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Exports of arms and
arms equipment
grows despite the
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be proud of our national
cuisine

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S U P P O R T E D B Y T H E C R O A T I A N C H A M B E R O F E C O N O M Y

NEW CONTRACTS WITH EIB AND HBOR

€284 MILLION TO CROATIAN ECONOMY

The sum of €34 million has been earmarked for Dina Petrokemija and €250 million to small and medium sized enterprises, infrastructural projects and mid-cap companies

Vesna Antonić

As a result of two new credits to the Croatian economy, specifically for small and medium sized enterprises, a sum of €284 million has been granted. The President of the European Investment Bank (EIB), Matthias Kollatz-Ahnen and Board President of the Croatian Bank for Reconstruction and Development (HBOR) Anton Kovačev, signed two new contracts intended for financing the Croatian economy. A contract of €250 million relates to the fi-



EIB invested €1.9 billion in Croatia to date

In the period from 2001 to the end of 2009, the EIB has invested around €1.9 billion into different projects in Croatia. At the beginning of the decade, its focus was on the construction and rehabilitation of Croatian infrastructure, especially transport, for which almost 64% of total loans approved by EIB was spent. Last year, the EIB granted Croatia rehabilitation funds amounting to €415 million, which were mostly allocated to SME's.

Matthias Kollatz-Ahnen:
The government is doing much to encourage investors and is heading in the right direction but this is not the end of the crisis

nancing of small and medium enterprises, infrastructural projects in the public sector and medium capitalised companies. A sum of €34 million is intended for financing the project of upgrading and reconstruction of the Dina

Petrokemija plant in Omišalj. By signing these contracts, HBOR, as it had announced, continued with pooling finance from specialist financial institutions for the needs of the Croatian economy. With increased availability of credit at favourable interest rates, HBOR has directly increased the strength of the economic position and SME's, for which it approved €0.41 billion in 2009, pointed out Kovačev. He also said he was convinced that a new investment cycle, which will be financed with these loans, will contribute to a more rapid recovery of the Croatian government.

Encouraging lending to the real sector. Kollatz-Ahnen pointed out that the EIB wishes to encourage lending to the real sector. He added that this year the focus of his institution will be on stimulating SME's, the energy industry, transport infrastructure, projects of local government, and projects which support Croatian harmonisation with EU standards. When asked how he evaluates the success of governmental anti-crisis measures, the Vice-President of EIB said the government is doing all it can to encourage investors, and it is heading in the right direction, but

this was not the end of the crisis. Co-operation between these two banks started in 2001 when they signed the Global Loan I. It continued in 2007, with the first tranche of the Global Loan II for financing SME's, infrastructure, tourism and industry worth €40 million, and which financed 37 projects. During 2008, the second tranche of the Global Loan II was signed, worth €60 million, and which financed 106 projects. In March 2009, the loan for funding SME's, infrastructure and medium capitalised companies was approved, with a value of €250 million. ■

ZORISLAV LUKIĆ, MATICA HRVATSKA

Cutting-edge sales a prerequisite for cultural institutional survival

Revenue and expenditure decreased by 30% but our business yielded positive financial results and all projects were achieved

Matica hrvatska, the oldest Croatian cultural institution founded in 1842, has published many millions of editions of important Croatian books. The majority of them cover areas of the social sciences, literature and art. But throughout its history it has also devoted attention to economic themes.

Part of the Matica hrvatska agenda, which brings it closer to the goal of undertaking a serious analysis of social, economic and other questions, are the annual events Economic Gatherings of Matica hrvatska and Communications School. Over the past two years many well-known names from the field of the economy, economic science and the media have participated on these events. The Head of the Department for Economy of Matica hrvatska, Marijan Kostrenčić, proposed at their Economic Gathering 2009 a tender for a public-national loan, in which individuals with capital could credit selected and quality projects according to their choice. "We are advocating a type of public/private contract between government and interested individuals. Naturally, all this would be at the highest level of transparency, and both the government and investors would obtain mutual interest. The government would thus pool money for aiding the Croatian economy and investors could invest their money into healthy projects, ultimately achieving profit. It could be ex-



pected that Croatian emigrants would also join such a public and transparent project."

Today, Matica hrvatska is an economic entity, sharing its fate with society in the economic and financial crisis. "Some our income from the state budget, intended for our basic publishing activities, was seriously reduced even before the crisis, and sales of our books have also plummeted. These factors made us turn to the only possible financial policy, which we have been pursuing for the past two years, namely to radically decrease our expenditure. It is now visible that in 2009 we succeeded in doing so. Revenue and expenditure both decreased by 30%, although our business yielded positive financial results, and all planned project were successfully accomplished. How was this achieved with 30% less money? During the past two years we have implemented a series of structural changes which have proven, in such difficult times, that quality production and modern selling techniques are prerequisites for the survival and development, not only of companies, but also of cultural institutions. ■

38 Croatian producers presented in new catalogue

ARMS INDUSTRY

Exports of arms despite the rece

The production of assault rifles is an aspect of Croatian production whose exports increase every year. According to estimates, it exceeded €90 million last year.

Igor Vukić

Several weeks ago, at a firing range, new Croatian VHS rifles were presented. They have already been supplied to the Croatian Armed Forces. It is a rifle produced in the factory of Karlovac HS Produkt, in compliance with NATO standards. Two hundred rifles have been shipped so far, at a price of some €1,465 per weapon, with the rest of the 800 rifles to be shipped this year. The production of assault rifles is an aspect of Croatian production whose exports increase every year. According to estimates, it exceeded €90 million last year. The Ministry of Defence has prepared a catalogue, in English, highlighting the range of 38 Croatian companies to present to NATO countries and other buyers companies in this sector. HS Produkt is one of them. It is already widely known for its pistols, sold as a police weapons in the USA and other countries. At the testing of the VHS rifles, Hrvoje Japunčić, manager of HS Produkt, stated that the company is also developing a modern grenade launcher (40 mm calibre). The launcher is currently undergoing testing, and may be upgraded with the VHS rifle. Recently, Croatia marked its first year of NATO membership.

A weapon that is on target

The alliance, which orders many products through its agencies, expanded opportunities for exports for many Croatian companies. Several have already applied. They were invited to deliver samples, and are awaiting contracts for a



larger series of deliveries. Companies from all army related sectors are listed in the catalogue prepared by the Ministry of Defence; from the production of weapons, mine-explosive devices, communication devices and transport equipment to the production of food, clothing and footwear. Arms producers include, for example, the company 3. maj TIBO, which produces a multi-barrel rocket launcher, the Arrow 10-CRO. The launchers can be used in air and anti-armour

A large proportion of the catalogue of the Croatian Ministry of Defence (MORH) encompasses companies which produce clothing, safety equipment and similar defence products. Borovo, for example, produces high quality bullet-proof vests

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98% of production exported
to over 40 countries by Šestan-Busch



€1,465
price of one VHS rifle

and arms equipment grows ssion

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ear. NATO membership expanded export opportunities for many companies



defence. They are equipped with modern navigation and radar equipment for finding targets, and the factory also offers co-operation in the modernisation and development of new rocket systems.

This company also produces a hand-held launcher, Arrow 2M, intended for air defence. ATIR from Zagreb also produces and develops rockets of various types. Some of them, such as the RIZC 107 missile, can be used for artillery exercises whilst others, like the HEDP 01 grenade, can be used for arming police and military units against armoured vehicles. Uljanik – namjenska proizvodnja (application production) produces 57mm and 128 mm missiles. Novi Suis from Zagreb has been supplying the Ministry of Defence for 15 years with cannon grenades, hand grenades, mines for launchers and a range of ammunition for exercises. Hand grenades are produced by the company Đuro Đaković Alatinca. Holding Đuro Đaković is well-known for its tanks, multi-barrel rocket launchers, type Heron, and

will produce new armoured vehicles in compliance under licence from the Finish Patria. According to the Minister of Defence, Branko Vukelić, a great many good things are expected from the offset programme, estimated at €23 million. Đuro Đaković expects that business with Patria will be the basis for penetrating new markets. Zdravko Stipetić, Board President of Đuro Đaković, has recently stated that after several exhibitions, military representatives from Peru and Bangladesh have shown interest in their armoured vehicle.

Military are good customers

Metalik from Rijeka produced a hand-held launcher with six grenades (40 mm calibre), which found buyers in the Armed Forces of Latvia. Many factories, as well as Metalik, are not exclusively oriented to military production. Metalik also produced car parts (Volkswagen) and ship parts. Riz-Odašiljači offers anti-tank and underwater mines, as well as

systems for remote activation and navigation. A large proportion of the catalogue encompasses companies producing clothing, safety equipment and similar defence products. The company Šestan-Busch from Prelog, which produces safety helmets, is already well-known. They were recently visited by the Defence Minister, Branko Vukelić, to whom they introduced new trends and materials used in the protection of infantry.

Šestan-Busch exports 98% of its production to over 40 countries. The producer of military boots Inkop offered its products through Namsa, the agency for NATO supply, and the catalogue also offers boots produced by Jelen from Čakovec. Borovo produces high quality bullet-proof vests, which can also be for civilian use, whilst Kroko International has developed the army uniform for the Croatian Armed Forces, hoping that it will draw the attention of logistics and other NATO members with its modern materials. Viribus from Zagreb presented its mine programme in the catalogue, as well as its innovative system for stopping vehicles before entering guarded facilities.

They claim that an enemy truck cannot beat it in endurance or speed. The MORH catalogue also presents several shipyards and aircraft facilities having a military programme (Adria-mar, Brodarski institut, SOKO Aircraft Industry, ZTC Velika Gorica), and Dok-ing machines for demining, and even food producers, such as Podravka. ■

Exports mostly to American and Libyan markets

The largest export share of the Croatian arms industry relates to the export of pistols to the USA. There are other significant deals for the maintenance of naval equipment for the Libyan navy, as well as the export of other equipment to various countries, says Ivica Nekić, Director of the Central Agency RH Alan, specialising in the import and export of weapons. HS Produkt from Karlovac exports pistols and a large proportion of repair work in Libya has been performed by the company Adria-mar. The crisis had little effect on this sector, but the American and Libyan markets comprise a significant share, which prevented business from slowing, said Nekić. Given the fact that data is still being compiled, and that total exports may only be estimated unofficially, Nekić evaluates that a total of €90 million of weapons and military equipment was exported last year.

Croatian government decision on helping companies in difficulties

TENDER FOR SHIPYARDS EXTENDED

Greatest interest shown in Uljanik from Pula and 3. maj from Rijeka

Igor Vukić

Potential shipyard buyers were given a new deadline, 19 May, for submitting tenders for the purchase of six shipyards. Several companies that purchased tender documentation asked for an extension, explaining they needed more time to analyse and prepare tenders, said the Minister of Economy Duro Popijač. The highest level of interest was shown in Uljanik from Pula and 3. maj from Rijeka, but Popijač says it is possible new buyers will emerge.

Write off debt or turn into capital

Last week a new criterion for aiding companies in difficulty, Mod-

el C, was adopted. Debt owed to the state will be turned into capital or written-off, in compliance with new plans companies need to create, pointed out Prime Minister, Jadranka Kosor. Restructuring plans will also have to be approved by the Agency for the Protection of Market Competition, since it concerns state aid. Companies which fail to prepare a sustainable business plan will be allowed to go bankrupt, said the Minister of Finance, Ivan Šuker. In co-operation with the Ministry of Justice, he added, new regulations will be adopted, which will speed up the process of bankruptcy.

The government stated in the guidelines for the implementation of this model that it expects entrepreneurs to contribute to restructur-



ing procedures, according to which priority will be set when allocating aid. For example, aid-users will be expected to sell assets which are not crucial to the survival of the company, or at least have to find

other external sources of financing. In the case of large companies, owners' contribution should amount to at least 50%, 40% for medium-sized companies, and 25% for small-sized businesses. ■

BICRO INVESTS €0.70 MILLION IN SOFTWARE

The government agency for supporting new technology, BICRO, signed two new contracts with small companies for developing software solutions. The company Pravi klik (Real Click) was granted €0.35 million for co-financing the development of an advanced internet browser for real-estate. The goal is to develop a browser that not only recognises key words, but also context and semantics within the question, which gives significantly better search results. The same amount was also granted to the company Mola Mola, which is developing a platform for business promptness. The project allows businesses to develop application software for prompt adjustment of process platforms.

TELL TAX AUTHORITIES WHAT YOU THINK



Tax payers have an opportunity, by 30 May, to express their opinion on the transparency of tax regulations and the simplicity of filling in tax return forms and paying taxes. It concerns research on the satisfaction of tax payers in conjunction with the Tax Administration, financed by the World Bank, and conducted by the consulting and accounting firm. Tax payers contacted by Deloitte, as well as all interested parties, are asked to fill in a form which can be found on www.deloitte.com/hr/poduzeca and www.deloitte.com/hr/gradjani.

ADVICE FROM THE PRESIDENT

Entrepreneurs do not know what to do with government subsidies

The results of government measures for assisting the economy are poor, but this is not the fault of the government. Although money is not lacking, and interest rates have dropped, demand is low since entrepreneurs do not know what to do with the money, considering the fact they do not have products to sell, evaluated Boris Cota, special economic advisor to the President. The macroeconomic climate surrounding Croatia is poor, and any recovery will take a long time, noted Cota at a round table for small businesses, held at the Faculty of Economy, Zagreb. Monetary policy is credible, and the fiscal climate has stabilised, but the problem is, according to Cota, the structure of the economy, which needs to switch from an import to an export orientation. "We need five years to achieve that, and all those who are promising short-term solutions are

populists," stated the advisor to the President. The greatest problem for entrepreneurs, Cota sees, are the administrative obstacles about which so many people complain to the President's Office. (D.Ž.) ■



INTERVIEW: REINHARD LUEKEN, CHIEF SECRETARY, COMMUNITY OF EUROPEAN SHIPYARDS ASSOCIATION

IF RESTRUCTURING IS CURRENTLY IMPOSSIBLE I WOULD AGREE WITH POSTPONEMENT

The present state of the Croatian shipyards is relatively good as there are current orders existing for 31 ships and shipyards are solidly booked until the middle of next year, which is not a long period. The situation is similar throughout Europe

Lada Stipičić-Niseteo

The present state of the Croatian shipyards is relatively good. Currently, orders exist for 31 ships and shipyards are solidly booked until the middle of the next year, which is not a long period. The situation is similar throughout Europe. The collapse of orders from September 2008 is affecting shipyards worldwide and Croatia is no exception, says Reinhard Lueken, Chief Secretary of the Community of European Shipyards Association in his interview with Privredni vjesnik. At this moment, he states, one thing is clear; attempts to sell shipyards today is an impossible mission. This is probably the worst period in the past 30 years, maybe even the worst in history.

It is a tragedy that so much valuable time has been lost through playing politics

Restructuring through privatisation blocked the opening of the chapter on Market Competition and it is threatening the course of accession talks. EP rapporteur for Croatia, Hannes Swoboda, has recently stated that restructuring should perhaps be postponed. What is your opinion?

I think there is a good reason for this. Due to aggravating circumstances, it would make sense to postpone the outcome from my point of view. You say representatives mentioned the case of Poland. Two of the three main Polish shipyards stopped work, and it is uncertain if they ever work again.



It is tragic that so much time has been wasted. The previous Polish government is responsible for the loss of at least three valuable years. In the case of Croatia, I cannot say how many years have been wasted, but it is most certain that much time was lost, mostly due to politics. As you know, we have always recommended to the Croatian shipbuilding industry to design its own personalised restructuring concept, but as a sector, rather than individually. It is always best to rely on the expertise within the industry, than for politics to be tailoring such a concept. It is a great pity the chance was lost.

The workforce of the shipyard 3. may have asked to take over the ownership of the shipyard. Is this possible and are there any examples?

Sincerely, I do not think so. I cannot say whether such cases have existed, but I cannot rule out they have not. Workers know how to build ships. However, it is one thing to build a ship, organise financing, find buyers, understand

what they want and negotiate. There is so much to this work than many people are required for its success and profitable result.

Can the European Commission or the Council relieve the pressure on Zagreb, and allow postponement until a more fortuitous time?

We need a joint solution. If the EU allows a postponement for Croatia - or any other specific measure and it does not do the same for other countries - then it should be certain it does not do it at the expense of the rest of the industry. Yes, I am for such a postponement if restructuring is currently impossible. That must be admitted. On the other hand, I am convinced in the correctness of preserving a critical mass, so that we may continue producing ships both in Europe and Croatia. If we shut down shipyards, we lose everything, and then each individual becomes a loser. This needs to be perfectly clear. However, we cannot allow the remainder of

the country's industry to perish on account of specific circumstances, whilst subsidies keep the shipyards alive. Croatia fully understands this. The important element in this entire story is that Croatia has been a member of CESA for many years, and that it has been invited to participate at an important conference in Bilbao. Your State Secretary confirmed his arrival, and we clearly advocated that the organiser, the Spanish Presiden-

Building for a huge market is not the solution for Europe. Most European production is related to complex vessels

cy, gives Croatia an active role, equal to that of EU members. If we look for answers together and at the European level, which will help all, then it concerns all countries, and Croatia must be amongst them. ■

FINI SAPUNI, BRAČ

Natural, healthy and original Croatian soaps

Their initial idea was to make a souvenir for tourists but realised they owned an original beauty product - a part of the area in which it was created



The company *Brač Fini sapuni* (Brač Fine soaps) was founded in 2003. According to the company director and owner, Joško Šantić, their initial idea was to create an original

soap, smelling of the plant from which they were produced. Each essential oil is produced organically," stresses Šantić.

Multiple awards

The soap is made from special plants, and the ingredients are visible on the label and printed according to the health rules and standards of the EU. They also produce products for refreshing the face and body skin, in a way they added sea aromas from natural essential oils (lavender, rosemary, bay, pine and tangerine).

The company has won multiple international and local awards, including that for innovation in Geneva. In 2003, they won a bronze medal in Nuremberg and a silver medal for innovation in Geneva in 2004. All products carry the labels *Croatian Quality* and *Croatian Island Product*. A limited percentage of production is exported to China, Great Britain, Germany, Slovenia, New Zealand and various other countries. Currently, exported quantities are merely symbolic, but Šantić hopes the market will increase its demand for such a special product. In Croatia, their products are sold in chemist shops, stores selling organic products and souvenir shops. (J.F.) ■

A proportion of production is exported to China, Great Britain, Germany, Slovenia and New Zealand

souvenir for tourists. However, when they produced their first soap based on olive oil and essential herbs, they realised they could make an original beauty product which is a part of the area in which it was created. "We created a product line which can be promoted as a Croatian tourist map, hoping that tourist, when they return to their own country, will enjoy the scent and delight of the place in which they spent their holiday. All soaps are produced and cut by hand, making each one unique. They are completely natural and contain no preservatives. They are exclusively made from oils of herbal origin, on a base of virgin olive oil from Brač, thus giving a soft feeling on the skin. Essential oils give specific medicinal characteristics to each

SAME DEUTZ-FAHR ŽETELICE, ŽUPANJA



Global harvest

The production of tangential combine harvesters is unique to Županja and over the course of the next two years we will also produce rotary combines

Combine harvesters produced in Županja harvest fields across the world, since almost 95% of the production of *Same Deutz-Fahr Žetelice* is marketed abroad. The company, which annually produces around 200 combines, brings a source of light to the economic state of the region of Vukovar and Srijem, with plenty of ambitious plans. According to Damir Kobaš, technical director of *Same Deutz-Fahr Žetelice*, they will produce 1,000 combines each year, achieving sales of €120 million in a few years. Moreover, the Italian group *Same Deutz-Fahr*, owner of the factory, intends to transfer the production of combines for Europe to Županja. "We export our combines to France, Germany, Italy, Spain, England, Denmark, Austria, Serbia, Bulgaria, Romania, Russia, Egypt and other countries. We are currently negotiating with Russian buyers concerning a new shipment, and are expecting positive results. We have regular distributors on other markets and sales runs uninterruptedly throughout the entire year," says Damir Kobaš. He volunteers that combine production is unique to Županja, and they market a mere 5% of their production on the lo-

cal market. They fought off recession with production restructuring and increasing their personal production. This year they plan to produce 200 combines, with a possible 25% increase.

Exclusively in Županja

"Over the course of the next two years, we aim to produce rotary combines, with more capacity, flow and strength as well as a higher price. There is a great deal of interest in the development of the combine business, shown by the investment in the

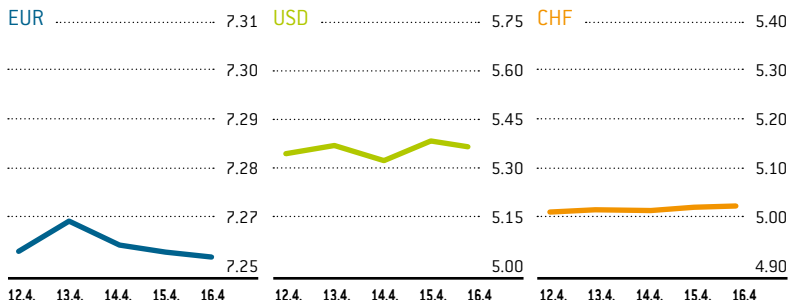
1,000 combines will be produced each year achieving sales of €120 million in two years

production of rotary combines," announces Kobaš. He also added that the level of investment will be around €3 million this year, similar to past years. The price of a combine is currently around €0.14 million and they currently employ 270 workers, with qualified and expert staff with technical and engineering training currently in demand, whilst young engineers are especially required due to development plans. (E.D.) ■

CROATIAN FOREIGN CURRENCY MARKET

Currency	Kuna exchange mid-rate
AUD	4.995965
CAD	5.348873
JPY	5.779271
CHF	5.060793
GBP	8.272484
USD	5.352425
EUR	7.254141

Source: HNB WEEK APRIL 17, 2010



UNICREDIT - CEE QUARTERLY

Šaravanja: Defensive discussion on economic policy

Everyone wishes to save jobs and design anti-recessionary measures, but no one is asked to explain who will generate economic growth and how, opines the chief economist of *Zagrebačka banka*



On the occasion of the publishing of the UniCredit CEE Quarterly for the second quarter, chief economist of *Zagrebačka banka* Goran Šaravanja, said that the section concerning Croatian trends in the economy during the first quarter of 2010, are not so very different from earlier predictions. Therefore, gross domestic product should remain the same for this year at -1%.

5.2% of GDP in 2009 to an anticipated 4.4% for 2010. During the first two months of this year, the import/export deficit dropped by €200 million, mostly through a 10.8% reduction in imports.

Anaemic budget filling

Data for the first two months indicate an anaemic state budget filling and a simultaneous increase in its expenditure side, undefined budget expenses due to the anticipated shipyard privatisation, as well as the government agreeing to pay farmers subsidies from 2008 and 2009, are the main reasons we decided to increase the estimate of the state deficit for 2010 to 4.9% of GDP, evaluated Šaravanja in his discussion on fiscal trends. The conclusion of EU talks and a smaller deficit in the current account payments this year are positive sides concerning the country's credit rating. On the other hand, a higher fiscal deficit and foreign debt over

100% of GDP represent negative sides, stated Šaravanja. He ventured that he did not expect changes in the Croatian credit rating during the next 12 months. He believes that the greatest obstacle today is the lack of informed discussion on economic policy in political circles. "The tone of the discussion is quite defensive: everyone wishes to save jobs, design anti-recessionary measures, but no one is asked to explain how and who will generate the economic growth crucial for creating new jobs. There is not enough discussion about how to facilitate the private sector to become the generator of Croatian development," pointed out Šaravanja. He also added that he is expecting that Croatia will open the untouched chapters on EU accession during this quarter, and that it will have to make further painful decisions if the country wishes to complete the talks on time. (V.A.) ■

State deficit for this year estimated at 4.9% of GDP

According to Šaravanja, the predicted rate of inflation for this year decreased to 1.5% due to weak local demand and a steady exchange rate. He also mentioned that data on imports and exports point to further decrease in the current account deficit from

news

Allianz achieves record profit

Last year, *Allianz Zagreb* achieved premium income of €135 million, whilst gross profit totalled €7.9 million, the highest figure for *Allianz* since the start of their business in Croatia. The high capital-adequacy ratio was preserved, and the limit of solvency was 177%. Non-life insurance premium registered some €88.9 million, a 6.8% drop, mostly due to a 12.8% decrease in total insurance. Life insurance achieved premium of €46 million, an upswing of 7.1%, with a steady growth trend in classic life insurance. In the first quarter of 2010, *Allianz* expects premium rises in life and non-life insurance in relation to 2009.

Hypo credits HAC

Hypo Alpe-Adria-Bank has signed a contract with *Hrvatske autoceste* (Croatian Motorways) regarding a credit of €100 million. Funds will be used for the construction of motorways in Croatia. According *Hypo Bank*, this credit is a further indication that Croatia is a strategic market for *Hypo-Alpe-Adria-Bank Group*, and that the bank will continue to invest and finance projects significant to the development of the Croatian economy.

Non-banking sector in surplus

Last year, the non-banking sector achieved €0.31 billion in profit, which is a great turn-round from 2008, when losses exceeded €1.64 billion, said the Board President of *Hanfa*, Ante Samodol, at a Conference in Opatija. Profit is mostly due to investment and pension funds with a total of €0.39 million, insurance with €0.86 million profit, and company factoring totalled €8.43 million. Leasing showed a deficit for the third consecutive year.

::: news

Croatia at Expo in Shanghai

This year Croatia will again exhibit at the world EXPO exhibition, held in Shanghai, from 1 May to 31 October. This year's theme is Better City, Better Life, and the Croatian pavilion will exhibit the project of Croatia Expo 2010, by the architect Branko Siladin. The Croatian pavilion will be located between the pavilions of Lithuania and Romania, and will show Croatian cities, their architectural cores and the dynamics of the modern life, creating a flash travelling effect. Slides will be accompanied by authentic sounds of city life and music. Expo in Shanghai represents the biggest current world exhibition, and it is expected to be visited by 70-100 million people.

Croatian furniture at the Milan Design Week

The Zagreb design studio Grupa will be representing Croatia at the Milan Design Week, from 14 to 19 April. Grupa will exhibit in Milan chairs, tables and lamps, which will be competing as finished prototypes in the young talent category, and will be exhibited for potential buyers. This year there are 27 designers or groups of designers, and one finalist from each of 27 countries, competing in the young talent category. This exhibition is visited by almost 100,000 people every year.

Wine branding at Vinistra

Organised by Vinistra, the wine-producers and growers of Istria, the seventeenth exhibition of wine and wine-making equipment Vinistra 2010, will be held in Poreč, 29 April - 2 May. The organisers announced they intend to send a message that the future of Croatian wine production is directly linked to the foundation of the state institution, which will offer support in creating recognisable Croatian wines in export markets, according to the model of other wine producing countries. Vinistra 2010 will see a record total of 535 wine samples (215 alone are malvasia), 81 samples of oils, and 28 brandies. A total of 130 exhibitors will appear at Vinistra.

220 world chefs
at festival in Supetar

12 medals
won by Croatia

Gastronomy festival Biser mora, Supetar on Brač

WE HAVE NO REASON NOT TO BE PROUD OF OUR CUISINE BUT THE JOB IS NOT YET FINISHED

Biser mora again confirmed cooking as one of the most creative professions. Chefs took over the role of promoters of a new life-style, pointed out Miro Bogdanović, President of the Association of Chefs from Mediterranean and European Regions

Jozo Vrdoljak

The international gastronomic festival Biser mora (Pearl of the Sea) has been organised for five years by the Association of Chefs from Mediterranean and European Regions (SKMER). This year it proved yet again its international reputation and moved outside the regional framework. Only two years ago food competitions were dominated by Croatian chefs, whilst Croatian gastronomy was still ill-defined and certainly unoriginal and undistinguished. Two years ago, at the festival in Makarska, Braco Sanjin, vice-president of SKMER, proudly stated that Croatian cuisine was not lagging behind the more popular Italian cuisine. Nevertheless we still have ample to learn from the Italians, said Sanjin at that occasion.

The substance of cooking

After several years of being held in Makarska, the fifth festival transferred to Supetar on the island of Brač. Almost 220 world chefs took part in the competition. This time, however, additional events were held - the promotion of catering equipment, presentations of new products and various gastronomic associations, tastings, lectures on gastronomy and comparisons between local and world cuisine. A series of training workshops were held, exhibitions, lectures on nutritional characteristics of certain foods and a culinary gastronomy show. Taverns and restaurants were visited where local Brač



dishes were served. Biser mora confirmed that cooking is one of the most creative professions. Until a few years ago, cooking was neglected, and chefs were regarded as a cheap and non-descript work force. Latterly, chefs have emerged from the shadows, becoming true presenters of their masterpieces.

Back to Basics

Thus chefs have become promoters of new eating habits and a healthier life-style. They have used their influence over not only local people, but also tourists, pointed out Miro Bogdanović, President of the Association of Chefs from Mediterranean and European Regions. The executives at SKMER believe there is

still work to be done irrespective of the success of this event and an increasing interest shown by people for healthy and quality nutrition. They regard as problematic the fact that Croatian restaurant owners have taken a wrong turn by offering fast and all-inclusive food as well as designing 'tourist menus', which can be seen anywhere in the world rather than basing their approach on traditional food which can easily be transformed into a modern dish and served appropriately. The fact that Croatian chefs win many awards in important culinary competitions proves that Croatia can do something special. In Turkey, members of SKMER have recently won 12 medals in a competition of 2,000 chefs. ■

Edina Šabić – first lady winner of Biser mora

For the first time in five years, since this competition has been held in conjunction with Biser mora, the winner was a lady, Edina Šabić, from Slovenia. Karel Matijaž from the Czech Republic took silver, and Branko Podmenik from Slovenia and Frane Šerka from Croatia took bronze medals.