EXPORT STRATEGY FOR TEXTILE AND CLOTHING INDUSTRY IN THE CROSS-BORDER REGION OF SERBIA - BULGARIA

July, 2015
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"Together towards the European Market – joint opportunities for enterprises in the sector of textile and clothing industry in the cross-border region"

Co-funded by the EU through IPA Cross-border Cooperation
Bulgaria – Serbia

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### Abbreviation List

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<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>IPA</td>
<td>Instrument for Pre-accession Assistance</td>
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<tr>
<td>T&amp;C</td>
<td>Textile and clothing</td>
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<tr>
<td>RS</td>
<td>Republic of Serbia</td>
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<td>RB</td>
<td>Republic of Bulgaria</td>
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<tr>
<td>SFRY</td>
<td>Socialist Federative Republic of Yugoslavia</td>
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<tr>
<td>MSME</td>
<td>Micro, small and medium enterprises</td>
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<td>APR</td>
<td>Serbian business Registers Agency</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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<tr>
<td>SIEPA</td>
<td>Serbia Investment and Export Promotion Agency</td>
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<tr>
<td>BSMEPA</td>
<td>Bulgarian Agency for promotion of small and medium enterprises</td>
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<tr>
<td>AOFI</td>
<td>Serbian Export Credit and insurance Agency</td>
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<tr>
<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
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<td>CEFTA</td>
<td>Central European Free Trade Association</td>
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<tr>
<td>EFTA</td>
<td>European Free Trade Association</td>
</tr>
<tr>
<td>EURATEX</td>
<td>The European Apparel and Textile Confederation</td>
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<tr>
<td>NSZ</td>
<td>National Employment Bureau</td>
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<tr>
<td>CMT</td>
<td>Cut-Make-Trim business</td>
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<td>RCC</td>
<td>Regional Chamber of Commerce</td>
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<td>RCCS</td>
<td>Serbian Chamber of Commerce</td>
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<td>RCCB</td>
<td>Bulgarian Chamber of Commerce</td>
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<tr>
<td>ISO</td>
<td>International Organization for Standardization</td>
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<td>LED</td>
<td>Local economic development</td>
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<td>GDP</td>
<td>Gross domestic product</td>
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<td>RARIS</td>
<td>Regional Agency for the development of East Serbia</td>
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<td>TKNO</td>
<td>Textile cluster of Nisava District</td>
</tr>
<tr>
<td>KKN</td>
<td>the Cluster House of Nis</td>
</tr>
<tr>
<td>VEEDA</td>
<td>Regional Agency for economic development and entrepreneurship of the Pcinja District</td>
</tr>
<tr>
<td>LEDIB</td>
<td>Local Economic Development in the Balkans</td>
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<tr>
<td>BAATPE</td>
<td>Bulgarian Association of producers and export enterprises of textile and clothing</td>
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<tr>
<td>Botto</td>
<td>Sectorial organization for textile and clothing</td>
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Foreword

This strategic document was prepared in accordance with the defined requirements of the project “Together towards the European Market – joint opportunities for enterprises in the sector of textile and clothing industry in the cross-border region”, co-funded by the EU through IPA Cross-border Cooperation Bulgaria – Serbia. The project is implemented by the city of Leskovac in partnership with the Organisation for Textile and Clothing Production of the Republic of Bulgaria and Bulgarian Chamber of Commerce.

Export Strategy for the textile and clothing industry in the cross-border region Serbia-Bulgaria represents the result of the survey conducted in the bordering region that included the situation analysis among 200 enterprises functioning in the assessed region and recommendations given by 15 experts dealing in the sector of textile and clothing industry from the Republic of Serbia and Republic of Bulgaria. The summed up results and a thorough analysis of the T & C industry sector in the cross-border region of the Republic of Serbia and the cross-border region of the Republic of Bulgaria are shown in the specific documents – Studies and situation analysis in the textile and clothing industry in the six (6) bordering regions of the Republic of Serbia regarding the assortment and available production capacities in the cross-border region of Serbia; Studies and situation analysis in the textile and clothing industry in the five (5) border regions regarding the assortment and available production capacities in the cross-border region Bulgaria-Serbia.

The aim of the Export Strategy is the promotion of export in the sector of T&C industry in the cross-border region of Serbia and Bulgaria through identifying specific measures for attracting foreign companies and investors dealing in the same sector and through the implementation of the active export policy, with a particular emphasis on the export of products with the added value.

This strategic document includes necessary measures to improve the overall image of the T&C sector in the respective region and promotes establishment of a favorable business environment. This document focuses on the qualified producers of clothing and textile with adequate resources and opportunities to enhance their production.
Introduction: Cross-border Cooperation and Regional Network
With its immediate impact at the local level in the bordering regions, the cross-border programmes contribute to the local population on both sides of the border in the promotion of sustainable economic and social development, where joint efforts are undertaken to resolve common problems (such as protection of environment, natural and cultural heritage, public health, prevention and fight against organized crime, etc.) and efficient and safe borders are ensured, as well as promotion of joint activities in which local communities from the cross-border region participate.

Activities funded within this component are mainly implemented through grants. The principal aim of the cross-border cooperation is the establishment of missing links among territorial units in the neighboring countries. This specific cooperation is based on the cooperation strategies defined in each particular cross-border region. There are 52 cross-border regions/programmes implemented within the European Union sharing the common cooperation issues listed below:

- Promotion of entrepreneurship, especially SME, tourism, culture and cross-border trade;
- Improvement of joint management of natural resources;
- Promotion of interaction between urban and rural regions;
- Improvement of access to traffic and communication networks;
- Development of joint utilization of infrastructure;
- Administration, employment and equal opportunities.

In the period 2007-2013, the eligible cross-border regions in Serbia included in the cross-border cooperation programs are listed below:

- Hungary – Serbia
- Romania – Serbia
- **Bulgaria – Serbia**
- Croatia – Serbia
- Bosnia and Herzegovina – Serbia
- Montenegro – Serbia
Bulgaria – Serbia

IPA Cross-Border Programme

Project № 2007CB16IPO006-2011-2-180

"Together towards the European Market – joint opportunities for enterprises in the sector of textile and clothing industry in the cross-border region"

Co-funded by the EU through IPA Cross-border Cooperation Bulgaria – Serbia

Vision of IPA Cross-border Cooperation Programme of Bulgaria – Serbia 2014 - 2020

"IPA Cross-border Cooperation Programme of Bulgaria – Serbia 2014 – 2020 contributes to the smart, sustainable and inclusive development and is harmonized with EU Strategy for the Danube Region in an integrated approach concerning overall territorial challenges. Vision for the development of the cross-border region in the context of the Strategy ‘‘Europe 2020’’ may be formulated in one short message:

"Well preserved regional resources – people, country and cultural-historical heritage – represent a guarantee for the cross-border identity and sustainable development of the cross-border region."

General objective of IPA Cross-border Cooperation Programme of Bulgaria – Serbia 2014 – 2020

In order to create positive social-economic conditions necessary for the development of the cross-border region, two basic challenges should be emphasized: investment in the effective valorization and efficient management of the territory and increase in the cross-border networking, cooperation and linking in the areas of economy, society and ecology.

These challenges should be observed as the basis for the new Programme reflecting itself in its overall strategic objective: stimulation of a balanced and sustainable development of the cross-border region of Bulgaria – Serbia integrated in European region, which can be accomplished through smart economic growth, adaptation to environment changes and improvement of culture in education.
The cross-border region between Bulgaria and Serbia takes up the territory of 39,434 km². The region is divided into 11 districts and 96 municipalities – 5 districts and 60 municipalities in Bulgarian part of the region and 6 districts and 36 municipalities in the Serbian part.

The Bulgarian part of the cross-border region makes up 18.6% of the Bulgarian territory and includes the districts of Vidin, Montana and Sofia District, Pernik, Kyustendil and Sofia City area. The Serbian part of the cross-border region takes up 24.2% of the territory of the Republic of Serbia and includes Bor, Zajecar, Nisava, Pirot, Jablanica and Pcinja Districts.

The total population number included in the Programme is 3.3 million. Apart from the Sofia City, demographic situation and development of the cross-border region are characterized by a constant decrease in the birth rate and aging population together with the migrations abroad, thus leading to the general trend of depopulation. There are 2.07 million people in the cross-border region of Bulgaria and 1.24 million in the Serbian part.
Two main urban centres in the cross-border region are Sofia in Bulgaria and Nis in Serbia with a wide range of public institutional and infrastructure capacities necessary for the development of the cross-border region. Bigger cities in the Bulgarian part included in the Programme are Pernik, Kyustendil, Dupnitsa, Vidin and Montana and Leskovac, Vranje and Pirot in Serbia.

According to the data of the National Agency for the Regional Development, most of the municipalities in the cross-border region have a growth rate under the average for Serbia, apart from the municipalities in Bor District. Out of 36 municipalities in the cross-border territory, only Nis – municipalities of Pantalej, Medijana, Crveni Krst, Palilula and Niska Banja rank among municipalities above the national average. 20 local self-governments have a growth rate under 60% of the republican level, including 11 municipalities (fourth group) registered as situated in a devastated areas.

Relatively, the most developed district in the cross-border region is the Bor District. Other underdeveloped self-governments are situated in the districts of Jablanica, Pcinja and Nisava, where out of 20 municipalities, 17 are with the growth rate of under 60% of the national average and 9 ranked among the total of 11 devastated areas in Serbia. Bulgarian part of the cross-border region of Bulgaria-Serbia (apart from Sofia region and Pernik in some ways) ranks among the most underdeveloped areas in the country.

Although, the cross-border region has an attractive strategic position at the main international traffic corridors, the cross-border region can hardly benefit from this advantage. The available transport infrastructure is not adequate for the modern technical requirements and demands considerable rehabilitation and reconstruction. It is unevenly distributed around the territory and is not sufficiently developed to meet busy traffic needs. Additionally, the traffic connections between the two parts of the region are uncompleted and limited (highway, only one railway line); there are 5 border crossings but only one is used for the international transport (Kalotina-Gradina). Considerable investments in the reconstruction of other border crossings are necessary.

Main transport corridors are connected to Pan European corridor network. During the last few years, some positive trends are seen in the development of transport infrastructure; however, the transport in the region is still very underdeveloped concerning combination of various means of transport and modern logistics terminals.
It should be mentioned that the construction of so called Multimodal transport corridor is planned, which represents a strategic project that would connect Serbia with Bulgaria, as well as with Romania by way of Vidin in Bulgaria and over the bridge on the Danube, i.e. over the Mt. Kalafat in Romania. This project includes road, railway and river traffic and directly connects the Balkans countries with the Western Europe and Near East which is of great significance not only for the local development of Serbia, Bulgaria and Romania but for the preservation of good neighborhood relations. This corridor will make Serbia the crossroad of the two principal European corridors that connect the north with the south of Europe, as well as the east with the west, combining simultaneously road, railway and river transport. The construction of a section of the highway 140 km long of the Corridor is foreseen and it will be connected to the existing Corridor 10, by way of Pozarevac, Majdanpek and Negotin, going to the Serbian-Bulgarian-Romanian cross-border. Concerning the railway, the construction of around 20 km section between Negotin and Vidin is planned, as well as modernization of the railway network. A section of the river corridor is the Danube River, where several ports should be constructed.

Regional railway network is very much similar to the road transport network and almost every road has a parallel railway track next to it. For the sake of meeting the growing intensive traffic requirements, both countries manage the railway cross-border in Dimitrovgrad since December 2006. The biggest part of the railway network inside the region is very obsolete and demands complete reconstruction.

There are two airports in the cross-border region: the international airport in Sofia (Bulgaria) and the international airport in Nis (Serbia).

Water transport in the cross-border region offer possibilities for the development of ecological and cheap transport as an alternative to the road transport. The cross-border region is situated at one of the most significant European waterways – Pan European Corridor 7.

Economic structure in the cross-border region is characterized by a relatively big sector of service delivery, the sector of industry and agriculture. Restructuring of the industry during the transition period towards the market oriented economy and agricultural reforms in Bulgaria immensely influenced the region and it led to the increase of unemployment, closing down of companies, as well as to an inadequate utilization of available natural resources.
and infrastructure. General level of economic development in the cross-border region is relatively low in comparison with the national and average level of EU member states.

Direct foreign investments, playing a very significant role in the restructuring processes in both Bulgaria and Serbia, boosted the economic growth in the last few decades. Unfortunately, only a small foreign capital share was invested in the cross-border region.

In the cross-border region in Bulgaria, the GDP clearly shows that the service delivery sector has a great share in the economy, 54% in the total gross production in the region, whereas industrial sector has a share of 29% and agriculture 17%.

Regions of Sofia, Pernik and Kyustendil have the most developed industry, whereas Vidin and Montana are predominantly agricultural areas.
In the cross-border region in Serbia, the sector of industry has a dominant share of 64% in the economy, service delivery sector 31% and agriculture only a share of 5%. Textile industry is developed in Pirot, Nis, Leskovac and Vranje.

In the cross-border region there are several structures supporting business activities and they are regional development agencies, business incubators, regional chambers of commerce and industry, etc. They offer consultative services, have considerable experience with international donors, local and foreign investors and they are members of well-organized and developed national and international networks.
Methodology of the Strategy

Export Strategy for the textile and clothing industry in the cross-border region was prepared in accordance with the defined requirements of the project “Together towards the European Market – joint opportunities for enterprises in the sector of textile and clothing industry in the cross-border region”, co-funded by the EU through IPA Cross-border cooperation Bulgaria – Serbia. The project is implemented by the city of Leskovac in partnership with the Organisation for textile and clothing production of the Republic of Bulgaria and Bulgarian Chamber of Commerce.

This strategic document represents the result of the conducted survey and a thorough analysis of the cross-border region. The survey included the total number of 11 districts and 96 municipalities – 5 districts and 60 municipalities in the Bulgarian part of the region and 6 districts and 36 municipalities in the Serbian part. During the process of defining a representable sample in the cross-border region of the Republic of Serbia, the survey included a much bigger number of enterprises dealing in textile and clothing production, but it was sized down to the final number of 100 enterprises, due to the process of closing down, bankruptcy, privatization and restructuring, as well as due to the disinterest or unwillingness of the owners to participate in further communication. It is very important to state that there is no unique database available in Serbia that contains relevant statistical and updated information on SME dealing in the sector of T&C so that the first step in the process was to
establish a unique database on enterprises dealing in the aforementioned sector on the territory of the cross-border region of the Republic of Serbia.

For the purpose of the elaboration of the Study, a questionnaire was developed to ensure the complete comparison of the collected data, showing the situation in the economic sector in both Serbia and Bulgaria. In order to provide an adequate availability and shorten the time necessary to answer the questions, an electronic format of the questionnaire was designed and posted on a web portal https://www.esurveycreator.com/s/3ef2a1d. The questionnaire itself is divided into 4 parts - general information (24 questions), interior market (26 questions), export (6 questions) and cross-border cooperation (4 questions). Besides the questionnaire, the information was collected by means of conducting interviews (open interviews and phone calls).

The final sample of the Study included the situation analysis among 200 enterprises functioning in the mentioned region and recommendations given by 15 experts dealing in the sector of textile and clothes industry from the Republic of Serbia and Republic of Bulgaria. The summed up results and a thorough analysis of the T & C industry sector in the border region of the Republic of Serbia and the border region of the Republic of Bulgaria are shown in the specific documents – Studies and situation analysis in the textile and clothing industry in the six (6) bordering regions of the Republic of Serbia regarding the assortment and available production capacities in the border region of Serbia; Studies and situation analysis in the textile and clothing industry in the five (5) border regions regarding the assortment and available production capacities in the cross-border region Bulgaria-Serbia.

During the process of analysis of the collected information on the overall situation in the textile and clothing industry in these two countries, it was not possible to create the complete picture on some specific parameters, as well as to give a good comparative review of the collected data, due to the different information collected and elaborated so that the analysis shows those parameters that could be compared, without quoting exact statistics and trends. On the other side, the analysis of the cross-border region of Serbia-Bulgaria offers possibility of comparing data since the identical parameters for collecting information on the situation in the T&C sector in the region was used in the questionnaire structure.
Beside the quantitative overview of the textile and clothing production sector in the Republic of Serbia and the Republic of Bulgaria, the Strategy also offers a qualitative aspect of the comparative report on the basic characteristics, similarities, opportunities and threats, as well as some recommendations for the future development in the cross-border region Serbia-Bulgaria.

The aim of the Export Strategy is the promotion of export in the sector of T&C industry in the cross-border region of Serbia and Bulgaria through identifying specific measures for attracting foreign companies and new investors dealing in the same sector and through the implementation of the active export policy with a particular emphasis on the export of products with the added value.

This strategic document includes necessary measures to improve the overall image of the T&C sector in the respective region and promotes establishment of a favorable business environment through defining guidelines in the development of the objectives stated within the specified programmes, projects, measures and activities. This strategic document includes measures for the improvement of an overall perspective of the T&C sector in the eligible region and improves the conditions for the establishment of a favorable business environment.

This document focuses on the qualified producers of clothing and textile with adequate resources and opportunities to upgrade their production.
Together towards the European Market – joint opportunities for enterprises in the sector of textile and clothing industry in the cross-border region.

Co-funded by the EU through IPA Cross-Border Cooperation

IPA Cross-Border Programme

Bulgaria – Serbia

Project № 2007CB16IPO006 – 2011 – 2 – 180

SITUATION ANALYSIS

Comparative overview of the T&C in the Republic of Bulgaria and the Republic of Serbia in the cross-border region.

SWOT ANALYSIS

Defining of strengths, weaknesses, opportunities and threats in the cooperation of the enterprises in the T&C sector in the cross-border region.

VISION AND MISSION

Defining of development directions of T&C enterprises and export of T&C in the cross-border region.

OBJECTIVES, PROGRAMS AND PROJECTS

Defining of development directions of enterprises and export of T&C in the cross-border region.
General overview of the textile and clothing industry in the Republic of Serbia and the Republic of Bulgaria

The influence of the world and EU trends in the textile and clothing industry on the development of the textile and clothing industry in Serbia and Bulgaria

The world textile industry has undergone great changes since 1970 till the present day, coinciding with the structural crises in the developed countries around the world, process of globalization and urban liberalization in the world trade. The developed countries tried, along with the restructuring of the fashion industry, to move a part of their traditional production to the countries with cheaper production costs (lohn, outward processing, cut&make).

The textile trade was not within the framework of the General Agreement on Tariffs and Trade so that it became threatened by various protective measures of the developed countries. (GATT - General Agreement on Tariffs and Trade).
Cut and make business deals lead to mutual benefits of both undeveloped and developed countries. For the undeveloped countries it meant their introduction to the market-oriented trade, safe placement of products and full engagement of resources. The biggest benefit for the developed countries however, was high profit without the need to resort to too many structural changes in their proper textile industries and without the need to disturb their own social peace.

During 70s and 80s of the last century, both Serbia and Bulgaria were recognized by the big foreign partners as attractive markets with favorable conditions for production and cheap labor, delivering a good quality product without big investments. That period represented the Golden Age in the textile and clothing industry in Serbia. Major part of production made in Yugoslavia was exported to Western Europe market. Also, a big share in the clothing production was made for the American companies. The afore mentioned period in Bulgaria in those days is known for its dramatic increase in the textile and clothing production, thanks to big investments and modernization of production facilities. Within the Council for mutual economic cooperation, the Republic of Bulgaria was ranked among the leading supplier of the former USSR.

The processes of restructuring and transition to the market economy in both countries had a negative impact on the T&C sector in the late 90s and in the beginning of 2000. This period is characterized by an immense decrease in the textile and clothing production demand at the local market, as well as by a big inflatory process, lack of specific local raw material on one side and cheap raw material and final products coming from China, Turkey and Bangladesh.

Such trends resulted in the decrease in the demand for the goods produced in both countries at the foreign markets, as well as in preventing them to enter new foreign markets. Unsuccessful processes of privatization had literally closed down textile factories in Serbia, whereas some Bulgarian enterprises succeeded to survive on the market by adapting quickly to the market demands, by partly introducing changing in the assortment of goods, through joining in similar associations and training of the managers and employees.

Signing of the EU Accession Agreement and bilateral agreements on free trade opened the door to Bulgaria to benefit from the opportunities for free distribution of goods and services at the common market of the European countries. After the accession to EU
together with Romania on January 1st in 2007, Bulgaria took over the role of the biggest East European supplier of goods to the companies in the Western Europe.

Harmonization with the business standards ruling the EU market has increased the awareness on the ecological aspect in many enterprises in Bulgaria so that many companies invest in the energy efficiency, improvement of working conditions, introduction of standards, education and additional training of the employees, which is not the case in Serbia.

The biggest textile factories in the EU are concentrated in five European countries – Italy, Great Britain, France, Germany and Spain, whereas specialized production of clothing is most dominant in Portugal, Greece, Italy, Spain and Belgium, whereas the textile production prevails in the northern countries. The main emphasis for achieving competitive advantages in the EU:

1. HIGH ADDED VALUE OF THE PRODUCT
2. INNOVATIVENESS AND TECHNOLOGY
3. QUALITY AND DESIGN
History of the development of textile and clothing industry sector in the Republic of Serbia and in the Republic of Bulgaria

Before the breakup of Yugoslavia, textile was of the main export products with the annual income of around 1 billion dollars. Over 70% of export income came from the western market.

Golden Age in the textile industry – production of clothing for a big number of American and western European companies, 250 thousands of employees, precisely defined market and annual export of over 5 billion dollars, clothing brands such as: BEKO, Kluz, Prvi maj Pirot, T1Z Zemun, Zelengora, marked the textile industry in the 80s.

During 40s and 50s of the 20th century, the textile industry became one of the leading industries in Bulgaria.

70s and 80s of the 20th century represent the period of a great increase in the textile and clothing industry, i.e., a double increase in the production occurred thanks to huge investments and modern equipment, especially in the textile production. Within the Council for economic cooperation, Bulgaria represented one of the leading producers of textile, leather and footwear, as well as one of the biggest suppliers of the enormous market of the Former Soviet Union.
“Together towards the European Market – joint opportunities for enterprises in the sector of textile and clothing industry in the cross-border region”

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Bulgaria – Serbia

IPA Cross-Border Programme

Bad political situation in the 90s, sanctions, as well as the growing competition from China caused the fall of the Serbian market in the textile sector. Absence of an adequate strategic framework for the development of the textile sector and raw material, neglect of this once prosperous resource by the state and unsuccessful privatization after 2000, led to the closing down of the production of a big number of textile producers.

Transition of Bulgaria towards the market economy, restructuring of the textile and clothing sector, privatization processes, decrease in demand at the local market and loss of the foreign markets, hard access to new markets, big inflationary processes, lack of specific raw material, etc.

Survival thanks to the fast response to changes in the market demands, assortment through linking and training or managers and employees.

According to the available SCC data from 2014, T&C sector has around 47,441 employees in over 1587 micro, small, medium and big enterprises and has an export income of 852, 9 million dollars and 1 billion dollars’ worth import.

Apart from tourism, T&C sector is the second most important sector in Bulgarian industry. This sector includes 4000 micro, small, medium and big enterprises, with 170,000 employees that represent 69% of the total number of workers in Bulgaria and with around 1.5 billion euros export income.
Comparative overview of the strategic framework, legal regulations and main actors in the Republic of Serbia and in the Republic of Bulgaria

In the further text, the comparative overview of the strategic framework is shown in the tables, legal regulations and main actors in Serbia and Bulgaria within the sector of textile and clothes industry with a short reference to the international agreements on trade and state export incentives.

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<th>STRATEGIC FRAMEWORK</th>
<th>Republic of Serbia</th>
<th>Republic of Bulgaria</th>
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<tr>
<td>The Development Strategy of T&amp;C Sector</td>
<td>Strategic framework for the development of this sector in both countries has not been elaborated. Clear directives, the development and objectives directions within the T&amp;C sector have not been defined so that the enterprises in Serbia and Bulgaria are not sure in which directions they should develop their business or to which extent and which particular segment they can rely on the state.</td>
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<td>The Export Strategy of T&amp;C Sector</td>
<td>Unlike Bulgaria, Serbia has not adopted the sector Strategy on textile and clothing but only the general Strategy on the increase of export of the Republic of Serbia. The Strategy was adopted in 2008 and was in effect till 2011. The Government of Serbia and respective Ministries have not prepared the new Strategy.</td>
<td>The Republic of Bulgaria prepared the sector Strategy on export of textile and textile goods in June 2012 within the project Promotion of internalization of Bulgarian enterprises in accordance with the Technical Assistance Agreement for the promotion of small and medium enterprises in Bulgaria (BSMEPA). The aim of the Export Strategy is ensuring support to Bulgarian micro,</td>
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The absence of the sector Strategy shows an undefined attitude of the State towards the significance of the export.

small and medium enterprises with the aim of improvement of competitiveness, higher level of internationalization and conquering of the new markets.

The Strategy has clearly defined objectives/ programmes and measures/ projects for its implementation and achievement of defined results.

Adoption and implementation of the Strategy itself shows the attitude of the State towards the textile and clothing industry, its development potentials and possibilities.
IPA Cross-Border Programme

**Project Nr 2007CB16IPO006-2011-2-180**

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Bulgaria – Serbia

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<tr>
<td>Chamber of Commerce</td>
<td>Serbian Chamber of Commerce (SCC) enhances economic cooperation abroad and promotes Serbia as a good investment destination and its economy in the country, in the region and worldwide. It supports the local and foreign companies through provision of services, consultation and regular update of business information. SCC has a functional Association of textile, clothes, leather and footwear industry. There are three Regional Chambers of Commerce functioning in the eligible cross-border territory (RCC) – Nis, Zajecar and Leskovac. All three RCCs cooperate with the chambers of commerce in Bulgaria in the eligible territory, through the implementation of cross-border projects co-funded by EU through IPA Programme.</td>
<td>Bulgarian Chamber of Commerce (BCC) is an independent and non-governmental organization for support, promotion, advocacy and protection of business interests of their members that contributes to the development of international economic relations and supports international and European integration of the Republic of Bulgaria. Bulgarian Association of producers and export enterprises of textile and clothing (BAATPE) is a member of Bulgarian Chamber of Commerce. There are 6 Chambers of Commerce functioning in the eligible cross-border territory, in Vidin, Montana, Sofia, Pernik and Kyustendil, actively cooperating through the implementation of cross-border projects co-funded by EU through IPA Programme.</td>
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**IPA Cross-Border Programme**

Project № 2007CB16IPO006-2011-2-180

"Together towards the European Market – joint opportunities for enterprises in the sector of textile and clothing industry in the cross-border region"

Co-funded by the EU through IPA Cross-border Cooperation
Bulgaria – Serbia

### MAIN ACTORS

<table>
<thead>
<tr>
<th>Republic of Serbia</th>
<th>Republic of Bulgaria</th>
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<tr>
<td><strong>Agency for export promotion</strong></td>
<td><strong>The Government of the Republic of Serbia</strong></td>
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<tr>
<td>The Agency for foreign investments and export promotion of the Republic of Serbia (SIEPA) is a public agency that offers support to Serbian enterprises in exporting their goods and services and in becoming more competitive at the foreign markets. The Government of the Republic of Serbia, through SIEPA, also gives financial support to the exporting enterprises, the Agency for Insurance and financing of export (AOFI), Development Fund of the Republic of Serbia and National Bank of Serbia, National Agency for Regional Development and through Enterprise Expansion Fund-ENEF.</td>
<td>Unlike the Government of the Republic of Serbia that offers technical and financial support to the exporting companies, in Bulgaria, there is the Agency for promotion of small and medium enterprises (BSMEPA), which gives exclusive technical, professional and administrative support to the exporting companies. The Agency is a state body within the Ministry of Economy and has four specialized departments: Information Service and regional cooperation Department for the technological development and innovations Department for IPA projects and project implementation Department for the development of competitiveness and entrepreneurial capacities</td>
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<tbody>
<tr>
<td>Associations and clusters</td>
<td>Unlike in Bulgaria, associations and/or clusters in the textile and clothing industry in Serbia are not active. In Serbia, there is only one Textile Cluster in Nisava District founded by LEDIB, the program funded by the Government of the Kingdom of Denmark in 2001. The study and the assessment showed disinterest of the entrepreneurs and businessmen for the membership in associations and clusters, due to a personal disinterest of the owner and/or director of the company, distrust or failure to recognize common interests. Out of 100 assessed enterprises in Serbia, only 17 of them are members of some professional association and/or a cluster.</td>
<td>On the other side, the situation is a bit better in Bulgaria, because during the assessment, 28 out of 100 enterprises, confirmed that they are members of an association and/or a cluster. However, regardless of a small number of enterprises, it should be mentioned that associations and/or clusters in Bulgaria are very active and give support to their members in the preparation and implementation of the projects. The two most active and biggest associations are: Bulgarian Association of the export textile and clothing companies (BAATPE) and sectoral organization for textile and clothing (Botto).</td>
</tr>
</tbody>
</table>
Association of the textile, clothing, leather and footwear industry was founded within the Serbian Chamber of Commerce, whose members of the Association Board are also members of the Chamber of Commerce. The Board considers and proposes common stands of interest for business dealing in the textile and leather processing industry and medicaments with the aim of enhancement of working conditions and business environment for its members. It gives recommendations on legal proposals and drafts in the sector of economical system and policy of the development in compliance with the Association activities. Information on the T&C status in Serbia through the elaboration of the analysis on the textile and leather processing industry on annual base.

Bulgarian Association of the textile and clothing producers and export enterprises (BAATPE) is a volunteering association whose mission is to represent interests of its members and industry as a whole. Through its activities, it contributes to the development of the textile and clothing sector: advocacy of members’ interests and industry as a whole - at the national and European level /as a member of EURATEX/; it creates positive communication environment and cooperation among its members and companies dealing in other sectors; it contributes to the increase in competitiveness of the enterprises, convenes workshops and trainings, ensures consulting services and information on funding and projects; it provides information on the development of international and national textile and clothing trade; promotes national products in the textile and clothing sector and assists enterprises in search of foreign partners.

These two associations were partners in the implementation of the project TexWeb, networking and capacity enhancement of the associations of textile and clothing industry in the Western Balkans countries funded by the IPA Programme.
Bulgaria – Serbia
IPA Cross-Border Programme

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<th>INTERNATIONAL TRADE AGREEMENTS</th>
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<tr>
<td><strong>International Trade Agreements</strong></td>
<td>Serbia has signed the following international trade agreements: The Agreement on free trade in the Central Europe (CEFTA), Agreement on Stabilization and Accession to EU and as an integral part of the Agreement is Interim Trade Agreement with the member states EFTA, i.e. Iceland, Principality of Lichtenstein, Kingdom of Norway and Swiss Confederation, as well as bilateral trade agreements with Russian Federation, Belarus, Turkey and Kazakhstan (CEFTA). Studies and analysis showed that enterprises dealing in textile and clothing industry don’t benefit much from those agreements, i.e. better conditions for export to the above mentioned countries, customs benefits, taxes etc.</td>
<td>Unlike Serbia, the Republic of Bulgaria is a member of the World Trade Organization (WTO) since December 1996. Since January 2007, it is a member of EU. The enterprises from Bulgaria can freely export textile and clothing around EU without any administrative obstacles and procedures, because it became a member of the big family and a part of EU market. Bulgarian enterprises have also benefits from the bilateral agreements on free trade which was reported in the study, because many enterprises in the cross-border region export textile and clothing to the countries with which they have bilateral agreements on free trade.</td>
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<tr>
<td>LEGAL REGULATIONS</td>
<td>Republic of Serbia</td>
<td>Republic of Bulgaria</td>
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<tr>
<td>Legal regulations</td>
<td>When the legal framework of the Republic of Serbia regarding the export of goods, properties and services i.e. laws on international business and export of the enterprises in the sector of textile and clothing is concerned, we refer to: the Law on Foreign Trade, the Law on Customs Policy and the Law on Foreign Currency Trade. The afore mentioned laws deal with the sector of export and foreign trade, customs procedures related to the export and ways and means of payment abroad, purchasing and selling of foreign currency transactions among enterprises, etc. The respective laws have been harmonized with the regulations of the World Trade Organization and EU regulations even though the Republic of Serbia is still in the process of negotiations for the EU accession. Serbia will be obliged as Bulgaria was, to adapt and amend its legislative and regulations framework completely to be in accordance with the EU legislative.</td>
<td>The Republic of Bulgaria became a member of the EU in 2007 and had to harmonize its legislative with the regulations of the EU. In accordance with the Foreign Exchange Act, the enterprises in Bulgaria have the possibility to export and charge foreign goods in Euro, i.e. in the currency of the respective country to which they had sold their goods. This Law also regulates payment transactions and payment between national and foreign business partners, cross-border transfers and payments and transactions in foreign currency.</td>
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**Export Incentives**

**Republic of Serbia**

The Government of the Republic of Serbia offers technical and financial support to the export companies through a specialized agency.

The Agency for foreign investments and promotion of export of the Republic of Serbia (SIEPA)

1. Technical support:
   - Participation at foreign fairs
   - Design of the suppliers database
   - Organization of Business meetings (B2B)
   - Technical support through KAIZEN Export Programme funded by the Government of Japan

2. Financial support:
   - Programme of encouraging competitiveness and internalization of Serbian economy through direct financial support to the export companies that are advertised in public calls.

**Republic of Bulgaria**

The Republic of Bulgaria became a member of EU in 2007 and because of the legal regulations in the EU, the Government of the Republic of Bulgaria is not in position to give direct financial support to the enterprises exporting textile and clothing. On the other side, the Government of the Republic of Bulgaria provides direct technical support to export enterprises through the Agency for promotion of small and medium enterprises in Bulgaria (BSMEPA) such as promotion, marketing, organization of B2B meetings and organization of fairs, etc.

The EU projects and funds for the promotion and support of export are of big significance and they are to be used by the respective Ministries and agencies, as
The Agency for Insurance and Financing of Export assists local export companies through export insurance, factoring, short-term loans and issuing of guarantees.

Beside the support and export incentives of the state to the enterprises dealing in the sector of textile and clothing in the cross-border region Serbia-Bulgaria, there are also available grants funded by the EU, USAID, World Bank and bilateral assistance from the foreign Embassies in the Republic of Serbia.

Projects funded by the donors are mainly implemented by the Regional Development Agencies, Regional Chambers of Commerce, NGOs etc., whereas enterprises have direct technical and/or financial support at their disposal.

The study showed that enterprises dealing in textile and clothing industry have not used the available export incentives provided by the Republic of Serbia and didn’t participate in the projects funded by donors.

well as by associations and clusters for enhancement of capacities, purchase of equipment etc.

Enterprises in the cross-border region have the possibility to get funds within the operative programme Competitiveness and innovativeness.

The Programme is a grant programme for funding projects, with a share of 70% for micro and small enterprises and 60% for medium and big enterprises from the cross-border region.
Trends of textile and clothing industry development in the Republic of Serbia and the Republic of Bulgaria

Textile and clothing industry in both Serbia and Bulgaria is considered one of the most important production sectors. The geographic position of the country with good connection to all key markets in Europe contributed to the development of this industry. The number of this type of industry in Bulgaria is 4,000, whereas there are more than 1,587 micro, small, medium and big enterprises in Serbia as per Serbian Chamber of Commerce statistics.

The Republic of Bulgaria has a good reputation in this sector on the market of Italy, France and Germany, whereas Serbia suffered turbulent changes in the last two decades and its image and position abroad industry degraded considerably.
Enterprises in the sector of textile and clothing in Bulgaria can be grouped in 4 big categories: production of textile for clothing and various accessories, production of clothes and fur items, carpets and floor covers and house ware textile, whereas the enterprises in Serbia are grouped according to the sector activity code of textile production (textile fibers, fabric, other types of textile and final cut and make of clothes) and clothing production (clothes except for fur clothes, fur clothes, knitwear and embroidery). Most producers in this type of industry are registered as entrepreneurs and companies with limited liability in both countries.

Most of the enterprises started to operate in the period from 1991 onwards when many socially owned companies suffered decline in their work, after which unsuccessful privatization followed, whereas most of the enterprises in Bulgaria have been established in the last 10-15 years. In both countries, the number of big enterprises is the smallest so that micro, small and medium enterprises are the only ones functioning in this sector and the number of employees doesn’t exceed 250. It is important to stress that the textile and clothing sector is completely privately owned and there is practically no state and/or socially owned enterprise in Bulgaria, unlike in Serbia where there are still few state or socially owned enterprises which either bankrupted in most of the cases or going through the process of restructuring.

There is a growing number of medium enterprises in Bulgaria hiring small enterprises for certain services that in return become more flexible to respond to the market demands, whereas in Serbia there is a big number of micro enterprises in bigger enterprises so that they are on the verge of closing down.

Like in Bulgaria, the clothing production is more dominant than the production of textile and raw material in Serbia, which represents the direct consequence of the import of cheap raw material from China and Turkey in both countries. Due to the poor resources in Serbia, big percentage of wool, cotton and canvas is imported for local production. A bit better situation in the textile industry can be encountered in Bulgaria, where the total local production of cotton is estimated at 30%, whereas the production of wool decreased by 6 times because of underdeveloped cattle breeding.

A small scale of raw material production i.e. insufficient agricultural production for the needs in light industry is a problem in Bulgaria, whereas Serbia has good resources in
production and more expensive raw material but not an adequate market to place raw material.

The increase of textile and clothing import to Serbia and Bulgaria in the last several years has led to the decrease in the demand for the raw material of local origin and thus created the clothing industry directly dependent on the import of raw material from the foreign markets. The increase of import of cheap clothes to Bulgaria and Serbia and low purchase rate reflected negatively on to the local companies that have difficulties in the placement of good-quality and expensive clothes at the local market.

The result of such a situation is that enterprises are less ready to invest in the placement and branding of their product so that many of them provide services for the needs of the foreign market, thus exporting cheap labor.

In both of the countries, there is a rich assortment of goods in this sector and according to the research and statistics from 2014, the production in this industry focused mainly on female clothes in Bulgaria and Serbia exported female stockings.

As mentioned earlier, enterprises dealing in the sector of textile and clothing production are privately owned and most of them have their proper plants and facilities for production. Enterprises in Bulgaria have modern equipment and apply modern technologies in production, out of which most benefited from the good loan terms and grants from the European funds. Obsolete equipment in Serbia is the result of lack of funds, good loan terms, state incentives and there is also insufficient information on available subsidies and grants from the donors.

Low productivity in business in Serbia is a direct consequence of obsolete equipment and in Bulgaria it reflects the lack of trained and skilled labor. The number of employed people in this industry in Bulgaria (170,000) is higher than in Serbia (47,411). Once Bulgaria entered the EU, many people migrated abroad looking for a better life standard and employment so that textile and clothing industry encountered big problems in recruiting labor force who will work for small wage in this sector.

Although there is bigger number of people migrating to other countries, Serbia has no problems in recruiting workers who are ready to work for small wages. Unlike Bulgaria where textile schools slowly close down, in Serbia the schools are still enrolling pupils who can
expect to find jobs after the graduation, however, not to the extent as before 2005. According to the experts in this sector, a trend of small wages is present in micro and small enterprises, whereas it is not the case in medium and big companies. Therefore, the enterprises in Bulgaria invest more in the available labor who will be trained in new business trends and modern technologies.

Additionally, it should be stressed that there is so called grey economy present in both countries, which is higher in Bulgaria than in Serbia and is estimated between 30% and 50% of the total production according to the experts. The situation in the north of Bulgaria is the worst and it ruins the local economy.

**Foreign Trade**

Poor raw material stocks in Serbia led to the present trend of importing high percentage of wool, cotton and canvas for the needs of local production. The situation is a bit better in Bulgaria where cotton is represented with 30% of the total textile production, whereas cattle breeding that influences directly the production of wool has sized down six times.

Small extent of raw material production i.e. insufficient agricultural production that provides raw material for the light industry represents the problem in Bulgaria, whereas Serbia has a possibility for the development but no adequate market for the placement of raw material.

Due to the absence of precise data at the Bulgarian study on the mode of import of textile and clothing at the level of the state and in further text the report on the import situation in the Republic of Serbia is given.

In 2014, the import in the total textile industry of Serbia was 1 billion dollars, which is 8% higher than the import of all items in total in 2013.

The import of textile products only in 2014 was estimated at 717.5 million dollar which is by 7% more than in 2013. The biggest import markets are Italy, Turkey, China and Germany. Stockings, knitwear, cotton wool and cotton articles made of synthetic fibers etc.
In the production of clothing, the import of 323, 8 million dollars was achieved from the markets of China, Italy, Turkey, Bangladesh, India and Hungary which represents 11% than in the previous year. The goods imported mostly from these markets are underwear, trousers, bras, bathing suits, shirts, knitted clothes, crocheted part of clothes, leather clothes items and artificial leather etc.

This type of industry in Bulgaria is predominantly orientated towards export and 90% of the total production is intended to be exported to the EU market. The big step in the development of this industry was the accession of Bulgaria and Romania into EU on January 1st, 2007 when Bulgaria took over the leading position of the biggest supplier of clothing for the companies in the Western Europe from Romania. Even though bad political situation in 90s, sanctions and strong competition from China caused the fall of percentage share of Serbian textile factories in the export, a big step was signing of the first Agreement on Free Trade between Serbia and EU in 2005 in the sector of textile industry. This agreement cancelled the quotas and enabled the uninterrupted export of Serbian textile products into EU without customs duty.

Lately, the local demand in the clothing industry in Bulgaria has increased but the Bulgarian enterprises do not benefit from that fact as they are export oriented which can be an advantage for the Serbian enterprises to sell their goods to the neighboring market.

Referring to the data provided from the Association, Bulgarian companies mostly export to Germany (23%), Italy (22%) and Greece (11%). It makes up more than 50% of the total export of textile and clothing in Bulgaria. 90% of the total production in the sector of textile and clothing of the Republic of Bulgaria is exported to the EU countries, which is 18% of the total export of Bulgaria and only 10% is placed at the local market. This is the third biggest industry, after crude oil production and refining, tourism sector in the Republic of Bulgaria. The biggest Serbian export markets for the textile and clothing industry are Italy and Germany with 50% share in the total export value.

One of the basic reasons for such a positive export trend in Bulgaria is a great recovery of the European market and continual search for production resources in the south-east of Europe due to the cancellation of business cooperation in Asia and North Africa.

Bulgarian companies produce and export clothing to EU market for many famous brands such as: Hugo Boss, Esprit, Roj Robson, Tomi Hilfiger, Balmain, Lise Charmel, Nekt and
many other companies, whereas Serbian enterprises produce clothing for other well-known brands such as Pompea Spa, Dolce & Gabbana, Patrizia Pepe – Italy; Schiesser, Schoffel - Germany; EK Denim, Lisca – Slovenia, Modea Nova - Croatia; Glitz - USA, Concordia - Belgium, Decathlon - France; Click Fashion - Poland; Benetton, Armani - Italy; HIS, Pionir - Germany; Olala, Velana - Slovenia; Euro-style, Mango - Russia; Nikolis – Greece, etc.

Available data show that the Bulgarian export in the period January - October 2014 reached the value of 1.516 billion Euros, out of which the value of the export of various types of clothes is 1.037 billion of Euros. A share in the export value for the export of various types of clothes such as jackets, trousers, vests, shirts, coats, etc., is estimated at 1.037 billion Euros, whereas the export of the textile production such as cotton, wool, woolen synthetic fibers is 299.4 million Euros worth.

On the basis or the available data from the Serbian Chamber of Commerce, Serbia had 852.9 million dollars export value in the sector of the clothing and textile production in 2014, which represents 7% increase than in 2013.

The export of textile products of the Republic of Serbia in the value of 542, 4 million of dollars in 2014 is 7% higher than in the previous year. The export value in the sector of clothing production was estimated at 310.5 million dollars which is 7% higher than in the previous year. The biggest sale was made in the markets of Italy, Russia and Germany (stockings, wool wear, carpets, sweaters, etc.).

The total export profit of the clothing products in 2014 was 310. 5 million dollars. The biggest placement was achieved at the market of Germany and Bosnia and Herzegovina. The biggest export was made in the sale of underwear, sweaters, dresses, sets of clothes, jackets, coats, etc.

Finally, the foreign trade balance in the production of textile is negative and estimated at 175 million dollars and also is negative in the production of clothing is worth 13. 3 million dollars so that the total value in this sector is estimated at 188.4 dollars.
Comparative overview of the key results in conducted studies

Survey conducted in districts/ local self-governments

The biggest percentage of the survey sample in the cross-border region was taken in the districts of Jablanica, Nisava, Kyustendil and Sofia-city.

These districts are more developed and the tradition of the production of textile and clothing is longer than other districts which qualify Kyustendil and Jablanica to be included in this survey.
Most of the enterprises dealing in the sector of textile and clothing production is situated in the cross-border region of Serbia and Bulgaria. The survey showed that Bulgarian enterprises are engaged more in the sector of clothing production, whereas Serbian enterprises are more active in the sector of textile production. 5% of the enterprises in Serbia and Bulgaria are dealing in accessories in textile and clothing industry, whereas a very scarce number of enterprises in the cross-border region deal in the production of textile and clothing.

Basic production programme

Among the enterprises included in the survey in Serbia, the biggest number is registered under the activity code: production of other clothes (26%), production of finalized textile articles, apart from clothes 15%, there is production of underwear 8% and fabric production 7%, whereas Bulgaria has production and distribution of cotton fabrics (18%), production and distribution of cotton materials (17%) and carpet production (12%).

The production programme in both countries is considerable. There is a big assortment in both countries in this sector and according to the survey results and statistics data from 2014, the production was mainly concentrated on female wardrobe and on stockings in Serbia.
Enterprises in the sector of textile and clothing in Bulgaria and Serbia can be grouped in four categories: textile and accessories, clothes and fur articles, carpets and floor coverings and house textile.

Foundation of enterprises, ownership structure and forms of organization

The biggest number of producers in this sector in both countries is registered as enterprises and societies with limited liability. The study shows that in most cases producers in Serbia started business in the period from 1991 till 2010 when the bad economic and political situation together with the unsuccessful privatization led to the deterioration and closing down of production in few socially owned enterprises. Most of enterprises included in the survey in Bulgaria have been founded in the last 10-15 years.

The number of big enterprises in both countries is the smallest, so that major share of the business is undertaken by micro, small or medium enterprises with not more than 250 employees. It should be stressed that the textile and clothing sector is completely privately owned and there are no state or socially owned enterprises in Bulgaria, whereas in Serbia socially and state owned enterprises in most cases are either bankrupted or in the process of restructuring.

Almost 80% of enterprises in Serbian cross-border region are founded as family enterprises and their primary interest is to secure salaries for the members of their family, due to the process of deterioration of state and socially owned enterprises and unsuccessful privatization. Most of micro, small and medium enterprises are more oriented to securing of the survival of the family than to the business expansion and investment in brand certification.

It is not a rare case in Bulgaria that the medium enterprises start cooperation with small and medium enterprises that deliver services further to the foreign companies. This way of business secured survival and expansion of smallest enterprises, whereas in Serbia due to impossibility of finding partners micro enterprises often close down.
Categorization of enterprises per size

Comparative analysis show that the enterprises included in the survey in both region are mostly categorized into micro or small enterprises and that they are in most cases limited by the business enhancement and extent of production, increase in number of the employees so that in Serbia only one big enterprise, 2 medium, 35 small and 62 micro enterprises were included in the survey, whereas 68 small and 32 medium, 68% respectively in Bulgaria, with 10 to 50 employees.

The statistic facts favor Bulgaria since they benefit from the foreign markets for which Bulgarian enterprises are producing goods.
Labor engaged

Even though this sector of industry in Bulgaria employs big number of workers, the employees have relatively low salaries compared with other sectors so that many of them are not willing to get a job in this sector. 79% of Bulgarian enterprises stated that there is a problem of hiring skilled labor, whereas in Serbia 21% of enterprises encounter the same situation.

Based on conducted interviews with owners and directors of enterprises, as well as with the experts on the textile and clothing sector in both regions, it was determined that young population is not willing to accept the existing working terms, especially regarding low salaries.

While Bulgaria has problems in recruiting trained staff with high education and skills in new technologies, Serbia has a problem to employ the trained young labor. Unable to recruit workers in order to decrease low productivity, Bulgarian enterprises become more interested in ensuring the training of their staff in new technologies, design and foreign languages.
Business Standards

Chart 5 shows that only 8 enterprises introduced business standards in Serbia.

Somewhat bigger is the number of enterprises that introduced business standards in Bulgaria due to the necessity to comply with the EU market demands. There is a very scarce interest for the introduction of certificates in sector of service delivery and products finalization and in many cases there are no adequate resources to support such a type of activity.

Certificate of seal registration and possibilities for the development of brand certification

Bulgarian enterprises are more active in ensuring certificate of seal than the Serbian ones.

Around half of the enterprises in Bulgaria have a certificate of seal and in Serbia less than one fourth.
As far as brand certification is concerned, the analysis in the study show that neither one is interested in the development of their own brand.

Disinterest in brand certification is more characteristic for Bulgarian enterprises included in the study since they provide services for the foreign market.

The study shows that half of the assessed enterprises in Bulgarian region that place their products at the local market recognize the possibility to develop their proper brand, both for the local and the foreign market.

**Sale of goods/ service delivery at the local market**

The conducted analysis in both cross-border region show that Bulgarian enterprises are more open toward the export markets, 49% of enterprises do not place their services and products at the local market, which means that the Republic of Bulgaria benefits a lot from the membership in EU and from the open markets of member states.
In Serbian cross-border region, there is only 9% of enterprises that don’t sell their products at the local Serbian market and 49% of such ones in Bulgaria.

Such a big percentage of presence at local the market is a consequence of services provided for the foreign production brands. Year in, year out due to the business barriers there are more and more Serbian enterprises that place complete production in a way of a service delivery.
Sale and distribution channels

Chart 8. Distribution channels

Regarding the mode of product placement in the markets, the analysis of conducted studies in the cross-border region show that Serbian producers sell on retail 69%, whereas that percentage is 28% in Bulgaria.

The most frequent mode of selling products and delivering services in Bulgarian region is through its proper wholesale network (67%). The study of the Serbian cross-border region shows that this type of product placement has a decreasing trend due to the negative business environment in the country, as well as due to the high taxes and charges that must be paid by the producers.

There is much higher percentage of sales through commission (23%) while in Serbia only 5% use this type of product placement. Also, possibilities offered by electronic sale through internet or online shopping are more used in Bulgarian than in Serbian enterprises.
Both Bulgarian and Serbian enterprises in cross-border region encounter various barriers in business, but in Serbia it is more frequent a case so that 95% of the enterprises face problems in their work, whereas in Bulgaria, 68% of the enterprises.

The most adverse influence on business in both regions is the unfavorable business environment in the country. Bulgarian enterprises have most difficulties in recruiting trained staff and in Serbia there is no lack of skilled staff but inefficient production is apparent.
Among the Serbian enterprises, the second biggest problem is failure to get paid for their goods, whereas Bulgarian enterprises export mostly to the familiar buyers in the EU and have no such problems.

The third biggest barrier is the lack of funds for modernization which is the most frequent obstacle micro and small enterprises encounter.

Competitive advantages

Bulgarian enterprises find that their comparative advantages lie in the speed in which they respond to fast changes in the environment, flexibility in production and respecting strict deadlines, whereas Serbian enterprises emphasized the quality, price and flexibility in production as their advantages.

Such orientation of Bulgarian enterprises on competitive advantages is a direct consequence of constant changes in demands required by the foreign companies for which the services are provided and where price and quality are not matter of discussion. In most
cases those are the enterprises delivering services and finalizing products for the world famous fashion designers and brands.

Focus on quality and price of Serbian enterprises is an attempt to conquer local and foreign markets, where poor quality materials and clothes of Chinese origin and Turkey are predominant. In order to become more competitive, enterprises frequently sell good quality products at the prices of Chinese goods, which decrease the income and spoil the business.

Market survey

There are 54% of assessed enterprises that collect information and run surveys on their products from the buyers and it can be concluded how objective they are in their analysis of the comparative advantages.

There are no such questions assessed in Bulgarian enterprises and there is no possibility for comparison.

Advertising campaign

The data stated in the studies show that 41% of Bulgarian and 33% of Serbian enterprises do not advertise their products at any possible way.

Such a big percentage of enterprises that do not take into consideration the significance of promotion and marketing to enhance their own business reflects the general lack of resources and knowledge of a big number of micro and small enterprises for this activity.
Additionally, a large number of enterprises in the cross-border region provide services for foreign buyers so they do not need any kind of advertising as they export labor not their own product.

A small number of enterprises from the Bulgarian region use online advertising for promotion, whereas in Serbia this number is slightly higher due to huge access of visitors to social networks. This mode of advertising is very positive and requires minimum costs with a good effect. A small number of Bulgarian and Serbian enterprises have their internet web page.

Necessity for professional training, reeducation and additional qualification

There is a huge necessity for professional training, reeducation and additional qualification of labor among the enterprises in both cross-border regions.

The survey shows that there is more interest expressed in Serbia for the improvement of their business through training of their employees (70%) and only 38% of the enterprises in Bulgaria facing the problem of recruitment of new labor expressed such a need.
While Bulgarian enterprises regard training of the employees in the new technologies in production of biggest significance, Serbian enterprises opted for study visits as a way of improvement of knowledge and experience of their employees and examples of good practice in business at the foreign markets.

The common for all the assessed enterprises is that the employees must get training in foreign languages and marketing sector.

It is necessary in both Serbia and Bulgaria to introduce new job profiles in the sectors of new technologies, innovations and design, as well as arrange more time for professional practice.
As for the professional support for the improvement of business of the target enterprises, the Chart 15. shows a very high percentage of Serbian producers interested in the projects funded by EU and in the process of strategic planning.

The study has no data on the above mentioned for Bulgarian enterprises, which means that there is either little or no interest.

Target enterprises in Bulgaria are interested in introducing training programmes in the sectors of accounting and management.
Although Bulgarian enterprises have good equipment and mechanization, they still want to improve and modernize existing technologies, whereas Serbian enterprises are primarily interested in finding strategic partner and funds for enhancing their assets. The need for modernization is of less priority even though the existing facilities and equipment in Serbia is obsolete. Also, the Bulgarian enterprises recognize the need for finding a good foreign partner and investing in education of their employees as a way of business improvement, which is not a priority to Serbian producers.

It should be mentioned that there was no such a need for professional education of employees among Bulgarian producers in the past. The Chart 13 shows that only 36% enterprises have interest in ensuring professional training for their workers as a way of improving their business.

Lack of skilled human resources in Bulgaria among the assessed enterprises led to the decrease in productivity in spite of the available good equipment. Enterprises that are
not able to recruit new staff because of relatively low salaries, are compelled to provide training for their employees.

In Serbia, there is sufficient number of skilled employees ready to work in this sector which is getting less popular. On the other side, workers above 50 of age are not willing to improve their knowledge and skills or to change the old method of work.

Financial and technical support of the state institutions

The study of the development of textile and clothing Industry in the cross-border region of Serbia shows that 63% of the assessed enterprises did not have any technical or financial support from the state and that the most frequent source of assistance is the National Employment Bureau which offers various measures and training programs.

On the basis of collected data it can be concluded that enterprises are not well informed on the available possibilities or that this situation reflects distrust towards the state incentives mechanisms.

There are no precise data on such a type of support to the Bulgarian enterprises in the cross-border region in this study.

Cooperation, association and membership in professional organizations, associations and clusters

The conducted assessment of enterprises in both regions shows a low participation rate in professional associations and no awareness on the significance of joining together for the sake of business enhancement.
There is a little higher percentage of Bulgarian enterprises which are members of certain professional associations (28%).

Although there are established professional associations and clusters in the cross-border region, their business is not well organized and there is often a lack of operational and action plans setting up directions in their business orientation so that the motivation of functioning within associations and clusters in a professional manner remains at a very low level.

Enterprises in the cross-border region are not organized, don’t cooperate sufficiently and do not benefit from joining associations, clusters and other organizations. Enterprises don’t even cooperate on joint placement of goods and use of distribution channels.

Such a situation does not support the idea of the development of cross-border region because if they are not members of professional associations within their own countries it is not sure how willing they will be to engage in any form of a joint cooperation to improve export and to participate at the international market.

Factors determining future cooperation and choice of a business partner

The assessed enterprises in both regions report that the factors determining the right choice of a business partner for the future cooperation are previous positive experience and good references from a business partners.

There are no significant differences between Bulgarian and Serbian criteria defined for the future cooperation and they are listed below:

- Good reputation of the enterprise;
- Friendship with the owner/director;
Supply of raw material and processed material

Concerning the supply of raw material and processed material in Serbia, the Study shows 40% of assessed enterprises that supply their raw material and processed material through intermediaries, out of which 63% refer to the same suppliers.

The main criteria for the selection of the supplier they state the quality and the price and further continuation of cooperation follows if the experience was positive, such as respect of the terms of agreement, deadlines and payment, as well as on the same level of quality of the supplied raw material.

There are no precise data in the Study on the supply of raw material and processed material in Bulgaria.

Foreign trade

62% of Bulgarian companies directly export their goods abroad, whereas 85% of Serbian export enterprises export their goods without intermediaries.

The main export markets for Bulgarian companies exporting final products are Greece (39%), Italy (39%), Germany (27%), Great Britain (23%) and France (23%). As far as providing services are concerned, the companies from Bulgaria mostly deal with France, Germany, Italy and Great Britain.

Greek market is also very attractive for export due to its vicinity to Italy, Germany and France representing a big part of European market that is easily accessible for export because Bulgaria is a member of EU.
Serbian enterprises in the cross-border region mostly export their goods to Italy (10%), Bosnia and Herzegovina (10%), Germany, Croatia, Montenegro, Macedonia, Austria, Bulgaria, England, Russia and France.

The Study of the cross-border region in Serbia shows presence of Serbian producers in the markets of Germany and Italy in the sector of providing services not in the export of good quality goods.

The assessment results show that Bulgarian enterprises are not present in the market of Serbia in the cross-border region, whereas few Serbian companies export their goods to the Bulgarian market as they are in the vicinity.

**Cross-border cooperation**

![Chart 18. Interest shown for the cross-border cooperation](image)

More than a half of the assessed enterprises in Bulgaria and Serbia cross-border region showed interest for cooperation. Serbian companies were more interested than the Bulgarian ones, while one third of the total number in both countries is still reluctant to start cooperation to enhance business in the sector of textile and clothing production.
Most positive arguments for the cooperation are usually these listed below:

<table>
<thead>
<tr>
<th><strong>Serbia</strong></th>
<th><strong>Bulgaria</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- new market</td>
<td>- geographic position</td>
</tr>
<tr>
<td>- positive past experience in business</td>
<td>- exchange of experience</td>
</tr>
<tr>
<td>- vicinity of new market</td>
<td>- economic development of both regions</td>
</tr>
<tr>
<td>- maintaining good neighborly relations</td>
<td>- market accessibility</td>
</tr>
<tr>
<td>- Bulgaria EU MS</td>
<td>- similarities between regions</td>
</tr>
<tr>
<td>- low transport costs</td>
<td>- new contacts</td>
</tr>
<tr>
<td>- easy communication-familiar language</td>
<td></td>
</tr>
<tr>
<td>- exchange of experience</td>
<td></td>
</tr>
</tbody>
</table>
### SWOT analysis

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Long history and tradition in the production of textile and clothing in Serbia and Bulgaria;</td>
<td>- Inadequate production capacities of Serbian enterprises in the cross-border region limit the extent of production;</td>
</tr>
<tr>
<td>- Long experience in the production of final and semi-final products for famous world brands;</td>
<td>- Obsolete machinery and equipment in Serbian companies decrease competitiveness;</td>
</tr>
<tr>
<td>- Solid reputation at the European market due to a long cooperation with foreign partners;</td>
<td>- Low productivity in the textile industry in the cross-border region makes this sector less competitive at the foreign markets;</td>
</tr>
<tr>
<td>- Low production costs and cheap labor;</td>
<td>- A big number of micro enterprises without sufficient capacities for expansion of business and attracting of new customers;</td>
</tr>
<tr>
<td>- Adequate existing production facilities in Bulgaria;</td>
<td>- A small number of enterprises with certificate of seal and their proper brand in the cross-border region;</td>
</tr>
<tr>
<td>- Modern equipment and new technology of production machinery in Bulgaria;</td>
<td>- Relatively small number of companies with ISO standards in the process of production in the cross-border region;</td>
</tr>
<tr>
<td>- Flexible production processes;</td>
<td>- Limited possibilities of Serbian enterprises for deliveries of big quantities of goods from the foreign partners;</td>
</tr>
<tr>
<td>- Various production programmes of companies in both regions;</td>
<td>- Absence of skilled staff in the production and management sectors;</td>
</tr>
<tr>
<td>- Optimal ratio between price and quality in the cross-border region;</td>
<td>- Insufficient presence of enterprises from the cross-border region at the local and international fairs;</td>
</tr>
<tr>
<td>- Increase in the demand for the skilled labor in the sector of T&amp;C production of Serbia and Bulgaria at the EU market;</td>
<td></td>
</tr>
</tbody>
</table>
**Bulgaria – Serbia**

**IPA Cross-Border Programme**

Project № 2007CB16IPO006-2011-2-180

"Together towards the European Market – joint opportunities for enterprises in the sector of textile and clothing industry in the cross-border region"

Co-funded by the EU through IPA Cross-border Cooperation

Bulgaria – Serbia

<table>
<thead>
<tr>
<th>Good benefits deriving from the membership in EU and various agreements on free trade;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orientation for lohn business rather than for the development of a proper product;</td>
</tr>
<tr>
<td>Export of products mainly produced in the final stages of the production (lohn business);</td>
</tr>
<tr>
<td>Low export orientation of the enterprises in the cross-border region;</td>
</tr>
<tr>
<td>Good quality products of small entrepreneurs from Serbia are placed at the local market;</td>
</tr>
<tr>
<td>Absence of continual demand of goods and buyers;</td>
</tr>
<tr>
<td>Low yield of used benefits from the associations and clusters in Serbia;</td>
</tr>
<tr>
<td>Weak cooperation between enterprises dealing in the sector of textile and clothing production in the cross-border Serbia-Bulgaria;</td>
</tr>
<tr>
<td>Insufficient level of professional research of the market, buyers and competition;</td>
</tr>
<tr>
<td>Insufficient knowledge of foreign language, marketing, strategic planning and management in both regions;</td>
</tr>
<tr>
<td>Insufficient utilization of benefits from the valid international agreements on free trade by the Serbian producers;</td>
</tr>
<tr>
<td>Insufficient interest and knowledge of Serbian producers about available EU funds;</td>
</tr>
<tr>
<td>Lack of capacities for preparation and implementation of EU projects and programmes;</td>
</tr>
</tbody>
</table>
**Project No** 2007CB16IPO006-2011-2-180

"Together towards the European Market – joint opportunities for enterprises in the sector of textile and clothing industry in the cross-border region"

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Bulgaria – Serbia

<table>
<thead>
<tr>
<th>OPPORTUNITIES</th>
<th>THREATS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Good geo-strategic position of the Republic of Serbia and the Republic of Bulgaria;</td>
<td>• Absence of strategic framework for the development of the textile and clothing sector in Serbia and Bulgaria (Strategy on the development of textile and clothing sector);</td>
</tr>
<tr>
<td>• International Agreement on Free Trade with the third countries, signed by Serbia and free trade zone, free trafficking of commodities and services in EU where Bulgaria is a member state;</td>
<td>• Lack of the strategy for the export of textile and clothing products in Serbia;</td>
</tr>
<tr>
<td>• Adopted Strategy on the textile and textile products in Bulgaria;</td>
<td>• Unavailable updated data base at the state and regional level on the state of producers of textile and clothing in Serbia;</td>
</tr>
<tr>
<td>• Better utilization of available EU grant programmes;</td>
<td>• High percentage of business deals out of regular market (green markets, flea markets, etc.);</td>
</tr>
<tr>
<td>• Financial and non-financial support of the Government of Serbia and Republic of Bulgaria in business enhancement;</td>
<td>• Bad credit terms from the banks;</td>
</tr>
<tr>
<td>• Harmonization of production standards with the EU market requirements through introduction of quality standard;</td>
<td>• Impossibility of complying with the requirements of the EU market;</td>
</tr>
<tr>
<td>• Insufficient support of local authorities to Serbian companies dealing in Textile and clothing sector;</td>
<td>• Great competition at the international market;</td>
</tr>
<tr>
<td>• Lack of updated databases in local self-government on the local producers in the sector of textile and clothing;</td>
<td></td>
</tr>
</tbody>
</table>
Project № 2007CB16IPO006-2011-2-180

"Together towards the European Market – joint opportunities for enterprises in the sector of textile and clothing industry in the cross-border region"

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Bulgaria – Serbia

| Better terms for credit grants of assets and for the modernization of the production process; | Uncontrolled import of cheap textile and clothing from eastern countries; |
| Legal regulations in the sector of unfair competition eradication; | |
| Export incentives in the textile industry through simulative measures for developing its proper brand; | |
| Regional and cross-border cooperation; | |
| Joint presentation abroad during negotiations with potential partners with the aim of cost reduction for the supply of processed material; | |
| Increased demand for small quantities of textile and clothing at the EU market; | |
| Increased demand for clothing at the Bulgarian market; | |
| New partnerships and business deals with EU companies; | |
| Development of data base on the state and terms of business of all producers in the territory of Serbia; | |
| Creation of value chain and mapping of main actors that can enhance foreign trade in the cross-border region; | |
| Joining of all actors in the value chain around one common interest; | |
| Development of creative industry and linking with textile and clothing sector; | |
| Both countries show concern for the development of this sector in the cross-border region; | |
Vision

Cross-border region Serbia-Bulgaria is recognized as the leading region in the Balkans in the sector of textile and clothing industry: enterprises are competitive at the European and world market, with educated, professional and highly motivated labor, stimulating working conditions and innovative technological solutions, which contribute to the development and placement of products and brands worldwide.

Mission

Connecting all key actors in the sector of textile and clothing in the cross-border Serbia-Bulgaria region, joint action in the field of business capacities building, joint promotion and presentation at the market with the aim of export increase and development of new brands.
Key areas of enhancement of export in the cross-border region Serbia-Bulgaria

Effective and efficient promotion of export cannot be achieved through isolated activities of enterprises or organizations, but through adequately coordinated efforts and activities of all relevant actors. During the process of elaboration and implementation of mechanism of export promotion special attention must be taken about few key areas/principles:
Project № 2007CB16IPO006-2011-2-180

"Together towards the European Market – joint opportunities for enterprises in the sector of textile and clothing industry in the cross-border region"

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Bulgaria – Serbia

Objectives

1. Enhancement of competitiveness of textile and clothing industry in the cross-border region of Serbia-Bulgaria

2. Establishment of regional links, networks and cooperation of all actors in the textile and clothing industry in the cross-border region of Serbia-Bulgaria with the aim of joint access to the market

3. Improvement of human resources in the sector of textile and clothing in the cross-border region of Serbia-Bulgaria

4. Development of value chain in the sector of textile and clothing in the cross-border region of Serbia-Bulgaria

Objective 1. Enhancement of competitiveness of textile and clothing industry in the cross-border region of Serbia-Bulgaria

PROGRAMME 1.1. Introduction of production and quality standards

PROJECTS:

1.1.1. Introduction of the quality standards into enterprises dealing with production of textile and clothing;

1.1.2. Need assessment for the introduction of necessary production standards;

1.1.3. Business enhancement in the textile and clothing industry in compliance with the ecological standards;
PROGRAMME 1.2. Improvement of competitiveness of export oriented enterprises

PROJECTS:

1.2.1. Capacity building of the textile and clothing producers for communication and cooperation with foreign markets;

1.2.2. Capacity building of the textile and clothes producers for the preparation and implementation of the projects funded by donors;

1.2.3. Development of the study on export capacities of textile and clothes industry in the cross-border region;

1.2.4. Preparation of the data base on the foreign market and possibilities for export and foreign partners;

1.2.5. Support to enterprises in the process of product branding;

PROGRAM 1.3. Enhancement of promotion and marketing activities of the enterprises dealing in the cross-border region

PROJECTS:

1.3.1. Preparation of a joint fair calendar to participate at the fairs abroad.

1.3.2. Preparation of a joint participation at the fairs and abroad, such as fairs of textile and clothes in Munich, Dusseldorf, Paris, Milan, London, etc.)

1.3.3. Joint preparation and distribution of brochures, catalogues and publication promoting enterprises from the cross-border region at the local and international market;

1.3.4. Preparation and organization of fairs and manifestations of textile and clothes in the cross-border region;

1.3.5. Joint marketing activities on the internet;

1.3.6. Preparation and organization of trainings for entrepreneurs and businessmen on international marketing, preparation for participation at fairs, international promotions, searching for partners abroad, etc.
PROGRAMME 1.4. Introduction of new technologies and innovations

PROJECTS:

1.4.1. Promotion and introduction of modern design in the textile and clothing industry in the cross-border region to keep up with the world trends;

1.4.2. Introduction of new technologies and enhancement of production processes to meet the needs of the international market;

1.4.3. Support to innovativeness through incentives, public calls and competitions;

OBJECTIVE 2. Establishment of regional links, networks and cooperation of all actors in the textile and clothing industry in the cross-border region of Serbia-Bulgaria to participate jointly at the market

PROGRAM 2.1. Support to establishment of regional links ad networks of the textile and clothing producers in the cross-border region

PROJECTS:

2.1.1 Improvement of cooperation between clusters in the sector of textile and clothing industry in Serbia and Bulgaria;

2.1.2 Establishment of a joint cluster of the textile and clothing;

2.1.3 Establishment of the business association of the producers in the sector of textile and clothing industry in Serbia and Bulgaria;

PROGRAM 2.2. Establishment and cooperation of main actors in the cross-border region of Serbia and Bulgaria

PROJECTS:

2.2.1. Development of a website portal (electronic platform) to establish a network of all actors and to exchange information within the textile and clothing industry;
2.2.2. Ensuring conditions for sustainability of electronic platform;

2.2.3. Development of a comprehensive data base on the textile and clothing in the cross-border in the region Serbia-Bulgaria;

2.2.4. Ensuring conditions for connecting producers in the primary production with the producers of textile and clothing;

2.2.5. Establishing links between the producers of textile and clothing with creative industry and fashion industry;

2.2.6. Establishing cooperation between industry and technical faculties;

2.2.7. Establishing mechanisms for cooperation with the state institutions and donors with the aim of ensuring technical and financial support, incentives and subsidies for the modernization of existing production facilities;

Objective 3. Capacity building of the human resources in the textile and clothing industry in the cross-border region of Serbia-Bulgaria

PROGRAMME 3.1. Need Assessment of the human resources in the textile and clothing industry in the cross-border region of Serbia-Bulgaria

PROJECTS:

3.1.1. Mapping of the existing human resources structure and need assessment for new labor in the textile and clothes industry in the cross-border region of Serbia-Bulgaria;

3.1.2. Development of the study on the reforms of school curriculum in accordance with the assessment results;

PROGRAMME 3.2. Capacity building of the human resources in the sector of textile and clothing in the cross-border region Serbia-Bulgaria

PROJECTS:

3.2.1. Introduction of new job profiles in high schools in the cross-border region to meet the needs of the market and increase competitiveness;
3.2.2. Promotion of practical education in high vocational schools;

3.2.3. Organization and professional exchange among schools in Serbia and Bulgaria;

3.2.4. Organization of cross-border job fairs in Serbia and Bulgaria;

3.2.5. Organization and implementation of professional programmes of reeducation and/or additional education in the cross-border region;

3.2.6. Granting scholarships for the best students at technical and technological faculties by the foreign companies in the cross-border region;

3.2.7. Creation of condition for the knowledge and experience transfer between the two regions through various trainings, professional workshops, exchange of workers, etc.

3.2.8. Introduction of e-learning platform within the joint website portal on the textile and clothing industry;

3.2.9. Ensuring conditions for introduction of a mentoring programme for the members of the existing clusters, associations and cooperatives in the textile and clothing industry;

Objective 4. Development of value chain in the sector of textile and clothing in the cross-border region of Serbia-Bulgaria

PROGRAMME 4.1. Assessment of the value chain in the textile and clothing industry in the cross-border region of Serbia-Bulgaria

PROJECTS:

4.1.1 Establishment of a team for the assessment of value chain in the cross-border region of Serbia-Bulgaria;

4.1.2 Ensuring donors’ support for the implementation of the value chain assessment;

4.1.3 Mapping of the main actors in the textile and clothes industry in the cross-border region;

4.1.4 Assessment of the institutional and legislative framework on the development of value chain in the textile and clothes industry in the cross-border region;
4.1.5 Identification of the shortcomings and missing segments in the value chain at the market;

4.1.6 Cost analysis in the value chain, trends, competitiveness, potential markets, market capacity assessment and identification of possible problems in the value chain;

4.1.7 Identification of areas that need intervention and preparation of the Action Plan for the establishment of the value chain;

**PROGRAMME 4.2 Establishment of the value chain and capacity building of the actors in the value chain**

4.2.1 Establishment of the training mechanism for the participants in the value chain,

4.2.2 Programme proposal on the necessary measures and incentives for the development of the missing segments in the value chain (for example production of raw material, creative industry, textile waste management, recycling);

4.2.3 Establishing links and cooperation among participants in the value chain;
**ACTION PLAN FOR THE PROJECT IMPLEMENTATION (2015 – 2020)**

**OBJECTIVE 1. ENHANCEMENT OF COMPETITIVENESS OF TEXTILE AND CLOTHING INDUSTRY IN THE CROSS-BORDER REGION OF SERBIA - BULGARIA**

**PROGRAMME 1.1. INTRODUCTION OF PRODUCTION AND QUALITY STANDARDS**

<table>
<thead>
<tr>
<th>Projects</th>
<th>Expected results</th>
<th>Lead partner</th>
<th>Partners</th>
<th>Implementation period</th>
<th>Project value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1.1. Need assessment for the introduction of new production standards</td>
<td>Assessed enterprises and completed analysis on the needs for the introduction of standards</td>
<td>Regional Chambers of Commerce in Serbia (Leskovac, Nis and Zajecar) and Regional Chambers of Commerce in Bulgaria (Vidin, Montana, Sofia, Pernik and Kyustendil)</td>
<td>Association of clusters in the cross-border region (Bulgarian Association of textile and clothing export enterprises (BAATPE), Sectorial organization for textile and clothing „Botto„, Textile cluster of Nisava District (TKNO) the Cluster House of Nis (KKN)</td>
<td>October 2015 – March 2016</td>
<td>-</td>
</tr>
</tbody>
</table>
### 1.1.2. Introduction of the quality standards in enterprises dealing in textile and clothing production

| Introduced ISO standards in three enterprises in the cross-border region | Company for introduction of standards | Enterprises in textile and clothing sector in the cross-border region | March–August 2016 | - |

### 1.1.3. Business enhancement in the textile and clothing industry in compliance with the ecological standards

| Business enhancement, decrease in ecological accidents, introduction of new standards in business and production | Enterprises dealing in textile and clothing sector in the cross-border region | Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN) | March – August 2016 | - |
### PROGRAMME 1.2. ENHANCEMENT OF COMPETITIVENESS OF EXPORT-ORIENTED ENTERPRISES

<table>
<thead>
<tr>
<th>Projects</th>
<th>Expected results</th>
<th>Lead partner</th>
<th>Partners</th>
<th>Implementation period</th>
<th>Project value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2.1. Capacity building of the textile and clothing producers for communication with foreign market</td>
<td>Prepared and conducted trainings (foreign languages, EU procedures, legislation, general management) - 4 workshops in cross-border region</td>
<td>Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)</td>
<td>Enterprises in the textile and clothing sector in the cross-border region (RCCS and RCCB)</td>
<td>September – December 2016</td>
<td>-</td>
</tr>
<tr>
<td>1.2.2. Capacity building of the textile and clothing producers for preparation and implementation of donors’ projects</td>
<td>Prepared and conducted trainings on project development - 4 workshops in the cross-border region</td>
<td>Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)</td>
<td>Regional Development Agencies, enterprises in the textile and clothing sector in the cross-border region (RCCS and RCCB)</td>
<td>September – December 2016</td>
<td>-</td>
</tr>
<tr>
<td>1.2.3. Development of the Study on the export capacities of the textile</td>
<td>Finalized Study on the export capacities of the textile and clothing</td>
<td>Existing associations and clusters in the cross-border region</td>
<td>RCCS and RCCB SIEPA</td>
<td>October – December 2016</td>
<td>-</td>
</tr>
</tbody>
</table>
### Project № 2007CB16IPO006-2011-2-180

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**Bulgaria – Serbia**

<table>
<thead>
<tr>
<th>1.2.4. Development of the data base on foreign market and possibilities for export and cooperation with foreign partners</th>
<th>Finalized data base</th>
<th>Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)</th>
<th>RCCS and RCCB (Serbian Agency for Foreign Investments and Promotion of Export) SIEPA</th>
<th>January–March 2017</th>
</tr>
</thead>
</table>

| 1.2.5. Support to enterprises in the process of product branding | Prepared and conducted trainings: Technical and financial support, Product/production branding 2 export companies in the cross-border region | Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN) | SIEPA and Bulgarian Agency for promotion of small and medium enterprises (BSMEPA) | February – November 2017 |

### Table:

<table>
<thead>
<tr>
<th><strong>and clothing industry in the cross-border region</strong></th>
<th><strong>industry in the cross-border region</strong></th>
<th><strong>(BAATPE, Botto, TKNO and KKN)</strong></th>
<th><strong>RCCS and RCCB (Serbian Agency for Foreign Investments and Promotion of Export) SIEPA</strong></th>
<th><strong>January–March 2017</strong></th>
</tr>
</thead>
</table>

| **1.2.4. Development of the data base on foreign market and possibilities for export and cooperation with foreign partners** | **Finalized data base** | **Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)** | **RCCS and RCCB (Serbian Agency for Foreign Investments and Promotion of Export) SIEPA** | **January–March 2017** |

| **1.2.5. Support to enterprises in the process of product branding** | **Prepared and conducted trainings: Technical and financial support, Product/production branding 2 export companies in the cross-border region** | **Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)** | **SIEPA and Bulgarian Agency for promotion of small and medium enterprises (BSMEPA)** | **February – November 2017** |
**PROGRAMME 1.3. ENHANCEMENT OF PROMOTION AND MARKETING ACTIVITIES OF ENTERPRISES DEALING IN THE CROSS-BORDER REGION**

<table>
<thead>
<tr>
<th>Projects</th>
<th>Expected results</th>
<th>Lead partner</th>
<th>Partners</th>
<th>Implementation period</th>
<th>Project value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.3.1. Preparation of a joint fair calendar to participate at the fairs abroad.</td>
<td>Finalized joint fair calendar</td>
<td>Existing associations and clusters in the cross-border region</td>
<td>SIEPA, BSMEPA, RDA &quot;JUG&quot;, RARIS, RDA</td>
<td>January – February 2017</td>
<td>-</td>
</tr>
<tr>
<td>1.3.2. Preparation of a joint participation at the fairs and abroad, such as fairs of textile and clothing in Munich, Dusseldorf, Paris, Milan, London, etc.)</td>
<td>Joint participation at the fairs and negotiations with potential partners</td>
<td>Existing associations and clusters in the cross-border region</td>
<td>Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN), SIEPA, BSMEPA</td>
<td>March 2017 – March 2020</td>
<td>-</td>
</tr>
<tr>
<td>1.3.3. Joint preparation and distribution of brochures, catalogues</td>
<td>Prepared and distributed brochures and catalogues</td>
<td>Local self-government, regional</td>
<td>Enterprises in the textile and clothing</td>
<td>March 2017 – March 2020</td>
<td>-</td>
</tr>
</tbody>
</table>
and public promotion of enterprises from the cross-border region at the local and international markets

| development agencies, existing clusters | sector in the cross-border region, |

**PROGRAMME 1.4. INTRODUCTION OF NEW TECHNOLOGIES AND INNOVATIVENESSES**

<table>
<thead>
<tr>
<th>Projects</th>
<th>Expected results</th>
<th>Lead partner</th>
<th>Partners</th>
<th>Implementati on period</th>
<th>Project value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.4.1. Promotion and introduction of modern design in the textile and clothing industry in the cross-border region to keep up with the world trends</td>
<td>Prepared and conducted trainings for export enterprises in the cross-border region, designers are hired</td>
<td>Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)</td>
<td>Enterprises in the textile and clothing sector in the cross-border region, SIEPA, BSMEPA</td>
<td>March – August 2018 and March – August 2019</td>
<td>-</td>
</tr>
<tr>
<td>1.4.2. Introduction of new technologies and enhancement of production processes to</td>
<td>Prepared projects, funds are allocated (donors, credits, incentives)</td>
<td>Enterprises in the textile and clothing sector in the cross-border region</td>
<td>Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN), SIEPA</td>
<td>February – December 2018, 2019, 2020</td>
<td>-</td>
</tr>
</tbody>
</table>
"Together towards the European Market – joint opportunities for enterprises in the sector of textile and clothing industry in the cross-border region"

Co-funded by the EU through IPA Cross-border Cooperation
Bulgaria – Serbia

<table>
<thead>
<tr>
<th>meet the needs of the international market;</th>
<th>BSMEPA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.4.3. Support to innovativeness through incentives, public calls and competitions;</td>
<td>Prepared tender documentation, funds are allocated, public calls completed and enterprises selected</td>
</tr>
</tbody>
</table>
|                                           | Enterprises in the textile and clothing sector in the cross-border region
Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN) | February – December 2018, 2019, 2020 | - |
**OBJECTIVE 2. ESTABLISHMENT OF REGIONAL LINKS, NETWORKS AND COOPERATION OF ALL ACTORS IN THE TEXTILE AND CLOTHING INDUSTRY IN THE CROSS-BORDER REGION OF SERBIA-BULGARIA TO PARTICIPATE JOINTLY AT THE MARKET**

**PROGRAMME 2.1. SUPPORT TO THE ESTABLISHMENT OF REGIONAL LINKS AND NETWORKS OF THE TEXTILE AND CLOTHING PRODUCERS IN THE CROSS-BORDER REGION**

<table>
<thead>
<tr>
<th>Projects</th>
<th>Expected results</th>
<th>Leading partner</th>
<th>Partners</th>
<th>Implementa tion period</th>
<th>Project value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1.1 Improvement of cooperation between clusters in the sector of textile and clothing industry in Serbia and Bulgaria</td>
<td>Joint projects, joint participation at local and international fairs</td>
<td>Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)</td>
<td>SIEPA BSMEPA Enterprises in the textile and clothing sector in the cross-border region</td>
<td>January – December 2018, 2019 and 2020</td>
<td>-</td>
</tr>
<tr>
<td>2.1.2 Establishment of a joint cluster of the textile and clothing producers in the cross-border region of Serbia-Bulgaria</td>
<td>Established joint cluster of the textile and clothing producers in the cross-border region of Serbia-Bulgaria</td>
<td>Export companies in the cross-border region</td>
<td>Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)</td>
<td>May 2016</td>
<td>-</td>
</tr>
</tbody>
</table>
**IPA Cross-Border Programme**

**Project № 2007CB16IPO006-2011-2-180**

"Together towards the European Market – joint opportunities for enterprises in the sector of textile and clothing industry in the cross-border region"

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| 2.1.3 Establishment of a business association of the producers in the sector of textile and clothing industry in Serbia and Bulgaria | Established business association of the producers in the sector of textile and clothing industry in the cross-border region | Export companies in the cross-border region | Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN) | May 2016 | - |

**PROGRAMME 2.2. ESTABLISHMENT OF LINKS AND COOPERATION OF ALL MAIN ACTORS IN THE BORDER-CROSS REGION OF SERBIA-BULGARIA**

<table>
<thead>
<tr>
<th>Projects</th>
<th>Expected results</th>
<th>Lead partner</th>
<th>Partners</th>
<th>Implementa tion period</th>
<th>Project value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2.1. Development of a website portal (electronic platform) to establish a network of all actors and to exchange information within the textile and clothing industry</td>
<td>Developed web portal (electronic platform)</td>
<td>Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)</td>
<td>RCCS and CC8</td>
<td>March – July 2016</td>
<td>-</td>
</tr>
</tbody>
</table>
### 2.2.2. Ensuring conditions for sustainability of electronic platform
- Prepared project and allocated funds (state, donors)
- Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)
- Enterprises in the textile and clothing sector in the cross-border region
- April – October 2016

### 2.2.3. Development of a comprehensive data base on the textile and clothing in the cross-border in the region Serbia-Bulgaria;
- Developed data base
- Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)
- RCCS and CCB
- November – December 2015

### 2.2.4. Ensuring conditions for connecting producers in the primary production with the producers of textile and clothing
- Developed data base; Organized B2B meetings in Serbia and Bulgaria
- Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)
- RCCS and CCB
- February – December 2016

### 2.3.5. Establishing links between the producers of textile and clothing with creative industry and fashion industry
- Developed data base; Organized B2B meetings in Serbia and Bulgaria
- Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)
- RCCS and CCB
- February – December 2016

### 2.3.6. Establishing cooperation between industry and technical
- Established cooperation between industry and
- Enterprises in the textile and clothing
- Existing associations and clusters in the cross-border region
- January – December 2019
### 2.3.7. Establishing mechanisms for cooperation with the state institutions and donors with the aim of ensuring technical and financial support, incentives and subsidies for the modernization of existing production facilities

<table>
<thead>
<tr>
<th>and technological faculties</th>
<th>educational institutions</th>
<th>sector in the cross-border region</th>
<th>(BAATPE, Botto, TKNO and KKN) RCCS and CCB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organized joint meetings, trainings and workshops; Established cooperation and ensured technical and financial support</td>
<td>Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)</td>
<td>RCCS and CCB SIEPA BSMEPA</td>
<td>January – December 2016, 2017, 2018, 2019 и 2020</td>
</tr>
</tbody>
</table>
# Objective 3. Capacity Building of the Human Resources in the Textile and Clothing Industry in the Cross-Border Region of Serbia-Bulgaria

## Programme 3.1. Assessment of Needs for Human Resources in the Textile and Clothing Industry in the Cross-Border Region of Serbia-Bulgaria

<table>
<thead>
<tr>
<th>Projects</th>
<th>Expected results</th>
<th>Lead partner</th>
<th>Partners</th>
<th>Implementation period</th>
<th>Project value</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1.1. Mapping of the existing human resources structure and need assessment for new labor in the textile and clothes industry in the cross-border region of Serbia-Bulgaria;</td>
<td>Assessment completer, developed data base</td>
<td>Existing associations and clusters in the cross-border region ((BAATPE, Botto, TKNO and KKN)</td>
<td>National Employment Bureau in Serbia and Bulgaria</td>
<td>April – November 2016</td>
<td>-</td>
</tr>
<tr>
<td>3.1.2. Development of the study on the reforms of school curriculum in accordance with the assessment results;</td>
<td>The study is developed; Presentation of the study to all concerned actors in the cross-border region</td>
<td>Existing associations and clusters in the cross-border region ((BAATPE, Botto, TKNO and KKN)</td>
<td>Educational institutions (High schools, colleges and Faculties, textile and clothing enterprises in the cross-border region)</td>
<td>February – June 2017</td>
<td>-</td>
</tr>
</tbody>
</table>
**PROGRAMME 3.2. CAPACITY BUILDING OF THE HUMAN RESOURCES IN THE SECTOR OF TEXTILE AND CLOTHING IN THE CROSS-BORDER REGION OF SERBIA-BULGARIA**

<table>
<thead>
<tr>
<th>Projects</th>
<th>Expected results</th>
<th>Lead partner</th>
<th>Partners</th>
<th>Implementation period</th>
<th>Project value</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2.1. Introduction of new job profiles in high schools in the cross-border region to meet the needs of the market and increase competitiveness;</td>
<td>At least one new job profile introduced in high schools and colleges in the cross-border region</td>
<td>High schools in the cross-border region</td>
<td>Existing and new associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN), Ministry of education in Serbia and Bulgaria</td>
<td>September 2017</td>
<td></td>
</tr>
<tr>
<td>3.2.2. Promotion of practical education in high vocational schools</td>
<td>Prepared project proposals, Machines and equipment for work with children supplied, regular practical education available in textile and clothing enterprises, improved practical education</td>
<td>High schools in the cross-border region;</td>
<td>Existing and new associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)</td>
<td>March - September 2017</td>
<td></td>
</tr>
</tbody>
</table>
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**Bulgaria – Serbia**

<table>
<thead>
<tr>
<th>3.2.3. Organization and professional exchange among schools in Serbia and Bulgaria</th>
<th>Prepared plan and programme for student exchange, regular exchange among schools (teachers and students)</th>
<th>High schools in the cross-border region</th>
<th>RCCS and CCB</th>
<th>January – December 2016, 2017, 2018, 2019 and 2020</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2.4. Organization of cross-border job fairs in Serbia and Bulgaria;</td>
<td>Prepared fair calendar, organized cross-border fairs</td>
<td>Existing and new associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)</td>
<td>National Employment Bureau in Serbia and Bulgaria; Enterprises dealing in the textile and clothing sector in the cross-border region</td>
<td>From September on continually 2016</td>
<td>-</td>
</tr>
<tr>
<td>3.2.5. Organization and implementation of professional programmes of reeducation and/or additional education in the cross-border region;</td>
<td>Prepared plan and programme; Organized and implemented professional additional education / reeducation</td>
<td>Existing and new associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)</td>
<td>National Employment Bureau in Serbia and Bulgaria</td>
<td>From September on continually 2016</td>
<td>-</td>
</tr>
<tr>
<td>3.2.6. Granting scholarships for the best students at technical and technological faculties by the foreign companies in the cross-border region of Serbia-Bulgaria</td>
<td>Defined criteria for the selection of students Scholarship for students allocated</td>
<td>Enterprises dealing in textile and clothing sector in the cross-border region</td>
<td>Technical and technological Faculties T</td>
<td>From September on continually 2016</td>
<td>-</td>
</tr>
</tbody>
</table>
3.2.7. Creation of condition for the knowledge and experience transfer between the two regions through various trainings, professional workshops, exchange of workers, etc.

<table>
<thead>
<tr>
<th>Task Description</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepared curriculum for trainings and workshops, etc., regular meetings, trainings, workshops</td>
<td>RCCS and CCB</td>
</tr>
</tbody>
</table>

3.2.8. Introduction of e-learning platform within the joint website portal on the textile and clothing industry;

<table>
<thead>
<tr>
<th>Task Description</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functional e-learning platform</td>
<td>RCCS and CCB</td>
</tr>
</tbody>
</table>

3.2.9. Ensuring conditions for introduction of a mentoring programme for the members of the existing clusters, associations and cooperatives in the textile and clothing industry;

<table>
<thead>
<tr>
<th>Task Description</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparation of monitoring plan for B2B meetings Preparation and implementation of trainings and workshops</td>
<td>Bulgarian association of export companies of textile and clothing (BAATPE) and Fashion industry cluster (FACTS)</td>
</tr>
<tr>
<td>Existing and new associations and clusters in the cross-border region</td>
<td>From January on continually 2017</td>
</tr>
</tbody>
</table>
OBJECTIVE 4. DEVELOPMENT OF THE VALUE CHAIN IN THE SECTOR OF TEXTILE AND CLOTHING IN THE CROSS-BORDER REGION OF SERBIA-BULGARIA

PROGRAMME 4.1. ASSESSMENT OF THE VALUE CHAIN IN THE TEXTILE AND CLOTHING INDUSTRY IN THE CROSS-BORDER REGION OF SERBIA-BULGARIA

<table>
<thead>
<tr>
<th>Projects</th>
<th>Expected results</th>
<th>Lead partner</th>
<th>Partners</th>
<th>Implementation period</th>
<th>Project values</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1.1 Establishment of a team for the assessment of value chain in the textile and clothing industry in the cross-border region of Serbia-Bulgaria;</td>
<td>The team is established</td>
<td>RCCS and CCB</td>
<td>Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)</td>
<td>October 2015</td>
<td>-</td>
</tr>
<tr>
<td>4.1.2 Ensuring donors’ support from the implementation of the value chain assessment;</td>
<td>Cooperation is established and technical and financial support ensured</td>
<td>Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)</td>
<td>Enterprises in the textile and clothing sector in the cross-border region</td>
<td>November – December 2015</td>
<td>-</td>
</tr>
<tr>
<td>Section</td>
<td>Description</td>
<td>Team for the assessment of the value chain</td>
<td>Value chain members, Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)</td>
<td>Dates</td>
<td></td>
</tr>
<tr>
<td>---------</td>
<td>-------------</td>
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<td>--------------------------------------------------------------------------------------------------</td>
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<td></td>
</tr>
<tr>
<td>4.1.3</td>
<td>Mapping of the main actors in the textile and clothes industry in the cross-border region; All main actors at the local level in the cross-border region are mapped</td>
<td>Team for the assessment of the value chain</td>
<td>Value chain members, Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)</td>
<td>January – March 2016</td>
<td></td>
</tr>
<tr>
<td>4.1.4</td>
<td>Assessment of the institutional and legislative framework on the development of value chain in the textile and clothes industry in the cross-border region; Assessment analysis on the value chain development is completed</td>
<td>Team for the assessment of the value chain</td>
<td>Value chain members, Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)</td>
<td>April – July 2016</td>
<td></td>
</tr>
<tr>
<td>4.1.5</td>
<td>Identification of the shortcomings and missing segments in the value chain at the market; Assessment on the market analysis completed</td>
<td>Team for the assessment of the value chain</td>
<td>Value chain members, Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)</td>
<td>April – July 2016</td>
<td></td>
</tr>
<tr>
<td>4.1.6</td>
<td>Cost analysis in the value chain, trends, competitiveness, potential markets, market capacity assessment and identification of possible Analysis on the costs, current trends and competitiveness is completed</td>
<td>Team for the assessment of the value chain</td>
<td>Value chain members, Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)</td>
<td>April – July 2016</td>
<td></td>
</tr>
</tbody>
</table>
4.1.7 Defining sectors where intervention and preparation of the Action Plan for the establishment of a value chain are needed

| Problems in the value chain: | Action plan is prepared, objectives defined and plan and programme prepared | Team for the assessment of the value chain | Value chain members, Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN) | February – June 2016 | - |

**PROGRAMME 4.2 ESTABLISHMENT OF THE VALUE CHAIN AND CAPACITY BUILDING OF THE ACTORS IN THE VALUE CHAIN**

<table>
<thead>
<tr>
<th>Projects</th>
<th>Expected results</th>
<th>Lead partner</th>
<th>Partners</th>
<th>Implementation period</th>
<th>Project value</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.2.1 Establishment of the training mechanism for the participants in the value chain</td>
<td>Prepared and conducted training</td>
<td>RCCS and CCB</td>
<td>Existing associations and clusters in the cross-border region</td>
<td>September – November 2016</td>
<td>-</td>
</tr>
<tr>
<td>4.2.2 Programme proposal on the necessary measures and incentives for the development of the</td>
<td>Programme proposal on the necessary measures and incentives is completed</td>
<td>Team for the assessment of the value chain</td>
<td>Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)</td>
<td>October – December 2016</td>
<td>-</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>missing segments in the value chain (for example production of raw material, creative industry, textile waste management, recycling)</th>
<th>New export business deals; New markets and new customers</th>
<th>Members of the value chain</th>
<th>Existing associations and clusters in the cross-border region (BAATPE, Botto, TKNO and KKN)</th>
<th>October 2016-</th>
<th>-</th>
</tr>
</thead>
</table>

4.2.3 Establishing links and cooperation among participants in the value chain

89
Literature

- Study and situation analysis in the textile and clothing industry in the six(6) cross-border regions of the Republic of Serbia regarding assortment and available production capacities in the cross-border region of Serbia-Bulgaria, the City of Leskovac, IPA cross-border cooperation Serbia – Bulgaria project, July 2015.
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- How to enhance the competitiveness of the Serbian economy – action plan draft, Dr Nikola Fabris
- Export increase Strategy Draft in Bosnia and Herzegovina from 2012 to 2015, Export council of BH, November 2011.
- Recommended instruments and measures for export enhancement, Business-technological incubator of the faculty of technologies, Belgrade 2013.
- Business Analysis of the industry of clothing, leather and footwear, January-December 2014, Serbian Chamber of Commerce, Association of the textile, clothing, leather and footwear.
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- Support to the development of entrepreneurship in Serbia from the National Agency for the Regional Development.
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- Development trends in the of clothing companies in view of fast response to the market demands of the countries with big consumers of clothes, Assistant professor Dr Vasilije Petrovic.
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- Guide for Enterprises New Marketing opportunities, Program of integrated support to innovations
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- S. Guide for Enterprises A road to customers – defining of the strategy and business partners, Program of integrated support to innovations
- The Report on SME and Entrepreneurship for 2013, Ministry of Economy, NARD
- Post-crisis model of the economic growth and development of Serbia 2011-2020, USAID
- How to enhance your business, standards and certificates, NARD
- Concept for the development of the Republic of Serbia till 2020, Draft prepared for the public hearing
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- Analysis of innovative needs in the SME sector
- Textile and Clothing Industries in Serbia, Vesna Vasiljevic, 2012
- Profile of the Region for the territory of Nisava, Pirot and Toplica Districts, Regional Development Association JUG, 2011
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- Leskovac, Questionnaire – The Economic Sector Assessment, Agency for the local economic development, LED sector 2015
- National and international programs of support in the Republic of Serbia, Serbian Chamber of Commerce, 2015
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- The analysis of innovative requirements in the SME sector, Vidin, business center, SME Timok
- The Report – Job profile requirements of the employees in the enterprises of Pcinja and Jablanica districts, Raduje Perovic, 2004
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- How to enhance Serbian export – one step beyond the fence, Ivana Pavlovic, Katarina Markovic, 2011
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Links

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34. Serbia Investment and Export Promotion Agency (SIEPA) - www.siepa.gov.rs
35. Serbian Export Credit and insurance Agency (AOFI) - www.aofi.rs
36. Regional Development Agency JUG - www.rja-jug.rs
37. Regional Agency for the development of Eastern Serbia (RARIS) - www.raris.org
38. Regional Center for the development of Jablanica and Pcinja Districts - www.centarzarazvoj.org
40. Regional Chamber of Commerce, Zajecar - www.rpk-zajecar.co.rs
41. Regional Chamber of Commerce, Leskovac - www.rpkle.rs
42. Corridors of Serbia – www.koridorisrbije.rs
43. Cluster House, Nis - www.clusterhouse.rs
44. Bulgarian association of textile and clothes export companies (BAATPE)) - www.bgtextiles.org
45. Sectoral organization for textile and clothes (Botto) - www.bottoybg.org
46. Bulgarian Chamber of Commerce – www.bcci.bg
47. Agency for the promotion of small and medium enterprises of Bulgaria (BSMEPA) – www.export.government.bg
49. Customs Office Headquarters of the Republic of Serbia - www.customs.bg

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