maurović Koščak, General Manager Assistant, Croatian Agency for Agriculture and Food*

Croatia (official name: Republic of Croatia) is a European country, in the geopolitical sense a Central European and Mediterranean country, and geographically located in the southern part of Central Europe and in the northern part of the Mediterranean. Given that it is located on the coast of the Adriatic Sea, tourism is one of the most important economic branches of the Republic of Croatia.

The most important sectors of Croatia's economy in 2020 were wholesale and retail trade, transport, accommodation, food services, industry, public administration, defence, education, human health, and social work activities. Intra-EU trade accounts for 67% of Croatia's exports and 77% of imports come from EU member states. According to data from the Croatian Bureau of Statistics, GDP per capita has increased from €12,410.00 in 2020 to €14,707.00. The official currency in the Republic of Croatia is the kuna (HRK), and since it has been accepted into the eurozone, from 1 January 2023 the euro (EUR) will be introduced in Croatia.

In the agrifood sector, the Republic of Croatia had 53,756 employees in the agriculture sector and 254,999 employees in the manufacturing sector in 2021. When it comes to students from the agrifood sector, in 2020 Croatia had 3,565 graduates in the field of natural and biotechnical sciences in 2020. According to data from 2020, annual investments in start-up companies reached USD120,000,000.00.

With regard to the use of EU funds, the funds allocated to the Republic of Croatia for the financial period 2021–2027 in current prices amount to more than EUR14 billion from the Multiannual Financial Framework and slightly more than EUR11 billion from Next Generation EU.

## 1.2. Overview of the Croatian agrifood industry

The Croatian agricultural sector is undergoing structural changes: the number of farms is decreasing, and the average farm size is increasing, pointing to a process of consolidation. Farm structures are highly polarized with a 'missing middle': the average size is 10 hectares, but almost 70% of farms cover less than 5 hectares, and 1% of farms have 100 hectares or more.

Production is focused on crops (roughly two-thirds of agricultural output), mostly low-value cultivation (maize, cereals). The livestock sector accounts for a third of agricultural output. Productivity is lower than the EU average, although overall factor productivity has been increasing since 2007. Labour productivity stands at only 29% of the EU average productivity. Low productivity may also be due to the need to make Croatian agriculture 'smarter' by investing in technology and digitalization and strengthening the agricultural knowledge and innovation system (AKIS) by better connecting practice and research. The average technical efficiency of Croatian farmers amounts to 0.3, i.e. using available technology, the same production output could be achieved with 70% less input.

The level of capital investments is low: investment gaps in capital, technology and R&D persist, further inhibiting productivity. The financing gap in the agricultural sector is significant. In trade, Croatia is competitive mainly in low-value, primary agricultural products. Trade imbalances in the agrifood sector are growing, mainly due to a negative intra-EU trade balance. In terms of trade with non-EU countries, Croatia is doing comparatively better, and the trade balance is positive. The analysis of farm income in Croatia shows that despite positive developments since 2015, agricultural income remains well below the average wage at the national level. Income support is quite homogeneous across different sectors, although 20% of beneficiaries receive 77% of direct payments. The amount per hectare of direct payments is, on average, higher for farmers below the average size (10 hectares), while their income is significantly lower. With the complementary income support for sustainability, the future CAP has an effective instrument for ensuring fairness and better targeting of income support by reducing income gaps between different farm sizes (in particular, in favour of smaller-sized farms) and territories of the country. Most professional farms use risk management tools, which can also play an important role in fostering the resilience of agriculture (e.g. against extreme weather events). Those exist and are used by a majority of professional farms.



In terms of farmers' position in the value chain, both the share and the absolute amounts of the value added by primary producers show a downward trend. Farmers' position in the value chain seems to be affected by the very low level of cooperation and association among farmers: only 17 recognized producer organizations exist, covering only 700 members and around EUR300,000 of the total value of marketed production. The EU quality schemes are attractive, and the number of products with a PDO/PGI is increasing. Finally, short supply chains seem to bring more added value than longer ones, with the difference standing at more than EUR8,000. The ongoing COVID-19 crisis led to a surge in direct sales. Competitiveness and the position of farmers in the value chain could be further strengthened by increasing the currently low vertical integration of agricultural producers, processors, distributors and the market. Similarly, given the low investment in digital technologies and precision farming, further investment in these areas represents a real opportunity.

To address the above interconnected economic, environmental/climate, and social challenges, the Croatian CAP strategic plan needs to focus its priorities and concentrate its interventions on the following points while adequately taking into account the specificities of Irish agriculture and rural areas:

#### **Fostering a smart, resilient and diversified agricultural sector ensuring food security**

- Strengthen the competitiveness of the Croatian agricultural sector
- Support the primary sector in strengthening its position in the value chain
- Strengthen the capacity to invest in the sustainable modernization of agriculture

#### **Bolster environmental care and climate action and contribute to the environmental and climate-related objectives of the Union**

- Increase resilience to climate change
- Contribute to the objective of achieving a climate-neutral EU by 2050
- Contribute to the EU Green Deal target on nutrient losses
- Contribute to the EU Green Deal target on organic farming
- Contribute to the EU Green Deal commitments on biodiversity

#### **Strengthen the socio-economic fabric of rural areas and address societal demands**

- Contribute to making rural areas more attractive
- Harness the opportunities of the Croatian bio-economy
- Contribute to the EU Green Deal target of reducing the sale of antimicrobials

#### **Fostering and sharing of knowledge, innovation and digitalization in agriculture and rural areas and encouraging their uptake**

- Strengthen the Agricultural Knowledge and Innovation System (AKIS)
- Reap the benefits of digital technology

Compared to the EU average, the Croatian agricultural sector lags behind in terms of competitiveness and productivity but scores better in terms of environmental/climate issues linked to agriculture (e.g. biodiversity, GHG emissions). Like many EU countries, generational renewal remains an issue, and rural areas suffer from negative demographic trends, depopulation and a lack of basic infrastructure.

**MAIN  
STAKEHOLDERS IN  
THE LOCAL AGRIFOOD  
INDUSTRY**

**2**



## 2.1. Key Croatian companies

Company Name	Scope of the activity	Revenue in 2021, bn HRK	Company's website
<b>Prehrambena industrija VINDIJA d.d.</b>	VINDIJA is a business system that includes several companies from a wide range of food industries, including the dairy industry, soda industry, meat industry and various other food products. VINDIJA is one of the largest Croatian companies.	<b>3.22</b>	<a href="http://www.vindija.hr/">http://www.vindija.hr/</a>
<b>Žito d.o.o</b>	Žito d.o.o is a leading food processing group in Slavonia. The Žito group is focused on producing high-quality and healthy food. It specializes in the wholesale of cereals and mineral fertilizers, animal health products, plant protection products and seed coatings.	<b>2.43</b>	<a href="https://www.zito.hr/en/about">https://www.zito.hr/en/about</a>
<b>PODRAVKA prehrambena industrija d.d.</b>	PODRAVKA is a Croatian food company based in Koprivnica. Founded in 1934, today it is one of the largest food companies in South-East Europe. The main brand of this company is the world-famous Vegeta, a universal addition to salty dishes.	<b>2.29</b>	<a href="https://www.podravka.hr/">https://www.podravka.hr/</a>
<b>DUKAT mliječna industrija</b>	DUKAT is the most famous brand of dairy products in Croatia and one of the biggest in the region.	<b>2.13</b>	<a href="https://www.dukat.hr/">https://www.dukat.hr/</a>

**PIK VRBOVEC**

PIK VRBOVEC is the leading meat company in Croatia and the region and satisfies almost 40% of the red meat and red meat product needs of the Croatian market.

**1.83**<https://www.pik-vrbovec.hr/>**MESNA INDUSTRIJA  
BRAĆA PIVAC**

The PIVAC group is a producer of dried meat, semi-durable products, smoked products, etc.

**1.71**<https://www.pivac.hr/hr>**Belje d.d.**

The food production process at Belje starts with agricultural production on its arable fields and farms and in vineyards. By using optimal crop rotation, careful seed selection, state-of-the-art machinery and the many years of experience of its employees, the company produces top-quality raw materials, which are then processed to become the final products of the Belje food industry. Some of its most famous products are ABC Fresh Cream Cheese, Baranja kulen, Vina Belje and Belje tomatoes.

**1.57**<https://www.belje.hr/en/>**Koka d.d.**

Koka, founded in 1961, is the foundation of the Croatian poultry production. Koka is the only Croatian poultry business with an integrated production cycle – from farm flocks for the production of hatching eggs, through the hatchery, the fattening of broilers, the veterinary service, the laboratory and the animal feed factory to the meat industry.

**1.39**<http://www.vindija.hr/en-GB/Home.html>**ZVIJEZDA plus d.o.o.**

ZVIJEZDA is the largest producer of edible oils in Croatia and the only producer of margarine, mayonnaise and mayonnaise-based products.

**1.1**<https://www.zvijezda.hr/>

## 2.2. Public institutions

### Ministry of Agriculture

<https://poljoprivreda.gov.hr/>

The Ministry of Agriculture coordinates and harmonizes Croatian agricultural policy and rural development policy with the corresponding policies of the European Union in the part related to agriculture, nutrition, rural development and fisheries, implementing projects from EU funds, programmes, and other forms of international aid.

### Croatian Agency for Agriculture and Food

<https://www.hapih.hr/about-us/>

The Croatian Agency for Agriculture and Food is a specialized public institution in the field of agriculture, food and rural development. It carries out research and development activities – among its many tasks is finding innovative solutions in the field of agriculture and food safety – and plays an active role in the dissemination of knowledge, all with the aim of improving domestic agricultural production.

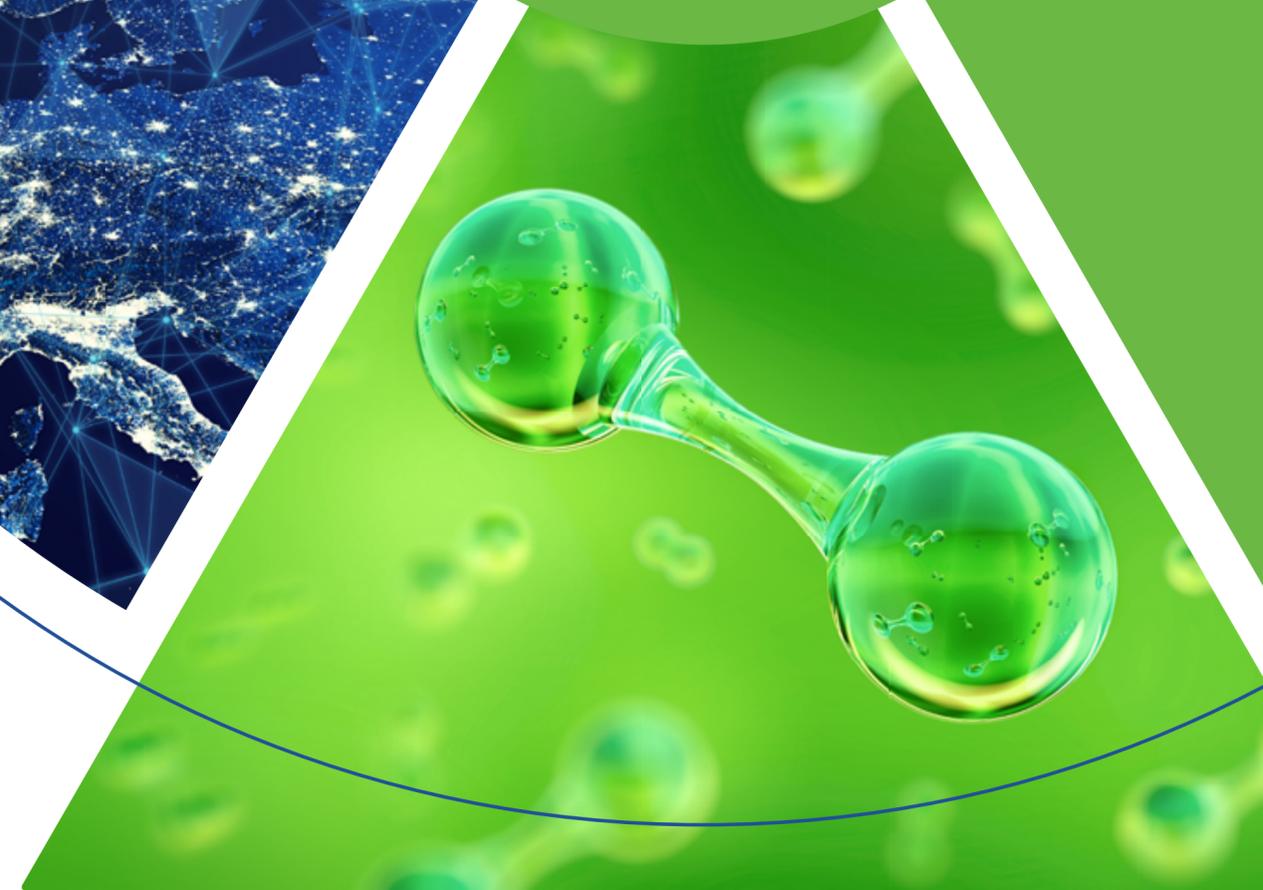
### Paying Agency for Agriculture, Fisheries and Rural Development

<https://www.apprrr.hr/about-us/>

The mission of the Paying Agency is to connect Croatian farmers, fishermen and operators in rural areas with the institutions at national and European level that finance the development of agriculture, fisheries and rural areas through its programmes and funds.



# AGRIFOOD ECOSYSTEM



## 3.1. Funding opportunities for agrifood start-ups

Name of opportunity/ investor/ organisation	Type of support (venture capital [VC] funding, angel investors, government funding, EU funding, startup loans, incubator/accelerator funding, competition with prize money, etc.)	Short description of opportunity, target group (vertical and stage), eligibility requirement, and funding amount or average ticket size	URL	Timeline (application deadline, important dates, etc.)
<b>CRANE – Croatian Business Angels Network</b>	Angel investors	A network of private investors interested in investing in innovative production companies in early stages of development, CRANE is the national lead member of the Global Business Angels Network and EBAN fuelling Europe's growth. CRANE is a non-profit association that brings together private investors. CRANE is the main organization of business angels in Croatia and one of the strongest organizations in Europe.	<a href="http://crane.hr/en/about-us/">http://crane.hr/en/about-us/</a> <a href="http://crane.hr/en/about-us/">http://crane.hr/en/about-us/</a>	N/A
<b>Proof of Concept (PoC)</b>	EU funding	The PoC programme provides support to early-stage innovations with the goal of securing pre-commercial capital for technical and commercial check reviews of innovative concepts.	<a href="https://hamagbicro.hr/bspovratne-potpore/programi-podrske-inovacijskom-procesu/poc/">https://hamagbicro.hr/bspovratne-potpore/programi-podrske-inovacijskom-procesu/poc/</a>	TBC
<b>Granting support for start-up development and business improvement in the area of Osijek-Baranja County in 2022</b>	Osijek-Baranja County financing	Financial support for starting, developing and improving business is granted for investments in starting, developing and improving business with the aim of raising the level of quality, productivity or competitiveness, maintaining or increasing the level of employment, or achieving other goals. The amount of support is equal to 50% of eligible costs, up to a maximum of HRK15,000.00.	<a href="http://www.obz.hr/index.php/natjecaji-i-javni-pozivi-u-tijeku">http://www.obz.hr/index.php/natjecaji-i-javni-pozivi-u-tijeku</a>	31/10/2022 or until the funds are exhausted
<b>Granting support for promotional activities in the area of Osijek-Baranja County in 2022</b>	Osijek-Baranja County financing	Financial support is given for organizing and taking part in manifestations with great importance for economic development and for the representation of entrepreneurship in the county. It promotes and represents the county as an active participant in the development of entrepreneurship, especially for fairs and exhibitions, scientific and professional meetings, festivals, competitions and similar manifestations. The amount of support is equal to 50% of eligible costs.	<a href="http://www.obz.hr/index.php/natjecaji-i-javni-pozivi-u-tijeku">http://www.obz.hr/index.php/natjecaji-i-javni-pozivi-u-tijeku</a>	31/10/2022 or until the funds are exhausted

<b>Loans for sowing and livestock production in the area of Osijek-Baranja County</b>	Osijek-Baranja County financing	Short-term and long-term loans in amounts ranging from HRK5,000.00 to HRK1,000,000.00.	<a href="http://www.obz.hr/index.php/natjecaji-i-javni-pozivi-u-tijeku">http://www.obz.hr/index.php/natjecaji-i-javni-pozivi-u-tijeku</a>	Until the funds are exhausted
<b>FRC2 Croatia Partners SCSp</b>	Venture capital fund	The PESIF Fund will invest in innovative Croatian companies at the earliest stage of development. The investment amount depends on the stage of development and is valued at between EUR10,000 through “start-up school” and up to EUR1,000,000 through VC investments.	<a href="https://www.hbor.hr/frc2-croatia-partners/">https://www.hbor.hr/frc2-croatia-partners/</a>	N/A
<b>“Establishment of producer groups and organizations in the agricultural and forestry sector”</b>	ESIF	The purpose of the tender is to award the implementation of activities envisaged in the business plans of recognized producer organizations for a maximum of five years from their recognition in order to facilitate market entry and thus increase the competitiveness of agricultural holdings. Eligible applicants are producer organizations recognized after 1 January 2018 whose business plan was approved by the Ministry of Agriculture. The total amount of grant per tender is HRK10,000,000.00.	<a href="https://www.apprrr.hr/novi-natjecaj-za-provedbu-tipa-operacije-9-1-1-uspostava-proizvodackih-grupa-i-organizacija/">https://www.apprrr.hr/novi-natjecaj-za-provedbu-tipa-operacije-9-1-1-uspostava-proizvodackih-grupa-i-organizacija/</a>	30 September 2022
<b>“Support for the participation of farmers in quality systems for agricultural and food products”</b>	ESIF	The purpose of the tender is to increase the value of local agricultural products through participation in quality systems with the goal of creating recognition on the market. The total grant amount is HRK3,000,000.00	<a href="https://ruralnirazvoj.hr/natjecaj-za-tip-operacije-3-1-1-potpورا-za-sudjelovanje-poljoprivrednika-u-sustavima-kvalitete-za-poljoprivredne-i-prehrambene-proizvode-2/">https://ruralnirazvoj.hr/natjecaj-za-tip-operacije-3-1-1-potpورا-za-sudjelovanje-poljoprivrednika-u-sustavima-kvalitete-za-poljoprivredne-i-prehrambene-proizvode-2/</a>	30 September 2022
<b>“Disposal, handling and use of manure in order to reduce the harmful impact on the environment”</b>	ESIF	The purpose of the tender is to reduce the harmful impact on the environment and increase soil fertility. The total grant amount is HRK30,000,000.00.	<a href="https://www.apprrr.hr/tip-operacije-4-1-2-zbrinjavanje-rukovanje-i-koristenje-stajskog-gnojiva-u-cilju-smanjenja-stetnog-utjecaja-na-okolis/">https://www.apprrr.hr/tip-operacije-4-1-2-zbrinjavanje-rukovanje-i-koristenje-stajskog-gnojiva-u-cilju-smanjenja-stetnog-utjecaja-na-okolis/</a>	28 July 2022

<b>Provectus Capital Partners</b>	Venture capital fund	Provectus Capital Partners (PCP) is an independent company focused on the South-East European market. The company is focused on investing in established businesses. By investing in fast-growing and profitable companies, PCP helps transform the business model of a company to help it reach its full potential.	<a href="http://www.provectus-capital.com/hr/">http://www.provectus-capital.com/hr/</a>	N/A
<b>Mezzanine Partners</b>	Venture capital fund	A fund that will facilitate access to capital for small and medium-sized enterprises, Mezzanine Partners provides an alternative source of financing and more flexible transaction structures	<a href="http://mezz-partners.hr/">http://mezz-partners.hr/</a>	N/A
<b>Prosperus-invest Ltd.</b>	Private equity	Prosperus Invest Ltd. is investment firm focused on hospitality, manufacturing, infrastructure, agriculture and renewable energy business. Firm focuses on monitoring operational aspects of business in cooperation with team of external industry and operational management experts to deliver hands-on resources to portfolio company management teams to enhance product development capabilities and catalyze revenue growth.	<a href="http://www.prosperus-invest.hr/content/fondovi-za-gospodarsku-suradnju">http://www.prosperus-invest.hr/content/fondovi-za-gospodarsku-suradnju</a>	N/A

## 3.2. Local incubators and accelerators that support agrifood Start-Ups

### Enterprise Europe Network (EEN) Croatia

<https://www.een.hr/>



The main activities of EEN Croatia are: digital transformation, promotion of cooperation between large companies with many years of experience and start-up companies that are insufficiently prominent in Croatia, facilitating access to finance – use of EU funds, the first point of contact for Croatian SMEs that want to expand to the foreign market, identifying the most promising and ambitious SMEs with the potential for innovation, development and rapid growth, support for innovation processes, facilitating access to the single market (providing advisory services), support for internationalization outside the EU borders and support for the development of SMEs' competences.

The Croatian consortium within the EEN consists of the following organizations:

- **Croatian Chamber of Economy** – <https://www.hgk.hr/english>
- **University of Split** – <https://www.unist.hr/en/>
- **TERA TEHNOPOLIS d.o.o.** – <https://tera.hr/en/>
- **Croatian Agency for SMEs, Innovation and Investments (HAMAG-BICRO)** – <https://en.hamagbicro.hr/>
- **Step Ri – Science and Technology Park of the University of Rijeka** – <https://www.step.uniri.hr/>
- **Technology Park Varaždin** – <https://www.techpark.hr/>

### **TERA TEHNOPOLIS d.o.o.**

<https://tera.hr/en/>

The activities of the TERA TEHNOPOLIS d.o.o. incubator for the promotion of new technologies, innovations and entrepreneurship are aimed at connecting science and the economy and providing infrastructure, financial and advisory support to innovative and technology-based projects.

### **UNIST TECHNOLOGICAL PARK d.o.o.**

<https://spinit.unist.hr/en/>

UNIST TECHNOLOGICAL PARK d.o.o. was founded by the University of Split with the aim of developing and managing an entrepreneurial infrastructure and support for university graduates and other enthusiasts who want to take their entrepreneurial ideas in the field of high technologies to self-employment. Spinit – Technological Park is an incubator that allows young entrepreneurs to take the first step towards realizing their business goals.

### **BICRO BIOCentre, Ltd**

<https://www.biocentre.hr/en/>

BICRO BIOCentre, Ltd opened its doors in 2015 as the first, EU-funded, biotech incubator in the Republic of Croatia.

### **Step Ri – Science and Technology Park of the University of Rijeka**

<https://www.step.uniri.hr/>

Step Ri is the perfect environment for competitive companies because it provides accommodation integrated with a business support package. It offers its users offices from 15 to 300 m<sup>2</sup> through two types of rent: preferential rent for companies in incubation and regular rent for companies based on knowledge and new technologies. Preferential rent can be obtained by entrepreneurs, owners of start-up companies and members of the scientific community who have been positively evaluated by three independent experts.

### **Technology Park Varaždin**

<https://www.techpark.hr/>

Technology Park Varaždin is an entrepreneurial campus that gathers an ecosystem of innovative companies, providing them with modern infrastructure and access to a wide range of financing instruments and access to the global market.



## ZICER

<https://www.zicer.hr/o-nama/?lang=en>

At ZICER, start-ups are focused on organic growth. This makes them more stable and resilient on the market. Regardless of the development stage the founders are in, ZICER uses a well-rounded approach to turn its innovative, high-tech ideas into start-ups, and start-ups into strong and successful companies.

## Startup incubator Rijeka

<https://startup.rijeka.hr/>

The start-up incubator Rijeka is intended for people who want to develop their entrepreneurial idea independently or within a team. Through the incubator, users receive training, workspace, expert support, financial subsidies, help in business planning, connection with potential investors and cooperation with the international start-up scene. Services are free for users.

## Business Incubator BIOS Ltd

<https://inkubator.hr/>

Business Incubator BIOS Ltd supports the development of small and medium enterprises through the provision of business premises and of business and other services in the most critical stages of enterprise development and thus participates in the economic development of the region and reduces unemployment in the region. It is located in Osijek.

## Business Incubator Vinkovci

[www.inkubator.vinkovci.hr](http://www.inkubator.vinkovci.hr)

The Vinkovci business incubator is a project of the city of Vinkovci implemented to improve the availability of business infrastructure and business services to small and medium enterprises with the aim of facilitating their growth and development and creating opportunities for new jobs in the city of Vinkovci and Vukovar-Srijem County.

## Business-Technological incubator Nova Gradiška

<https://www.ipng.hr/poslovne-i-tehnologijske-usluge/poslovno-tehnologijski-inkubator/>

The business-technological incubator Nova Gradiška covers an area of 1,861 m<sup>2</sup> and is ideal for the growth and development of start-up enterprises, as well as for already existing technological enterprises. Through renting space at affordable prices, and gaining access to consulting services in management and technological services, enterprises have reduced business costs and development time and have more chance of success and market spread.



### Entrepreneurial incubator OSVIT

<https://www.osvit.biz/>

Trade mediation on the domestic and foreign markets, real estate management and maintenance services, rental of machinery and equipment, accounting, representation of entrepreneurs at fairs, connecting entrepreneurs, providing additional services to entrepreneurs web design, graphic services, etc.

### Business Incubator of Virovitica-Podravina County Ltd

<https://inkubatorivpz.hr/>

The goal of the Business Incubator of Virovitica-Podravina County is to contribute to the regional competitiveness, entrepreneurial environment and sustainable development of Virovitica-Podravina County by encouraging the development of technological "start-up" companies and job creation. The register of business support organizations (BSOs) in the Republic of Croatia is available [at the following link](#). On the same site, users can search for BSOs by category of entrepreneurial zone or BSO.

**„The food processing industry, which together with agriculture constitutes 6% of the total GDP of the Republic of Croatia, shows a strong potential for creating added value and new jobs with positive effects on the entire economy, however, in order to strengthen the competitive position of the agricultural and food sector, it is crucial to accelerate its structural transformations to modern industry. With Croatia's entry into the EU, new circumstances have arisen for the agricultural and processing industry that open up opportunities for faster transformation using grants for growth and development using digital technologies as a basis for increasing productivity and maintaining competitiveness on the international market. Modern technologies have the potential to make the sector more efficient, sustainable and far more competitive than it is today.“**

Ivan Škarić, Independent Consultant, Croatian Chamber of Economy

## 3.3. Contact details for the hub organisation

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# HOW TO SET UP A COMPANY IN THE REPUBLIC OF CROATIA



4



## 4.1. Setting up a legal entity in Croatia

The legal framework for foreign investments in the Republic of Croatia is set in such a way that no distinction is made between domestic and foreign investments. Everything that is possible in the relations of domestic investors is also possible when the capital is invested by foreigners. The Constitution of the Republic of Croatia establishes that the rights acquired by investing capital shall not be reduced by law or other legal acts, and the free removal of profits and invested capital from the country is ensured upon termination of investment after the settlement of all legal obligations. When a foreign investor establishes, or participates in the establishment of, companies in the Republic of Croatia, he acquires rights and assumes obligations under the same conditions and has the same position as a domestic investor, under the condition of assumed reciprocity.

**„Establishing a company in the Republic of Croatia is possible in several ways. The first involves going to a notary public or to the HITRO.HR state service, which will start the process and handle all the paperwork for you, and you can register the company yourself through the online system that became operational during the COVID-19 pandemic. However, this system also has certain drawbacks, such as a longer registration time than expected and the possibility of choosing only 3 banks to open your company's bank account. Whichever way you decide, always count on the fact that some unexpected downtime can happen. The process of opening a company consists of 4 to 5 steps that you must complete, and in the best case, everything can be done within two to one week. I recommend that you immediately consult with people who have already gone through this process or hire an accountant who can give you advice and complete all the steps of registering your company with the tax administration and the pension and health insurance system.“**

Vedran Kresić, Director of KONTROL VE j.d.o.o.

### The share of certain forms of business entities in the Republic of Croatia



According to the data of the Croatian Chamber of Trades and Crafts from December 2021, the share of certain forms of business entities in the Republic of Croatia is as follows:

- limited liability companies – 42.8%
- crafts – 41.9%
- simple trading companies with limited liability – 14.7%
- joint-stock companies – 0.3%
- branches of foreign entrepreneurs – 0.2%
- publicly traded companies – 0.1%
- other legal forms – 0.1%

**Source:** <https://www.hok.hr/>

HITRO.HR is a service of the government of the Republic of Croatia intended for quick communication of citizens and business subjects with the state administration. HITRO.HR will enable citizens and entrepreneurs to have quicker, simpler access to information and services in one location.

## 4.2. Opening a limited liability company

According to data from December 2021, limited liability companies were the most represented in the Republic of Croatia with a share of 42.8% in the total number of business entities.



### STEP 1

#### Company name availability check

First you must choose a name for your company. The staff of the HITRO.HR service can help you check the register to find out whether a company by the chosen or a similar name already exists. Therefore, in addition to the selected company names it is recommended to prepare alternative names. After checking the names of companies, HITRO.HR will refer you to make a reservation for the company name. When checking the name for your company, use the [court registry website](#).



### STEP 2

#### Public notary

Documents necessary for company registration must be sealed by the public notary. When paying a visit to a public notary, take your ID card or passport (required if you are a foreign national) with you. All founders and other persons whose signatures are to be verified must be present. For foreign nationals who don't speak Croatian there must be a court interpreter for the language present ([Court Interpreters list](#)).





### STEP 3

## Payment of fees and submission of documents

Registration documentation sealed by the public notary can be submitted to HITRO.HR. HITRO.HR can deliver documents for court registration and the National Bureau of Statistics for you. You can make the payment of court fees and share capital at HITRO.HR.

Share capital for limited liability company:

HRK20,000.00 – share capital can be provided in the form of things and rights, and the lowest required money equity is a quarter of the share capital (HRK5,000.00). At least a quarter of the share capital must be deposited on the day of the founding of the company, and the rest has to be deposited within a year.

At the HITRO.HR counter you will receive an RPS form, which you will have to fill out in order to obtain registration by sector from the National Bureau of Statistics. All required forms and payment slips are available at HITRO.HR counters free of charge. Their staff will deliver and collect documents for you from the court registry and the National Bureau of Statistics. Once the registration has been approved, HITRO.HR staff will contact you in order to take over the incorporation documents.



### STEP 4

## Company's opening of an account

After registration has been completed, your company needs to open a business account so that the initial capital can be transferred into your company account. The company, the owner of the company and the employees of the company must be registered in the pension insurance system (HZMO – e-Mirovinsko). In addition to registering the company in the pension insurance, it is also necessary to register it in the health insurance system (HZZO – e-Zdravstveno). The company must also be registered with the competent tax administration.

Source:  
<https://www.hitro.hr/en/homepage>

## 4.3. Opening a craft business

According to data from December 2021, craft businesses were the second most represented in the Republic of Croatia with a share of 41.9% in the total number of business entities. The procedure for opening a craft business in the Republic of Croatia is the following:

1

### Choosing the type of craft business

A craft business refers to independent and permanent performance of allowed economic activities by physical persons for the purpose of achieving profit through production, commerce or provision of services in the market. A craft activity can also be performed by a company engaged in one or more activities provided it does it in a non-industrial manner.

Types of craft business:

- **Free** – no vocational or master craftsman certificate required.
- **Qualified** – vocational or master craftsman certificate required.
- **Privileged** – a craftsman can run a privileged craft business only on the basis of a privilege issued by the relevant ministry depending on the type of craft activity.

2

### Collecting the documents

All required forms are available at HITRO.HR counters free of charge. The employees of the HITRO.HR service will help you fill out the forms required for the registration of a craft business. All required payments can be made at FINA branches. HITRO.HR can deliver craft documentation to the craft registration office.

All required forms for the registration of a craft business are available in branches of the economic office and are free of charge. You can find them on the [official website of the Ministry of Economy and Sustainable Development of the Republic of Croatia](#).



# 3

## Submission of documents and payment of fees

With the amendments to the Tariff of Administrative Fees, as of September 1, 2021, the craft business registration fee was abolished, making the opening of such a business COMPLETELY FREE.

Fees have also been abolished:

- for registration in the privilege register and for the issuance of a privilege,
- for entering changes in the Crafts Register,
- for a certified copy of the decision on entries of changes in the Crafts Register.

Fees for the issuance of a decision on acknowledging foreign qualifications on the acquired master's title of HRK300.00 and for the issuance of a decision on acknowledging individual parts of foreign qualifications on the acquired master's title of HRK150.00 have been retained.

A physical person that meets the requirements for performing a craft activity will become a craftsman upon registration in the Register of Craft Businesses. The Decision on Entry in the Register of Craft Businesses and the Craft Business Licence are collected at the HITRO.HR counter.

After you have received the Craft Business Licence you must make an official stamp and open a business account.

You can arrange the making of the official stamp at the HITRO.HR counter.

After a business has been entered in the Register of Craft Businesses, a craftsman must start performing the registered craft activity within a period of one year, and, no later than eight days prior to the commencement of operations, they must submit a Notification of Commencement of Operations.

Within eight days from the commencement of operations, a craft business

must be registered with the tax authority, whose jurisdiction is determined on the basis of the registered address of the business, for the purpose of entering the craft business into the Register of Income Tax and VAT Payers. To be able to commence their operations, accommodation and food service providers, transporters and other craftsmen subject to special regulations prescribing the same must, prior to the commencement of operations, obtain a Decision on Minimum Technical Requirements concerning the place of operation, concession for the performance of activity or operating permit.

A natural person who has a registered craft business in the territory of a member state of the European Union or a contracting state of the Treaty on the European Economic Area may perform a related craft in accordance with the provisions of the Crafts Act. They can also perform service activities in the Republic of Croatia on a temporary or occasional basis, in accordance with the Law on Services.

Foreign citizens can perform crafts in the Republic of Croatia under the same conditions as citizens of the Republic of Croatia. An additional requirement is set by the Aliens Act for citizens of third countries, i.e. citizens of countries that are not members of the European Union, who must obtain residence and work permits if they intend to work in their trade.

The permit is issued by the Ministry of the Interior. Therefore, the process of opening a craft business for foreigners is somewhat more complex and takes place through three basic steps:

- registration of a trade without a date of commencement of activity
- obtaining a residence and work permit
- registration of the date of commencement of activities in the trade.

### Sources:

1. <https://portor.gov.hr/?lang=en>
2. <https://www.hok.hr/>
3. <https://www.hitro.hr/en/homepage>

## 4.4. Required permits for agrifood businesses

For the registration of ancillary activity on a family farm (depending on the ancillary activity to be registered if it is not the primary activity, i.e. plant breeding, animal husbandry and related service activities, production of agricultural products through plant breeding and animal husbandry and products at the first stage of processing), annexes laid down by the Rules on ancillary activities on family farms are required.

### To prove family farms' production resources the following documents are required:

- proof of ownership or possession of land: ownership and/or possession of agricultural land is proven by a land registry extract, cadastre extract, lease agreement, long-term lease agreement, sales agreement, usufruct agreement, forest land easement or donation, final judicial decision or final decision of the competent authority. The proof of ownership must be accompanied by a cadastral extract;
- proof of the possession of livestock if that information is not a subject of daily exchange between the Paying Agency and competent authorities: if it is the first entry in the register, the owner encloses an excerpt from the unique register of domestic animals, in which he/she has to be registered first;
- proof of non-agricultural land used for the activities, location of livestock buildings, ancillary buildings, warehouses, production facilities in protected areas, facilities for storage, processing and packaging, sale facilities, accommodation and services facilities: the data shall be proved by enclosing a copy of the decision of the competent body on performing a certain economic activity if that information is not included in registers or records kept by the ministry and/or agricultural institutions;
- proof of agricultural machinery according to the list of agricultural machinery in Annex 3: transport permit and sales contracts (if possible), declaration on the possession and use of agricultural machinery referred to in Article 6, paragraph 3 of the Regulations;
- evidence important for the registration of ancillary activities related to the possession of professional knowledge and/or skills of the holder or the members of the family farm if they are related to the registration of a certain ancillary activity: copies of diplomas, authorizations, completed course certificates and similar. If it is not possible to provide proof, the holder of the family farm gives a statement on the possession and use of agricultural machinery in the application form.

### Documentation required to register in the Family Farm Register:

- a copy of the ID card of the holder/acting holder of the family farm
- copies of the ID cards of the members of the family farm
- statement of the members of the family farm on the selection of the holder of the family farm
- VAT/income/corporation tax certificate
- proof of the classification of business entities according to the NKD
- a copy of the contract on opening a giro account in the name of the holder of the family farm
- Financial Agency (FINA) notice on the opening of a protected account
- title deed of the owner and authorized persons for the registered cadastral parcels (if applicable)
- cadastral extract
- copy of the rental/usufruct/concession agreement
- partnership agreement (for a joint family farm venture)
- proof/statement on possession and use of agricultural machinery
- proof of the location of separate production plants/units
- proof of the possession of the required documentation for the performance of ancillary activities
- copy of the document on all existing family farm registrations (copies of the documents by authorized institutions – institutes, Croatian Livestock Breeding Centre, Register of Seed Producers, Register of Wine Producers, central list of breeding herds and flocks).

## 4.5. Organizations providing support in setting up company in hub country

Below you can find a list of the institutions that you can contact and on whose websites you can find information about starting and developing economic cooperation with Croatia:

### **Ministry of Economy and Sustainable Development**

<https://mingor.gov.hr/>

The Ministry determines strategic directions and develops programmes and plans for sustainable development of the society based on the principle of a green and circular economy with the aim of its transformation into a just and prosperous society with a resource-efficient and competitive economy, thereby ensuring climate neutrality, and preservation and sustainable use of natural resources.

### **Croatian Agency for SMEs, Innovations and Investments**

<https://hamagbicro.hr/>

The Agency supports entrepreneurs through all development stages of operation starting from the research and development of an idea to commercialization and placement on the market. The Agency promotes the establishment and development of small business entities, invests into small businesses, finances the operation and development of small business entities by providing loans and guarantees, supports research, development and application of contemporary technologies and provides financial support to innovative and technology-oriented enterprises in Croatia.

### **Croatian Chamber of Economy**

<https://www.hgk.hr/>

An independent professional and business organisation, which promotes, represents and aligns the common interests of its members before national authorities and other authorities in Croatia and abroad; provides help in finding partners when entering foreign markets via its international representative offices; lobbies for the legislation in the RC in line with the interests of its members; provides legal advice, information, databases and training for entrepreneurs; co-finances presentations at fairs; provides information about sources of funding and advice about applying for EU funds via its regional infrastructure; provides the Chamber's contacts as support with local development agencies, development banks and other state institutions; and provides recommendations to commercial banks or on public procurement procedures in the RC and abroad.

### **Croatian Chamber of Trades and Crafts**

<https://www.hok.hr/en>

An independent professional business organization of tradesmen and craftsmen, founded with the aim of promoting, coordinating and representing the joint interests of tradesmanship and craftsmanship.

### **Croatian Bank for Reconstruction and Development**

<https://www.hok.hr/en>

A development and export bank established with the objective of fostering development of the Croatian economy by providing loans, insuring exports against political and commercial risks, and providing guarantees and business consultation services.

Source: <https://gov.hr/en/economic-institutions-in-croatia/2046>

