

The year behind us



**ONLY
DEVELOPMENT
CAN CREATE
OPPORTUNITIES**

THE RETURN OF BUSINESS OPTIMISM AND THE INCREASE IN THE NUMBER OF ORDERS FOR PRODUCTS AND SERVICES WAS A CHANCE THAT COMPANIES DID NOT MISS IN 2021. THIS OPPORTUNITY WAS MOSTLY REFLECTED IN THE INCREASE OF ONLINE SALES, THE CREATION OF NEW OR REDESIGNED PRODUCTS AND SERVICES, NEW BUSINESS MODELS, AND MORE COMPREHENSIVE DIGITAL MARKETING.

■ By: Damir Muharemović
redakcija@asadria.com

The ongoing anticipation and predictions of an imminent reduction in the infection rates marked the second part of the annual pandemic "trilogy". Residents of the region spent 2021 in uncertainty, but with more optimism than a year before. They were torn between hoping that vaccination will prevent or slow the spread of the virus and lead to the lifting of measures and economic recovery and the recurring pandemic waves that pulled everything back to reality as the previously relaxed restrictions were tightened again. Although they have not yet reached the levels from 2019, markets are recovering, companies are working, production has continued, people are now moving and traveling more, and some business events are being organized with caution. Unlike many European countries in which restrictive measures are still in force, our countries have been much more relaxed in this regard. This surprised many international visitors at the Adria Security Summit in Belgrade in October 2021, who, we were told, expected to get the same treatment as in the countries they arrived from.

Salvation through innovation

The return of business optimism and the increase in the number of orders for products and services was an opportunity that local companies did not miss. This opportunity was mostly reflected in the increase of online sales, creation of new or repackaged products and services, new business models, and more focus on digital marketing. Education has moved to the virtual space, and the customers are now reached through the screens. Salvation was sought in innovation. The security market has quickly adapted to this trend, so many of the companies we interviewed in 2021 and 2020 claim to have resorted to online-focused sales and marketing tactics and new services. True, there are no new projects to the same extent as in the pre-pandemic years, but, according to regional players, the public sector continues to invest in infrastructure, which encourages allocations for security systems.

But just as things started to get better, a new blow came - a global shortage of electronic components, problems with the transport and shipping of goods, and rising energy and raw material prices. We wrote about this topic in the last issue in which some of the largest regional distributors unanimously confirmed the ongoing issues with suppliers of equipment and components from Asia while the situation is somewhat better with Western manufacturers. Still, they are dependent on some if not on the majority of components sourced from the east. In this issue, the CEO of Teletek told us that the prices of components for their fire alarm and burglar alarm devices increased by

as much as twenty percent. Thus, they were forced to redesign products because they simply could not procure some parts. According to market analysts, this situation will continue for at least another year or two. To find out what the situation is like at the source i.e. in the "forges" in which the security equipment is manufactured, we interviewed eight representatives of some of the world's largest companies: Avigilon, Bosch, Dahua, Hikvision, Honeywell, Milestone, Supreme, and Uniview. We asked them if they had difficulties in production and transport and if they were forced to increase the prices of their products, together with many other questions whose answers will surely interest distributors, installers, and buyers of their equipment. We will also look at the economic trends, which are a reflection of the current situation in the regional countries that consequently impacts the security market.

Strong recovery in Montenegro

The Montenegrin economy recorded the highest growth rate of 10.8 percent among the six Western Balkan countries. The exceptionally successful summer tourist season has supported the recovery of tourism revenues, which are likely to reach close to 75 percent of its 2019 levels. "The rebound of economic activity has boosted government revenues, which, coupled with careful fiscal management, have led to a reduction in fiscal deficit from 11 percent of GDP in 2020 to an estimated 4 percent in 2021", the World Bank said in a statement. Maintaining fiscal

Economic indicators

The world economy has recovered strongly in 2021. The World Bank estimates that it has grown by 5.5 percent while claiming that it will slow down to 4.1 percent in 2022 and 3.2 percent in 2023 as the sharp rise in demand will subside and governments and central banks will reduce fiscal and monetary stimulus programs. The global economy is entering a phase of marked slowdown due to new threats of increased infection rates, rising inflation, debt, and income inequality, all of which can jeopardize the recovery of emerging and developing economies. Economic growth in Europe and Central Asia as a whole is estimated to slow to three percent this year as tighter macroeconomic measures and new waves of COVID continue to push demand, with countries with low vaccination rates being at a higher risk.

When it comes to our region, in its latest Western Balkans Regular Economic Report: Fall 2021 the World Bank points out that all Western Balkan countries have managed to rebuild their economies in 2021 after the recession caused by the pandemic. The GDP growth for the region is projected to reach 5.9 percent in 2021, after a 3.1 percent contraction in 2020. It has been observed that after the break caused by COVID poverty rates are beginning to decline again. The poverty rate for the region is projected to resume its pre-pandemic downward trend in 2021 and fall by around 1 percentage point to 20.3 percent, close to its 2019 level. The recovery is also the result of stronger domestic and external demand, while the relaxed anti-epidemic measures have helped increase domestic demand.

prudence in the next medium term will be critical, given the uncertainties. Christopher Sheldon, the World Bank Country Manager for Bosnia and Herzegovina and Montenegro said the economic crisis remained a source of uncertainty, but also an opportunity for Montenegro to ensure a resilient, inclusive and green recovery after the pandemic.

After a 3.2 percent decline in 2020, Bosnia and Herzegovina achieved 4 percent GDP growth last year. But the COVID-19 pandemic has increased the urgency of implementing much-needed structural reforms. "The World Bank is committed to helping the governments in BiH develop long-term solutions that will build a more resilient, inclusive economy in the post-pandemic era by improving human capital, enhancing the efficiency of the public sector, enabling the growth of the private sector and reducing the vulnerabilities of the country to climate change", said Sheldon.

Kosovo above the regional average

Kosovo achieved economic growth of 7.1 percent which went above the regional average. This was a result of a stronger-than-expected rebound in diaspora visits, restored consumer confidence, and higher consumer lending, the World Bank said. Also, exports of goods have continued to expand and gradually diversify since 2020. "A momentum should be built for greater economic opportunities, with policies and investments focusing on longer-term reforms to fundamentally transform Kosovo's growth model into a job-creating model driven by higher productivity", said Massimiliano Paolucci, World Bank Manager for Kosovo and North Macedonia.

In North Macedonia, on the other hand, more progress has been made than projected in the spring. Its economy grew at a rate of 4.6 percent. But, as claimed by Paolucci, this positive result is still moderated by negative risks, with low immunization rates and disrupted supply chains at the time when the financial conditions have begun to worsen. Recovery remains fragile. Warning signals from the labor market demand special policy-based focus. The loss of jobs due to the recession and its consequences have disproportionately affected women and young people. Youth unemployment rose to 37.7 percent in 2021, up 5.4 percent from June 2020, further worsening the employment prospects in these categories.

High growth of Croatian GDP

In an October report, the World Bank estimated Croatia's GDP growth at 7.6 percent.



Estimates for 2022

In the Global Economic Prospects report released in January, the World Bank forecasts that Montenegro will have the highest growth rate in the Western Balkans in 2022 (5.6 percent), followed by Croatia (5.4), Serbia (4.5), Kosovo (4.1), Albania (3.8) and North Macedonia (3.7). Bosnia and Herzegovina will have the slowest growth of all the countries in the Western Balkans and the fourth smallest in Europe, with just three percent. By the way, the estimated growth of Montenegro and Uzbekistan is the highest in Europe and Central Asia. Irrespective of high or low growth rates, one should also keep in mind the globally high inflation which, according to the report, has been at its highest levels since 2008. "In emerging markets and developing economies, the inflation has reached its highest rate since 2011. Many emerging and developing economies are withdrawing policy support to contain inflationary pressures—well before the recovery is complete," the report says.

"GDP growth was broad-based with all components of aggregate demand positively contributing to such developments, supported by less stringent social distancing restrictions, higher external demand, and improved labor market conditions. Strong economic activity continued also in the third quarter with tourism activity rebounding much faster than previously expected", the Bank reported. Later, the estimate for 2021 was significantly improved to 9.4 percent.

Last year's six percent growth in Serbia was spurred by a new package of financial incentives. The fiscal deficit gradually narrowed, while good export results helped keep the current account deficit below projected levels. Consumption will remain the main driver of GDP growth in the medium term, while net exports will continue to make a negative contribution

to economic growth. "To unleash its growth potential and create new high-quality jobs Serbia needs to remove structural bottlenecks related to governance, the labor market, infrastructure, and the tax system", said Nicola Pontara, World Bank Country Manager for Serbia.

According to the analysis of the Institute of Macroeconomic Analysis and Development in the autumn of 2021, the Slovenian economy grew at a rate of 6.1 percent last year. Such an assessment was accepted by the Slovenian government. This is a regular quarterly analysis which corrected the spring growth forecast of 4.6 percent. This was explained by the economic recovery of major trading partners that began in the second half of the year, with a caveat that the pandemic still poses the highest risk. ◀

Investments Strengthen Self-Confidence

Economic recovery as a precondition for the growth of the security market was stressed by the regional representatives of the world's major security equipment manufacturers whom we spoke with. Most of them agree that the demand is higher compared to the first pandemic year. "Global and regional investments have strengthened the self-confidence and faith of all of us in the industry. The situation was even better than we expected, although we are still forced to live with the pandemic. We felt moderate but tangible optimism throughout the Adriatic region which, fortunately, has transformed into everyday life," said John Chen, Hikvision's General Manager for the Adriatic Region. At Hikvision as the first-ranked company in the world, there is a general feeling of content with what happened in 2021. All of their partners have recorded healthy business growth, and the number of end customers who purchase and use Hikvision's products is constantly growing.

The world's fourth-largest video surveillance company has also faced major challenges since COVID-19 hit the world in 2020. They prevented the crisis through technological innovations and a stronger local presence, which is also being felt in the Adriatic region. "We have a strong R&D team with more than 2,000 employees. With their hard work, we upgraded and expanded our product line smoothly, ensuring our product supply stability. In 2020, when the entire market demand was shrinking, we still managed an over 15% growth," said Tsing Tang, Director of Eastern Europe, Uniview Technologies. Then, in 2021, they further adjusted to the "new normal", and the epidemic was quickly suppressed in China so that they could continue their operations without hindrance. Uniview's Eastern Europe division, which covers 30 countries, has achieved, they say, a growth rate of over 60% compared to 2020, and the Adriatic region has recorded a similar result.

One of the record years

Restrictions on travel, protective measures introduced because of COVID and everything else that resulted from the



Economic recovery as a precondition for the growth of the security market was stressed by the regional representatives of the world's major security equipment manufacturers whom we spoke with

anti-epidemic efforts have greatly affected the normal functioning and operation of the market. The pandemic disrupted and changed the normal flow of business in various ways. In order to meet the needs of their partners and end-users, Avigilon decided to adapt and change the way they work. "For Avigilon, as part of Motorola Solutions' Video Security & Access Control segment, last year in the region for which I am responsible has been extremely successful. We have achieved exponential growth so I can say that 2021 was one of Avigilon's record years in the region. This is the result of smart adaptation and hard work of the local team in synergy with our partners and end-users", said Andrej Čuraković, Avigilon's Regional Sales Director for Video Surveillance and Access Control in the Balkans and Central Europe.

New business models, services, and products have also become a way of dealing with the crisis for large video surveillance companies such as Bosch and Dahua. After 2020 was spent in adapting and

developing new business models, Bosch Security Systems is ready for 2021. "Last year's business results were within the scope of our plans. We successfully provided support in all strategic projects that we intended to complete by the end of 2021. At the same time, we have excellent potential for 2022 which we are already facing," said Danijel Jerković, Bosch's Business Development and Project Sales Manager for the Adriatic Region. Dahua, on the other hand, has kept pace with trends and entered the market with thermographic solutions for measuring human body temperature. They have proven effective in preventing the spread of infection, as we have reported on several occasions over the past two years.

Openness and flexibility

Somewhat more restrained in assessing market developments in the Adriatic region is Milestone Systems, which "succeeded to keep our business at the same level as 2020," while the interviewees

Positive signs across the region

Uniview also performed well last year in Croatia, but also in Slovenia, where it achieved growth above 50%. However, they performed the best in Albania. "Thanks to the hard work of our partners and close cooperation together with our Albanian team, we successfully won several scalable projects in the bidding like Plaza Casino, and eventually achieved growth over 100%," said Tsing Tang. Honeywell Building Technologies is also expecting a lot of projects in those three countries, said Rainer Lichtenecker, Regional Sales Leader for Fire & Security. "The pandemic continues to shape the security market around the Adriatic. This backdrop creates some unique challenges; however, there are positive signs. We expect to see private investment activity in Bulgari, Croatia, Kosovo, and Serbia for projects related to retail environments, such as shopping malls, and offices. There are also positive signals coming from the government sector in Croatia, Serbia, and Slovenia for railway networks and security systems for hospitals," said Lichtenecker and added that several countries are still at high-risk status.

at Suprema believe that the Adriatic region's security market has stagnated since 2019, with some projects canceled and others paused or still waiting to be reactivated. Yet, they claim that the situation is optimistic, and that their partners are involved in finding new opportunities and developing in new vertical markets. "Compared to other European countries, the Adria region didn't see the same level of quarantine/lockdown measures or restrictions. In October, I attended the Adria Security Summit in Belgrade and could confirm that it was like a 'normal life' there. So the business is still going on well compared to other regions in Europe or worldwide," said Artem Arifov, Business Manager, Suprema Europe. To strengthen its presence in our region, Suprema has established a European office in Paris which now communicates more effectively with regional partners and better understands the cultural specificities of the Western Balkans. "Since we have established the Suprema Europe office, based in the Paris area, I believe we have improved our understanding and service to Adria partners and we are together driving projects that help our business grow significantly in this region," added Arifov.

Croatia and Serbia are leaders

For this South Korean access control company, Serbia and Croatia are the two biggest drivers in the region when it comes to individual countries. The projects are diverse, ranging from universities and schools, gyms and offices to banks, manufacturing plants, and the public sector.

"We are currently working with both the public and private sectors. I see a strong trend for face recognition in the region, even if classic RFID technologies are still representing most of the demand for Suprema access control and time attendance. A lot of our projects are related to TnA solutions," said Arifov, adding that they have dedicated partners in all countries in the region, but are interested in cooperation and new partnerships in North Macedonia and Montenegro in particular. His opinion is shared by Borislava Kenarova, Milestone's Sales Manager for Eastern Europe. For this company, "Serbia, Croatia, and Slovenia were their leaders in the past year," with an emphasis on the recovery of hospitality, as well as logistics, healthcare, and surveillance of cities as verticals that have already started using video technology only for security purposes, but also for supporting business management, becoming more cost-efficient, and creating more value for society".

Uneven investments in the public and private sectors

The other half of our interviewees did not specify which countries were recovering faster and which were slower. The reason is the lack of ability to determine clear rules according to which it would be possible to assess which segment the market developed or failed to develop in, to what extent, and which types of projects are more or less represented. "It would be impractical to single out certain countries in the region in terms of the manner in which they dealt with the consequences of the pandemic. Since the pandemic knows

no borders, we can say that some countries introduced certain measures a little earlier and others a bit later, which indirectly reflected on the continuity of operations in construction, while the security market only followed general trends in the construction industry," said Jerković from Bosch.

"During the pandemic, each country in the region faced its own problems while trying to overcome them in the most painless way possible. This greatly affected life and business in general in those countries" added Čuraković of Avigilon. "Some countries are coming out of the crisis faster, while the others are still struggling with the consequences. Globally, I would not make exceptions and divisions because it is difficult to establish stricter rules, whether the countries are part of the European Union or outside of it."

In some countries, he believes, there has been a noticeable decline in private sector investment, but this has been offset by public sector investment and multinational companies with branch offices in the region. In that context, a major role was played by a continuously growing trend involving the need for enhanced surveillance and security control of critical infrastructure. The same level of disparity between the private and public investments was observed at Hikvision. "Countries in this part of Southeast Europe have experienced different pace and speed of recovery and it is difficult to say which among them are the fastest and which might be the slowest in this process. In some countries, we have witnessed more public investments, while others have had more private investment in various sectors," said John Chen, noting that "the great news is that all countries in the Adriatic region are on their way to full recovery."

For Dahua, on the other hand, all the countries in the region covered by their team (Bosnia and Herzegovina, Croatia, Slovenia, and Hungary) were recovering at about the same speed. As far as the projects are concerned, mostly those dating back to previous years have been implemented i.e. those that were initially left to wait for better days or until the situation is stabilized. "Of course, in 2021 we started working on many new projects and our partners showed great interest in new investments, which was not the case in 2020," said Ognjen Ristić, Dahua's representative for Bosnia and Herzegovina. ◀

UNPREDICTABLE END

No one can say for sure how much longer it will take to get things back to normal, that is to normalize the way of doing business and living. However, "although the virus and its mutations are unpredictable, we should remain positive, focus on the essentials in order to overcome this challenging period and return to a life in which business will no longer depend on the epidemic situation," said Andrej Čuraković. In financial terms, Avigilon's business in the region did not suffer a major blow. Yet, in every other sense concerning the organization, planning, communication, and movement of goods, it was complex and dynamic. "Personally, I think the light is at the end of the pandemic tunnel, but we just need to persevere," he adds. "2022 is the year that should represent the end and a new beginning". Lichtenecker, on the other hand, predicts that this situation will last for another 12 months, after which the market should return to normal. Although the pandemic has delayed many projects, the demand is piling up, which is now starting to turn into orders.

"We found new local partners – and some of them, thanks to the Adria Security Summit. Our partner's network has expanded and that better serves our end-users who need reliable installers and good support" – Artem Arifov, Suprema

"We're also seeing companies with aging systems start to invest in upgrading their systems - this is a trend we're seeing in healthcare, partly driven by government responses to COVID-19, and across strategic transport infrastructure," said the Honeywell's spokesman, adding that building strong relationships with new customers will help the sector grow during 2022.

Digital marketing

In addition to the launch of new product lines and technological innovations, digital marketing for the purpose of solving the problem of remote communications was one of the tools that Uniview used to turn the challenge into an opportunity. "Uniview has been completely adapted to this new normal and gets back on our high growth track. However, we could never achieve this if we kept the same strategy as before," said Tsing Tang, the company's director for Eastern Europe. Milestone is also warning about the continuation of the pandemic and obstacles in the supply chain. Kenarova says they





expect the demand "to increase significantly, but the supply will not grow at the same pace, so sooner or later most of us will feel the impact."

A strong base of partners and distributors

For Suprema and Hikvision, last year in the Adriatic region was extremely successful, mostly due to the developed ecosystem of partners. Moreover, in 2021, Suprema has recovered its sales levels of 2019. In the Adriatic region, 2020 was their most successful year with even twice as many sales as in the previous year. We are especially pleased that the cooperation with some of these partners is the result of attending the Adria Security Summit. "We found new local partners - and some of them thanks to the Adria Security Summit. Our partner's network has expanded and that better serves our end-users who need reliable installers and good support. We have improved our brand awareness in the region. Suprema is rightfully associated with best-in-class technologies and cost-efficient solutions for access

control," said Arifov. "To be completely honest, we at Hikvision have already returned to the 2019 level. Moreover, we have already surpassed it, for which we must thank not only the strong local team at Hikvision Adriatic but also the

well-developed ecosystem of our national distributors in all countries of the Adriatic region. I want to use this opportunity to sincerely congratulate all of them and thank them for their support and trust in Hikvision," said Chen. ◀

Market education is necessary

In order for the economy to return to the levels from 2019, it is necessary to make the market aware of the new added values that new technological solutions can offer. "It is necessary to provide constant training of integrators and designers who are, for the most part, the first to consider the needs of users and present the initial proposals for solutions to users or investors. With the data obtained through the implementation of selected security solutions, users will now increasingly implement them to initiate and create new business processes which will further optimize them. Security solutions are now more incorporated in corporate business processes, creating new added value for the user", said Jerković. For Bosch, it is an additional motive to make other industries more efficient with their technologies and provide them with excellent business results. Continuous education about the diverse applications of their technology was also crucial for Dahua in these challenging times. Wanting to make doing business easier for their partners, they organized online training and presentations, adapted marketing campaigns to the digital world, and provided larger stocks of equipment in warehouses in the EU due to difficult transport. "The steps we have taken have enabled us to operate more or less smoothly and achieve identical if not better results in 2021 compared to 2019," said Ristić.

COMPONENT SHORTAGE AND PRICING ISSUES

According to regional distributors, two most prominent issues that arose in 2021 and continued in 2022 were the delays in the delivery of security products due to the global chip shortage and the rising device prices due to increased energy and transport prices. We were interested in how the manufacturers approach this issue if they face difficulties delivering their equipment on time, what they are doing to speed up the delivery, and whether they intend to increase the prices of their products and services or not.

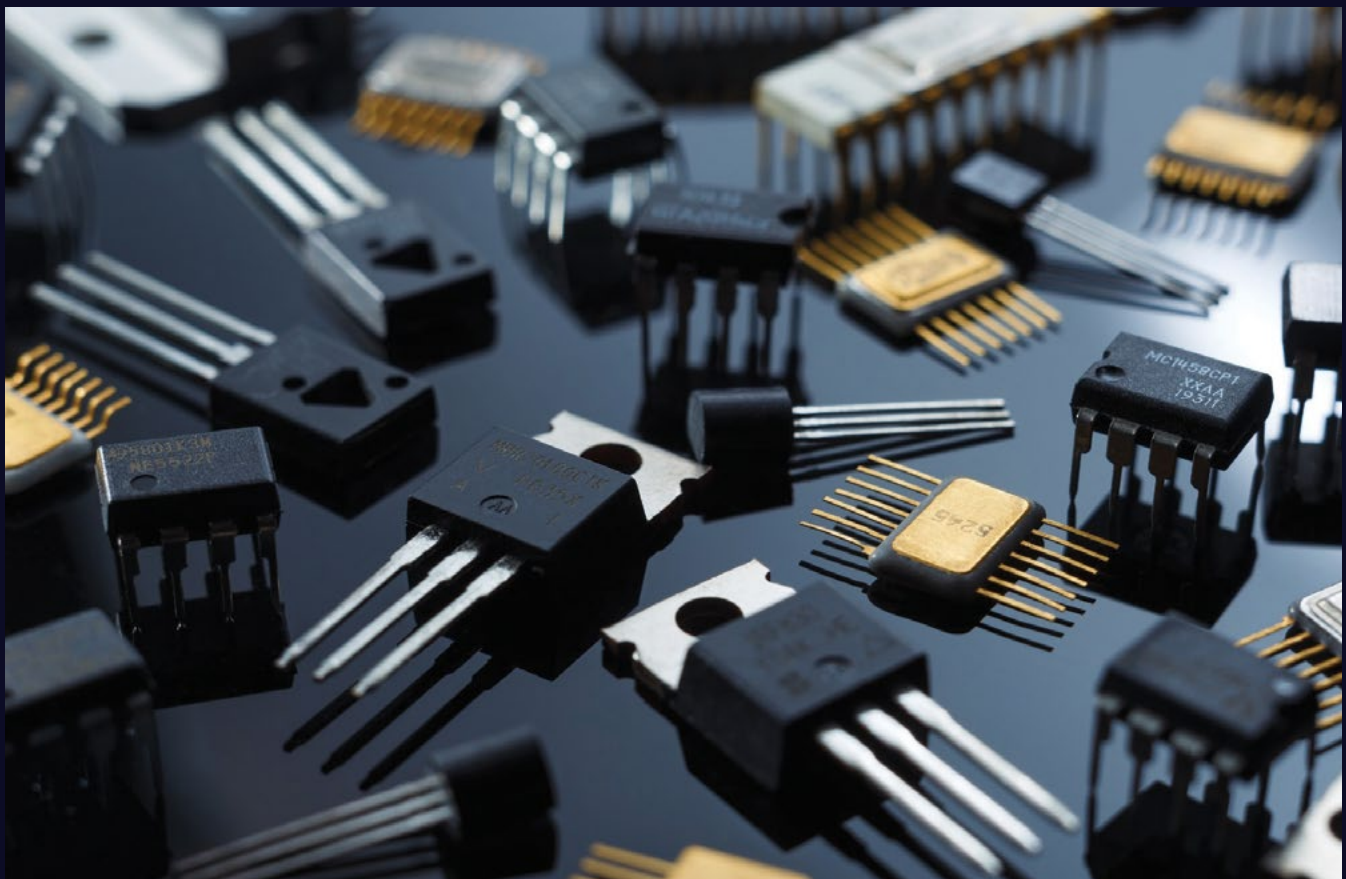
The solution is to increase inventory

The shortage of semiconductors that has disrupted the automotive and electronics industry is just one of the reasons for the

logistical problems. Chip shortages have caused a shortage of everything, from electronics to technology and network equipment. In addition, a strong earthquake hit Japan in early 2021, while a fire at a Japanese factory specializing in glass-plastic used for panels made it difficult to do business with key component suppliers. "These business constraints have weakened the global transportation system, including the lack of containers and cargo capacity from Asia to the European Union and the United States," said Jerković. "If we add to all this the congestion and closure of the ports due to the pandemic as well as the blockade of the Suez Canal, we can conclude that many challenging circumstances have merged into one major logistical problem of global proportions."

Bosch tried to speed up the deliveries by means of custom product delivery plans for their central warehouses and timely notification of construction operators about the need to revise their timetables for operational stages. This helped it ensure the timely ordering of products.

Dahua Technology faced the same problems. Yet, thanks to analysis and forecasting of trends, they ensured reasonable delivery times and additional stocks in warehouses in the European Union. As for the chip shortage, they were looking for alternative suppliers even before the crisis in the market. "For the vast majority of our products, we managed to provide sufficient quantities, and our partners were not much affected by this problem. "Unfortunately,





Andrej Čuraković, Sales Manager for Video Surveillance and Access Control, Balkans and Middle Europe, Avigilon



Danijel Jerković, Business Development and Project Sales Manager, Adriatic Region, Bosch



Ognjen Ristić, Business Development Manager, Bosnia and Herzegovina, Dahua Technology



John Chen, General Manager, Hikvision Adriatic

no one can predict exactly how long this crisis with transport and the delivery/production of chips will last but, in any case, we hope that the situation in 2022 will improve to a degree if it is not resolved completely," Ristić concluded. Another Chinese company, Uniview, solved the problem of transport by increasing stocks in the European warehouse in the Netherlands, and the problem of chipsets with an upgraded product line and expanded range.

Caring for partners

Other companies are facing the same problem. Honeywell quickly grasped its scope and, as a result, implemented a series of contingency plans to reduce its impact on customers. The company expects raw materials to become available in the second quarter. Avigilon is currently tackling and trying to solve this problem in the fastest and most efficient way, they say. "I can say that we have tackled the problem of the shortage of chips and electronic components mostly successfully, and we will do everything in our power to fulfill our obligations to partners and end-users. Another unavoidable snag in the supply chain was the problem of transport, but with the normalization of shipping and air transport, it is now behind us," said Čuraković. Although it is a software company first that is not directly affected by the supply chain and transportation, Milestone is aware of the situation and the importance of its ecosystem partners and the entire hardware family in order for a system to be deployed. Like Hikvision, they hope that international supply problems will soon be resolved and the precarious

and complex situation normalized.

As a manufacturer from South Korea, a country that has not introduced stringent lockdown measures, Suprema has been producing RFID readers all the time and without interruption. "We didn't face any significant shortage because we have for a long time multi-sourcing in order to secure our key electronic components. As a result, we have seen new demand from customers in trouble (who weren't used to purchasing Suprema) but have been in shortage with their traditional supplier," said Arifov. They expect to

manufacture even more readers as demand grows rapidly. At the beginning of the year, they doubled their storage capacities in the Paris area in order to prepare for 2022, which will enable them to guarantee faster delivery for any quantity of goods to their partners. "Because of increased demand, sometimes I need to ask partners to wait one or a maximum of two weeks, the necessary time for receiving the goods to our European stock from the Korea factory," said Suprema's Business Development Manager and adds that they are ready to grow in Europe. ◀

Pricing uncertainty

Unlike Suprema, which is adamant about not increasing their product prices, the rest of our respondents refrained from giving a final affirmative or negative answer due to a multitude of factors influencing this question. "We have all experienced price increases in the previous year and we have done everything in our power to protect our partners from being impacted by them and having them affect the projects that were contracted and implemented in 2021. Giving a forecast about price increases in the current year is not an easy task because we, like all other vendors, raise prices when there is a rise in prices for materials, chips, transport, etc. Yet, we try to shield our partners from this as much as possible," reported Dahua. "If there is an increase in the prices of our products in the future," Avigilon reports, "it will be solely due to the enormous increase in production and business costs caused by global increases in prices of services, energy, transport, and all other parameters affecting product prices," while Uniview says that it's not easy to make an estimate, but "based on all the information they've collected, they're quite optimistic about prices."

Due to rising input prices for almost all products except for software, Bosch was no longer able to offset these increases from its own resources. After in-depth economic analysis, they adjusted prices earlier this year, but also provided additional benefits for users. "In line with one of our core principles, which is the foundation of trust, we are committed to delivering solutions that can be trusted to ensure the right level of performance, durability, and safety. As a result, we have increased the warranty period for our fixed and mobile IP cameras purchased from November 15 2021 onwards from three to five years," said Jerković.

TECHNOLOGICAL TRENDS

In the end, we asked the experts about the technological trends that marked the second pandemic year and what we can expect in the times ahead.

AI in Focus

Artificial intelligence is a key trend that marked yet another year in the row and, given the accelerated development of security technologies and solutions, it is likely to continue in the future. "We can say that AI (analytics) is one of the trends that has definitely been on the rise in the last few years. This technology is increasingly advancing and it makes us feel safer and our daily work and business easier," said Ognjen Ristić, Dahua's Business Development Manager for Bosnia and Herzegovina. He explains that this technology used to be available only for high-budget projects, while it has become commonplace with most of Dahua's camera models now, whether it is HDCVI or IP technology. "Today, we also offer solutions that can turn the so-called stupid cameras into smart ones with the help of

Artificial intelligence is a key trend that marked yet another year in the row and, given the accelerated development of security technologies and solutions, it is likely to continue in the future

intelligent recorders which take over the task of analytics. Now they can perform almost everything that very expensive models of AI cameras could do," he said. Uniview Technologies' director for Eastern Europe is of similar opinion: "Artificial intelligence is taking the video surveillance industry by storm. The first trend of AI function we promoted a lot in 2021 is Smart Intrusion Prevention (SIP). We used to rely on basic motion detection alarms which would be triggered anytime

a security camera detects a significant change in the pixels of its image. He notes that CCTV has long been used as a standard video surveillance technology i.e. only for viewing the footage or events when something happens and that these technologies provide features such as face recognition and detection, historic object search in the recording, aggressive behavior detection, car color and type search and much more." But now as AI technology develops, our security cameras are getting much smarter. With SIP technology, the accuracy is tremendously improved and alarms will only be triggered by people/ vehicles/ non-motor vehicles while filtering out false alarms from animals, bright lights, leaves, and some environmental factors automatically," said Tang. For smart intrusion prevention (SIP) camera, except for a standalone solution, Uniview also optimized the corresponding functions, such as storage, retrieval, management, alarm, with NVR, Ezstation, and mobile app at the same time.





Rainer Lichtenecker, Regional Sales Leader, Fire & Security, Honeywell Building Technologies



Borislava Kenarova, Regional Sales Manager, Eastern Europe, Milestone Systems



Artem Arifov, Business Manager, Suprema Europe



Tsing Tang, Director of Eastern Europe, Uniview Technologies

Avigilon is also focused on the importance of AI technologies in the security industry. "As in previous years, in 2021 the market was developing and moving in the direction of improving and developing artificial intelligence, which should allow us to make a new step in terms of perceiving security products as tools necessary for the prevention, analysis, and security in general. With the improvement of algorithms and a significant increase in the databases necessary for calculations, artificial intelligence is becoming faster and simpler each year, and, as such, it sets itself as a standard of today and a priority in the future", said Čuraković.

Use of security systems for other purposes

"We saw a return to the workplace gaining momentum during 2021. While many customers are operating or moving towards a hybrid work model, they nonetheless looked to their building systems to create a healthier building environment. This is essential for reassuring staff who were looking to return that it was safer for them to do so," said Rainer Lichtenecker, Honeywell's Regional Sales Manager. According to him, facility managers have started implementing technology-based processes to bring together employees who work at different locations. Systems in buildings have also been used to improve overall security while providing access to multiple locations at the same time. They were also used to integrate lighting and heating with motion sensors to match the level of occupancy on the premises with environmental controls. "This can not only help provide the best possible working conditions but also

help reduce energy costs as part of an overall commitment to sustainability goals," said Lichtenecker.

According to Borislava Kenarova, Sales Manager at Milestone Systems, technological development has enabled security systems to be used to improve the business itself. Extended functionality will make it easier to persuade end-users to opt for more advanced security systems. "Technology developments in artificial intelligence, image processing, cloud computing, and sensors are rapidly expanding organizations' application of video and sensor technology and the business outcomes they deliver. In the next few years, Europe will see a surge in deployment of advanced video technologies, and the solutions will move from a pure 'insurance' and security purpose to a real business differentiator, e.g., in citizen service, product quality, patient care, and customer

experience," says Kenarova and concludes that this is confirmed by a recent IDC study sponsored by Milestone.

Recording in low light conditions

According to the Security Report, most crimes i.e. as many as 70% of them take place at night. Therefore, solutions that reduce or prevent crime at this time of day are a permanent trend. This prompted Uniview to introduce the EasyStar and ColorHunter series which provide detailed information about nighttime criminals by recording their activities in color. "Compared with traditional video surveillance cameras, the Starlight network camera has a special design in the hardware, Uniview Starlight network camera has strong premium ability and much control punctuation, which can not only meet the needs of project-oriented customers

Converged cloud security solution

For years, the users have been asking for the integration of multiple systems through a single interface to help them manage security and other systems in the building. However, some manufacturers have decided to go one step further - to offer almost all types of security systems in their own portfolio and integrate them as part of their own software. One of these companies is Hikvision which has kept the first place in the world of security for years on the back of such an approach. "We have just celebrated the 20th anniversary of our business. During that time, we have grown from a digital video surveillance manufacturer to a global supplier of AIoT solutions. Speaking of regional activities in 2021, Hikvision has introduced Hik-ProConnect to the market as a converged cloud-based security solution with an array of security features and benefits. We have also significantly expanded our portfolio in access control and video intercoms, all of which are now fully integrated with our intelligent CCTV cameras. It is a total package of security solutions adapted to all types of users and all verticals in the market", said John Chen, Hikvision's General Manager for the Adriatic region.

but also suits the SMB and distribution market,” said Tang. But their R&D department didn’t stop there. “We have launched the new Tri-Guard series which is specially designed to prevent crimes at night with active deterrence. The active deterrence camera can interrupt illegal behaviors immediately to minimize serious consequences. Once an intruder is detected, the camera can trigger strobe lights and audio alerts to warn before the intruder enters the border. Considering more and more customers want their security camera to do more than passively record activity, we have promoted the active deterrence mini PTZ and launched the new active deterrence camera in the SMB market.”

Contactless technologies

When it comes to access control, contactless technologies are being adopted at high speed, claims Suprema’s business development manager. “Suprema was among the first manufacturers who understood the trend. As a result, we are leading in this field. For example, our Facial Recognition solutions have grown 70% CAGR from 2018 to 2021 when the industry average is 27% CAGR in the same period (source: OMDIA),” says Arifov, adding that their portfolio includes

face recognition, QR codes, RFID cards, and mobile credentials. Face recognition and mobile access control are the growth drivers around the world. At Intersec in Dubai, they presented a new product for face recognition, BioStation 3, which is intended for the mid-range market i.e. for the customers who are looking for quality technology at an affordable price. Partners in our region are interested in these modern solutions, but the market, he says, is very conservative and it is necessary to take the time to educate them. “That’s why I’m doing webinars, the last one was in January on Adria TV Platform about Membership management. We also have many technical and sales training ongoing. Suprema Europe is trying to change the market by helping partners with discovering new opportunities in their market, using our Suprema solutions. Adria platform and tools is a flagship medium that allows us to explain to Integrators and End-User the benefit they can gain from using our solutions,” said Arifov.

Advanced fire alarm systems

On the other hand, Bosch highlights its new outdoor fire alarm video solutions. “One of the main innovations at Bosch is the extension of coverage of video-based

fire alarm systems to areas outside buildings and in all open areas. This type of a fire alarm system that works outside of the interior areas is a novelty in the industry”, said Danijel Jerković, Bosch’s manager for Bosnia and Herzegovina, Croatia, and Slovenia. Another novelty in the fire alarm segment is the Avenar all-in-one 4000 panel, which he expects to become more popular later this year. “Its modularity and flexibility provide a significant advantage, especially in public buildings and hotels. This product will be of great benefit since it gives us the ability to connect up to a hundred devices in a single ring in addition to excellent optical and audio alarm compatibility. Bosch’s new Avenar fire protection systems have been developed with IoT connectivity and optimized usability provided from the outset. The new eMatrix feature gives clear feedback, shows the status of each evacuation zone as well as of fire protection equipment”, said Jerković. He also singles out the Promatrix 9000 from Dynacord as a new, efficient, and secure IP public address and voice alarm system which will enable shorter installation times and lower implementation costs. There’s also the Inteox video surveillance platform through which users can use AI to develop or install applications from the Security & Safety Things Application Store. ◀

