



# ANNUAL REPORT 2022

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# CONTENT





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# INTRODUCTION

### 2022 – The year of great success!



This year will be remembered as "the best ever", all thanks to our biggest and the best buyer, the US based Sundance catalogue, we are continuously working with for the last 18 years. Over 2 tons of handmade Christmas stockings, tree skirts and throws were produced and sent to the US within 8 months, more than 200 marginalized women were engaged in the production, generating needed income by using native skills in handicrafts techniques.

Extreme heats, problems in supply chains, increased prices of raw material and transport, both caused by Ukrainian crises, were just a part of problems we emphasized during the process, but all got solved successfully!

What kind of challenge 2023 will bring to us?









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## CURRENT SITUATION



The total budget in 2022 was approximately  $\in$  509.939, which is 85% increase comparing to the budget for 2021. The majority of the activities were financed through in-house sources; ie, sales of handicrafts, in the country and abroad. Income from sales was  $\in$  485.012, which is 95% of the overall income.

## LOCAL SALES

The biggest part of local sales, 58.13%, comes from wholesale program, while 41.87% comes from the retail outlet – BHcrafts shop. In 2021 corporate gifts program was unfortunately 0.0%.



41.87% RETAIL

58.13% WHOLESALE

0.0% CORPORATE GIFTS



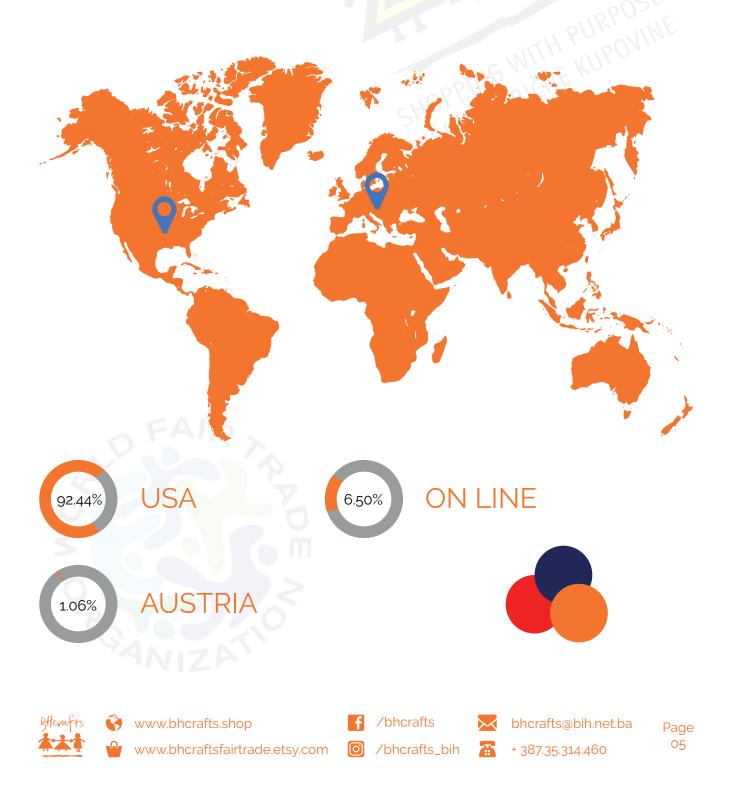
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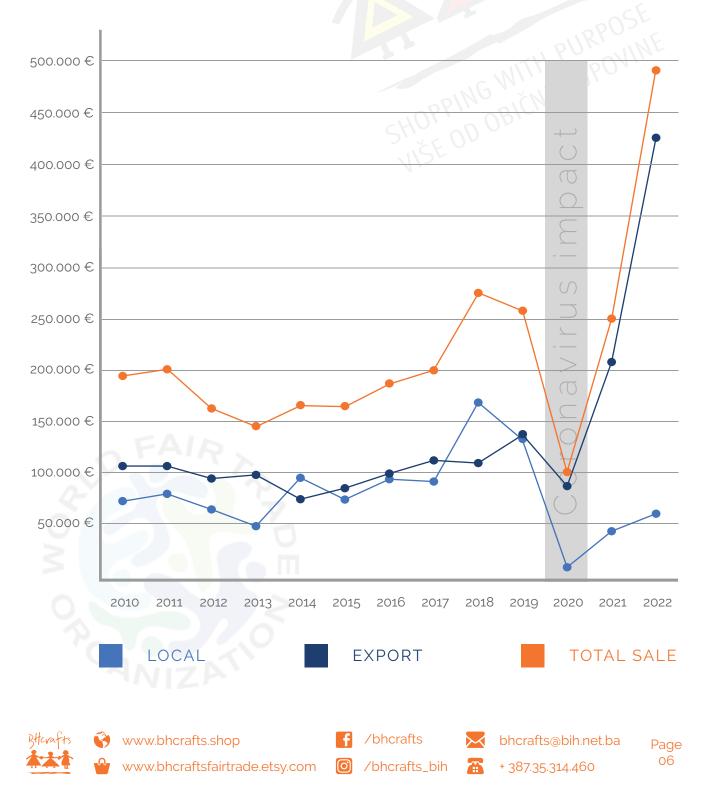
## EXPORT 2021

Of the total export sales ( $\in$  425.504), the US market tops the list with 92,44%, followed by Online Sales ( $\in$  27.677) 6.50% and Austria ( $\in$  4.507) 1.06%.



# HISTORICAL DATA ANALYSIS

Local sales got increased by 12.27% (the total was  $\in$ 59.508), while export got raised to  $\notin$ 425,504, which ended up with a total turnover increase of 87.73%.



## BENEFICIARIES

Around 200 women, from the entire BiH, have been engaged in the production process, all receiving regular monthly payments for all the work they do. In 2022 our beneficiaries earned a total amount of €99.530 which is +/- 28% of the total sale. The amount of €23.571 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 the Republic of Srpska). Total VAT in 2022 was €189. The amount paid for the pension, health and unemployment insurance, and income tax for 7 employees (2 sales persons, Designer / Production Manager, CEO, and admin staff) was €34.391. Thanks to socially responsible buyers and all BHcrafts customers our beneficiaries, despite the World crisis, were able to buy firewood for the winter, books and bus tickets for their school children, and last, but not least – feel more confident and useful society member.



The number of 14.700 final products, plus 130.000 parts of the final products/details (crocheted flowers, felted balls, etc.) made in 2022 shows the productivity, motivation, and good organization of the production in this small-scale social enterprise. Some of our beneficiaries consider this work as a steady source of monthly income, with the great benefit of working at home, taking care of their children, or grandchildren, gardening, and doing all daily housework, at the same time.



A large number of BHcrafts beneficiaries earn a decent monthly income, compared to the average salary in the textile sector in BiH, while the others treat this work as a hobby, therapy, or additional income. Regardless of the workload they do, or their 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.



Working with BHcrafts is not just a source of income, but also an 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 that differentiate this project from similar ones.



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## IMPLEMENTED PROJECTS



BHcrafts got supported by BHcrafts Inc. with the total amount of  $\in$  16,330. The other projects in 2022, all successfully implemented and reported to the donors, are as follows:

- City of Tuzla € 2,200
- Tuzla Canton € 5,060
- BHcrafts Inc. USA € 17,670
- Government employment incentives € 4,341
- Government refunds of commercial loan interest € 1,031

## 

It is not hard work to calculate that BHcrafts, a small-scale social entrepreneurship, contribute to the state budget with the amount of €58.151 or cca 11.60% of the total turnover. The total amount for the projects and government incentives in 2022, financed by the different state levels (Municipal, Kantonal, and State levels) was €12,632 which brings us to the difference of €45,519 as the benefit for the state.

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# FACT SHET 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 Handcrafts 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 handmade, 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



#### Felting

Felt is a textile material that is and pressing fibers together. Felt from wool is considered to be the oldest known textile.

## Embroidery

decorating fabric or other

materials using a needle to apply embroidery are chain stitch, blanket stitch, running stitch, satin stitch,



produced by matting, condensing



#### Weaving

sets of yarns or threads are

interlaced at right angles to form a fabric or cloth.







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