

SHOPPING WITH PURPOSE  
VIŠE OD OBIČNE KUPOVINE



# ANNUAL REPORT



the art of  
original

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# 2019

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# INTRODUCTION



BHcrafts will remember 2019 as very successful year! We reached to new markets, enable enough work (and regular monthly payments) for 180+ women from all over BiH, throughout the year; held 4 trainings, over the course of few months, for nearly 100 new users; purchased the space for the "Center for education", next to existing office in Sarajevo, and with all the above mentioned, we had lots of fun along the way, we enjoyed the work and the results! We want to thank to all those who were with us in all the work and success, and who were part of BHcrafts story; our valuable beneficiaries (women) and our loyal customers, who help in creating this successful story, as well as to all the friends and

supporters of this small, but powerful social business. Thanks to all of them BHcrafts products have reached to three continents, many countries, and thousands of satisfied customers.



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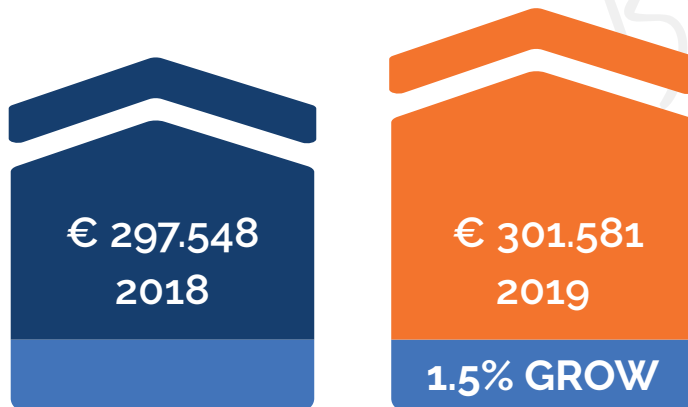
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# CURRENT GROWTH

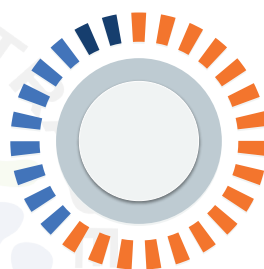


The total budget in 2019 was approximately € 301.581, which is 1.5% more than the budget for 2018. The majority of the activities were financed through in-house sources; ie, sales of handicrafts, in the country and abroad. Income from sale was € 255.012 which is 85% of the overall income.



## LOCAL SALES

The biggest part of local sales, 63.56%, comes from the retail outlet - BHcrafts shop, while 33.97% comes from wholesale program and 2.47% from corporate gifts program.



- 63.56% RETAIL
- 33.97% WHOLESALE
- 2.47% CORPORATE GIFTS



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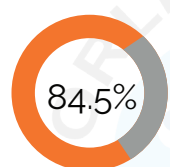
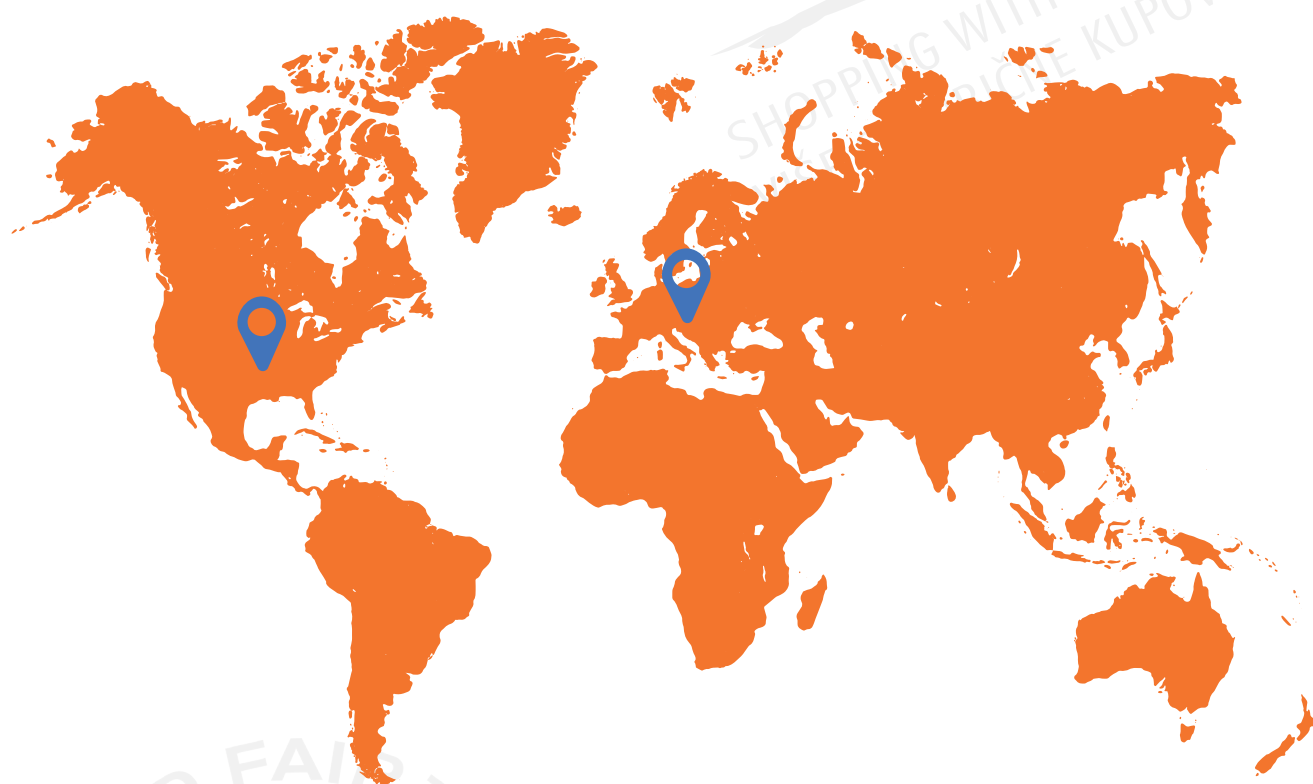


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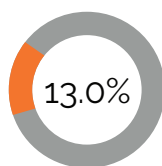


# EXPORT 2019

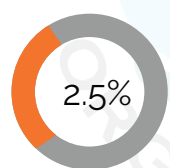
Of the total export sales (€ 131.890), the US market tops the list with 84,5%, followed by Online Sales 13,0% and Austria 2,5%.



USA



ON LINE

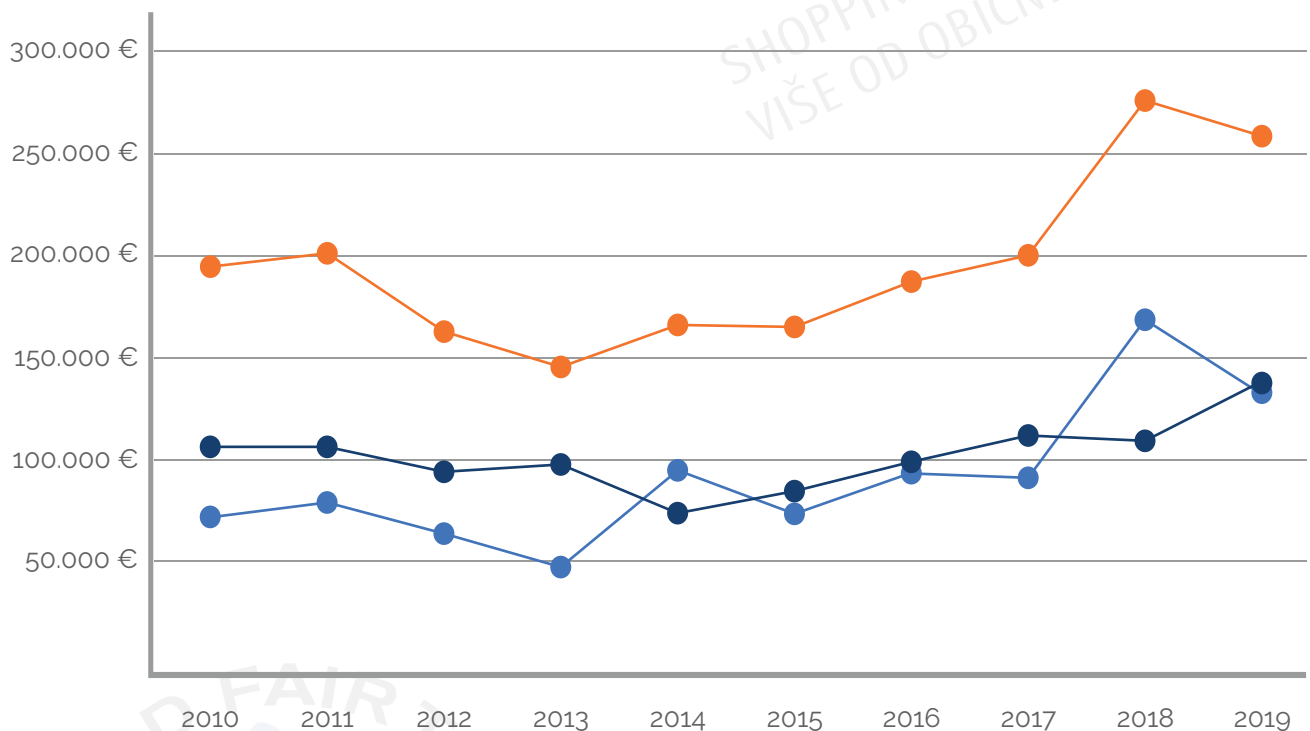


AUSTRIA

# HISTORICAL

# DATA ANALYSIS

Total sale in 2019 was €255.012 which is 7.45% decrease comparing to the 2018. While the local sale increased by 12.8%, export in 2019 was €131.890 which ended up with decrease of 20.75%. This was the result of a load of work we put into development of new products, intensive marketing activities and on-line campaigns (regular post on Facebook and other social media), all done in the previous years



LOCAL

EXPORT

TOTAL SALE



# BENEFICIARIES

180+ women, from entire BiH, have been engaged in the production process, all receiving regular monthly payments for all the work they do. In 2019 our beneficiaries earned the total amount of €87.663,76, which is +/- 34.4% of the total sale. The amount of €17.9819,30 was paid for pension and health insurance and income tax (73,30% for full time employees, for the "work at home" contracts tax percentages are 18% in Federation of BiH, and 11% in Republic of Srpska). Total VAT in 2019 was €16,257.54. The amount paid for the pension, health and unemployment insurance and income tax for 8 employees (2 sales persons, Designer / Production Manager, CEO and admin staff) was €26,142.015. Thanks to socially responsible buyers and all BHcrafts customers our beneficiaries were able to buy firewood for this winter, books and bus tickets for their school children, and last, but not least – feel more confident and useful society member.



The number of 12.307 final products, plus 175.000 parts of the final products/details (crocheted flowers, felted balls etc.) made in 2019 shows the productivity, motivation and good organization of the production in this small scale social enterprise. Some of our beneficiaries considers this work as the steady source of monthly income, with the great benefit of working at home, taking care of their children, or grandchildren, garden- ing and doing all daily house work, at the same time.



Some of BHcrafts beneficiaries earn a decent monthly income, compared to average salary in textile sector in BiH, while the others treat this work as hobby, therapy, or additional income. Regardless the load of work they do, or ethnic background, all beneficiaries have the same treatment, with the same access to information, technical help in the production process and the same price for the work they do.

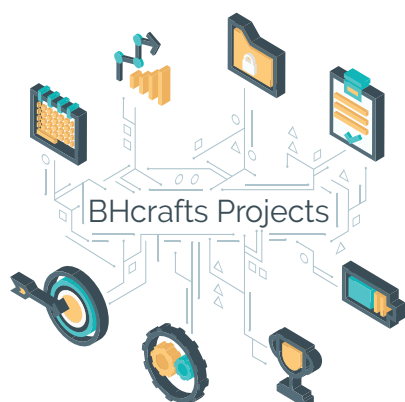


Work with BHcrafts is not just the source of income, but also improvement of skills, gained knowledge in design, colors, fashion trends and cultural heritage/tradition of different ethnic groups living in BiH. Social reintegration, raised confidence and financial empowerment are very important factors which differentiate this project from similar ones.



Increased turnover, steady percentage of self-financing and steady number of beneficiaries/producers is the best illustration of the commitment and decisiveness of all BHcrafts stakeholders to succeed and reach the goal set 24 years ago.

# IMPLEMENTED PROJECTS

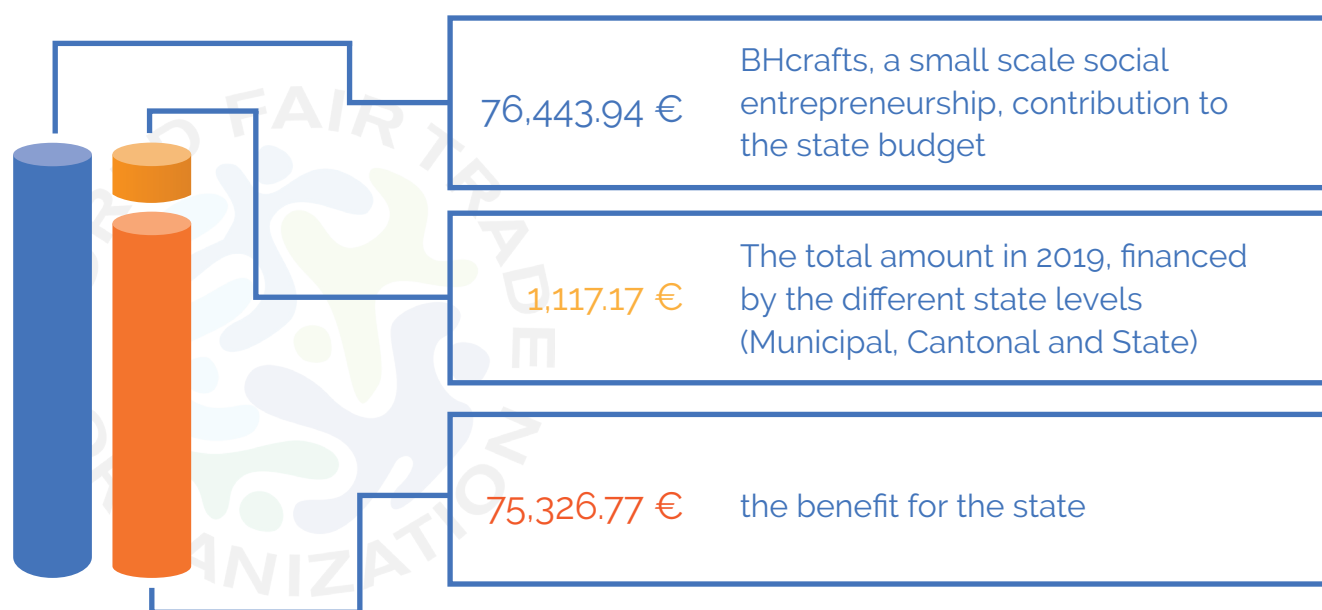


BHcrafts got supported by BHcrafts Inc. with the total amount of € 12,020.02. The other projects in 2019, all successfully implemented and reported to the donors, are as follows:

- US Embassy- € 14,337.41
- UN DFF - € 11,351.71
- UNDP - € 4,526.34
- UNDP - € 3,181.32
- UNDP - € 794.65
- City Tuzla- € 357.90
- Government incentives € 759.27

## WHO BENEFITS ——— ————— THE MOST?

It is not a big job to calculate that BHcrafts, a small scale social entrepreneurship, contribute to the state budget with the amount of €76,443.94 or cca 25% from the total turnover. The total amount for the projects in 2019, financed by the different state levels (Municipal, Kantonal and State) was €1,117.17 which brings us to the difference of €75,326.77 as the benefit for the state.





# FACT SHEET

## BHcrafts – Shopping with purpose



### Who we are?



**From humanitarian to successful business project**

BHcrafts is the title of the project which unites creative, humanitarian, business and psychotherapeutic characteristics in a highly balanced and outstandingly successful manner.

Nongovernmental humanitarian organization Norwegian People's Aid (NPA) has started this project in 1995. In the beginning, in the post war BiH society, women were deeply traumatized: they had lost their men, their homes, and they had lost their land, in a rural, agricultural society. But they could knit. This is how humanitarian NGO Bosnian Handicrafts was born, with the help of NPA.

BHcrafts enterprise is a project that arose from Bosnian Handicrafts NGO and today it has developed into a successful and export-oriented business, which is still successfully developing. Today BHcrafts Ltd is in charge of promoting and selling Bosnian handicrafts in country and abroad, while Bosnian Handicrafts still remained providing specialized training for women on standardizing skills in traditional handicraft techniques.

### What we do?



BHcrafts produces handmade clothing and decorative items, involving women from Bosnia and Herzegovina. BHcrafts promotes the cultural heritage of BiH while using its traditions to develop products appealing to the modern market. Each product is unique, hand-made in traditional techniques of knitting, crocheting and weaving, which have made BHcrafts products recognizable and appreciated. These products, regardless of whether they are clothing items, table cloths or carpets, cannot be the subject of mass production. The products are hand-made, with devotion and persistence, without the use of machines.



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# Our Mission



BHcrafts involves women from Bosnia and Herzegovina, especially ones with poor socio-economic background into working engagement, for production of bh handicrafts, strictly following Fair-trade standards, since BHcrafts is the only certified fair-trade producer in the Balkans. Our purpose has never changed: to improve the lives of Bosnian women and their families. Profits from business income is entirely used to expand the business, which reflects on higher working engagement of women.

## Ecology, business, and self-consciousness



Most of the products are made of chemically untreated wool and cotton, in the process which obeys the strict ecological standards. BHcrafts works with domestic raw materials, thus supporting the economy of BiH. Ecological considerations are taken into account at every stage of production, using paper bags and boxes for shipping and wooden looms for weaving. Our products are a mixture of traditional methods and modern design combined to appeal to a world market. Our products are mixture of traditional and modern achievements of design, which is the combination that ensures a successful existence at the demanding world market.

## Social responsibility and fair trade

BHcrafts is the first recognized, and awarded, social entrepreneurship from Balkans (The Schwab Foundation for Social Entrepreneurship in 2002), as well as the first certified fair trade producer, and still the only one in BiH ( International Fair Trade Association – IFAT in 2009) and the winner, in the category "URBAN& REGIONAL DEVELOPMENT", of Sustainable Entrepreneurship Award – SEA, in 2013. As the pioneer in both categories, BHcrafts has kept promoting Fair Trade principles and Socially Responsible Business ever since then.



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# Our Portfolio



## Chrocheting

Crochet is a process of creating fabric by interlocking loops of yarn, thread, or strands of other materials using a crochet hook. The name is derived from the French term *crochet*, meaning 'small hook'.



## Knitting

Knitting creates multiple loops of yarn, called stitches, in a line or tube. Knitted fabric consists of a number of consecutive rows of intermeshing of loops. As each row progresses, a newly created loop is pulled through one or more loops from the prior row.



## Embroidery

Embroidery is the craft of decorating fabric or other materials using a needle to apply thread or yarn. Some of the basic techniques or stitches of the earliest embroidery are chain stitch, blanket stitch, running stitch, satin stitch, and cross stitch.



## Felting

Felt is a textile material that is produced by matting, condensing and pressing fibers together. Felt from wool is considered to be the oldest known textile.



## Weaving

Weaving is a method of textile production in which two distinct sets of yarns or threads are interlaced at right angles to form a fabric or cloth.



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# FUTURE PLANS

will remain the same



Transfer of skills and the knowledge will enable, not only the survival of BHcrafts project, but will, also, preserve traditional handicrafts techniques as very important part of B&H cultural heritage.

## Strengthening fund raising capacities

Mobilizing new generation of producers/beneficiaries is the main task in the near future. The fact that the average age of the current production corpus is 50 was "the alert" for BHcrafts to start

mobilizing new, younger, generation of project beneficiaries, enhancing the transfer of skills and the knowledge from the older ones. That will enable, not only the survival of BHcrafts project, but will, also, preserve traditional handicrafts techniques, extremely

important part of B&H cultural heritage. Organizing and implementing good quality training courses is one, of a very few activities, BHcrafts still needs the donor funds for.

# 50!

The fact that the average age of the current production corpus is 50 was "the alert" for BHcrafts!

## Intensive marketing activities on, both, local and export market

New marketing strategy was developed and it's only the matter of global economy status and willingness for cooperation among the new buyers in the new markets.

