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**18 YEARS OF
IMPROVING LIVES AND
TRANSFORMING SOCIETY**

**BY HELPING WOMEN
EARN A LIVING THROUGH
TRADITIONAL CRAFTSMANSHIP**



2012 ANNUAL REPORT

www.bhcrafts.org

Board of directors:

Amina Rizvanbegović- Džuvčić

Lejla Omeragić

Emina Ganić

Alma Šahbaz

Zoran Ivančić

Maelys de Rudder

Alma Nukić

Damir Kunto

Peggy Barry

Vedrana Seksan

FACTS AND FIGURES FROM 2012

BACKGROUND

Bhcrafts invests heavily in sustaining the program and in promoting crafts from BiH. Such operations include:

- ❖ The purchase of raw materials and production equipment, such as yarn, looms, knitting needles, etc.;
- ❖ Marketing activities, including market research, attendance at international trade fairs, maintaining and extending networks of sales representatives, developing retail shops in country, etc.;
- ❖ Promotional activities, such as web site development, brochures, and post cards;
- ❖ Development of new products and the training of additional producers;
- ❖ Administrative costs, covering the maintenance of two offices and several vehicles.

Approximately 80% of these investments are financed each year through the sale of goods and services performed by the association's commercial arm (BHcrafts ltd.), while new initiatives and the up scaling of activities are typically funded through funds from the public and/or the philanthropic sector.

ACHIEVED GOALS AND YEAR HIGHLIGHTS:

- ❖ Thanks to loyal customers, it was possible to sustain the activities and provide enough job for our beneficiaries and even engage two new groups during the production process for Sundance catalogue
- ❖ Training sessions on social entrepreneurship and small enterprises, as well as the skills improvement trainings were organized in Tuzla and Mostar region
- ❖ New collection of IT gadget accessories was developed and featured in BHcrafts on-line shop
- ❖ Throughout the year, BHcrafts products and organizational activities were featured in top local newspapers and magazines.

ROAD TO EFFECTIVE SOCIAL CHANGE

- ❖ BHcrafts promotes local entrepreneurship and the development of the culturally oriented businesses necessary for a transitional economy. They focus on strengthening the social aspects of entrepreneurship, a field in which they have received international distinction.
- ❖ In 2012 BHcrafts' business gifts program was offered to a variety of companies and organizations in BiH: small businesses, corporations, diplomatic bureaus, embassies, municipal and governmental bodies. The aim was to create a more socially aware environment in BiH, where people in leadership roles focus more clearly on the needs of its citizens. The challenge of high unemployment that the community faces today must be overcome by the cooperative efforts of all elements of society. Through this program, business and government leaders are encouraged to support local producers, thereby

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reducing local poverty. New public-private partnerships are being created that are crossing boundaries within government sectors, and between the public and private sector.

- ❖ BHcrafts hopes that the previous hands-off attitude of these key actors will become a more positive trend, and that more companies, governmental bodies, and embassies will increase their support of BHcrafts campaigns.

PROJECTS IN 2012

- ❖ Three, out of four approved projects, financed by Tuzla Municipality were successfully completed in 2012, and the last one was finished in March this year.
- ❖ As in the previous year BHcrafts got funds for the project implementation from the Government of Tuzla Kanton
- ❖ The US based sister organization BHcrafts inc. approved co-financing of the project initially financed by BiH Ministry of civil affairs
- ❖ Partial funding for one small project got approved by the Ministry of economy in Sarajevo Kanton
- ❖ One week training for traditional handicraft skills improvement was held for the group of women from Konjic and Jablanica. The project was financed by HELP Hilfe zur selbshilfe e.V. – mission in BiH

IDENTITY

As in previous years, BHcrafts continued with strong marketing activities, focusing on new markets, while keeping and strengthening existing ones. As predicted in the beginning of the year, 2012 was a recession year and even worse than 2011. BHcrafts has managed through it just thanks to some earlier investments in raw material stock and very strong cuts on all kind expenditures.



PHILANTHROPY

Due to very bad financial situation in the country, BHcrafts made the decision not to organize annual fashion show/auction, which was the central part of the campaign “Shopping with purpose” in the last eight years. We are optimistic and sure that the better time will come back together with the new ideas and new audience.

POSITIVE CHANGES

Despite the global recession, BHcrafts again started its on-line shop. In 2012 two new lines of IT gadget accessories were launched, and the offer will be completed in 2013.

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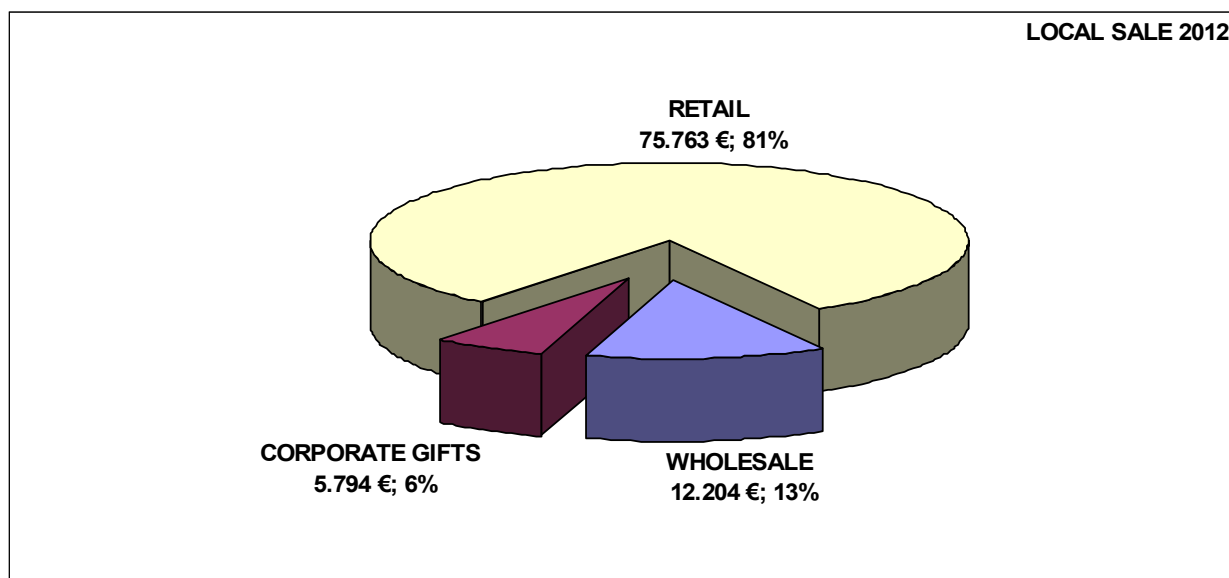
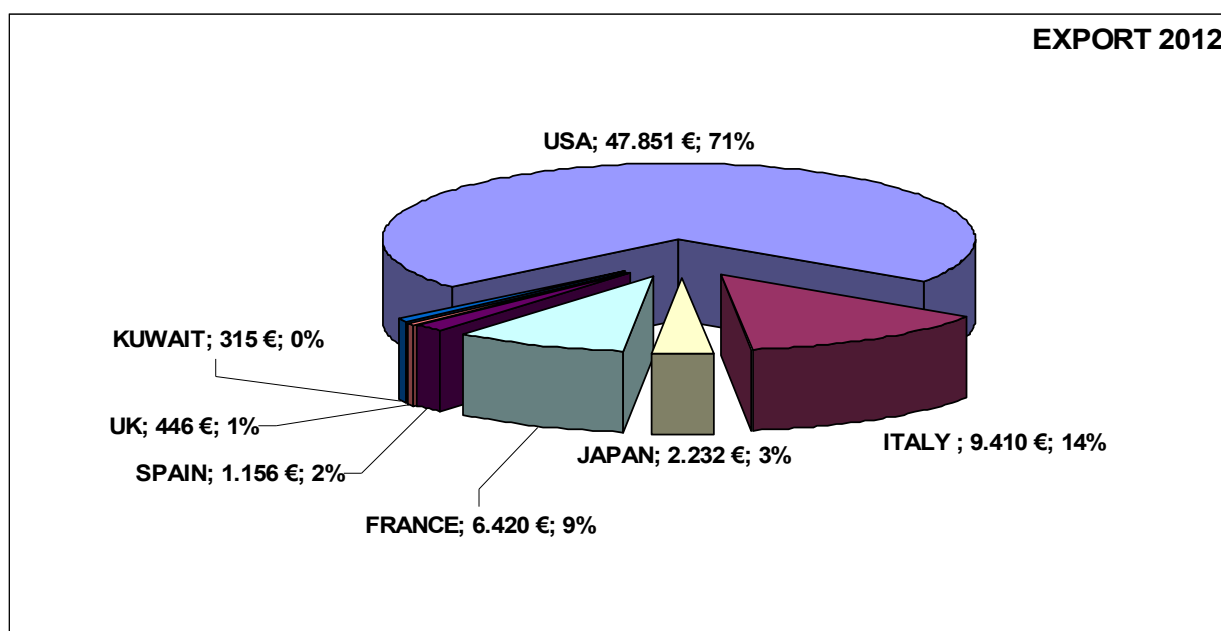
FINANCIAL FACTS

The total budget in 2012 was approximately 183.415,91 Euro, which is 26,16 % less than the budget for 2011. A majority of the activities were financed through in-house sources; ie, sales of handicrafts, in the country and abroad.

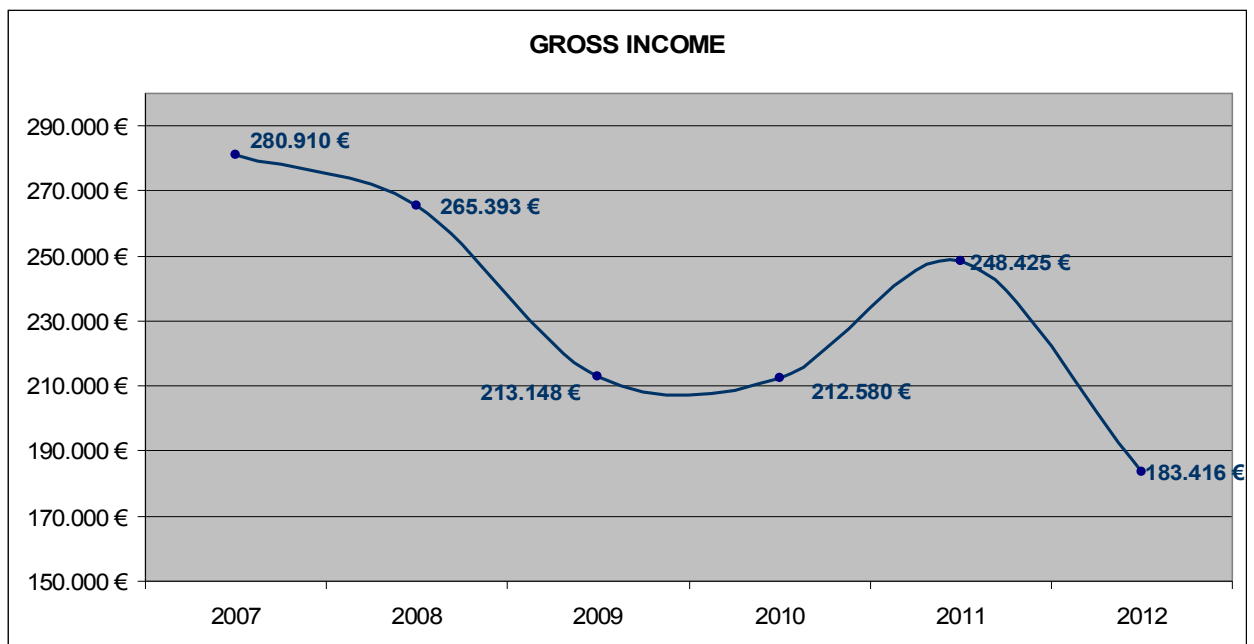
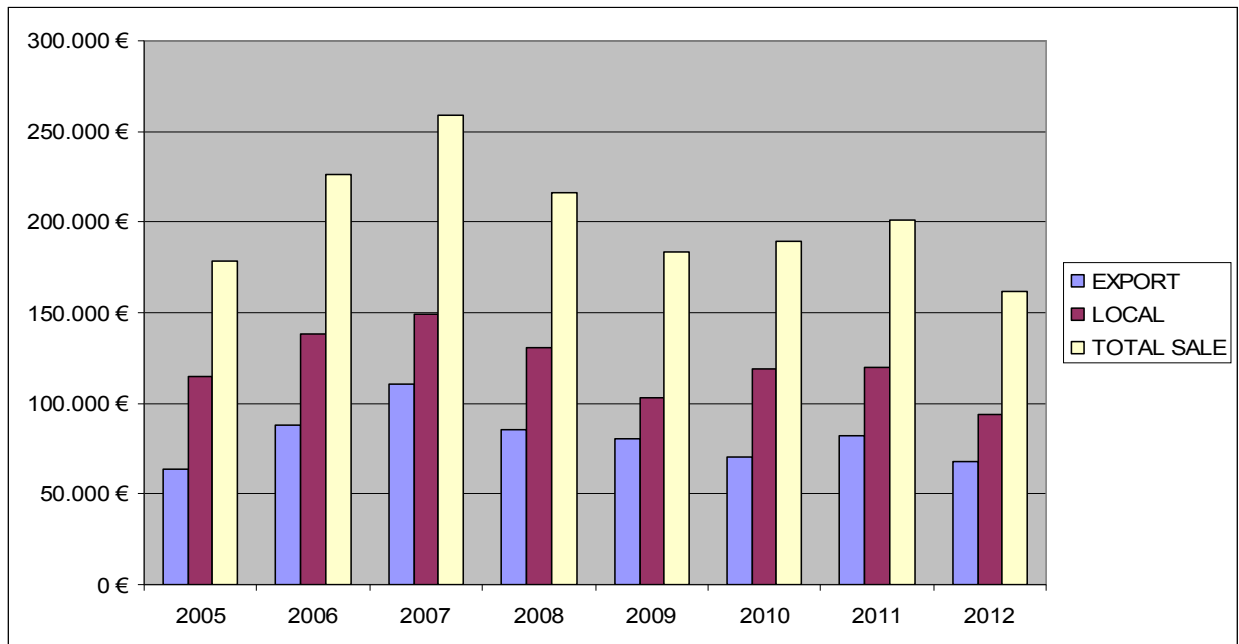
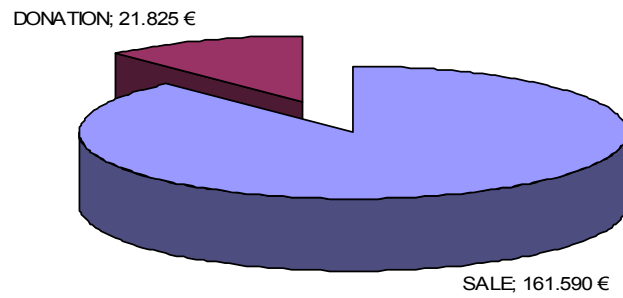
Income from our own sources was 161.590 Euro (88,10% of the overall income), which represents an increase of almost 6,98% from Year 2011.

The majority of local sales comes from the local market (80,80% from retail outlets, 6,18% from corporate gifts program and 13,02% from wholesale program).

Of the total export sales, US market tops the list with 70,55%, following with Italy at 13,87%, France 9,47%, Japan 3,29 and others.



GROSS INCOME 2012



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PROSPECTS FOR GROWTH

PLANS FOR 2013:

Despite the global recession and a bad situation in the textile sector of Bosnia, BHcrafts will make every effort to maintain the current level of production and the producers' income.

CHALLENGES IN 2013

Unfortunately, with the dramatic world-wide recession, all major economies are struggling to keep their heads above water. Many international businesses are decreasing foreign imports. To make a bad situation worse, predictions for the local economy in 2013 are pessimistic. This will put even more pressure on BHcrafts to create more jobs for the unemployed women whose only income comes from this production. Hopefully, our loyal buyers and generous donors will help us to overcome these difficulties, and reach the goal we set in the beginning: full sustainability; global markets; and jobs for all our producers. That is the hard job, but we remember some worse situations in the past. Dedicated BHcrafts team can promise to do its' best!

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