

DRŽAVNI ZAVOD ZA STATISTIKU
REPUBLIKE HRVATSKE
CROATIAN BUREAU OF STATISTICS

INTERESTING FACTS

Zagreb, 27 February 2018

A Portrait of an Average Croatian Entrepreneur

Whether you are a business amateur, you own a company, or you are thinking about starting your own business, data on GDP, inflation, employment, average earnings, or retail trade certainly often find the way to you through media. However, there are plenty of diverse data from the business world that help create an image of the state of the economy, which you may not be aware of. Therefore, in February, after all the annual inventory controls, we have decided to come up with a business identity of new entrepreneurs, whom, for the purpose of this story, we have named Marija and Ivan because, according to the 2011 Census, these are the most common names in Croatia.

Step towards starting a business

The protagonists of our story have decided to start from scratch and start their own business. The first step towards their independent business was the opening of their own company, namely limited liability company (d. o. o.), which in December 2017 had a share of 76.7% in the total number of companies. In the same month, 21.8% of companies were simple limited liability companies (j. d. o. o.), while only 0.8% were joint stock companies (d. d.).

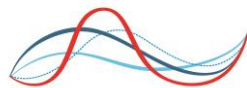
They thus became equal founders of the company and contributed at least slightly to increasing the number of female managers. According to the Eurostat data, only a third, or 30% of managers in Croatia in 2016 were women.¹

At the same time, they increased the number of slightly more than 227 active business entities and joined the share of 77.7% of active privately owned legal entities, as recorded in December 2017.

„Let's roll up our sleeves!“

Before leaping into entrepreneurship, long-time colleagues Marija and Ivan have been working in the activity that had the highest number of persons in employment in December 2017 – the manufacturing. Therefore, they have decided to try their entrepreneurial luck in the same activity. In the last month of 2017, the second highest number of persons in

¹ Eurostat, The Life of Women and Men in Europe – A Statistical Portrait:
<https://www.dzs.hr/womenmen/bloc-3b.html?lang=hr>



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employment was recorded in the Wholesale and retail trade activity, while the third place belonged to Education.

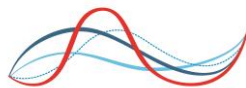
Although they have started their business venture with only a few employees, that did not put them off. They were encouraged by the fact that as much as 48.2% of active legal entities in Croatia are small collectives, that is, they have 1 to 9 employees. Since their company is located in the City of Zagreb, they have become a part of the statistics that has been showing for the last 15 years that almost a third of the registered business entities are located in the City of Zagreb. According to the latest available data, for December 2017, 32.3% of them were located in that county, followed by the Counties of Split-Dalmatia and Primorje-Gorski kotar.

The award for the work done comes at the end

After all the planning, business strategies and dealing with the administration, new entrepreneurs Marija and Ivan finally came to the end of the first working month and the item that has always been the most interesting – the pay-off. As one of the parameters, they used the data on average net earnings, which in November 2017 amounted to 6 190 kuna, while in the manufacturing, they amounted to 5 711 kuna. Persons employed in the air transport activity had the highest earnings (10 712 kuna), followed by those employed in the financial service activities, except insurance and pension funding (10 307 kuna) and in the manufacture of computer, electronic and optical products (9 509 kuna). On the other hand, the lowest average net earnings were paid off in the manufacture of wearing apparel (3 776 kuna), security and investigation activities (3 777 kuna) and services to buildings and landscape activities (3 880 kuna).

Long-term business?

Still, the issue that Marija and Ivan will be the most interested in on their business path is whether or not their business will keep up. As of the year the enterprises were born, their activity is monitored over a five-year period and their survival is recorded. Thus, a five-year survival rate is obtained, which, according to provisional data, amounted to 43% in 2016, which means that there were 6% more survived enterprises than in the previous five-year period.



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Regardless of their future business decisions, our entrepreneurial duo should always remember a statement of one of the greatest businessmen of the modern age, Steve Jobs: „Great things in business are never done by one person. They're done by a team of people.“