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(E) Croatia baterije will Close Down Operations after 100 years?

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Croatia: CB Closes Down Operations

14:28 - 02 June 2006 - Croatia baterije (CB) d.d. is one of the leading European producers of pocket flashlights with annual production of about one million pieces, will close down operations as the factory is no longer profitable, said management, 'CT' reports.

In Croatia, this Zagreb-based company currently holds a 70% of pocket flashlights market, while 94 percent of production is exported, mainly to European countries.

However, after expanding in the past couple of years to non-European markets, such are Egypt and India, and after expanding palette of products to military flashlights, CB management estimated that production in this factory is no longer profitable, which means that the plant would be probably closed by the end of the year.

As explained by Croatia baterije Management President Drazen Ivanec, because of the huge competition from China and overall price decrease in this sphere of production, each production below 2 million flashlights per year is not profitable.

As the company closed facility for production of batteries, the company would be closed for good in the year when it was supposed to celebrate its 100th anniversary.

Aside from flashlights, CB is also manufacturing car batteries and light bulbs.

Croatia baterije was established as a workshop in 1907 in Zagreb by Ivan Paspal, the head of the light department in Vienna Royal Theatre, and later head of Zagreb National Theatre.

This workshop became a factory in 1918, and was mainly producing batteries and repairing electric engines.

In 1935, CB won a Grand Prix award at the exhibition of electrical equipment in Brussels, and another one at the exhibition in Paris the following year.

The most famous brand ever to be produced by this factory was a flat 4.5V battery dubbed "Croatia". But, as the market changed, so did the company Croatia baterije, which later focused on services, reducing production at the same time.

According to Ivanec, production in 2005 made only for 7,5 percent of revenues of Croatia baterije out of the total of Kn 106,5 million revenues.

Today, the company operates within the group Orbico, which primarily deals with distribution of food and consumer products.

This also means that CB is also generating the bulk of revenues by distributing consumer products in Croatia, mainly in the sphere of batteries, by selling products manufactured by Germany's Varta.

CB Management President Ivanec also said that the company is currently preparing plans for redundancies.

Majority owner of CB is Branko Roglic, who holds a 78,12-percent stake, while according to Zagreb Stock Exchange, Croatian Privatisation Fund holds 15,27 percent.

Even though the company almost tripled revenues in 2005 compared to 2004, the head of Croatia baterije Drazen Ivanec explains that this was mainly contributed by expanding distribution to sanitary products and cosmetics manufactured by SC Johnson Wax, and not because of primary activities.

Even though Ivanec did not wish to comment on the future plans regarding production facility to be closed, he confirmed that the company also owns a 57-hectare lot in Ivancic Grad, where a central warehouse spanning over 15.000 square metres would be constructed.

Source: Croatia Today.

http://www.reporter.gr/fulltext_eng.cfm?id=60602142838

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