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#### ENTREPRENEURSHIP IN THE PUBLIC UTILITY COMPANY “CITY MARKETS”

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#### Abstract

The aim of this paper is to highlight the important aspects that determine entrepreneurship and its importance to the economic development, it is their effects on the development of City Markets Co. This study was conducted using various methods such as analytical methods, interview and direct observation. In addition, hypothetical-deductive method, statistical methods and descriptive methods were also used. Data were obtained from different sources - the internal and electronic documentation of Public Utility Company (PUC) - City Markets, professional literature and the internet. The Public Utility Company City - Markets follows the rhythm of technological development intensively and adapts to the changing needs of consumers. These changes were primarily influenced by the appearance of supermarkets and megamarkets, the expansion of cashless payment system, credit cards and specific changes in habits, desires and tastes of customers. The Law on Communal Activities will open the possibility for cooperation with the private sector and various subcontractors, which will greatly contribute to the development strategy for the future development of market activity.

**Keywords:** technological innovation, organizational structure, strategy, urban markets.

#### Introduction

Entrepreneurship is the innovation of factors of production, the creation of new ideas in the organization as a whole, and taking the risk in decisions making. The main role of entrepreneurship in modern economy is reflected in the innovative action that creates the conditions for technological development, the formation of flexible organizations and improvement of employability (Živković and Peševski, 2011). The application of innovations refers to new products, new methods of production, new markets, new raw materials and new forms of organization. Markets are organized to supply the population with fresh food and non-food products. As such they are integral and inseparable part of communal infrastructure, especially in urban areas. At the same time, markets also represent public spaces accessible to all segments of the population regardless of whether they appear as sellers or buyers. Markets provide the most complete response to different demands of customers, because they are legal and regulated forms of sales of certain types of goods, with most elements of free trade. Three basic concepts in the basic presentation of the market are: communication, possibility of choice, and food - the most common selling item on the market. The aim of this paper is to highlight the important aspects that determine entrepreneurship and its importance to the economic development, it is their effects on the development of City Markets Co. Appropriate methodological procedures and available sources of information were used to perceive the conceptual definition of entrepreneurship and entrepreneurs, innovation, technology, knowledge, organizational structure of this company, as well as the determinants of entrepreneurial success.

#### Material and methods

This study was conducted using various methods such as analytical methods, interview and direct observation. In addition, hypothetical-deductive method, statistical methods and descriptive methods were also used. Data were obtained from different sources - the internal and electronic

documentation of Public Utility Company (PUC) - City Markets, professional literature and the internet.

#### **Results and discussion**

City markets operate as a public utility company. Public enterprise is founded by the state, and the rights of the founder are realized by the Government of the state. Local self-government unit establishes a public utility company determining its activity as a communal, based on the Law on Communal Activities. Communal function places the market activity in the group of activities of special importance for the normal and undisturbed functioning of cities, municipalities and settlements. The first Belgrade market, so-called the market of St. Andrew's - The Big market, was created in 1824 at the Students' Square, which soon became the main trade center in Belgrade. After that, with the growth of population and settlements, other markets opened, so today there are 32 markets as part of the City Markets ([www.bgpijace.rs](http://www.bgpijace.rs), 2013). Under this name, the company has been operating since 1990, and its activity is: maintenance and equipping of markets and business facilities, issuing business premises and premises for markets for wholesale and retail trade of agro-food products, issuing facilities and premises for sale of products of domestic craft labor and other non-food products and livestock, construction and reconstruction of markets and drinks facilities, procurement of beverage equipment and devices for their own needs by own funds and founders funds, keeping records of retail trade of agricultural products and prices for the individual sector for statistical purposes. The City Market Company is a member of the World Union Wholesale Markets (WUWM) in which it is a member of the Council. City markets modernizes the way of doing business in all aspects. This company has started projects for reconstruction of "Zeleni venac" market, square at the Youth Square in Zemun, similar to markets in towns in other European countries. Market Square is a mobile market with mobile stands, so the square performs market activity during the day, while in the afternoon the square is the space where different types of events take place. At the market "Vidikovac", the realization of capacities expansion is in progress, as well as the construction of the canopies of the market, the steel construction upgraded with solar photovoltaic panels, which enable the production of electricity using solar light and contribute to a better and healthier life of citizens. The most modern market is definitely a "Block 44" with a canopy of 3200 m<sup>2</sup>, under which there is a system of adiabatic cooling of the market plateau, in order to provide a pleasant environment for customers and sellers in the summer period. Namely, under the market canopy there are sprinklers that disperse a small amount of water and create the effect of water fog, thus maintaining the natural freshness of the product. A new facility with 10 shops and 400 stalls was established at the market. There is a market square built on one part of the market plateau where organic foods market take place every weekend. One of the important projects is the introduction of identification boards on stalls, which is being conducted in cooperation with the Ministry of Agriculture. That way buyers will be informed about the origin of goods and protect sellers against unfair competition. The board will point out whether the seller is a producer or trader. The producer will point out what he has sown on his own land during the year, and the resellers will have boards with a label trader. The first markets where this will be introduced are Kalenic, Bajloni, Vidikovac and Banjica. In addition to the listed projects, milk halls were built on the markets with complete equipment that is necessary for the sale of easily perishable dairy and other products, eggs and the like. The construction of three new markets is planned, and the selected locations are Medaković, Gornji Zemun and Trudbenik. Establishment of a market for the sale of antiques, handicrafts, old crafts, organic products, products with geographical origin and geographical brand, etc. is also planned.

Entrepreneurial innovation are the main means of enhancing competitiveness and become one of the key determinants of economic growth and development (Drucker, 1996). For the third year in a row, PUC "City Markets" has been successfully implementing the project "Volunteer Center" as well as practice for students. This is a significant shift in the overall system of the company, which is confirmed by the fact that in 2011 the company received the European Award for this project for

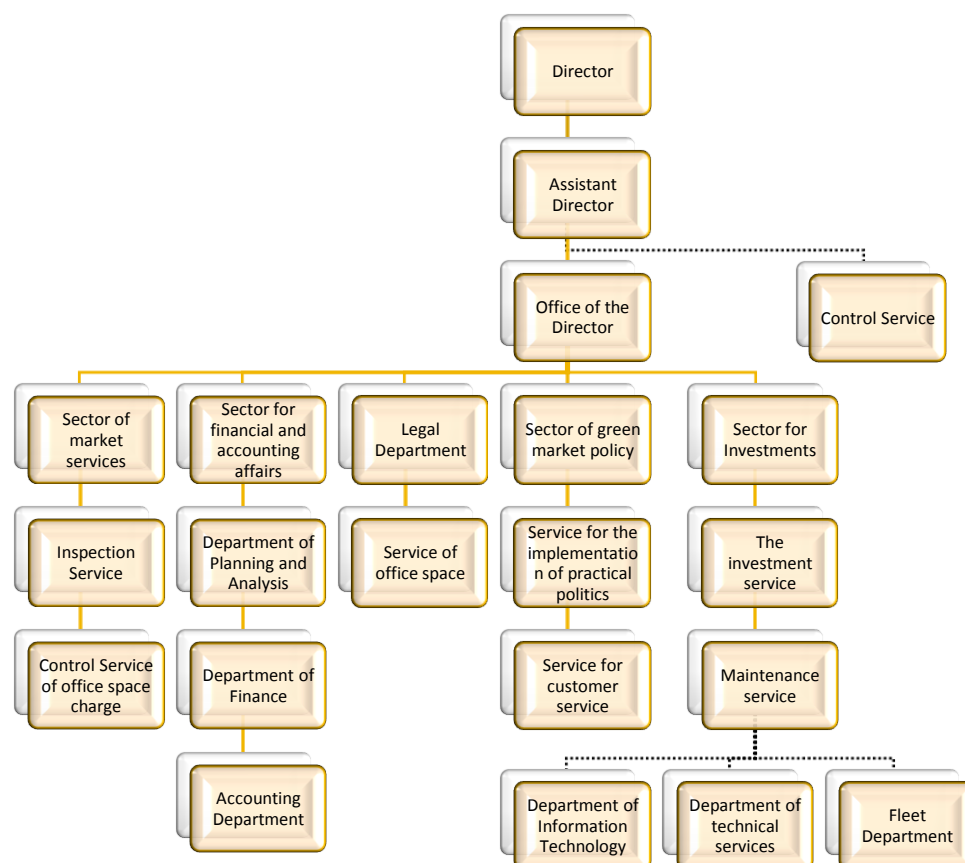
volunteering employees in the "Newcomer" category, whose awards are aimed at supporting employment. The aim of the project is to promote volunteer work and to enable volunteers to engage in the activities of the company, as well as to acquire the necessary work experience for continuing careers and faster employment. The project also aims to make connections between institutions from the state, private, civil and education sectors. This project involves the following institutions: The Ministry of Agriculture, Forestry, Trade and Water Management, The Ministry of Environmental Protection, then The Faculty of Agriculture and The Faculty of Veterinary Medicine and The Faculty of Law. In addition, various associations, private companies and farms cooperate with the Volunteer Center. In addition to enabling young people to acquire the necessary experience, this Center has contributed to the development of mentoring skills of employees and the improvement of team work, which is very important for the successful operation of the company. Significant technological advancement in PUC "City Market" is the introduction of a program that allows all markets to be computer-linked. Thus, all records in the daily billing are sent directly to the company headquarter. In addition, all markets send data about agricultural product prices to the customer service and the directorate once a week. After final processing, the final report on the prices of agricultural products is published in the media. The IT (Information Technology) department is in charge of integrating the system. The introduction of electronic identification of employees in the company is also planned. Creating a clear vision of market business development is a developmental opportunity and it includes: work on improving sales skills at the market, clear positioning the advantages that markets have over their competitors and more serious cooperation with the competent state authorities and services with the aim of creating joint incentive projects in relation to sellers. Branding of market activities is also a chance, as well as giving a proposal for a future brand, a symbol of Serbian markets, which in the near future could become recognizable as a trademark through the logo, in all markets in the country. The organizational structure is a form of clustering and networking of activities, material and labor resources, as well as establishing links and relationships between them and within them (Munčan, 2009). Very important resource, as an element of organizational structure, is workers' collective that deliberately and plannedly invests its knowledge, skills and abilities, in order to successfully fulfill all tasks, which contributes to more efficient business operations. At the very top of the organization is the Director General, who has behind him the Deputy and the Executive Director. Within the company there are five sectors, within which there are appropriate services, and each sector has its own manager (Diagram 1).

Market service sector performs supervision over legal and proper use of equipment and facilities in the markets, cares about respect for law and order in this field, related to daily collection of stalls, trade and transportation of goods, technical maintenance, waste disposal, etc.

Financial and accounting affairs sector performs tasks related to compliance with rules and regulations adopted pursuant to the Law on Accounting and Auditing, do the planning and reporting of business peduzeća, business periodical accounts and the balance sheet, as well as the process of keeping proper documentation and actions related to tax and other obligations of the company.

Legal affairs sector carries out tasks and affairs of common interest for the enterprise and the activities necessary for the smooth conduct of the basic activities of the services, sections and departments, as well as the care of the regularity and correctness, timeliness and legality of activities in the field of the use of market capacities, procedures related to use of business facilities and equipment, realization of receivables and other relevant indicators for the work of certain bodies and services in the company.

Market policy sector of high-skill jobs that will improve the company's operations, promote and affirm its resources and creative potentials and enhance the strategic positioning and creating a favorable climate and conditions for successful business enterprise.



Picture 1. Organizational structure of the "City Markets"

**Source:** Internal documents of City Markets Co, 2013

Sector of investment, construction supervision and information technology activities performed on the programming and development directions and plans of action plans companies in their field, work on monitoring the implementation of all programs and plans, monitoring and supervision of works, users of the market space. Considering the factors of the business environment of City markets can be said to be significantly affected by the government and state institutions that collaborate with the company. As the founder of City Markets, Belgrade City Assembly, by its authorities permit to work, decide on locations where you can perform market activity, prescribe the conditions under which the activity takes place and approve the pricing of public utility companies relating to these services. Of course, economic factors have a significant impact on the enterprise. The purchasing power of the population is an important factor because the markets there is no pre-determined price, or the price depends on the current supply and demand. So in times of crisis, the company marketed to facilitate the survival social most vulnerable population because they are always areas with the most flexible product prices. City markets tend to follow and to adapt to the technological environment, and in order to further develop the company launched a plan general regulation of markets in Belgrade, whose essence is the improvement and modernization of the market. Regarding the impact of the market and its participants, we can say that the market is the only market institution that allows direct contact between producers and consumers, and this is the main advantage of this activity, in situations of growing competition from other forms of trade, especially super and hypermarkets. The advantage of this method for supplying consumer is that the consumer and the seller, as time goes by, create and nurture a very special relationship of mutual trust, which guarantees the customer supplying with quality goods, but the seller a stable client. In a sociological sense markets are irreplaceable form of encounter and communication between people, particularly in urban areas and large cities with markedly

increasing isolation, loneliness, disorientation and anonymity of the people. The most important role in the struggle against the alienation of a public, free, public spaces, streets, squares, parks and markets. These facilities generate human role directing people to contact, meetings and gatherings. Markets provide the greatest opportunities for mutual socialization of participants in the trade as are available to all social and educational groups of inhabitants. From an environmental point of view City Markets plans to introduce environmental management system according to ISO 14001, to manage packaging waste from markets, in cooperation with Delta-Pak, aimed at better utilization of waste from the city's markets and its recycling and conversion to biogas, and hence a cleaner and greener city. The plan is to set up solar panels, which contributes to a healthier life and the environment (Milosavljević, 2012). Determinants of entrepreneurial success is certainly good market location markets, that their spatial position on the highly frequented locations and receptive customers, which eventually became an integral and inseparable part of the urban areas of cities and municipalities (Đorović and Tomin, 2009). Vitality and adaptability to change are two very strong market characteristics. Among the most important chances are definitely organized introduction of biologically valuable and healthy food on the market which brings new content and prerequisites for the establishment of standardization model for all, or at least one part of the market services. Infrastructure and technical equipment market becoming a priority development plans. To offer other market specific, and it was more complete, stores will be in terms of infrastructure and more important. Quality management is a set of actions and activities that affect the quality of the product, labor and confinement. City Markets in April 2012 introduced a quality management system ISO 9001 which meets the demands of customers in terms of quality of services that the company provides. System on a daily basis to innovate and improve in order to better adapt to market demands, with special emphasis on consumers and thereof on the needs and current trends. In addition to the introduction of quality management systems in the plan is the introduction of an environmental protection system according to ISO 14001, as well as the system of health and safety according to OHSAS 18001 certified. Market activity has to build its own model of dialogue with their audiences. Projection of market development activities should be sought between the further enrichment of content offerings, infrastructure development and equipment market, at one and the preservation of its wealth on the other. In January 2012 National market was formed on the territory of pre-existing wholesale market. Wholesale logistics center has a character that offers the possibility of marketing the products in bulk according to veterinary-sanitary conditions. It promotes the development of agriculture, increased assortment and sale of goods, networking and cooperation of manufacturers and retailers lower prices and increase export potential, enhance competitiveness of all its participants. Wholesale market covers an area of 18 hectares, has 870 outlets (7 ha) on the plateau, and 3,000 m<sup>2</sup> of office and warehouse space (18 bars, 87 tents, 28 warehouses and 24 storage areas) and 750 parking spaces. In technical terms, is equipped with loading and unloading areas lift truck service, the separate waste recycling, transport and logistics. In addition, restaurants, financial institutions, etc. makes this institution of higher market standards. Provides wholesale services: sales of the plateau (Truck sales), monthly book sale, lease prefabricated buildings (tents and kiosks), monthly book prefabricated structures (tents), rental of warehouse and warehouse space, lease office space. Ability to trade on wholesale markets are: farms, farmers, businesses that are registered for agricultural activities and small shops. Wholesale markets will be in a position to supply the public sector at prices equal or lower than the stock market price on the delivery date. Wholesale clearing system will establish a business that will take care of all the agreements made at the wholesale market, manage deposits and intervene in the event of non-compliance with contractual obligations. Domestic small and medium farmers will be able in this way to be involved in the competition, thus encouraging domestic agricultural production. The market will be spared the large fluctuations in commodity prices, as it will offer the wholesale markets to be constant. The main problem faced by entrepreneurs is finding quality sources of funding for business or startup businesses, as well as the amount of potential financial gap that has to be met from other sources (Avijaš, 2010). Since the City markets operate as a public

utility and that its founder, the city of Belgrade, all the investments and funds provided by the city and the income from business. Sources of income of the company derived from renting public services market commercial area. According to the Regulation on issuance market commercial space, commercial space marketplace is divided into regular structures, market structures and market equipment. The permanent facilities include office buildings, restaurants, rooms, offices, warehouses and depots. The shopping facilities include small, temporary prefabricated buildings, structures formed from standard prefabricated mass production gross floor area of 3m<sup>2</sup> - 30m<sup>2</sup>. The market equipment includes counters, display cabinets, boxes, frames, etc. Users of the market space can be natural persons, legal persons and entrepreneurs, and rental market area is regulated by the Lease Agreement which amount starting price determined by the Management Board of the company. For example, the market for housing reconstruction, Green Venac total investment is 522 million, of which the share of resources allocated City Council, and part of the City Market. Reconstruction of the market in block 44 has cost 153 million, and the market in Zemun about 40 million. The company does not exist any form of debt or external funding.

Table 1. Total revenue from stalls issued by product type in 2010 & 2011 (000 Ft.)

Collection stands by product	Issue the capacity		% participation		The revenue		% participation	
	2010	2011	2010	2011	2010	2011	2010	2011
Fruits and vegetables	828.710	836.870	69.96	69.5	184.109	201.123	62.1	61.8
Milk products	101.461	98.886	8.6	8.2	35.376	37.255	11.9	11.4
Eggs	41.687	40.106	3.5	3.3	10.603	10.982	3.6	3.4
Fish	2.642	3.366	0.2	0.3	1.179	1.777	0.4	0.6
Clan poultry	24.745	24.417	2.1	2	10.535	10.985	3.6	3.4
Other stalls	185.374	200.774	15.7	16.7	54.550	63.411	18.4	19.5
TOTAL	1.184.619	1.204.419	100	100	269.355	325.536	100	100

It can be seen from Table 1 that the largest company of its revenue from charging rent stalls selling fruit and vegetables, whose share in the total income of the issued stalls over 60%, while the lowest share of income, about 0.5%, with the tenants whose business selling fish. The company is both the largest share (13%) of the proceeds of the daily collection of stalls and achieve the Kalenic market. Tables 2 and 3 shows total income and total expenditure structure by structure in 2010 and 2011.

Table 2. Total income of the structure in 2010 and 2011

Type of income	Achieved in 2010	Achieved in 2011	Index (3/4)
1	2	3	4
A. operating income	984,463,343.79	1,011,990,973.28	101,78
B. financial income	91,415,456.74	70,178,424.71	76,77
C. Extraordinary and non-operating income	62,942,681.12	60,990,100.95	96,90
D. Profit from discontinued operations and transmission revenues	0.00	5,747,042.03	-
Total income (A+B+C+D)	1,138,821,481.65	1,148,906,540.97	100,89

From the table below it is evident that the largest share in the total income for operating income or income arising from the performance of business enterprises, accounting for over 85% in both years. Also, in 2011 the Company achieved a higher total revenue compared to 2010 by 0.89%.

Table 3. Total expenditure by the structure in 2010 and 2011

Type of expences	Achieved in 2010	Revised plan 2011	Achieved in 2011	Index (4/2)	Index (4/23)
1	2	3	4	5	6
A. operating expenses	944,629,751.33	1,030,712,225.00	984,603,332.59	104,23	95,53
B. financial expenses	553,679.75	371,379.00	19,020.03	3,44	5,99
C. Extraordinary and non-operating expenses	85,307,445.59	17,827,594.00	104,430,712.09	122,42	585,78
D. Loss from discontinued operations and transmission revenues	0.00	2,000,000.00	1,666,937.54	-	83,35
Total expenditure (A+B+C+D)	1,030,490,876.67	1,050	1,090,720,002.25	105,84	103,79

Data show that the company in 2011 had higher expenditures compared to 2010 as a result of major investment companies in the reconstruction of the market and the construction of wholesale markets.

List of Tables 4 shows that the income from operations in the 2011 is lower by 46.29% compared to 2010 as a result of higher expenditures for that year.

Table 4. Profit from continuing operations in 2010 and 2011

Position	Achieved		Index(2011/2010)
	2010	2011	
A. Total income	1,138,821,481.65	1,148,906,540.97	
B. Total expenditure	1,030,490,876.67	1,090,720,002.25	
PROFIT (A+B)	108,330,604.98	58,186,538.72	53,71

Pursuant to the said share of net income in total income of 2011 decreased by 4.64% than in 2010 (Table 5).

Table 5. Share of net income to total revenue in 2010 and 2011

Position	Achieved in 2010	Achieved in 2011	% participation	
			2010	2011
Profit before tax	108,330,604.98	58,186,538.72	9,51	5,06
Tax	9,154,081.00	11,428,505.00	0,80	0,99
Net profit	99,176,523.98	46,758,033.72	8,71	4,07
Total income	1,138,821,481.65	1,148,906,540.97	100,00	100,00

It is interesting to observe the structure of the financial results observed in both years (Table 6).

Table 6. Structure of financial results in 2010 and 2011

Balance position	Achieved in		The percentage share	
	2010	2011	2010	2011
1. Operating income	984,463,343.79	1,011,990,973.28	86,45	88,08
2. financial income	91,415,456.74	70,178,424.71	8,03	6,11
3. Extraordinary and non-operating income	62,942,681.12	60,990,100.95	5,53	5,31
4. Profit from discontinued operations and transmission revenues	0.00	5,747,042.03	0,00	0,50
5. TOTAL INCOME (1+2+3+4)	1,138,821,481.65	1,148,906,540.97	100	100
6. Operating expenses	944,629,751.33	984,603,332.59	91,67	90,27
7. Financial expenses	553,679.75	19,020.03	0,05	0,00
8. Extraordinary and non-operating expenses	85,307,445.59	104,430,712.09	8,28	9,57
9. Loss from discontinued operations and transmission revenues	0.00	1,666,937.54	0,00	0,00
10. TOTAL EXPENSES (6+7+8+9)	1,030,490,876.67	1,090,720,002.25	100	100
11. Financial result of operating income (1-6)	39,833,592.4	17,387,640.50	36.77	29.88
12. The financial result of the funding (2-7)	90,861,776.99	70,159,404.68	83.87	120.57
13. The financial result generated from operating activities (11+12)	130,695,369.40	87,547,045.18	120.64	150.45
14. The financial result of extraordinary and non-operating income (3+4)-(8+9)	-22,364,764.47	-39,360,506.56	-20.64	-67.64
15. Gross financial result (5-10)	108,330,604.98	58,186,538.72	100	100

Besides the indicated fact that the gross financial result was higher 46.29% in 2010, it should be noted that the financial results from continuing operations in 2011 has decreased by 6.89%, while the financial result of the financing structure of the share of the gross financial result increased by 36.70%. Also, the overall financial results from continuing operations declined in 2011, compared to 2010, but its share is higher for structurally 29.81%.

In the process of doing business City markets it is important to consider the elements of the income statement in 2010 and 2011 (Tables 7 and 8).

Table 7. The elements of the income statement in 2010

Income/expense Profit / loss	Income	Expenses	Profit	Loss	difference
Business	984,463,343.79	944,629,751.33	39,833,592.46	-	39,833,592.46
Financial	91,415,456.74	553,679.75	90,861,776.99	-	90,861,776.99
Remaining	62,942,681.12	85,307,445.59	-	22,364,764.47	- 22,364,764.47
Income, expenses, bug fixes from earlier years	-	-	-	-	-
Total	1,138,821,481.65	1,030,490,876.67	130,695,369.45	22,364,764.47	108,330,604.98

Foregoing table it can be concluded that a much smaller share of the total profit with operating income, which is a 30.48% share, compared to income from financing, with a share of 69.52%, which means that the company has not generated the largest share of the profits revenue arising from the



performance of activities of the company. The company was in 2010 had higher other expenses in relation to other income, apropos the share of other losses in the total loss amounted to 17.11%. In 2011 the share of operating income to total profit was 26.95%, while the share of financial gain 69.04%. The participation of other losses in the total loss was significantly higher in than in 2010 (42.74%).

Table 8. The elements of the income statement in 2011

Income/expense Profit / loss	Income	Expenses	Profit	Loss	Difference
Business	1,011,990,973.28	984,603,332.59	17,387,640.50	-	17,387,640.50
Financial	70,178,424.71	19,020.03	70,159,404.68	-	70,159,404.68
Remaining	60,990,100.95	104,430,712.09	-	43,440,611.14	- 43,440,611.14
Income, expenses, bug fixes from earlier years	5,747,042.03	1,666,937.54	4,080,104.49	-	4,080,104.49
Total	1,148,906,540.97	1,090,720,002.25	91,627,149.86	43,440,611.14	48,186,538.72

Perceiving a need for balance sheet items and to consider the number of workers by educational attainment and average earnings per worker (Tables 9 and 10).

Table 9. Number of employees by level of education

Level of educational attainment	Number of employees		
	woman	man	total
Secondary education	29	86	115
College	6	28	34
High	15	23	38
Primary education	5	4	9
Q	1	8	9
Total	56	149	56

Of the total number of employees most of them are those with secondary education (115), and within them the 86 men. From the table it can be seen that the majority of men with college and university degrees than women. From the table below we can see that in 2011 had increased the average number of employees and average gross and net earnings per worker. The share of gross wages in total income in 2010 amounted to 26.37%, while 2011 there was an increase of its 28.01%. In the process of financing business enterprise is very important to make an insight into the investment profile of the project construction (Table 11). However, the City Market is faced with certain risks in its business. The most pronounced risks in PUC "City Market" are external. Certainly, the general situation in the state itself, socio-political and economic relations, such as inflation and the economic crisis, pose risks in trade in agricultural and other products, and therefore reduction in number of market tenants. In addition, the most common risks are in markets are: communal mess, lack of parking spaces, illegal vendors, or resellers, non-compliance with regulations and terms of sale of easily perishable food products. In this regard, one should observe the conclusion that "today we are increasingly moving towards that the entrepreneurship risk management should be a unique

Table 10. Average earnings per worker

	2010	2011
Average net income per worker	63,551.42	67,169.75
The average gross wage per worker	89,703.42	94,780.83
Average number of employees	325.70	239.36
Gross earnings	300.283,885.98	321,815,306.98

Table 11. Displaying investment profile Construction of the Market

Realization time	First stage: the construction of 10,400 m <sup>2</sup> hall for fruits and vegetables, 34,000 m <sup>2</sup> SNB paved parking for trucks with adequate infrastructure, a new entrance and a fence around the complex (completion in 2013) Second stage: the construction of a hall for meat, fish and flowers (after the completion of Phase I) Third stage: the construction of an additional hall for fruits and vegetables * Implementation of phase II and III depends on the needs of the market
The expected level of investment (total)	18 mil. € (first stage-8 mil., the second and third phase-to 5 mil. each) * Calculated value of building with associated fees
The investment of the City of Belgrade	6 mil. € (for the Phase I)
Amount of individual roles	150,000 € (min) provides benefits at a point of sale; 300,000 € to two shops; 450,000 € to three outlets
Size of leased premises	Minimum space leased area-150 m <sup>2</sup> of warehouse space, along with that goes min. 25 m <sup>2</sup> and 25 m <sup>2</sup> of exhibition space office
Rent	5 €/m <sup>2</sup> for investors (to fully depreciated investment investors) 10 €/m <sup>2</sup> for others (based on current estimates)
stake	0.4% on average invested 150,000 € (after the completion of the first phase) * In the event of a capital increase of € 6 mil. €
expected annual income	3.5 mil. (at the end of the first phase), the total income of 12% investment
Expected profit (estimate School of Economics)	approximately 4% dividend, plus 8% of the savings to lease (the investment is fully depreciated)
Credit line for investors	Available line of Banca Intesa, with a grace period until the beginning of the first hall; loans are available in DIN and €

There are a large number of resellers in the market, bringing various goods from Hungary, such as meat and meat products, dairy products, confectionery, alcohol, tobacco, household chemicals and other necessities. The price of these goods does not include VAT, nor excise duties are charged on excisable goods. Sellers report these goods to customs when they leave Hungary to receive tax refunds, while the same goods are not applied for customs in Serbia, but enter the country illegally, and are illegally sold without any analysis of food samples. Consequently, City Markets work on the implementation of regulations on standardization and quality standards, product specifications and product brands. Therefore, identification boards will be introduced at the markets to inform customers about the origin of goods and protect sellers against unfair competition.

### Conclusions

Entrepreneurship is the basis of the development of a market economy. Entrepreneurship includes all activities focused on investing and combining the necessary resources, expanding into new markets, creating new products, new consumers, new technologies and technological solutions. The level of production of certain products and services, as well as the level of satisfaction of human needs depends on the available resources, human creativity and innovation. Within the current processes of globalization, the struggle over market space becomes more aggressive and more dynamic, and only those companies that have high level of flexibility and innovation embedded into the business environment can survive. Reaching the maximum in meeting consumers demands in terms of quantity, quality, price of products and services, at the right time, provides competitive advantage on the market. Therefore, the Public Utility Company "City Market" closely follows the pace of technological development and adapts to the changing consumers' needs. Adjustments to the new wave of changes were primarily influenced by the emergence of supermarkets and megamarkets, expansion of non-cash payments, credit cards and certain changes in habits, as well as desires and tastes of customers. Historically viewed, although it is not possible to talk about

organized forms of reaction, however, the vitality and adaptability to different business conditions are two constant features of this activity. The tradition of shopping at markets exists for centuries in this region and it has very important sociological aspect. Markets are the places where people gather and communicate amongst themselves. Therefore, in a global sense, the projection of market development activities should be sought in enrichment of offerings, infrastructure development and the equipping of the market, on the one hand and the preservation of their specificities, on the other. The most important perspective of the market activity in Serbia is placing biologically valuable food and organic products on the markets. The Law on Communal Activities will leave open the possibility of cooperation with the private sector and various subcontractors, which will greatly contribute to the development of a strategy for the future development of the market activity.

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