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“PRODUCE, BUY DOMESTIC”

REPORT ON THE CAMPAIGN AT THE CONCLUSION OF PHASE I, MAY
2005

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2005

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Executive Summary

The BiH Cluster Competitiveness Activity (CCA) provided technical assistance to implement the first two month phase of the “Produce, Buy Domestic” campaign, a nationwide program designed by the two entity chambers (Federation Chamber and the Chamber of Republic Srpska), the Brcko District Chamber, and the Foreign Trade Chamber.

The campaign, which aired from mid March to mid May 2005, is a unique, nationwide collaborative effort. The campaign’s goals are to support economic growth and to educate the public about the quality of BiH products and the benefits of domestic consumption, rather than to promote specific products or companies in a certain geographical region, as is the case with other “buy domestic” or “buy Bosnia” campaigns.

CCA participated in the campaign as the project’s scope of work specifies that CCA should work with other stakeholders to “improve the brand image of BiH.” CCA effectively designed, managed and launched the successful campaign. CCA provided professional expertise, and the Chambers secured free air time and reduced billboard costs. This allowed the campaign to be completed for less than half the cost of a commercial campaign reaching a nationwide audience with a similar level of persuasiveness. CCA’s public education team provided ongoing campaign coordination consulting; developed a detailed campaign timetable and budget; and provided a designer for billboards and city lights, posters, leaflets, and web site design proposals.

In addition, CCA developed and contracted for a survey to measure the campaign’s effectiveness. The survey measured public perception of BiH products, whether the perception of BiH products had changed over the course of the two month campaign, and whether the campaign was likely to affect purchasing decisions. The survey showed that the perception of BiH products was already high, and this perception either increased or stayed the same for all products over the course of the campaign, with the exception of beer and canned fruits and vegetables, which decreased slightly. None of the changes in perception over the two month period were significant. However, consumers did claim that the campaign had made it more likely that they would purchase products produced in BiH.

Based on the survey data, it appears that the assumption that the *image* of BiH products needs to be improved to boost domestic consumption is not substantiated. Consumers have a favorable image of BiH products, rating some much higher in quality than others. To the extent that actual purchases may not reflect a high consumption of BiH products or that imported products are purchased in preference to domestic products, factors other than image, quality, familiarity, or willingness to purchase BiH products, such as price, marketing and advertising, availability, design or packaging are more likely affecting the purchasing decisions of BiH citizens.

The survey also found that country of origin is a strong factor in the purchasing decision. In that actual purchases of imported products are high and consumers report that they do purchase domestic products, there’s a possibility that consumers unknowingly purchase imported products, believing them to be domestic, and that if BiH products were identified as such, especially at the point of sale, that sales would increase. Also, to the extent that consumption of imported products is high, it appears that the demand for BiH products exists and that producers may not be meeting the demand.

The brand “image” of BiH products has been found to be low in other surveys conducted in neighboring countries, indicating that the export potential for BiH products could likely be increased with improvements in brand “image”. However, brand image does not appear to be an overwhelming problem with the domestic market.

Introduction

Task 7 of the Cluster Competitiveness Activity's (CCA) Scope of Work states: "Coordinate with OHR and other stakeholders in improving the brand image and launching a "Buy Bosnia" campaign. *Tangible Results and Benchmark:* During the first 12 months, assist OHR and other stakeholders in improving the brand image of BiH and launching a "Buy Bosnia" campaign. Baseline data against which results will be measured must be detailed in the contractor's work plan."

In the fall of 2004, CCA analyzed existing promotion campaigns and visited organizations responsible for coordinating those campaigns to determine whether any of these efforts could be enhanced with project support, or whether the project should initiate a new promotional activity. In October, CCA public education team identified and developed a working relationship with the nascent "Produce, Buy Domestic" campaign, a nationwide program designed by the two entity chambers (Federation Chamber and the Chamber of Republic Srpska), the Brcko District Chamber, and the Foreign Trade Chamber. (See December 2004 report to USAID that explains the assessment process and provides a description of the Chambers' proposed campaign).

CCA chose to work with the Chambers' campaign as it is a unique collaborative effort that is truly national in scope. In addition, the project has been unable to identify any other multi-ethnic BiH initiative that crosses entity boundaries. The campaign's goals are to support economic growth and to educate the public about the quality of BiH products and the benefits of domestic consumption, rather than to promote specific products or companies in a certain geographical region, as is the case with existing campaigns. The campaign also presents the opportunity to develop a BiH "single economic space," an important objective of CCA, since it helps create a perception of a Bosnian brand unrelated to entities or ethnic groups.

In October 2004, CCA and the Federation Chamber exchanged letters acknowledging their cooperation, and in February 2005, CCA signed an MOU with all four Chambers formalizing this arrangement (attached to this report).

When CCA first met with the Chambers, the campaign was designed and described in a booklet produced by the Chambers, a logo and slogan and been developed, and the Chambers had contracted with an advertising agency that had produced, though not yet aired, an initial television commercial. The Chambers were developing one piece of the campaign at a time as funding became available, and had not scheduled or funded the program to attain its maximum effect in promoting domestic consumption.

Important components in advertising campaigns include sustaining momentum to gain the public's attention and populating the air waves to such an extent that the campaign penetrates through all the other information, "noise," the public receives. CCA suggested that the program should be started with a major public launch and that the advertising and public relations efforts be sustained continuously, and not produced intermittently over time as funding becomes available. CCA recommended to the Chambers that the campaign would be most effective with a large roll out, and that air time, the most expensive item in any campaign could be obtained at little or no cost "in the public interest" by soliciting the media as campaign supporters.

Campaign Design and Implementation

CCA agreed to provide the technical assistance to design and develop a two month campaign with limited resources. It was agreed that this first phase of the campaign, from mid March to mid May 2005 would be launched with substantial assistance from CCA and that the Chambers would take responsibility for subsequent phases of the campaign. The Chambers agreed to hire a staff person to work with CCA staff during the first phase in preparation for managing subsequent phases of the campaign.

CCA's goal in designing the campaign was to achieve the effectiveness of a fully-funded advertising campaign for half the cost. The first phase of the campaign was completed for far less than half the cost of a commercial campaign reaching a nationwide audience with a similar level of persuasiveness, with CCA providing low or no cost professional expertise, and the Chambers securing free airtime and reduced billboard costs,

CCA's public education team hired a short term advisor to provide ongoing campaign coordination consulting; developed a detailed campaign timetable and budget; hired a short-term specialist to design billboards and city lights (150 were produced of three different designs), posters (10,000 were produced), leaflets (100,000 were produced), and web site design proposals. CCA also developed and contracted for a survey to measure the campaign's effectiveness. Two examples of the design for the billboards, city lights and posters are shown below.



While working with the advertising agency, CCA developed a television schedule for the two campaign ads. The Chambers met with the management of the three major television stations to secure free airtime for the ads. Six radio stations agreed to air the campaign's two radio jingles. CCA assisted the Chambers in their negotiations with the two billboard companies for reduced prices for billboard space. CCA also provided funding for advertising production and design. The television ads were aired an average of 14 times a week over the two month period. The radio jingles were aired on six radio stations, an average of 21 times a week over the two month period.

CCA effectively designed, managed, and launched the campaign, anticipating that the Chambers would recognize the level of effort, commitment, and financial support required to follow through on such an intense activity. The Foreign Trade Chamber hired a staff person with responsibility for public relations in February; however, that person was not available to work on the campaign much of the time. As of May, the Chambers are proceeding to develop the second phase of the campaign, with television ads promoting the domestic consumption of non alcoholic drinks and beverages, and for milk production.

Campaign Launch

CCA organized and implemented the media event to launch the campaign (shown below). The project worked with the Federation Chamber to select the venue, and develop the agenda, invitations, and invitation list. Nearly 200 representatives from BiH businesses and industry, government institutions, the international community and over twenty representatives of the media joined the Deputy Director of the USAID Mission in BiH, Mr. Robert P. Jacobs in attending the official launch of the campaign on March 15, 2005.



CCA public education staff prepared the press release and arranged for the media to attend the campaign launch which received widespread and positive media coverage. All major media emphasized the national aspect of the campaign. Some headlines from news articles about the campaign (attached) are:

“USAID and Four Chambers' Campaign, “Buy Bosnian” across BiH”. (*Oslobodenje, March 11*)

"National Campaign, "Produce, Buy Domestic" Launched!" (*Dnevni Avaz, March 16*)

"Buy Domestic" Throughout BiH" (*Oslobodenje, March 16*)

"Produce, Buy Domestic" Launched!" (*Nezavisne Novine, March 16*)

USAID’s assistance was mentioned in all the media as was a statement from the Deputy Director of the USAID Mission. In addition, the Vice President of the Foreign Trade Chamber, Milan Lovric conducted radio interviews and appeared as a guest on the late news on the highest rated television station, FTV where he discussed the campaign.

The only controversy raised in the media concerned one of the campaign posters on which a young woman is looking for BiH products in the supermarket among Bosnian, Croatian and other imported products. Although the brand names cannot be seen it is not difficult to recognize the products. The newspaper with the second largest circulation in BiH, *Oslobodenje* accused the Chambers of advertising Croatian products. The Chambers explained that the woman on the poster is looking for BiH products, among the Croatian products on the shelves. This issue actually prompted additional media coverage and helped make the distinction between products produced in BiH and in other former Yugoslav republics.

Survey to Measure Effect of Campaign

CCA developed surveys to measure public perception of BiH products. The surveys were conducted in March before the start of the campaign, and again in May at the conclusion of the campaign. The surveys were designed to measure whether the campaign had “improved the brand image of BiH” (per the SOW); specifically whether the perception of BiH products had changed over the course of the two month campaign, and whether the campaign was likely to affect purchasing decisions. The survey showed that the perception of the quality of BiH products was already high, and this perception either increased or stayed the same for all products, with the exception of beer and canned fruits and vegetables, which decreased slightly. None of the changes in perception over the two month period were significant. However, consumers did claim that the campaign had made it more likely that they would purchase products produced in BiH.

The questions were asked of 900 respondents randomly selected throughout BiH over the periods March 12 – 15 and May 26 – 27, 2005, as part of a regular omnibus phone survey conducted by Prism Research.

Although the campaign encourages consumers to “Buy Domestic”, we are aware that some citizens of BiH also consider products produced in Croatia or Serbia to be domestic products. To focus exclusively on the BiH economy, our survey explicitly asked about products produced in “BiH”, rather than about “domestic” products. We did, however, ask clearly whether the respondents thought products produced in the former Yugoslavia were domestic products. In the March survey, the question, “Do you consider Croatian or Serbian and Montenegrin products to be domestic products?” was answered affirmatively by 43 percent of the respondents.

Other questions asked on the two surveys fall into the following categories:

- Factors in the purchasing decision
- Perception of BIH products
- Consumption of BIH products
- Brand familiarity
- Effect of the Buy Domestic campaign

The goal of this effort, as stated in CCA SOW was to assist in “improving the brand image of BiH”. Based on these surveys, it appears that any negative BiH “image” is not a significant impediment to increased domestic consumption. BiH consumers consider country of origin to be a major factor in their purchasing decision, generally rate the quality of BiH products highly, and up to 80% of those surveyed claimed that they always or often purchased BiH products, with the exception of beer, wine, canned fruits and vegetables and furniture which rate lower in quality than other products. In that consumption of imported goods is high, BiH consumers may not be fully aware of the origin of the products they purchase and/or other factors, such as price, availability, marketing and advertising may be impeding domestic consumption. It appears that demand for BiH goods exists, and that perhaps the supply is not meeting the demand. Based on survey responses discussed in more detail below, one would think that many BiH products should have a higher market share than they currently have. Further study, including focus groups, would be needed to answer the question of why perceptions of quality do not translate to higher market share.

Brand “image” of BiH products has been found to be low in other surveys in neighboring countries, indicating that the export potential for BiH products could likely be increased with improvements in brand “image”. This does not, however, appear to be an overwhelming problem with the BiH domestic market.

Findings from the survey are as follows:

- The image of BiH products is quite high. Respondents consider the following BiH products to be of better quality than their imported versions:
 - mineral water, fresh fruit and vegetables, milk products and meat products, by at least 80% of respondents;
 - coffee, juices and non alcoholic beverages, beer, wood furniture, and canned fruits and vegetables, by at least 50% of respondents;
 - wine is considered to be of better quality by only 48% of respondents.
- Purchasing decisions are influenced principally by price and quality. Country of origin is the third most influential factor, rated as very or somewhat important by over 70% of the respondents.
- Consumers are aware of BiH brands for water and beer. To the extent that consumption of imported beer or water is high, the “problem” with any low domestic consumption of BiH water and beer is not one of “brand image.”
- 88% of respondents said they had seen the media campaign, and 78% claimed that the campaign affected them to some extent, with 37% stating that the campaign “definitely” affected them. However, the “image” of BiH products did not change significantly over the two month period.
- When asked whether it was possible for them to buy more products produced in BiH, responses for certain products ranged from a high of 40% who thought it more probable that they could buy BiH coffee, fresh fruits and vegetables and mineral water, to a low of 23% who thought they could possibly purchase more BiH wine.

Conclusions reached from these findings:

- BiH consumers generally consider BiH products to be of high quality, are willing to buy products produced in BiH, and actually think they are purchasing some BiH products at a fairly high rate.
- It appears that the assumption that the *image* of BiH products needs to be improved to boost domestic consumption is not completely substantiated. Consumers by and large have a favorable image of BiH products, rating some much higher in quality than others. To the extent that actual purchases may not reflect a high consumption of BiH products or that imported products are purchased in preference to domestic, factors other than image, quality, familiarity or willingness to purchase BiH products, such as price, marketing and advertising, availability, design or packaging are likely affecting the purchasing decision.
- In that country of origin is such a strong factor in the purchasing decision and consumers report that they do purchase domestic products, and actual purchases of imported products are high, there’s a possibility that consumers unknowingly purchase imported products, believing them to be domestic, and that if BiH products were identified as such, especially at the point of sale, that sales would increase.
- To the extent that consumption of imported products is high, it appears that the demand for BiH products exists and that producers may not be meeting the demand.

Questions on the survey included:

Factors in the Purchasing Decision

In March, those surveyed were also asked to rank in order the factors that influence their choice of purchases regardless of price.

Those responses, in order of influence are: quality, country of origin, familiarity of brand, habit, design, ingredients, and advertisement.

How important is country of origin to your purchasing decision? (On a scale of 1 to 5)

On the March survey, the importance of country of origin was ranked very important (54%) or somewhat important (18%) by 72% of the respondents. Only 14% said it was not important at all. On the survey conducted in May, 59% ranked country of origin as very important, 18% as somewhat important for a total of 77%, a slight increase.

On the March survey, approximately 80% of the respondents answered “yes” to the question: *“When you have two products of similar price and quality, do you look at the country of origin to make your decision?”*

A portion of the responses to these questions might be viewed as “patriotic” responses: those polled may be responding affirmatively as they think that is what they are expected to say. For example, even though the survey results do not identify respondents, the respondent is thinking, “I do not want to appear to not be in favor of supporting my local economy”.

Regardless, the responses are high, and may indicate that when country of origin is brought to consumers’ attention at the point where the purchasing decision is made, this factor might greatly influence the purchasing decision.

Perception of BiH Products

What is your perception of products that are made in BiH (on a scale of 1- poor to 5 - excellent) in terms of quality, price, packaging, familiarity with brands, availability and advertising quality?

In the March survey, respondents rated BiH products above average in each category. BiH products were rated most highly in terms of quality and availability (at 3.8), followed by advertising quality and packaging (at 3.7), and price and familiarity with brand (at 3.5). Responses to the same question asked in May were not significantly different from the March responses. All responses received are in a relatively narrow band within the average range for these elements, which indicates that all of the given aspects of the products produced in BiH are rated equally.

Respondents were asked to compare categories of BiH products with their imported counterparts, regardless of price. For each category, they were asked whether the domestic products were of better quality, equal quality, or worse quality than the imported products. Each category listed below shows the percentage of respondents ranking the BiH products as better quality products than the imported version. The first percentage represents responses to the March survey, and the second percentage, responses to the May survey.

Mineral water (82%, 81%), fresh fruit and vegetables (78%, 86%), milk products (78%, 82%), meat products (75%, 80%), coffee (63%, 64%), juices and non alcoholic beverages (59%, 60%), beer (60%, 57%), wood furniture (53%, 53%), canned fruits and vegetables (51%, 49%), and wine (48%, 48%), The responses to this question, when asked in May, were not markedly different from the March responses.

A majority of respondents, for each mentioned product, with the exception of wine, rated the BiH product as better than the imported product. Many ranked BiH and imported products as of equal quality, with no more than 23% of consumers saying that any one category of products was of worse quality than the imported product. BiH wine and juices and non alcoholic beverages received these low ratings.

Consumption of BiH Products

On the May survey we asked about actual consumption of BiH products (Do you always, often, sometimes, rarely or never buy these BiH products), and compare them below to quality ratings of the products. We had learned on the March survey that, apart from price quality is by far the most important consideration in purchasing a product. The second most influential aspect is country of origin.

54% say they always buy BiH **coffee** and 32% often buy, for a total of 86%. Lesser percentages, 63% in March and 64% in May consider BiH coffee to be of better quality than imported coffee. This may be an indication that the price of BiH coffee (a major factor in the purchasing decision) is lower than the price of imported coffee, or an indication of the unavailability of imported coffee.

48% say they always buy BiH **mineral water** and 27% often buy, for a total of 78%. This compares favorably with the quality ratings, 82% in March and 81% in May.

47% say they always buy BiH **dairy products** and 28% often buy, for a total of 75%. This compares favorably with the quality ratings, 78% in March and 82% in May.

46% say they always buy BiH **meat products**, and 30% often buy, for a total of 76%. This compares favorably with the quality ratings, 75% in March and 80% in May.

46% say they always buy BiH **fresh fruits and vegetables** and 33% often buy, for a total of 79%. This compares favorably with the quality ratings, 78% in March and 86% in May.

45% say they always buy BiH **juices and non alcoholic beverages** and 28% often buy, for a total of 73%. Quality ratings however, are lower (59% in March and 60% in May), which may indicate that BiH products are priced lower or are more available than imported products.

30% say they always buy BiH **beer** and 23% often buy, for a total of 53%. Quality ratings, in this case are slightly higher however, (60% in March and 57% in May), perhaps an indication of the competition from imported beer. In an article in the February 18, 2005 *Bosnia Daily*, the BiH Brewing Industry Board Chairman stated that BiH brewers accounted for only 35 to 40% of the BiH beer market, though the official statistical figures claimed they accounted for around 60%. In an April 7, 2005 article, the Chairman stated, that they “do not have a market for their goods, since it is overcrowded with imported goods....” These survey figures (and the responses to the branding question on beer, see above) indicate that with increased marketing and reasonable prices, BiH beer sales might increase, as consumers already recognize the quality of the product.

19% say they always buy BiH **canned fruits and vegetables**, and 15% often buy, for a total of 34%. The quality rating, however is much higher (51% in March and 49% in May), perhaps indicating greater availability or lower prices on imported goods.

19% say they always buy BiH **wood furniture** and 12% often buy, for a total of 31%. A greater percentage (53% in March and 53% in May) consider BiH wood furniture to be of better quality than imported wood furniture.

16% say they always buy BiH **wine** and 15% often buy, for a total of 31%. A greater percentage (48% in March and 48% in May) consider BiH wine to be of better quality than imported wine.

The reported consumption numbers reflect the quality ratings for each category, with the exception of coffee, juices and non alcoholic beverages, beer, wood furniture, and wine. This indicates that something other than quality influences purchasing decisions for these products, such as price, availability, marketing or advertising, packaging or design.

Brand Familiarity

Two questions were asked on the March survey to test brand familiarity of products that are produced in BiH and considered to be of high quality. The responses to these open ended questions (where the respondent could name whatever brand first came to mind) show that BiH brands, at least in water and beer, are strong.

When you think about beer, what brand do you think of?

Of the top four mentioned beers, 33% of respondents named the BiH beer brand, “Sarajevsko Pivo” among other brands, 23% named the BiH brand, “Tuzlansko Pivo”, and 19% named the BiH brand, “Nektar”, showing strong BiH brand recognition. Only the Slovenian beer, “Lasko” and the BiH beers received greater than 20% mention by the respondents.

When you think about mineral water, what brand do you think of?

Of the top four mentioned waters, 63% of the respondents named the BiH water brand, “Sarajevski Kiseljak”, among other brands, and almost 30% named the BiH brand, “Vitinka”, showing strong brand recognition of two BiH brands. “Knaz Milos”, a Serbian brand was mentioned by 28% of respondents. Only the three BiH brand and the Serbian brand received mention by more than 20% of the respondents.

The responses to these open ended questions show that consumers are well aware of BiH water and beer brands. As mentioned in the responses to another question on the March survey mentioned above, 82% consider BiH water to be of higher quality than the imported product and that 60% think that BiH beer is of higher quality than the imported product.

What these data reveal is that BiH brand names for beer and water products and product quality are quite high and based on these results brand image does not appear to be an impediment to domestic consumption. To the extent that imported products are preferred to domestic products other factors, such as price, marketing and advertising, availability, design or packaging must be the deciding factors.

Effect of the Buy Domestic Campaign

On the May survey, we asked respondents whether they had seen the media campaign and 88% said yes. 78% claimed that the campaign affected them to some extent, with 37% stating that the campaign “definitely” affected them. However, when asked whether it was possible for them to buy more products produced in BiH, responses for certain products ranged from a high of 40% who thought it more probable that they could buy BiH coffee, fresh fruits and vegetables and mineral water, to a low of 23% who thought they could possibly purchase more BiH wine. The answers to this second question likely reveal a more realistic picture of the effect of the campaign on domestic consumption.

Conclusions

A campaign of this magnitude requires on-going leadership and management, and is a costly and labor intensive exercise. Further, it may not be the most effective way to increase domestic consumption.

Survey data reveal that domestic products are generally well regarded by the public, indicating that it may be more influential for producers to advertise which products are produced in BiH at the point of sale, rather than to conduct an expensive, labor intensive general “Buy Domestic” or “Buy Bosnia” advertising campaign. Few consumers make product specific purchasing decisions in advance (especially concerning perishable items), and would benefit from a reminder at the point of sale that certain products are produced in BiH. One way to do this is to utilize and publicize a BiH trademark or geographical indication mark, which could be the Buy Domestic logo.

One of the goals of this effort, as stated in CCA’s Scope of Work was to assist in “improving the brand image of BiH”. Based on these surveys, it appears that the BiH “image” is not the major impediment to increased domestic consumption. BiH consumers consider country of origin to be a major factor in their purchasing decision, generally rate the quality of BiH products highly, and up to 80% of those surveyed claimed that they always or often purchased BiH products, with the exception of beer, wine, canned fruits and vegetables and furniture. In that consumption of imported goods is high, BiH consumers may not be fully aware of the origin of the products they purchase and/or other factors, such as price, availability, marketing and advertising are impeding domestic consumption. It

appears that demand for BiH goods exists, and that perhaps the domestic supply is not meeting the demand or some aspect of marketing (price, promotion, place, and product) is lacking.

MEMORANDUM OF UNDERSTANDING

On Implementation of “Produce, Buy Domestic Campaign”

1. Context

On February 9, 2004, the Foreign Trade Chamber of BiH, the FBiH Chamber of Commerce, the RS Chamber of Commerce and the Brcko Chamber of Commerce (hereinafter “Four Chambers”) committed, in writing, to design and implement a National Program: “Produce, Buy Domestic” and nominated Mr. Hasan Jakupovic as Coordinator of this program. Some of the elements of the nationwide Campaign were developed before October, 2004. In November, 2004, Four Chambers agreed to accept the assistance from the USAID Cluster Competitiveness Activity (CCA) in implementation of the “Produce, Buy Domestic Campaign”. This readiness was confirmed by the exchange of letters between CCA and Four Chambers, which are attached hereto as Appendix 1. Since then, USAID developed the new campaign timetable, billboards, posters, leaflets, web site design proposals and provided campaign coordination consultancy.

2. Purpose and Scope of collaboration

Four Chambers and the USAID-CCA project agree to collaborate with the aim of implementing the two-month long national “Produce, Buy Domestic” Campaign (hereinafter “Campaign”). The collaboration shall include the production of necessary Campaign materials as well as ensuring their adequate display, distribution or radio and TV airing.

3. Period of collaboration.

The collaboration on this particular activity has already begun and, unless terminated before, will end on May 31st 2005. Either party may decide to terminate this collaboration by written notice to the other party, by giving 10 days notice, by fax, e-mail or post, with or without cause.

4. Obligations of the “Four Chambers”

The Four Chambers agree to provide adequate financial resources or obtain free services to ensure that: a) Campaign’s TV spots and Radio jingles are broadcasted; b) Campaign’s Billboards posted; c) Campaign’s newspaper ads are placed and d) Campaign’s brochures and posters are distributed during the period of two months according to the agreed “Campaign Implementation Plan” provided as annex to this agreement. A pro forma budget for planned expenditures by the Four Chambers is attached hereto as Appendix 2.

The Four Chambers agree to promptly provide accurate information to USAID-CCA and to acknowledge USAID support, in a way to be confirmed, on all relevant public communications.

5. Obligations of USAID-CCA.

USAID-CCA agrees to provide the technical and financial assistance to ensure the design and production of the following Campaign materials: a) the second Campaign’s TV spot; b) Accompanying radio jingles c) Three types of Campaign’s billboards and city lights posters (total 150 pieces); d) Two types of Campaign’s posters (total of 10,000 pieces) e) Campaign three-fold leaflets (total of 100,000 pieces) f) Two types of print ads for newspapers and website design and creation.

USAID-CCA will finance and organize the “Campaign Launch Event” at the time specified in the “Campaign Implementation Plan”.

6. *Authorization by USAID-CCA.* The Four Chambers shall not use the USAID logo unless specifically agreed in advance, in writing, by USAID-CCA and subject to the actual presentation of the logo and name conforming to standard USAID rules. The Four Chambers may use the name USAID only in communication about the specific activities agreed to and confirmed in writing,

7. *Confidential Information.* USAID-CCA agrees that any information received from the Four Chambers within the terms of this letter will be treated by USAID-CCA in full confidence. Information received from the Four Chambers will not be revealed to any other persons, firms or organizations, unless written authorization is granted by the Four Chambers.

On behalf of USAID CCA

BiH Foreign Trade Chamber

Federation BiH Chamber of Commerce

RS Chamber of Commerce

Brcko District Chamber of Commerce

Oslobođenje
March 11, 2005

USAID and Four Chambers' Campaign **„Buy Bosnian” across BiH**

The four Chambers of Commerce in BiH supported by the USAID's project, Cluster Competitiveness Activity, are launching „Produce, Buy Bosnian“ Campaign, informs *Fena*.

The Campaign's objective is to support economic growth and raise public awareness regarding the quality of Bosnian products, domestic consumption advantages, which differs from some other similar campaigns whose objective has been to promote certain products in particular.

„Produce, Buy Bosnian“ Campaign will be officially launched on the 15th of March in Sarajevo, and the Chambers expect a number of guests, business people, governmental institutions, representatives of international community and others to attend the occasional ceremony. The Chairman of BiH Council of Ministers, Adnan Terzić, and the President of Foreign Trade Chamber, Mahir Hadžiahmetović, as announced, will give their respective speeches at the Campaign launch expressing thus their support to this initiative.

“Oslobođenje”

Wednesday, March 16 2005

BiH Trade Chambers in action

“Buy Domestic” Throughout BiH

The aim of the campaign is to speed up quality development of BiH products, as well as to adopt an adequate quality and origin sign which will accompany domestic products

On Tuesday four Trade Chambers in Bosnia and Herzegovina officially announced the start of two months campaign titled “Buy Domestic”.

Trade Chambers of BiH Federation, Republic of Srpska, Brčko District and Foreign Trade Chamber of BiH initiated the national program “Produce, Buy Domestic” aiming to strengthen BiH economy and increase public awareness about benefits of buying domestic products.

Technical Assistance

Technical assistance to this project was provided by the US Agency for International Development (USAID) and Deputy Mission Director of USAID in BiH **Robert P. Jacobs** said:

“This campaign is part of a larger program for development of local economy and BiH brand. On behalf of USA Government USAID is pleased to provide technical assistance for your National Campaign.”

The Chairman of Foreign Trade Chamber of BiH **Mahir Hadžiahmetović** said that the aim of the campaign is not to block imported products.

“Based on the quality and with the help of citizens’ awareness we have to start buying domestic in order to support production of higher quality products. The effect of this campaign can be the increase of the number of employed people”, says Hadžiahmetović.

The Chambers point out that the unemployment rate in BiH is one of the highest in Balkans. Statistics show that the most of unemployed are people under 30. Import into BiH is 3 times the export what makes the destroyed economy even weaker.

Terzić’s Support

After the two-month campaign that began on Tuesday, in the second phase the Chambers intend to “speed up the process of further development of quality of BiH products, as well as to adopt an adequate quality and origin sign that will accompany domestic products”.

Letter of support to this campaign was also sent by BiH Prime Minister **Adnan Terzić**.

“ I urge every consumer in our country, if being in situation to choose between BiH and some other product, to make the right choice and help their country and its economy, to influence the decrease of trade deficit and increase of employment”, it is stated, among other things, in Terzić’s letter of support.

Dk. OMERAGIĆ

Buy Domestic, Market Croatian

The campaign will be accompanied with airing of two video spots on BiH TV stations, as well as placing billboards. However, on one of the promotional posters a model, presumably from BiH, is standing next to the shelves full of foreign products *Vindija*, *Lura* and *Zvijezda* from Croatia. Is it a lapse in question or lack of information of campaign designers it does not matter, but if a campaign for buying domestic products is being done, isn’t it somewhat contraindicative to print posters showing Croatian products.

Program for protection of domestic production promoted

National Campaign “Produce, Buy Domestic” Launched!

Such economic patriotism is necessary to your country, says Deputy Director of USAID in BiH

With technical support of United States Agency for International Development (USAID), National Program and two-month campaign “Produce, Buy Domestic” was promoted yesterday in Sarajevo.

Under the motto “Think with Your Head, Decide with Your Heart, Buy BiH Products” the activity was initiated by BiH Foreign Trade Chamber, Trade Chamber of FBiH, Republic of Srpska and BiH Brčko District.

The aim of the campaign, according to Hasan Jakupović, Program Coordinator, is to increase competitiveness of domestic production and consumers’ awareness that by buying domestic they are contributing to development and decrease of trade deficit which reached record amount of KM 6,3 billions last year!

- On behalf of US Government we support this activity. It is usual in every country that consumers, depending on the quality and price, decide upon domestic products. Such economic patriotism is necessary to your country – emphasized Robert Jacobs, Deputy Mission Director of USAID Mission in BiH.

The campaign will last until May 15.

E. PLEČIĆ

Not only are milk and meat imported

“Not only are milk and meat imported” was the reaction of entrepreneurs from other economy branches to promotional brochure.

- The whole of BiH processing industry and trade services (tourism) are jeopardized by the international lobbies – they concluded, stating that processing industry’s share in foreign trade deficit is 90%.