



CARDS

Country

Serbia and Montenegro

Implementation period

2002-2004

Funding

€4 million

Results

Training, consulting,
and information for SMEs

Coordinator

European Agency for
Reconstruction

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New centres help enterprise development

A changing business landscape

Once reliant on its heavy industry concerns, the Zlatibor region of Serbia has suffered from a serious economic downturn in the last decade. Today, the government and municipal bodies are attempting to regenerate the local economy by promoting 'new' business development, particularly in tourism, textiles and agriculture.

The development, however, of Serbia's small- and medium-sized business potential is often hampered by, among other things, a lack of information and training on business management procedures. So the government has joined forces with the EU to set up a network of SME advisory centres round the country. The latest centre in the network to open in 2002 was the Regional Centre for SME development in Užice at the heart of the Zlatibor region. Its founders include the municipality, the local chamber of commerce, a bank, and an entrepreneurs association.

Mixing public and private expertise

Experience in various countries has shown that local commitment, initiative and independence are crucial for the success of such centres.

The participation of the public sector brings recognition that SMEs can make a positive contribution to the social and economic fabric of the community. Whilst the private sector brings in practical commercial experience, access to a range of business skills and an accurate knowledge of local business needs and priorities.

Like the other SME support centres in Serbia, the Užice Regional Centre offers information, training and advice to existing businesses and start-ups. Its particular training programme covers all aspects of business development and is open to all, including those with a good business idea but no previous experience in the sector. Beginner courses take participants through the basic steps to setting up a company, buying and choosing computers, and developing public relations and marketing strategies.

At a more advanced level, participants learn about specialised issues, such as export and import. There are around 10 people in each group, so that the trainers can give everyone's queries time and attention.

By mid-2004, some 650 people have benefited from the training courses and ten businesses started up as a result. New participants are enrolled in upcoming courses and the Užice Regional Centre is confidently developing plans for its future.

Development of a business directory

At present, there are around 400 SMEs in the region and 2,000 sole traders. Besides being on hand to provide advice to these companies, the Centre is also putting together a business directory of SMEs in the Zlatibor region to ease and encourage networking and trading between enterprises. The Centre has already established good relations with the local labour office, which is now referring job-seekers, especially those laid off in recent job cuts, to the Centre for information and training.

Micro credits and more courses

Financial support to sound business projects is also being offered by the Centre following the development of a micro fund. The micro credits available can run to a maximum of €10,000.

At national level, the CARDS programme has used SME funding resources to provide assistance to the SME department of the Ministry of Economy, and provide medium-term credit lines to businesses. The EU is also helping the process of privatisation of socially-owned enterprises. Support is also being given for export development, and foreign direct investment. The Turn-Around Management programme of the European Bank for Reconstruction and Development (EBRD) is also being introduced into 25 enterprises, country-wide.