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TEXTILE 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 production of textile and clothing. The export of almost 800 million dollars in the past year speaks in favour of the quality of textile and clothing. The fact that companies such as Calzedonia, Compor Plus, Golden Lady, Pompea, United Colors of Benetton, Fulgar, Ilary, Falke and Gruppo Fiorentino, which are all world renowned brands, found their strategic interest in doing business in Serbia is proof that Serbia and its textile industry are worth knowing and exploring.

We wish to turn your focus particularly on the denim clothing which is, for the most part, manufactured in Novi Pazar.

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CONTENT:

WHY SERBIA? 4

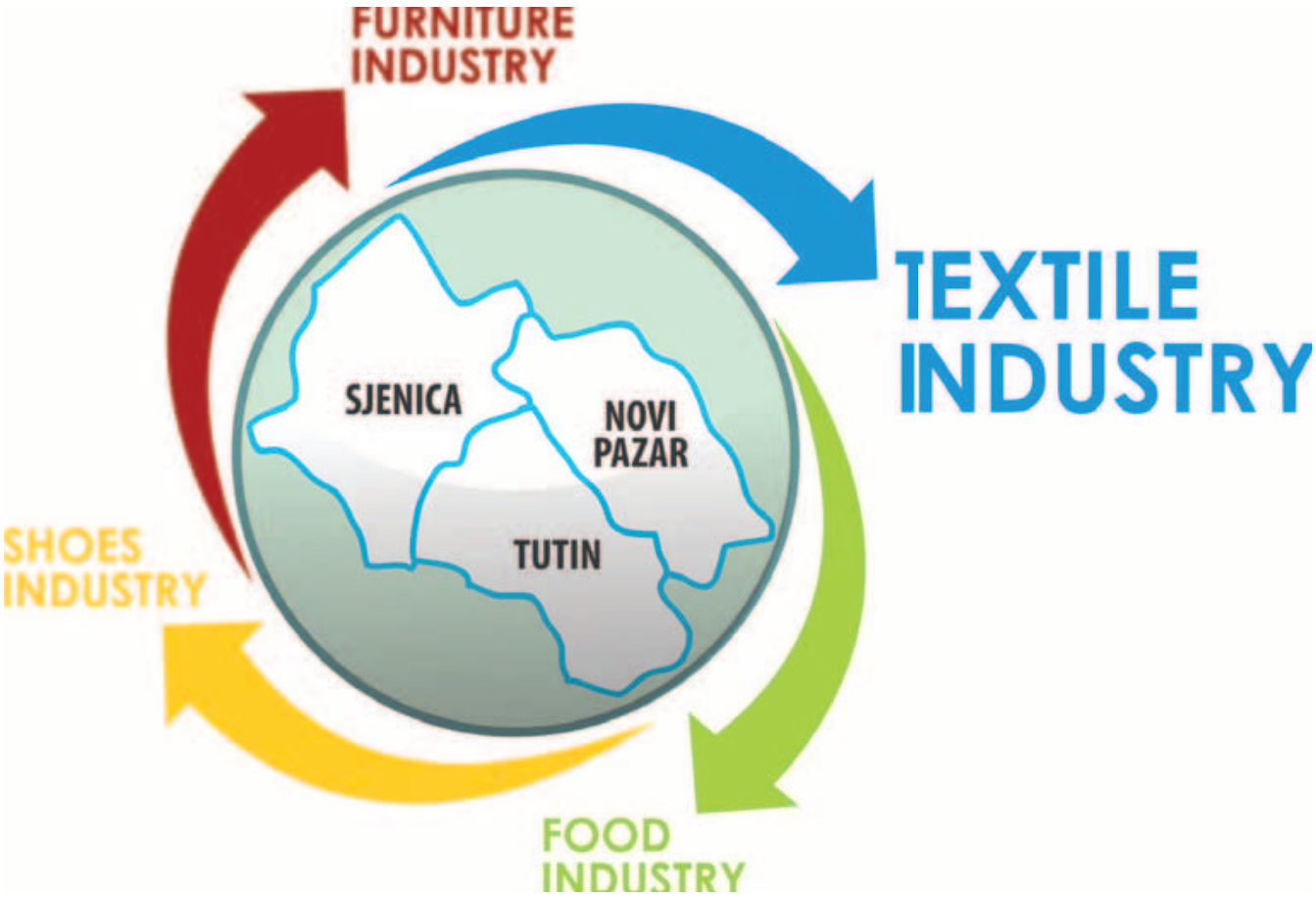
NOVI PAZAR – THE CITY OF DENIM 6

ASSTEX CLUSTER – JEANS FROM SERBIA 12

SEDA 14

ECONOMIC POTENTIAL OF SANDZAK REGION

SECTOR OF TEXTILE 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.

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)

Numerous years of experience in the production of textile and clothing, cooperations with some of the largest world textile brands, accessible and qualified workforce, competitive labour cost, flexibility of delivery 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.

Favourable trade agreements have enabled Serbian textile 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 NOVI PAZAR – THE CITY OF DENIM

If you have made the decision of doing business in Serbia and you are in need of quality denim clothing items - Novi Pazar, a city that has been living off denim for the past thirty years, is the place to find them.

Over 150 companies in Novi Pazar are in the business of producing denim clothing items. Nearly 10000 employees produce over 15 million units of finished products a year, 40% of which are intended for exporting.

Novi Pazar is located in Southwest Serbia, it is near the Montenegro and Bosnia and Herzegovina state line. It is the centre of Sandzak, a region to which Sjenica, a town with a well-developed manufacture of women's underwear intended for the Italian market, belongs.

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

PRODUCTION

A modern and high-quality design have been the characteristics of products coming from Novi Pazar since the second half of the 20th century. Values which are never deviated from recommend companies from Novi Pazar to domestic and international buyers. They have proved to be a good partner of world-famous brands such as Mustang, La Martina, Otto kern, Pioneer, Miss Sixty, Zero Gravity, Yoshakira, Brokers.

The production program consists of denim jeans, denim jackets,denim shirts and shorts as well as T-shirts, track-suits, dresses... 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. In most companies the process of final processing is done manually, making the finished products, along with innovative details, even more appealing to buyers.

WORKFORCE

The textile companies of Novi Pazar are mainly small and medium family companies that hire between 15 and 300 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 denim products, 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 operating the electronic sewing machine, a special sewing machine and they are also trained for working on automated sewing of short stitches. The school also provides students with practical training in textile companies as well as summer practice programs. Through practical work the student's 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. The design and modelling process is entirely computerised and takes place with the assistance of the latest software programs. Nearly all the manufacturers hold a high-quality and demanding technology for final processing (the stone-wash) and capacities of over one million units on monthly levels, which makes them unique in the European market. The largest companies also have their own laboratories for the final processing quality control which enables them to provide final processing services for world brands. In the last five years almost ten companies have introduced the ISO 9001 standard and have thus better positioned themselves on the international market.

MODERN TECHNOLOGY

The denim companies in Novi Pazar purchase their denim from the renowned suppliers from Turkey, Italy, Greece and Pakistan, the same suppliers who provide materials for the international brands. Quality materials are one of the guaranties of a final product that will meet all the world standards.

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. Mustang, La Martina, Otto Kern, Pioneer, Miss Sixty, Zero Gravity, Yoshakira and Brokers are some of the manufacturers who have placed their trust in Novi Pazar textile companies. 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 ephasise that the manufacturers, as an Asstex cluster, have launched the concept of a unified brand called JEANS FROM SERBIA on the international market.

The participation of clusters on international fairs in Albania (2010 and 2011), Germany - CPD (2010), Poland (2011 and 2012) and Russia - CPM (2009 and 2012) has contributed to the affirmation of the companies and as a result ASSTEX has opened branches in Lodz (Poland) as well as in Moscow.

ASSTEX
DENIM CLUSTER

In 2008 an association of denim manufacturers was founded, comprising 133 companies and in March 2009 the first cluster under the name ASSTEX was formed. The basic goal was for the manufacturers to conquer 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 THE ASSTEX CLUSTER ARE:

BROS
www.bros-jeans.com

BIG BOYS
FASHION JEANS
www.bigboys.rs

BRUG
NEW ENERGY JEANS
www.brugjeans.com

Stig
KID'S WEAR
www.stigco.com

DENISTAR
JEANS
www.denistar.rs

exactjeans
www.exactjeans.rs

CLASSX
Jeans
www.classic-jeans.com

ELIT
www.elitjeans.com

benneli
www.bennelijeans.com

MAXERS
www.maxers.com

ASSTEX represents a unique cluster on the denim clothing market.

THE ADVANTAGES OF COOPERATION WITH ASSTEX:

- **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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CATERPILLAR