

The Hotel Libertas in Dubrovnik, which was demolished by Eurco. The company has been called on to knock down some of Croatia's older hotels as the country revamps itself for tourism



Moving with the times

In 1995, Croatian company Eurco started out as a construction business as the country rebuilt after war.

Two years later, in an abrupt change of strategy, it moved into demolition. **D&Ri** talks to general manager *Hrvoje Merki*



It is rare to find a demolition company that's nearly as old as the country it operates in, but that's the case with Eurco.

Based in Croatia, the business started in 1995, a mere four years after the nationhood of its native land was established. It was one of the first private businesses to set up in the fledgling country, as general manager Hrvoje Merki explains.

"Originally there were three shareholders – two civil engineers and one mechanical engineer – one of whom has since passed away. We are still a private company 20 years later."

If that comment implies two decades of seamless continuity, the reality has been slightly less straightforward.

For a start, Eurco didn't begin as a demolition company at all. In mid-1990s Croatia, the major business opportunities were at the other end of the scale, in construction. The country may have broken away from Yugoslavia, but fully establishing its independence was another story. Four

Hrvoje Merki, general manager of Eurco: "People said our shareholders were crazy to go into demolition"

years of war with Serbia followed, and Eurco's base in Vinkovci – a town of just over 30,000 people – was not just affected by the conflict, it was in the front line. Eventually it was 75% destroyed; some neighbouring towns suffered even greater damage.

CHANGING STRATEGY

When the rebuilding work got underway, Eurco found itself in a different kind of front line as it helped restore the new nation's housing stock. It soon found that while the work was plentiful, so were the companies vying for market share. Within a couple of years, it was looking for fresh opportunities elsewhere. Eurco wanted market leadership, and if that meant effectively creating a market to assume a leadership position, it was prepared to do just that. So in 1997, it changed strategy, and Eurco became Croatia's first demolition company.

"Friends and competitors alike told the shareholders they were crazy," says Hrvoje.

"They told them there was no money in demolition work. There was no equipment in Croatia. Nobody had demolition excavators, or pulverisers, or shears.

"But the shareholders wanted to enter into a market niche. They wanted to be a market leader. Eurco bought its first demolition excavator in 1998.

"It was a Komatsu PC10 15 t model. Then it progressed into 35 t and 45 t units."

Eurco had seen something that its detractors had not. Houses may have been destroyed by bombs, but many of Croatia's industrial facilities had been damaged by the country's changing times. Though socialism had given way to privatisation, it did not necessarily follow that the individuals necessary to drive the changes forward would step into the void. If anything, the reverse was often the case.

"People didn't know how to run

>10

companies. They didn't know how to become entrepreneurs. They had bad plans."

'NON-STRATEGIC' INDUSTRIES

A quarter of a century on, Hrvoje says the Croatian government still owns more than 150 companies outright – firms outside "strategic" industries such as oil, gas and utilities and as such companies that it would like to sell. With the right buyers, change of use that could arise from new ownership would mean considerable demolition opportunities for Eurco.

An even more potentially lucrative situation exists with the Croatian Army.

It owns around 500 mainly poorly maintained facilities along the Adriatic Coast in areas where tourism could be developed and encouraged, and demolition would be an inevitable part of the transition if it eventually comes about.

If it does, it could keep Eurco in demolition projects for the next 10 years, so it's a situation the company is watching closely.

Despite the potential for the future, the present, in demolition terms at least, is rather less bright, though the company has participated in projects ranging from silos to shopping centres with increasing interest from hotels. Eurco's answer in recent years has been to diversify.

For instance, fewer than half of the company's last 350 completed jobs, were in demolition.

"We've become a leader in landfill. There was only one landfill in the whole of Croatia, so we invested lots of money to build a new one. We've done nearly 50 jobs and been awarded two new projects. We'll be signing the contracts in the next couple of weeks."



Eurco's diversification in recent years includes landfills, where it has become a market leader in its home country



Taking down a silo and supporting facilities in the Croatian town of Dakovo



Like Eurco's base in Vinkovci, the nearby town of Vukovar was badly affected by war in the early 1990s. Here Eurco pulls down a shopping centre

Eurco's core businesses

DEMOLITION REMOVAL AND RECYCLING

With its fleet of more than 40 demolition machines, weighing from 1.5 to 105 t, the company has experience of demolishing and removing all types of buildings. It then systematically collects, recycles and reuses materials generated in demolition.

ENVIRONMENTAL PROTECTION

Eurco rehabilitates existing landfills and builds new ones, as well as rehabilitating soil polluted by industrial waste. It also builds wastewater treatment systems and provides an environmental consultancy service.

CONSTRUCTION

Eurco has worked on a number of demanding projects including infrastructure works and building industrial and special purpose premises.

INVITATION TO RECYCLE

Recycling is another core business, although its connection with Eurco's demolition activity means it is not increasing at the same rate as some other areas of business. However, the company is still most people's first choice.

"There are not so many opportunities in demolition right now, so recycling is not increasing. But where there is demolition, there is some sort of debris, so we are invited to recycle."

"We've been designing demolition software for the basic detail engineering of demolition on projects such as skyscrapers and chimneys. We take measurements, then we make a plan and simulate how the building will fall, depending on which side we demolish from. We've done this more than 80 times."

Finally, as if to prove it never really left its roots in the building industry, Eurco is also involved in several construction projects. Croatia's water companies in particular have specified Eurco for sewage and water treatment, while it is also prominent in improving flood defences on the country's two biggest rivers to avoid a repeat of the damage that affected villages in Croatia and Serbia two years ago.

Hrvoje describes Eurco as a company that is proud of its corporate social responsibility programme. During those floods it voluntarily donated household items to stricken families, in one case going as far as building a whole new home altogether.

Eurco is also a member of the European Demolition Association, the Croatian Employers Association and Chamber of Economy, and the country's body for civil engineers. It has ISO9001, ISO14001 and OSHAS18001 accreditation, the former for more than a decade.

Despite these advantages, the future will continue to be a challenge.

"We really live our management systems – we don't just write about them on our website – but we have big problems regarding human resources. Our country's borders are open and there are lots of Croats quitting to go to places like Germany and Ireland, while a lot of people in Croatia are still heavily in debt. There's nothing we can do about people leaving, the difference in income is huge."

"The main problem is bureaucracy."

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