



USAID Competitive Economy Project

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The Project will stimulate system-wide support and investments in the food processing industry in order to increase sales and exports, creating a model of support that can be replicated in other sectors.

Project funded by:

U.S. Agency for International Development (USAID/Serbia)

Project implemented by:

Cardno Emerging Markets USA, Ltd.
(in cooperation with DNA Communications)

Key counterparts:

Ministry of Agriculture, Forestry and Water Management;
Chamber of Commerce and Industry of Serbia;
Serbian Development Agency

Where we work:

Countrywide

Project duration:

April 2017 - April 2021

Total amount:

\$ 12 million

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BACKGROUND

The USAID Competitive Economy Project is a four-year, \$12 million activity to strengthen the competitiveness of the Serbian food processing industry, particularly the fruit and vegetable value chains. It aims to increase sales and exports of Serbian food products on domestic and international markets.

ACTIVITIES

The Project partners with business associations, leading firms in the industry, financial institutions, education sector and a variety of other business service providers (i.e. traders/distributors) to create a sustainable support system for increasing sales of Serbian companies. By focusing on market opportunities, the Project will:

1. Increase exports by **diversifying markets** and opening opportunities for integration with demanding distribution systems and reputable buyers, specifically targeting most competitive products in **frozen, fresh and dried industry segments**
2. Stimulate **innovation in premium industry segment** by popularizing the industry and developing support systems that allow easier access to the domestic retail and hotel/restaurant/café (HORECA) market
3. Develop new models to support SMEs in support sectors, namely **finance and education**, to respond to industry needs and create platforms for exchange and learning

RESULTS

- **Firms export to new markets through high-level international trade fairs** – 50 firms attended trade shows in Europe and USA (Biofach for organic producers in Nuremberg and PLMA, a private label tradeshow in Amsterdam in partnership with Chamber of Commerce and Industry of Serbia; fresh fruit London Produce Show; Summer Fancy Food Show in New York) and 100 exhibitors at domestic trade shows: the first Belgrade Food Show, for premium food and the Fruitnet Forum SEE Conference, for fruit and berry producers. As a result, to date, 54 contracts signed in total value of \$3.5 million and 750 B2B networking meetings organized.
- **Industry consolidation models** developed and market integration with Industry Leading Companies (ILC) and Industry Associations to integrate SMEs and producers into consolidated value chains. As a result 50 blueberry producers received Global Gap certificate, 34 berry and vegetables producers and 14 SMEs entered value chains of three leading Serbian companies (Brestovik, RZ Agro & Van Drunen), which enabled them to meet requirements and access new export markets.
- **Premium Food Design Hub (PFDH)** - 4 hubs worked with 20 SMEs and food startups in a pilot activity to produce high quality food products, through upgrading design and packaging, food technology, storytelling, access to finance and product innovation. As a result, 30 new products can be found on retail shelves of major domestic chains. Project also supports the “**dm-drogerie markt Incubator initiative**” where 20 producers will scale and transform their products to enter dm retail stores in Serbia. A food-hub type business model is becoming viable mechanism for supporting specialty food industry.
- **Firms informed about available traditional and alternative sources of finance** – 150 firms across the country participated at financial awareness trainings organized in partnership with Serbian Chamber of Commerce and Industry (PKS), and gained knowledge about managing and accessing finance, with 30 selected companies developing detailed business plans, in order to access different sources of finance.
- **Umbrella branding for Serbian food products** - all project efforts are covered with unified media campaigns and events aimed at raising the common profile of Serbian food products in domestic and international markets. As a result, local companies are gaining visibility and recognition with modern and digital visual identity, promoting Serbia, the industry and their products to wider audiences.