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SHOES INDUSTRY

ECONOMIC POTENTIAL OF SANDZAK REGION



The opportunity of exporting to a market of over one billion people with no customs whatsoever, competitive prices for products and services of high quality, delivery dates and quantity flexibility, quick and reliable delivery of goods adjusted to meet the needs of buyers and business partners, favourable international trading agreements, qualified and quality workforce that holds the experience good enough to satisfy the most selective world buyers, controlled manufacture expenses - these are only some of the reasons for which you should do business in Serbia. One of the key sectors of Serbian industry is the shoe industry. A testimony to the quality of the shoes manufactured here is the fact that, in the previous year, this industry has exported goods in the value of almost 225 million dollars. The fact that companies such as Geox and Falc S.P.S, world renowned brands have found their strategic interest in doing business in Serbia is proof that Serbia and its shoe industry are worth knowing and exploring.

We wish to turn your focus particularly on the shoes manufactured in Novi Pazar.



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ECONOMIC POTENTIAL OF SANDZAK REGION

SECTOR OF SHOES INDUSTRY



4 WHY SERBIA?

FIAT, Johnson Controls, Siemens, Michelin, United Colors of Benetton, Geox, Ball Packaging and National Cash Register have all recognised the potentials of Serbia. With 7.4 million citizens, a favourable geographic position, customs-free access to 15% of world market, Serbia is the largest market on the Western Balkans and it is a very interesting partner for developed countries of the West as well as the East.



Over 50 year long experience in the shoe-making business, cooperations with some of the largest world brands, accessible and qualified workforce, competitive labour cost, flexibility of delivery times and facilitated access to different markets - all these are factors contributing to Serbia being one of the most appealing countries for doing business with in Europe.

A LIST OF INTERNATIONAL TRADING AGREEMENTS:

- **Trading agreement with the European Union**
(70% of all textile products and clothing is exported to EU
Market size: 509 million potential buyers)
- **Agreement of free trade with Turkey**
(over 90% of all materials for textile industry is imported from Turkey
Market size: 82 million potential buyers)
- **A special trade agreement with the United States of America**
(for products “entirely made in Serbia”
Market size: 319 million potential buyers)
- **An agreement of free trade with the Russian federation**
(market size: 165 million potential buyers)
- **The Madrid protocol**
(offers protection for Serbian companies doing business in the EU)
- **CEFTA member**
(market size: 22 million potential buyers)
- **EFTA member**
(market size: 13 million potential buyers)

In Serbia there are around 1200 larger and small shoe factories which employ close to 12000 people. In the past year around 4 million pairs of shoes were produced and 800 tons of shoe elements and 55% of that amount was sold to Italian buyers.

Favourable trade agreements have enabled Serbian shoe companies to grow more competitive on the international market and have also made them more appealing to foreign partners in the sense of making deals and doing business together.

6 SHOES FROM NOVI PAZAR



If you have made the decision of doing business in Serbia and you are in need of quality shoes - Novi Pazar, a city that has been producing high-quality shoes for over thirty years, is the place to find them.

More than 50 companies in Novi Pazar are in the business of producing hip, modern and high-quality shoes. With a yearly capacity of about 2 million finished products, companies from Novi Pazar have the potential of providing an additional 200 000 pairs of shoes to potential partners and buyers, and with no additional larger investments. Around 1000 employees produce 600 000 pairs of shoes a year and 40% of that amount is intended for exporting.





Novi Pazar is located in Southwest Serbia, it is near the Montenegro and Bosnia and Herzegovina state line.

Novi Pazar is a city of entrepreneurs and traders. Over 95% of 800 officially registered small and medium companies are private ownerships. One of Serbia's finest examples of small family businesses taking over responsibility and initiative, not only for personal prosperity but also for the economic growth and development of the city and the entire region.

Novi Pazar is the city of youth - over 49% of the entire population is under 30 years old. Two universities, six high schools and twelve elementary schools are the foundation for creating competent and qualified workforce.



Coordinates:
43°8'9"N 20°30'40"E
Geographical location:
Southwest Serbia
Time zone: UTC +1



Belgrade: 275 km
Nis: 190 km
Pristina: 130 km



Belgrade: 275 km
Podgorica: 220 km
Pristina: 130 km
Sarajevo: 295 km
Skoplje: 190 km

8 SHOES FROM NOVI PAZAR

PRODUCTION

Quality and hip and modern design have been the characteristics of products from Novi Pazar ever since the second half of the 20th century. Values which are never deviated from recommend companies from Novi Pazar to domestic and international buyers.

The production program consists of shoes for men women and children. All the companies hold approximately the same quality level, and therefore it is possible to arrange orders from two, three or more companies and an integrated procurement in order to satisfy the demands for larger amounts of merchandise and short delivery times of the entire consignment.

Manufacturers from Novi Pazar purchase leather from renowned suppliers from Turkey and Italy, the same suppliers providing materials for the most famous international brands. Quality material is an additional guarantee of the final product that meets and satisfies all the world standards.



WORKFORCE

The textile companies of Novi Pazar are mainly small and medium family companies that hire between 10 and 70 people. Their comparative advantage is in the fact that they are flexible, easily adaptable to changes and aim towards satisfying market demands. The individual capacity of the production is quite efficient in relation to international standards. The companies hire only the best staff, including designers and modellers with years of experience. There is a sufficient number of qualified candidates on the local market, and in the case of increasing demand for shoes, they could easily be recruited and hired.



Those working in textile companies acquire the required knowledge and skills in the “School for textile and leather design”. Three and four-year-long programs are attended by around 900 young people and every year around 200 students graduate. For the needs of the textile industry, the school trains students for manual modelling of shoe elements, tailoring on an industrial die cutting machine, manual preparation, operating the regular industrial column sewing machine and also for industrial processing of shoe elements. The school also provides students with practical training in textile companies as well as summer practice programs. Through practical work the students’ skills are perfected and this type of training enables them to achieve the maximum level of craftsmanship and precision.

TECHNOLOGY

The production plants are technically well-built and set, equipped with the latest generation technology, in accordance with international standards.



**MODERN
TECHNOLOGY**



THE MARKET

The main export destinations are Bosnia and Herzegovina, Croatia, Montenegro the EU countries and Russia. Almost 40% of products is intended for these countries. Big companies from Novi Pazar have their own brands but also a direct collaboration with internationally acclaimed producers in the area of providing complete services. Thanks to a high quality of the final products and a respect for the work ethic, the companies from Novi Pazar have, in spite of the global economic crisis, managed to retain the markets on which they place their products.

It is very important to emphasize that the association of shoe manufacturers, NP Shoes has launched the concept of a unified brand called SHOES FROM SERBIA on the international market.

The participation NP Shoes on international fairs in Germany - GDS has contributed to the affirmation of the local companies.



12 NP SHOES – SHOES FROM SERBIA



In 2011 an association of fashion shoe manufacturers was founded with a basic goal of manufacturers conquering new markets together, in the area of brand placement as well as in the area of cooperation and providing direct services to world-known brands.

THE FOUNDERS OF NP SHOES ARE:



www.obucaantilop.com



www.cecoline.co.rs



www.euroscarpa.rs



www.ebstudioshoes.com



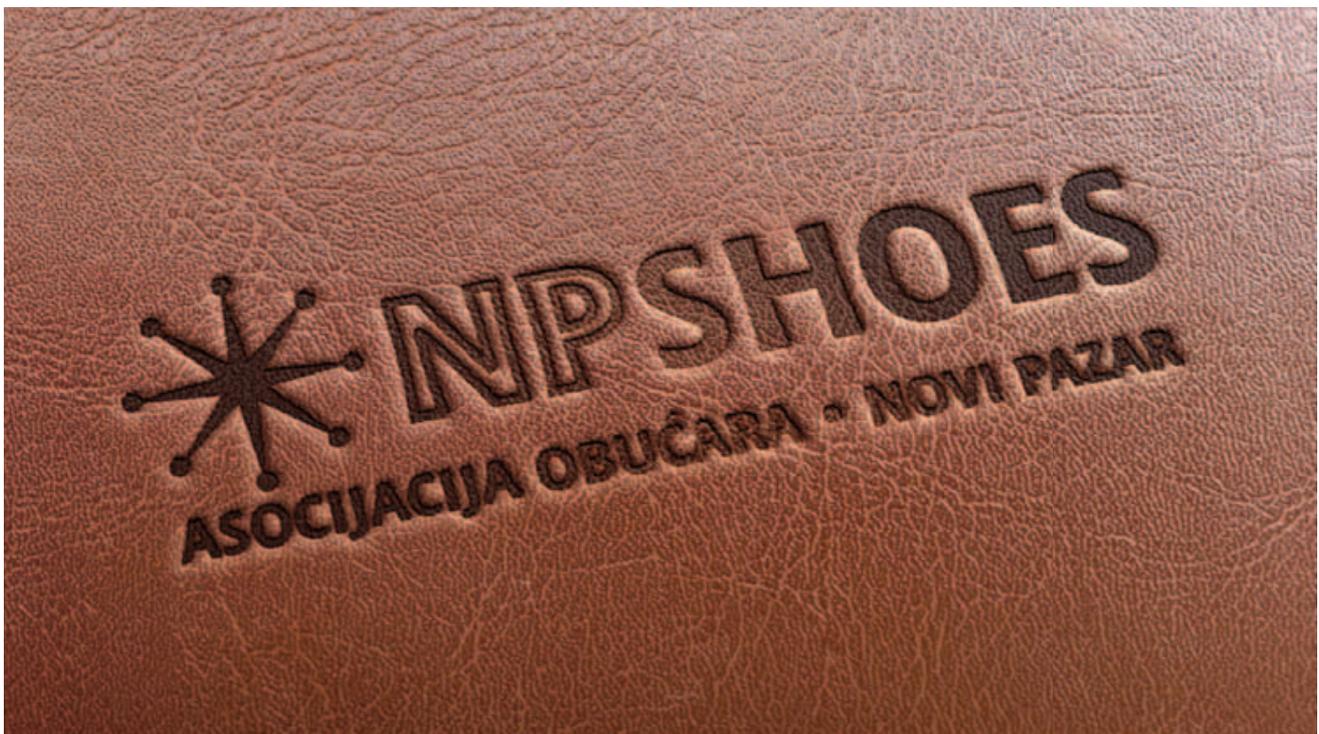
www.bosashoes.com



www.trefshoes.com

The cooperation with NP shoes will provide you with:

- Top quality products at competitive prices
- Use of modern technology, working with talented designers and skilled and skillful workforce
- Using the benefits of trade agreements that Serbia has with Russia, Belarus, Kazakhstan, CEFTA, EFTA, Turkey and the EU
- Reduction of transportation costs and respect of delivery deadlines
- Ordering quantities in accordance with the actual needs of the customers



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REGIONAL DEVELOPMENT AGENCY OF SANDZAK - SEDA

The support to the furniture industry of Novi Pazar is also provided by the Regional Development Agency of Sandzak (SEDA) which deals with the regional economic development of the region. Thanks to the knowledge of the local economic ambiance, a cooperation with local governments and companies, SEDA is capable of offering:

- Business promotion (organization of trade fairs, B2B meetings, business forums and business missions at home and abroad)
- Assistance in the preparation of documents for tenders for incentives with national and international institutions
- Consulting services in the field of introduction and implementation of quality systems - ISO 9000, ISO 14000, ISO 18000 and HACCP
- Training and seminars in various fields of economics and business - marketing, finance, tax policy, company organization, human resource management.

SEDA is certified according to ISO 9001:2008 standard for project cycle management and the provision of training for SMEs (small and medium entrepreneurship)



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