

FAIRS

GOTHA
International
Antiques
Exhibition
Parma, Italy
02.12 - 10.12 2006

WOODEXPO -
LESTECH-
PRODUKZIA
International
specialized trade
show for timber
products,
machinery,
equipment,
materials for timber
and woodworking
industries
Moscow, Russia
05.12 - 09.12 2006

SISQA
Food Safety and
Traceability
Technologies Fair
Toulouse, France
07.12 - 10.12 2006

EXPONATURA
International
Natural & Organic
Products, Health
and Wellness
Exhibition
Istanbul, Turkey
14.12 - 17.12 2006

Delegation of European Union visited Directorate for development of small and medium sized enterprises

Delegation of European Union, that was led by Director of Directorate for Western Balkans of The General Directorate for foreign relationships of the European Union and President of Executive Board of European Agency for reconstruction, Mr. Reinhard Priebe, was in official visit to Montenegro on 24th and 25th of July. On 25th of July they visited Directorate for development of small and medium sized enterprises and Euro info corresponding center.

On that occasion projects aiming at development of small and medium sized enterprises of Directorate and Development Fund were presented. Mr. Zoran Vukcevic and Mr. Zarko Djuranovic were talking about projects that are being conducted by Directorate with cooperation of European agency for reconstruction. Mr. Vukcevic pointed out that in past four years significant results were accomplished: Number of small and medium sized enterprises has increased four times, registration process can be done in only four days, and the base capital is only 1 euro. For accomplishing these and many other results Directorate had strong support from European Commission through European agency for re-



However, we still have some problems, like business barriers, especially process of issuing permits, business knowledge is not at the appropriate level, low level of marketing abilities, lack of institutional support like business incubators, technological parks, and lack of institutions for financial support like guarantee funds and etc.

Pointing out importance of cooperation with EAR, manager of EICC Zarko Djuranovic stressed the necessity of continuance of aid of EAR, primarily in the area of institutional support, projects for education, help to SME enterprises through e-business and large help is also needed for very important issue: stimulating exports (financial support, counseling, ex-

port education, promotional activities, etc.) Executive director of Development fund, Dragan Lajovic, has reminded that mission of Fund is integrated in economic development of Montenegro, primarily through development of private business, and, since the process of privatization is coming to an end, one of the main roles of Fund will become void, so, now, with help of EAR, Fund is in the process of researching new projects so it could continue its important role in economic development of Montenegro.



Cooperation Memo Support for small and medium-sized enterprises

Delegation of Republic of Montenegro, consisted of public servants representatives, Chamber of commerce, representatives from municipality Kotor and Bar, paid business visit to Republic of China, in the period from 07. June till 02. July 2006. A representative of the Directorate for development of small and medium-sized enterprises in this delegation was Ms. Ana Sebek.

This visit was organized by CITIC Group, i.e. its department - Agency for international economic consulting, and Montenegrin Human Resources Management Authority, under the auspices of Chinese Ministry of trade.

The aim of the visit was introducing with present situation in Chinese economy and development directions, as well as exchange of information referring economic and personnel policy with enhancement of bilateral relation.

The study tour was divided into two parts.

First part consisted of staying in Peking (10 days), with all day lectures and discussions with high representatives of Chinese Government.

Second part consisted of visits to Chinese

towns - Jantai, Dingdao, Ksijan and Jenan, meeting representatives of local authorities, visits to development zones and important enterprises.

Lecturers were, besides many: Cui Guanjie, deputy director of CITIC; Di Jing, director of Sector for national development and reforms in Ministry of trade; Prof Han Fengqin, from



Ministry of finance; Chen Runyun, director of Sector for international economic cooperation in the Ministry of trade.

Important topics: «System of economic reforms in China», «Development Strategy», «Chinese tax policy», «Small and medium enterprises».

During these town visits, the delegation had meetings with representatives of local and regional authorities, developing zones and bigger enterprises, such as: «Dingdao brewery» (established 1903.), «Hajer» dealing with IT business, «Rikoh» laser printer production, «Ševrolet», car factory, and many other.

Aiming at concrete further action, the following was agreed:

In China does not exist unique SME definition, but depending on economic activity and value of basic criteria (number of employees, total annual income, total capital).

- forming mixed commission for economic cooperation
- stimulating Chinese industrial enterprises to invest in Montenegro
- activities on eventual stockings of distributional centre of Chinese clothes in custom zone in Port of Bar
- potential participation of Chinese company at forthcoming tender for the third mobile operator
- informing about tenders (interesting sector for China is architecture and building)
- creating Montenegrin Development Strategy that could be offered to China aiming at receiving certain assistance and support.

- 2005. there were 42 mil SMEs registered in China, which represents 99,6% of total number of employees
- SMEs share in GDP is 58,7 %
- SMEs share in product is 59,1%, tax income of 48,6%, they are technical innovators, and 66% patents are SME merit
- SMEs contribute to reduction of unemployment rate; 2005.- 58.240.000 unemployed persons were delivered job in small and medium enterprises
- In primary activities there are no SMEs, in second their share is 62%, and in third - 30,2%
- In general, banks give loans more to state owned enterprise than to SMEs, which means bad technical equipment (80% of older technology is used by SMEs), and their credit share is only 14% in total bank crediting system. Very often, these enterprises have bigger taxes than the others.

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Econ. activity	Number of employees	Total annual income	Total capital
Industry	300 - 2000	3 mil.- 30 mil.	4 mil.- 40 mil.
Architecture:	600 - 3000	3 mil.- 30 mil.	4 mil.- 40 mil.
Wholesale	100 - 200	3 mil.- 30 mil.	4 mil.- 40 mil.
Retail	100 - 500	1 mil.- 15mil.	4 mil. - 40 mil.
Traffic and other	500 - 3000	3 mil.- 30 mil.	4 mil. - 40 mil.
Catering	400 - 800	3 mil.- 15 mil.	4 mil. - 40 mil.

JICA technical support - Japanese agency for international cooperation

According to Memorandum of cooperation, which the Directorate for development of small and medium-sized enterprises signed with Japanese agency for international cooperation - JICA, representatives of the Directorate, Ratka Stijepović and Nataša Batričević, participated training program "Promotion of small and medium-sized enterprises in Southeast Europe countries" in Hiroshima, Japan, in the period from 30th May till 2nd July 2006.

Together with Montenegrin participants, 13 representatives from region countries participated this program, as well as from Rumania, Bulgaria, Ukraine and Moldavia.

The basic aim of the program was practical understanding of principles and priority measures for SME support, especially in the field of legal regulation, financial system, human resource development, management, technology research and development, export support.

Technical support program, which was organized through theoretical lectures at the



University in Hiroshima, and practical part, which included visits to relevant institutions, was the best opportunity to introduce Japanese experience and measures in the field of SME sector improvement.

The visit to Japan included a visit to Tokyo, where all participants had a chance to talk to representatives of Japanese Agency for SME support - SMRJ, as well as to those in the Agency for export promotion and foreign direct investments -JETRO.

They visited National Financial Corporation -Shoko Chukin Banks, business incubator, Corporation for technology development and research - Hiroshima Techno Plaza Corporation, National Association for trade promotion, and many other relevant Government and private institutions.

Practical part of the program included also visits to car industry "Mazda", factory for machine equipment „Disco Corporation", factory for jam production "Aohata Corporation".

Japanese history, culture, way of living and language were additional support in understanding this Far East county.

At the end of successfully finished course, certificates were delivered to all participants.

Hi Europe 2006 – Frankfurt, Germany



Sage export.

The visitors were very interested for Montenegrin medical products. Participating in this fair was very important for these companies as they had an opportunity to learn what are the new achievements and innovations in this sector and international market business requests. These companies had many important contacts with special



accent on contact made with State Department for economical development of Iowa that were interested for selling products of Montenegrin company "In spe" on American market.

In specially created pavilion called FiPPS (Food ingredients, Processing, Safety and Services), from 14. to 16. November, 2006., in Frankfurt, Hi Europe fair (Health ingredients Europe) was held with participation of 440 companies from whole world exhibiting their products. Within this fair, in organization of Directorate for development of small and medium sized enterprises, German organization for technical support GTZ and Swiss Government organization SIPPO, three Montenegrin companies from medical herbs sector also presented themselves: In spe, Flores,

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The visitors and the exhibitors had an opportunity to meet many international companies presenting healthy raw materials on one place. Each company, national pavilions were inviting visitors to see, touch and taste healthy raw materials, discuss about business and future growth of this sector.

The best confirmation of the growing significance of this fair is the fact that 50% participants from this fair has already registered for the next Hi Europe fair that will take place in Paris, in 2008.

Bee industry development

The special goal of this project is stimulating young bee producers and educating bee producers about all aspects of this industry—from professional education and introduction necessary standards to marketing education of bee's products.

The Credit line terms: Repayment period to 6 years, interest rate from 3% to 5 % yearly, grey period to 12 months.

Total credit lines amount is not more than 150.000 €, and amounts per project are not exceeding 20.000 €. The bee producers' conditions for applying were

All the producers who applied for these credit line had to be members of a Montenegrin Bee Producers Association, registered as a entrepreneur/company in Commercial court with registered bee garden, had to have minimum 5 years of experi-



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The criteria for selecting the best development projects are:

- Economical and financial project indicators
- Regional development (enhancement of rural areas development and employment)
- Quality (awards on selling and exhibiting fairs)
- Number of productive bee colonies
- Self contribution amount
- Number of new employees
- The applying term was from 31st July till 10th August.

Within a project "Enhancement of competitiveness" Directorate for development of small and medium sized enterprises together with banks, in the end of July, announced a tender for issuing credit lines for small and medium sized enterprises in bee industry sector.

ence in this field, minimum 50 productive bee colonies, recommendation from presidency of Montenegrin Bee Producers Association, given by municipal bee producers associations.

The main goal of this project is providing conditions for market expansion, better and more efficient use of domestic resources, enhancement of rural areas development and creating new jobs.

The European Agency for Reconstruction (EAR) is responsible for the management of the main EU assistance programmes in Serbia & Montenegro (the Republic of Serbia, Kosovo, and Republic of Montenegro) and FYR of Macedonia. It was established in February 2000 and has its headquarters in Tessaloniki (Greece), and operational centers in Belgrade, Podgorica, Pristina and Skoplje. For further information and contact details: www.ear.eu.int
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