

## Exhibition Schedule.

- **Heimtextil, 12. to 15.1.2011**  
International trade fair for home and contract textiles, Frankfurt, Germany
- **IMM, 17. to 23.1.2011**  
International trade fair for home furnishings, Cologne, Germany
- **CPD, 6. to 8.2.2011**  
International trade fair and fashion fair for womenswear and accessories, Düsseldorf, Germany
- **Fruit Logistica, 9. to 11.2.2011**  
The world's leading trade fair for the fresh fruit and vegetable business, Berlin, Germany
- **Ambiente, 11.2. to 15.2.2011**  
International trade fair for consumer goods, Frankfurt, Germany
- **BioFach, 16.2. to 19.2.2011**  
The world's leading trade fair for organic products, Nuremberg, Germany
- **CeBIT, 1.3. to 5.3.2011**  
The world's leading trade fair for the digital world, Hanover, Germany

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## A country with a great deal of procurement potential in many sectors.

We reported in detail about Ukraine for the first time in our 2/09 newsletter. In addition to the great potential in the east of the country in industrial sectors such as mechanical engineering and metal processing, there is also potential for the supply sector in niche sectors such as electronics and aircraft construction. SIPPO has located companies in these fields which are qualified to enter our programme. You can meet a few of these companies on our joint stand at the Hanover fair in April 2011. Technologies which are being promoted in the metal sector are metal processing, sheet metal forming, powder coating, toolmaking, forging and casting, etc.

In the west of the country – the Transcarpathian region – the focal point is forestry products such as timber, furniture and natural raw materials. FSC certification of timber and timber product processing companies forms the basis of many products which are ready for export such as boards, stairs, furniture parts and panelling, oak and walnut parquet, peeled veneer, plywood and even complete timber houses. The most important types of wood are common hornbeam, spruce, oak, walnut, ash and cherry. You will be able to see these products on our stand at Interzum in Cologne in May.

## The Bosnian furniture sector is reawakening – thanks to clear design and quality craftsmanship.

Before the war, Bosnia-Herzegovina was a major furniture exporter in Europe. For several years multinational furniture stores have been having their designs manufactured in the country, attracted by the wide range of wood types, the craft tradition, young workers and innovative entrepreneurs. Six companies will be demonstrating that Bosnia also manufactures its own exportable products with a national pavilion at IMM 2011 in Cologne, one of Europe's most important furniture trade fairs. All of the preparations (ranging from the design of the stand to the organisation of events) are being made, with the support of the SIPPO team, by the Bosnian export promotion agency BHEPA. The products are characterised by clean lines, the high-quality properties of the wood and precision manufacturing. In connection with the exhibition, SIPPO and the Academy of the Bosnian Chamber of Foreign Trade organised a «Sales Manager» course. Swiss and top local speakers provided the Bosnian furniture manufacturers with information on marketing to Western European customers. During practical examples and individual consulting the participants learnt about market analysis, export strategy, customer care and controlling and also had an opportunity to put their newly acquired knowledge to the test. The plan is to repeat the course, which was fully booked, in 2011 and to offer it to other economic sectors as well.

# SIPPO Newsletter.

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## Editorial.



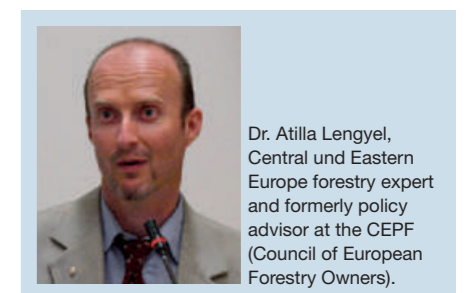
Something is happening in the Balkans. Many of the companies from South-East Europe, which are being supported by SIPPO, are experiencing an enormous boom and are returning home from trade fairs with full order books. It is a similar story with the companies from Ukraine which we are supporting, even though the SIPPO programme has only been running there for three years. In addition to the short transport routes, the availability of high-quality products at attractive prices is an important factor for Swiss exporters looking to establish business relations. At the same time, many young business people completed at least part of their training in Central Europe and are therefore fluent in English or German. They know the business culture here and know what demands are made by West European buyers. Our success stories from this region highlight the positive change in the image of these countries and the fact that many importers prefer to build long-term relations with reliable suppliers from nearby Eastern Europe.

Rita Stupf  
Head of Development Services

## Central and Eastern Europe's forestry and forest-based industries once again undergoing a change.

**Forest policy was a focal point of the CEE (Central and Eastern Europe) countries in the 1990s. The main issues were the transition of the economy and privatisation processes. But did these changes really take place? Yes, in most countries. Where once state companies managed or produced private entities are now operating. It has been a very busy time for the forestry industry and its employees. Some countries have been very much shaped by their entry into the EU during the last decade, whilst others will be influenced by this during the next decade. Change seems to be a permanent guest in Central and Eastern Europe.**

The privatisation process has led to the emergence of millions of forest owners and thousands of small businesses. Nevertheless, the majority of forests are still state-owned in most countries. Licences are now being issued in Russia and the CIS. Following a great deal of debate Ukraine enacted an ordinance regarding private forest ownership, but without any major repercussions so far. In the Western Balkans, the state forestry reform has stagnated, with private forest ownership only slowly developing and small businesses operating with little capital. In contrast to this, private forestry is flourishing in the Baltics and Central Europe, and investment is being made in the lumber industry. However, they have not yet exhausted their



Dr. Atilla Lengyel,  
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economic potential. The energy industry of the EU countries discovered the timber and is competing for it, while rural development is assisting forestry with additional finances. The accession to the EU has also made environmental protection a priority, e.g. Natura 2000 is demanding sustainable forestry. Another notable feature is the EU's regulatory role targeting illegal logging and illegal trading of forest products. The political exchange among the CIS countries e.g. regarding best practices also highlights this change in thinking.

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**Background information on Kosovo**

Kosovo is a landlocked country in South-Eastern Europe, which is also one of Europe's poorest countries. With an area of nearly 11,000 square kilometres and a population of 1.8 million, it is one of the smallest countries in Europe. Kosovo has experienced a difficult time and is still



reeling from the effects of the Kosovo War. One of the results of the war was that the country declared its independence on 17 February 2008.

Kosovo is rich in mineral resources. Brown coal, lead, zinc and nickel are common, but the problem is that there has been too little investment in the production sites' infrastructure in the recent past. The potential is there, but Kosovo still has a long way to go to meet the demands of the population.



**Crisp vegetables and juicy fruit: valuable food for Western Europe.**

SIPPO is pursuing a comprehensive strategy made up of various measures in Bosnia-Herzegovina (BiH) and in Macedonia, in order to promote the economic integration of these countries into Western Europe. For example, both countries have a huge amount of know-how in the agricultural sector, which extends from cultivation to harvesting and processing to storage and marketing. Seasonal fruit and vegetables can be grown there and supplied in addition to those grown in Central Europe. For several years Macedonian companies have been represented on the SIPPO joint stand at the Fruit Logistica trade fair in Berlin. BiH might soon be able to achieve the same level of sales generated there, when fruit and vegetable exporters are represented on the SIPPO stand at the trade fair in Berlin for the first time in 2011. It looks likely that the fruit and vegetables offered by BiH will also



be able to attract discerning clients. One challenge remains, namely continuing to comply with good agricultural practice as attested by GlobalGAP certification. Without this, even the best products will have difficulty finding customers. By facilitating access to our markets, this will additionally provide important stimulus to raise the local know-how of the industry – and this will certainly pave the way for investment as well.

**SECO Info.**

Until the 19<sup>th</sup> century Switzerland was an agricultural land, but it has now developed into a food importing country. Each resident consumes 180 kg of fruit and vegetables annually, with 110 kg coming from abroad. As part of its economic cooperation, the State Secretariat for Economic Affairs SECO is financing export promotion programmes for developing and transit countries which come under the auspices of the Swiss Import Promotion Programme, SIPPO.

Farms in the Balkan countries of Albania, Bosnia-Herzegovina, Macedonia and Serbia are assisted with improving production, export planning and in the search for trading partners. In addition to further training courses and individual consultation, specific measures include, for example, providing support at international trade fairs. In some cases, as is currently the case in Serbia, these activities are carried out in addition to more comprehensive projects aimed at promoting the distribution of standards of quality or designations of origin. Thanks to these, the farmers can increase the value of their products. This also makes it easier for them to access the industrialised countries – for the mutual benefit of both producers and consumers.

**The Ukrainian timber and furniture industry.**

Ukraine has a long history of furniture making. Previously, the production of furniture was one of the country's most important trades. In recent years the Ukrainian furniture sector has experienced a profound and comprehensive transformation. The furniture sector has undergone fundamental restructuring, resulting in the stabilisation of production. In addition, significant technological improvements have been achieved.

Ukraine enjoys a strategic position between Western Europe and the rapidly growing Eastern European and Eurasian markets. Labour costs in Ukraine are lower than in most of its export markets.

The Ukrainian furniture industry can, in addition, rely on easily accessible raw materials. The Carpathian region is particularly rich in timber resources and represents the largest continuous forest area in Ukraine.



In cooperation with the Ukrainian Association of Furniture Manufacturers and FORZA (Agency for Sustainable Development of the Carpathian Region) SIPPO has developed an export directory which provides information about the most important and largest timber and furniture companies in Ukraine.

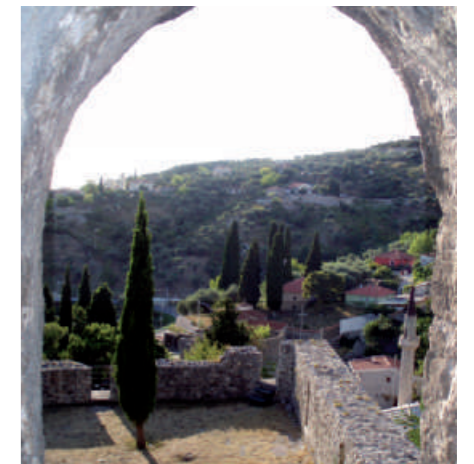
The online B2B platform can be found at: <http://www.sippo.ch/internet/osec/en/home/import/market/b2b.html>

**Bosnia-Herzegovina's first national stand proves to be a success at BioFach 2010.**

SIPPO has been supporting Bosnia-Herzegovinian companies from the natural ingredients sector for ten years. A total of nine companies from Bosnia-Herzegovina were represented on a national stand at BioFach, the world's leading trade fair for organic products, for the first time in Nuremberg in February 2010. The companies had been prepared for the trade fair by SIPPO in the run-up to the fair as well as being supported both during and after the trade fair. This preparation paid off. The nine companies made well over 500 contacts during the four-day event, and made sales worth more than \$1.8 million at BioFach. Motivated by this successful experience, it is planned to extend the national stand to accommodate 13 companies in 2011. As was the case this year, the FTC (Foreign Trade Chamber of BiH) will be responsible for organising the trade-fair appearance in 2011, and the companies will again be prepared for the trade fair by SIPPO. The cooperation with SIPPO is currently underway in the form of a pilot project regarding «effect» and «sustainability» in trade promotion.

**Background information on Montenegro**

Montenegro is located on the south-eastern Adriatic coast. The State Union with Serbia came to an end on 3 June 2006 with the declaration of independence. Since then Montenegro has gained global recognition under international law and has been accept-



ed into numerous international organisations. The Balkan country has approximately 672,000 inhabitants and covers an area of 13,812 square kilometres, making it one of the smaller states of Europe. Approximately 143,718 inhabitants live in the capital



Podgorica. The main industry of tourism on the Montenegrin coast is making significant progress. The modernisation and privatisation of the former state-owned heavy industry and energy industry are proving to be particularly problematic.