



REGIONAL COMPETITIVENESS INITIATIVE VOL 3 ISSUE 2 APRIL 2009

HIGHLIGHTING SUCCESSES OF USAID COMPETITIVENESS PROJECTS THROUGHOUT THE E&E REGION

THE USAID EUROPE AND EURASIA BUREAU'S ECONOMIC GROWTH OFFICE (EE/EG) IS PLEASED TO ANNOUNCE THE

4TH REGIONAL COMPETITIVENESS CONFERENCE IN SOUTHEAST EUROPE

FINANCIAL CRISIS AND THE EFFECTS ON THE COMPETITIVENESS OF THE REGION

Hyatt Hotel, in Kyiv, Ukraine June 16-18, 2009

Day 1 – The Global Economic Crisis: Its Causes, Effects, and Responses; Advancing Competitiveness in the E&E Region

Day 2 – A Focus on Industry, Sector and Cross-Sector Competitiveness

Day 3 – Open discussion: The Future of Economic Growth Activities and Competitiveness Projects in the E&E Region

A selection of specific topics to be presented:

- The Causes of the Crisis, its Transmission into Eastern Europe, and Impacts on Economic and Social Conditions
- Economic Impacts and Responses by Financial Institutions and the Business Community
- Economic Impact and Responses by Specific Countries and Sub-Regions
- World Economic Forum Competitiveness Indicators and Policy Actions
- Access to Finance in the Global Economic Crisis

We invite you to visit the RCI e-registration page at registration.bcserdon.com/ for the latest draft agenda, details, and to register for this event. Participants may also contact the event coordinator at register@bcserdon.com for further assistance and information. We have reserved a block of rooms for the conference attendees at the approved USG rate.

'NATIONAL GEOGRAPHIC TRAVELER' VISITS WESTERN BALKANS



ABOVE Lynn Ackerson, *National Geographic Traveler* visits a reconstructed prehistoric fishermen village at Ohrid lake, Macedonia, with USAID and RCI.

RCI and the *National Geographic Traveler* magazine joined efforts in February to outline new ways to promote regional tourism in Southeast Europe. *Traveler* Marketing Director Lynn Ackerson had the chance to visit some of

the tourist sites of Serbia, Montenegro, Albania, and Macedonia-- a total of 2700 km covered. While discovering the region, Ackerson met with USAID Missions and Projects in each country visited, as well as with key players in the tourism sector at local, national, and regional levels. The whole itinerary of the research trip was designed and conducted by the RCI Regional tourism network of experts. The first-hand experience and the meetings gave *Traveler* a glimpse of the quality of tourism in Southeast Europe. The implementation of this trip proved there is potential collaboration among the SEE countries in the tourism sector. The next step will be the creation of a pilot supplement for *Traveler* that will bring the region to a wider audience.

During the tour, RCI held its second Regional Tourism Roundtable on February 16. Twenty-five participants from Albania, Macedonia, Kosovo, and the U.S. discussed the *Traveler* partnership, in addition to the promotion of the Quality Mark Initiative through RCI countries and new ICT solutions for tourism.

'FILM IN SERBIA' WEBSITE LAUNCHES IN BELGRADE

SERBIA

The USAID Serbia Competitiveness Project attracted over 250 guests from the Serbian film industry, Serbian Government, U.S. Government, and media to launch www.filminserbia.com. The website provides information on production and post-production service providers, sample locations, past productions, crews and equipment suppliers, and the logistics of operating in Serbia. This is the first time that the capacities of the Serbian film industry are presented in one place and under a unified brand.

The website is part of the broader effort of the USAID Serbia Competitiveness Project to establish the Serbian Film Commission, which will be an independent entity that promotes international awareness of the benefits of filming in Serbia. Film Commissions exist in several countries, including Romania, Hungary, Austria, the Czech Republic, and others. However, a Serbian Film Commission would represent the first such organization in the former-Yugoslav countries.

During the launch event, Serbian Minister of Culture Nebojsa Bradic said the country has world class potential, and a diversified, sophisticated, and outward looking film industry. The Government of Serbia, besides financing domestic film production, will, through new laws and regulations, provide additional support and incentives for foreign productions in Serbia. This will include tax incentives, super-guarantee fund for providing credits to productions, and finding a strategic partner for Avala Film, the biggest studio in the Balkans.



ABOVE Serbian actress, Milica Zaric, and USAID Serbia Mission Director Michael Harvey, during the launch of the Film in Serbia website.

The USAID Mission Director to Serbia, Michael Harvey, said the film industry is not generally an area for USAID's intervention. However, after analyzing economic sectors with highest growth potential, the Serbian film industry was among the leaders. In the past, Serbia was one of the leading destinations for foreign productions. During the filming of "Around the World in 80 Days" in 1989, former Yugoslavia represented a total of 18 countries, and Belgrade served as 7 world cities. This demonstrates the diversity of the locations and settings that are available in Serbia. Harvey also said USAID is working with Serbian film producers and with the support from the Government ministries - including Culture, Economy, and Trade - in establishing a Film Commission in Serbia. Each new film being shot in Serbia translates to millions of dollars in investments in the Serbian economy, and in limitless free advertising for the Serbian tourism industry.

WORKFORCE DEVELOPMENT WORKSHOP ADDRESSES CRISIS, CHALLENGES

MACEDONIA

As industries and economies become more global and more technologically advanced, their workforce requirements change, as do the income-earning possibilities for the workforce. Unfortunately, in many developing and transitional economies, the educational institutions and other skill-building organizations do not always keep pace with these rapidly-changing workforce requirements.

Recognizing the need to advance its regional and global competitiveness, Macedonia and the USAID Mission have undertaken activities designed to improve the competitiveness of its workforce. USAID/Skopje and the E&E Bureau have undertaken a partnership to analyze the labor market in Macedonia and to propose initiatives to improve workforce competitiveness. A labor market

analysis, carried out as a collaborative initiative with the USAID mission and the RCI Project was undertaken during January and February, 2009.

Simultaneous with the Macedonia workforce analysis, RCI also conducted preliminary research into workforce development activities currently underway in the neighboring countries of Albania, Bosnia and Herzegovina, Montenegro, Kosovo and Serbia. On March 12, 2009, the results of these studies were presented at the Regional Workforce Development Workshop in Skopje, Macedonia. The workshop attracted approximately 30 participants from five regional countries, sharing common challenges in workforce development.

If you would like to receive a copy of the reports, please contact us at rci@bcserdon.com

'OUT OF THE MAZE' CAMPAIGN EXPERIENCES FIRST MAJOR SUCCESS

SERBIA

On March 19 the Serbian Parliament passed amendments to the Law on Tax Procedure and Tax Administration. With these changes the time needed to register a business has been drastically cut, while the capacities of the Tax Administration have been considerably strengthened. The new law will introduce one-stop shops for registering a firm and cut the registration time from the current six days to 24 hours. The legislation is also expected to strengthen the technical capacities of the Tax Administration and increase the efficiency of tax collection.

This is the first success of the "Out of the Maze" campaign which was initiated in May 2008 and resulted in the *Grey Book*, a selection of 250 recommendations from small and medium sized enterprises across Serbia. The "Out of the



ABOVE Out of the Maze campaign materials, like the ones above, directly contributed to the establishment of a one-stop-shop for business registration.

Maze" campaign was initiated by the National Alliance for Local Economic Development (NALED) and supported by B92 and two USAID projects: the Municipal Economic Growth Activity and the Serbia Competitiveness Project.

STUDY TOUR TO SWEDEN RESULTS IN INITIAL SALES OF \$70,000

MACEDONIA

In response to a request from the Macedonian Association of Processors, from November 3 to 7, 2008, AgBiz and the MAASP Project supported and organized a study tour to Sweden for Macedonian vegetable processing companies to identify new customers in the Swedish market.

During this intensive learning experience, participants visited four leading Swedish importers of processed and fresh vegetable products, as well as the largest food distribution center in Scandinavia. The nine Macedonian companies also visited numerous retail shops that sell traditional Southeastern European and Balkan foods. AgBiz customers met with the managers of the most famous supermarkets in Sweden and gained a good understanding of the range, diversity, and differentiation between Swedish retail shops, and how Macedonian products could be adapted to Swedish tastes and legal requirements.

"The biggest benefits to participants were having a unique opportunity to observe the potential of this new market and



ABOVE AgBiz customers visit COOP Forum, one of the three largest supermarket chains in Sweden.

its distribution dynamics, and the opportunity to achieve accelerated entry of processed vegetable products into the Swedish market," said Zlatko Edelinski, the AgBiz processed vegetables value chain coordinator and study tour facilitator.

During the study tour, AgBiz customers had B2B meetings with Swedish buyers, presented their products, and assessed their competitiveness in supplying traditional processed vegetable products to Swedish companies. The meeting reinforced a potential Swedish demand for ethnic products, and a flavor profile that fits current trends in retail and food service channels.

Three months after the tour, two out of nine companies have succeeded in shipping \$70,000 worth of processed vegetables products as well as tea and apple vinegar products to new Swedish buyers. The remaining participants are intensively negotiating with potential Swedish buyers.

"This type of activity was very useful for establishing and strengthening new buyer relationships and learning new technologies, for example innovative packaging of pepper based products, and effective organization of exports," said Tome Kichukov of Tehnoalat.

AT A GLANCE: RCI QUALITY MARK MANUAL

The RCI team, led by expert Susan Warren, developed the Quality Mark Standard (QMS) Manual as a guidebook for small hotels and B&Bs. The manual interlinks the assessment of excellence and promotion of quality standards, offering valuable methods for enhancing the competitiveness of the tourism sector in the region. These are long term tasks that require a lot of effort; the QMS Manual is the first step towards the establishment of a unique branding in each separate country, and in the same time, in the region as a whole. The manual provides guidance for optimization of the operations and improving the quality of the service of the small tourist accommodations, as well as branded tourism promotion based on common value of quality individualism of each place, natural products, excellent service, and unique location. Additionally, the manual discusses common

problems for all small tourism businesses and offers solutions for them based on experience from New Zealand, Croatia, United Kingdom, Bulgaria, Austria and others.

The QMS Manual has already been sent to stakeholders in Albania, Kosovo, Macedonia, Montenegro and Serbia. The RCI Team has been discussing with local stakeholders the benefits of the QMS to improve the quality of the provided service by small accommodations and the benefits of branding and promoting this quality as a region to attract more visitors. The manual can be used by Missions / Projects to educate and assess small accommodations within their countries and, through technical assistance, work with them on improving the quality of the services and the authentic experience of the visitors. RCI can help with global and regional expertise to assist the Missions / Projects in their start up phase of the implementation.

UPCOMING EVENTS

RCI Regional Workshop on EU Funding Belgrade, Serbia April 28

RCI Regional Tourism Round Table Sarajevo, Bosnia May 28

RCI Annual Conference Kiev, Ukraine June 16-18

LINKS

TOURISM LINKS

Albania National Tourism Agency: www.albaniantourism.com

BiH Tourism: www.bhtourism.ba/eng

Exploring Macedonia: www.exploringmacedonia.com

Montenegro Travel: www.montenegro.travel

Montenegro Adventures: www.montenegro-adventures.com

National Organization of Serbia: www.serbia.travel

Tourism Organization of Belgrade: www.tob.co.yu/eng

OTHER USEFUL LINKS

CAPS – Competitive Armenia Private Sector: www.caps.am

Macedonia Agribusiness Activity (AgBiz): www.agbiz.com.mk/en

Macedonian Business Environment Activity: www.bea.org.mk

USAID Serbia Competitiveness Project: www.compete.rs

Varazdin Microsoft Information Center: www.microsoft.com/croatia/msptc/en

European Software Institute Center Sofia: www.esicenter.bg/en

Center for Entrepreneurship and Executive Development Network: www.ceed-global.org

BGI: www.businessgrowthinitiative.org